Treasurer's Quarterly Administrative Report

Quarter Ended June 30, 2026

REDONDO BEACH

City Treasurer
August 13, 2026

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Required Objectives for Investing Public Funds

The City Treasurer maintains the City's cash flows while earning a competitive rate of return on the investments within the constraints of the City's Investment Policy and California Government Code.

Safety: Protect Principal

Liquidity: Ability to meet spending needs

Yield: Maximize earnings after prioritizing safety and liquidity

Code Reference: California Government Code Section 53600.5

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Investment Reporting Guidelines

- Always remember whose money it is (it's the community's, not yours) – and act accordingly in a responsible stewardship capacity.
- An investment manager's objective is to earn a reasonable rate of return on the City's investments, while preserving capital in the overall portfolio. It should never be an investment manager's goal to earn maximum returns on the City's portfolio as this would expose the City to an unacceptable level of risk
- Failures in public investing occur when either:
  - Policies were not clear.
  - Policies were inappropriate.
  - Policies were not followed.
  - Oversight was inadequate.

TO DO LIST

Questions to Ask

- ❑ Do you review the investment policy?
- ❑ Do you understand the City's investment program?
- ❑ Do you receive and review periodic investment reports?
- ❑ Are they clear, concise, readable?
- ❑ Do you fully understand them?
  - If you can't, this is more likely to be because they've been presented poorly, and may in fact reflect problems, than any "technical" problems with your ability to understand them because it's too "complex."
  - It's the job of your staff to make them readable and understandable;
  - and if the City's portfolio is genuinely that complex, perhaps it shouldn't be.

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California Government Code in Perspective

Securities	1 Day	180 Days	270 Days	1 Year	5 Years	Over 5 Years
U.S. Treasuries	✓ Permitted					Requires Approval
Federal Agencies	✓ Permitted					
Municipal Securities	✓ Permitted					
Negotiable Certificates of Deposit	✓ Permitted					
Commercial Paper	✓ Permitted			X Prohibited		
Bankers' Acceptances	✓ Permitted		X Prohibited			
Medium-Term Corporate Notes	✓ Permitted					X Prohibited
Asset-Backed Securities (ABS)	✓ Permitted					
Supranationals	✓ Permitted					
Public Bank Debt	✓ Permitted					Requires Approval
Repurchase Agreements	✓ Permitted				X Prohibited	
Money Market Funds/Bond Mutual Funds	✓ Permitted	X Prohibited				
Local Government Investment Pools	✓ Permitted					
Foreign Sovereign	X Prohibited					
Fixed-Income ETFs						
High-Yield Bonds						
Private Placements						
Convertibles						
Non-U.S. Dollar Investment Grade						
Emerging Markets Debt						
Bank Loans						
Domestic Equities (Large, Mid, Small Cap)						
Int'l Equities (Large, Mid, Small Cap)						
Emerging Markets						
Preferred Stock						
Equity Mutual Funds and ETFs						
Commodities						
Real Estate						
Hedge Funds						
Private Equity						
Venture Capital						
Tangible Assets						
Complex Derivatives, Futures* and Options						

*CGC Section 53601.1 permits financial futures and options contracts in any of the investment types permitted by 53601. However, the City of Redondo Beach does not permit the use per Policy.
Source: California Government Code Section 53601

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Investment Policy Compliance

Compliance Overview

RULE NAME	POLICY LIMIT	ACTUAL VALUE	COMPLIANCE STATUS
PORTFOLIO CONCENTRATION			
CD (Negotiable or Non-Negotiable) Concentration	30.0	0.0	Compliant
CP Concentration	25.0	0.0	Compliant
Corporates Concentration	30.0	7.8	Compliant
Govt. MMF Concentration	20.0	0.5	Compliant
JPA Concentration	20.0	0.0	Compliant
Supranational Concentration	15.0	0.0	Compliant
ISSUER CONCENTRATION			
Agency Issuer Concentration	40.0	13.4	Compliant
CP Issuer Concentration	5.0	0.0	Compliant
Corporate Issuer Concentration	5.0	4.5	Compliant
Govt. MMF Issuer Concentration	20.0	0.5	Compliant
Non-Negotiable CD Issuer Concentration	30.0	0.0	Compliant
Supranational Issuer Concentration	5.0	0.0	Compliant
MATURITY			
CD (Negotiable or Non-Negotiable) Maturity	5.0	0.0	Compliant
CP Maturity (Days)	270.0	0.0	Compliant
Corporates Maturity	5.0	1.7	Compliant
Supranational Maturity	5.0	0.0	Compliant
US Agency Obligation Maturity	5.0	1.6	Compliant
US Treasury Obligations Maturity	5.0	4.9	Compliant
CREDIT QUALITY			
CP Rated A-1/P-1/F-1 by 1 NRSRO			Compliant
Corporates Rated A-/A3/A- by 1 NRSRO			Compliant
Supranational Rated AA/Aa2/AA by 1 NRSRO			Compliant

Source: Meeder investment report as of June 30, 2026

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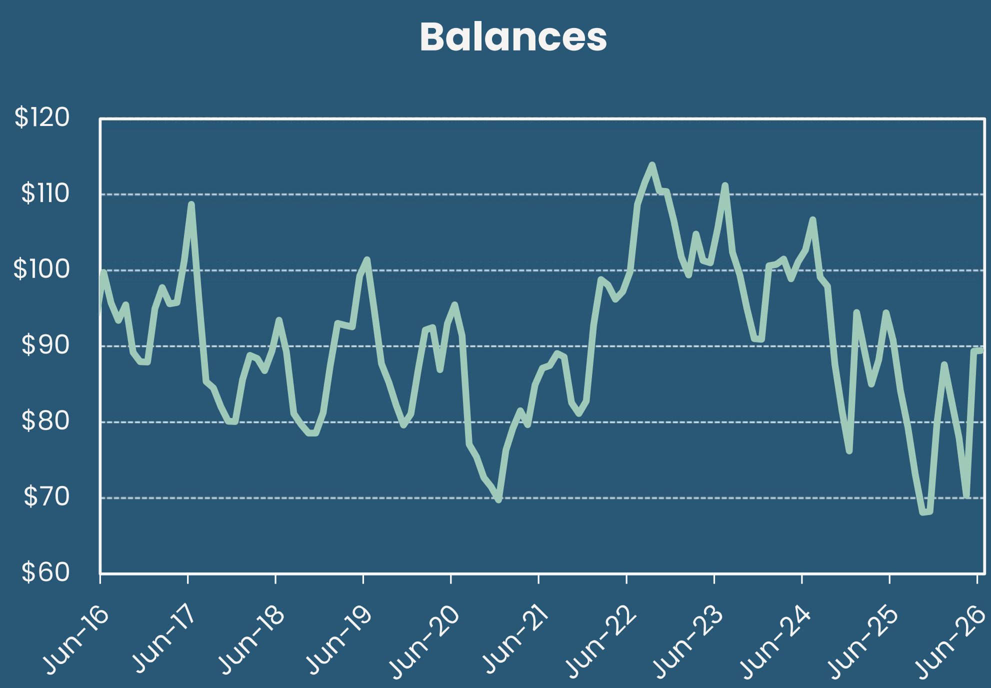
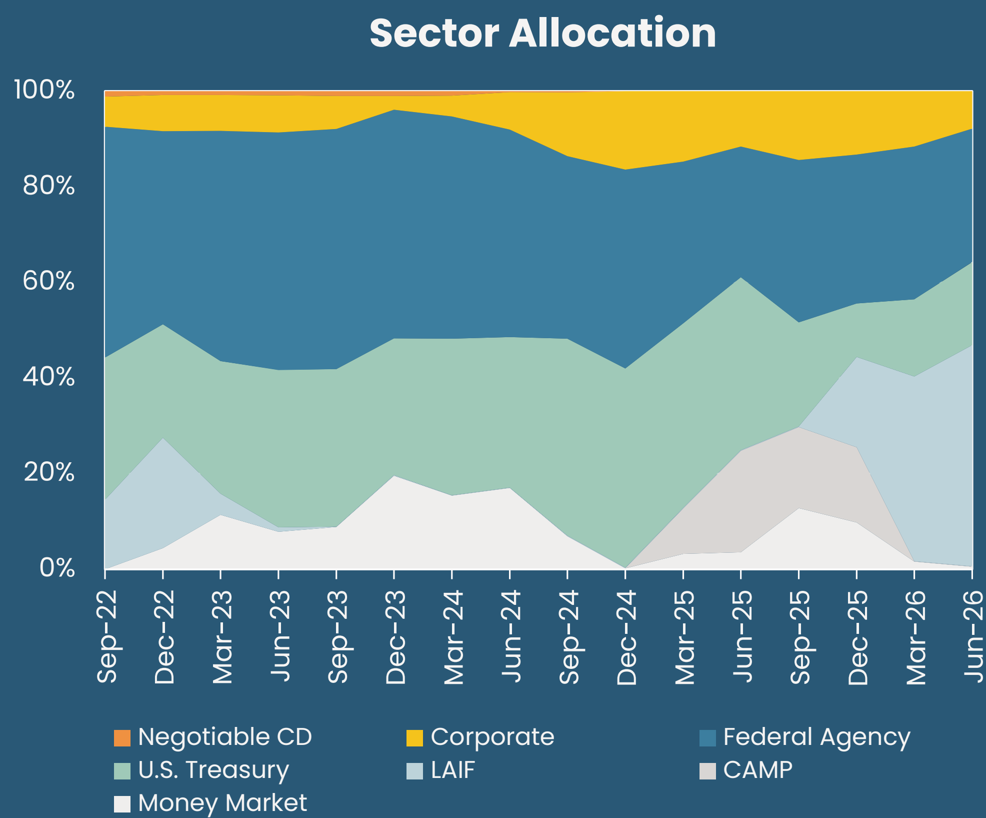
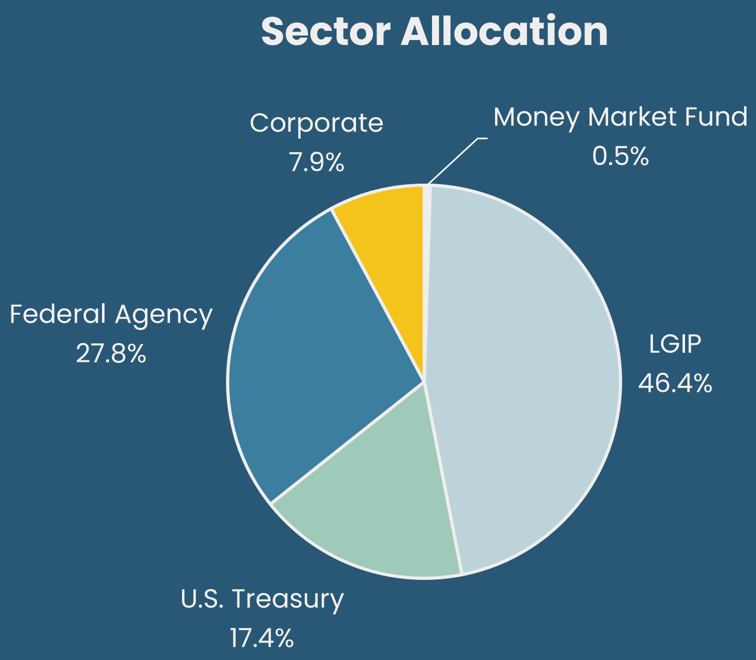
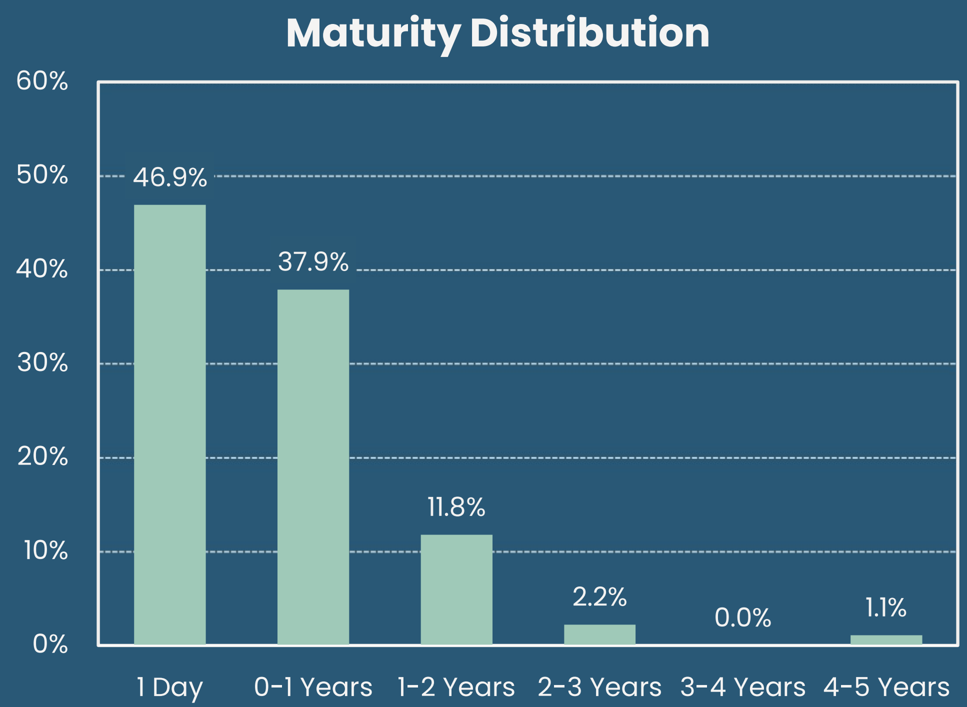
Historical Portfolio Characteristics





Portfolio Characteristics





Fiscal Impact

- Interest earned for the Fiscal Year 2025-2026 was **$2,381,298**.
- The General Fund constitutes approximately 60% of the portfolio. The approximate apportionment to the General Fund was **$1,428,779**.
- The budgeted contribution of interest to the General Fund for the fiscal year was $1,500,000.

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