

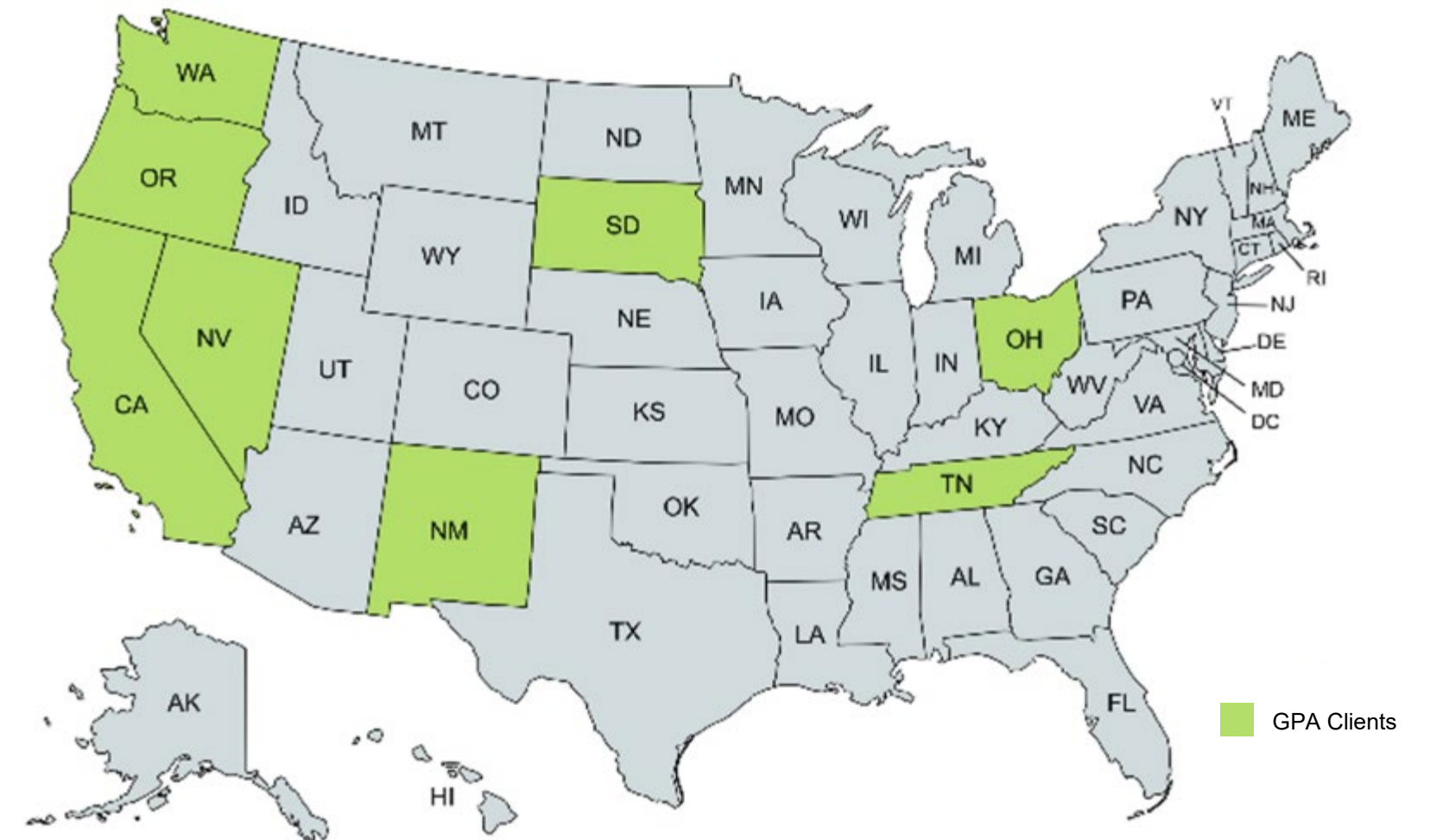
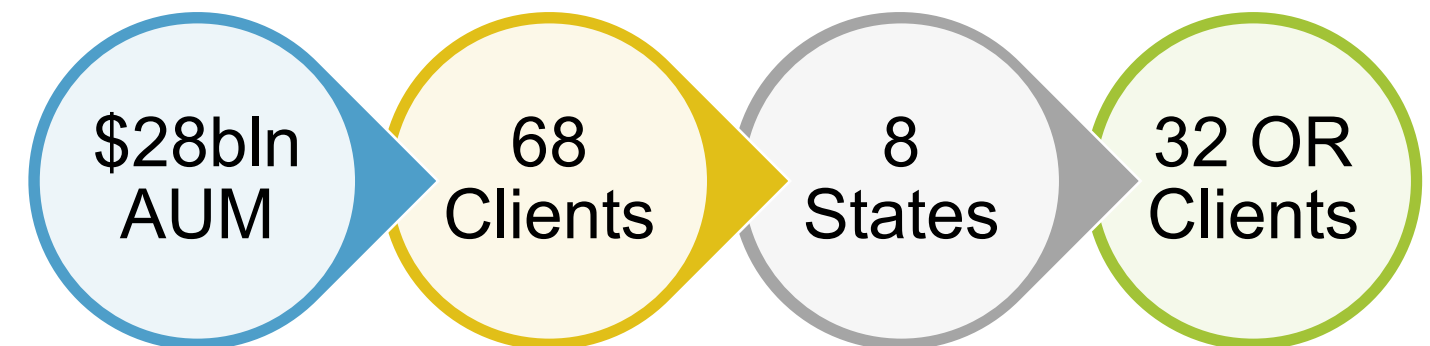
CITY OF SANTA FE INTRODUCTIONS AND INVESTMENT STRATEGY

August 25th, 2025

ABOUT GPA



- ✓ GPA specializes in providing investment advisory services for general operating, reserve and bond proceeds funds for public entities
- ✓ GPA acts in a fiduciary capacity and considers ourselves an extension of our clients' staff
- ✓ GPA professionals have decades of experience devoted to working with public entities
- ✓ GPA serves as advisor to 32 Oregon public entity clients, with a total of \$8.56 billion in AUM as of 6/30/25



CURRENT NEW MEXICO CLIENTS



- ✓ Serving New Mexico Clients Since 2008
- ✓ Focused on a government entity client base
- ✓ Systems built for communication, visibility and state requirements

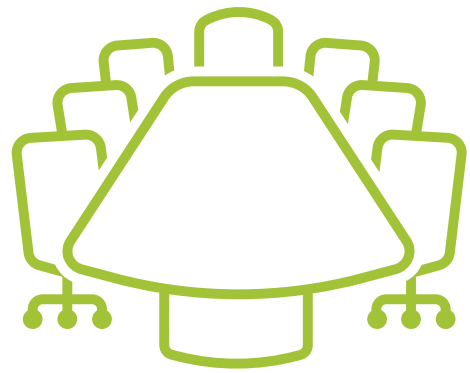
ADVISORY

City of Albuquerque
City of Rio Rancho
City of Santa Fe
Bernalillo County
Los Alamos County
Sandoval County
Albuquerque Public Schools
Middle Rio Grande Conservancy
District

CONSULTING

New Mexico State Treasurer's Office
New Mexico Finance Authority

CITY OF SANTA FE



City Council & Finance Committee

- ✓ Fiduciary Responsibility – stewards of City’s funds
- ✓ Policy and Procedures
- ✓ Delegation of duties to Finance Team



City Finance Team

- ✓ Cashflow forecasting
- ✓ Investments
- ✓ Reporting
- ✓ Compliance to Policy and Procedures



Government Portfolio Advisors

- ✓ Create a strategy focused on safety, liquidity, and return
- ✓ Optimize earnings by providing cashflow forecasting
- ✓ Leverage experience in transactions, reporting and markets

GPA'S VALUE ADD

WHAT WILL OUR SERVICES ADD TO THE INVESTMENT PROGRAM?

We are experienced in creating a cohesive portfolio that balances liquidity with investments. This forms a portfolio that is flexible to market and budget changes while also maximizing the earnings potential over long-term investment horizons.

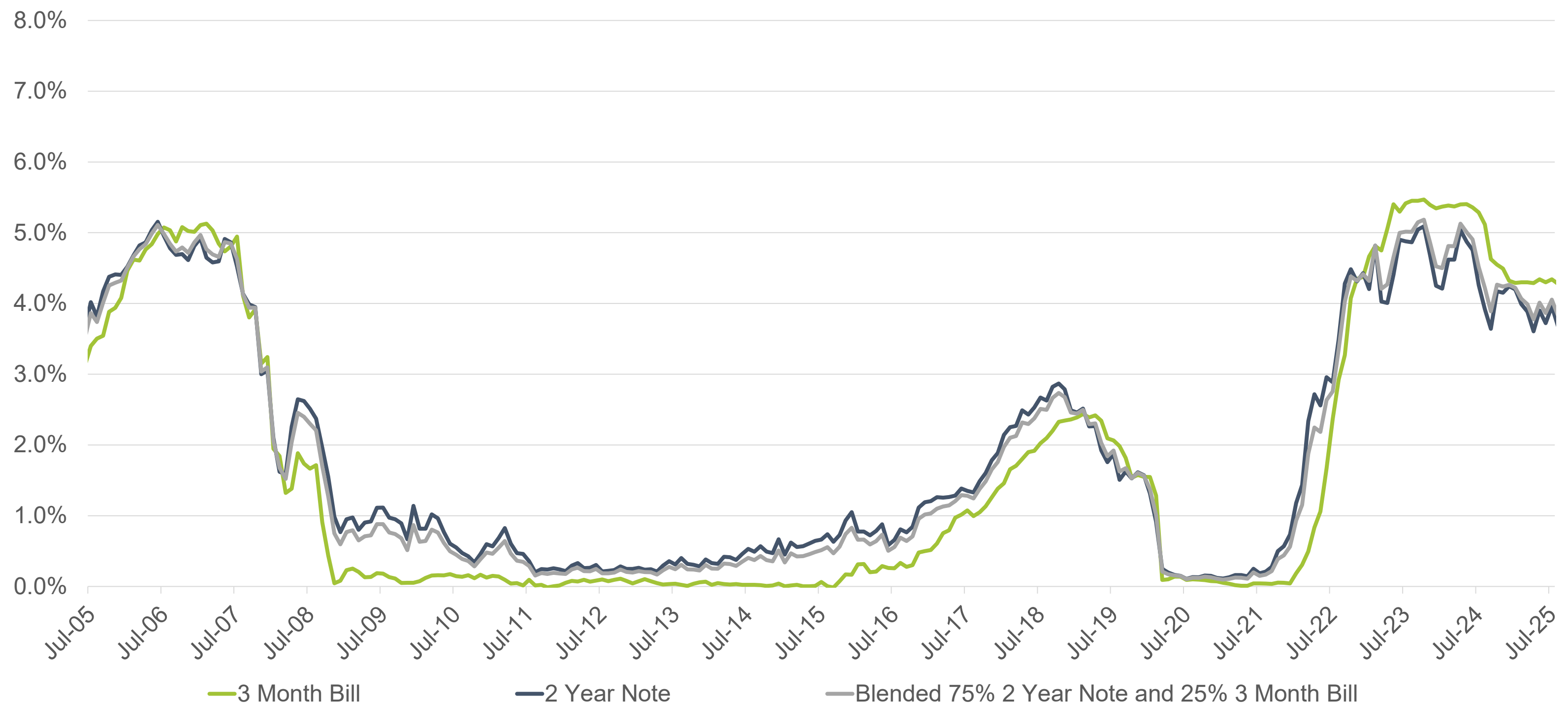
- ✓ Develop a customized investment program structure that optimizes cash and investment holdings.
- ✓ Use Discipline and Transparency to Support Decision-Making with Finance Team

- ✓ Establish limits using City's known outflows
- ✓ Select benchmark that will guide maturity structure
- ✓ Strategic Asset Allocation based on statute, policy and City's preferences/risk tolerance

WHY IMPLEMENT AN INVESTMENT PLAN?

- ✓ Transparency
- ✓ Concise-Decision Making
- ✓ Positive earnings for longer investing- Historically

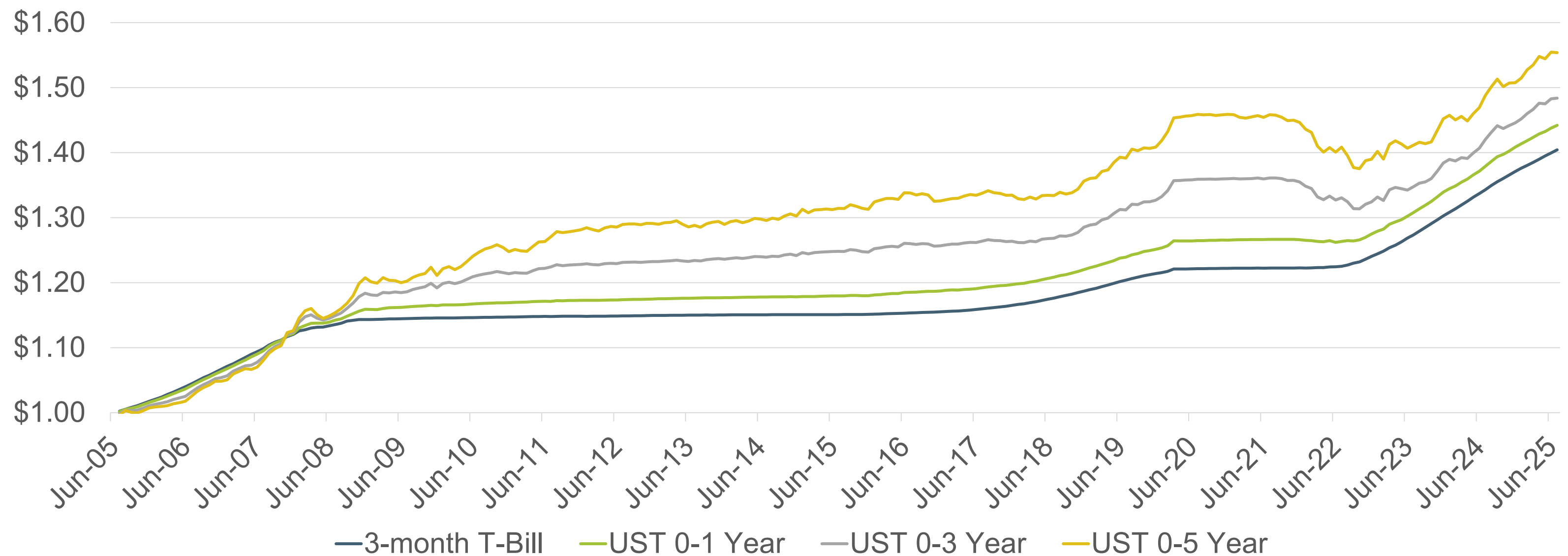
Interest Rates Over Twenty Years



STRATEGY OVERVIEW

EXTEND DURATION WITHIN RISK GUIDELINES

Growth of \$1 Investment by Duration
(20 Year Lookback)

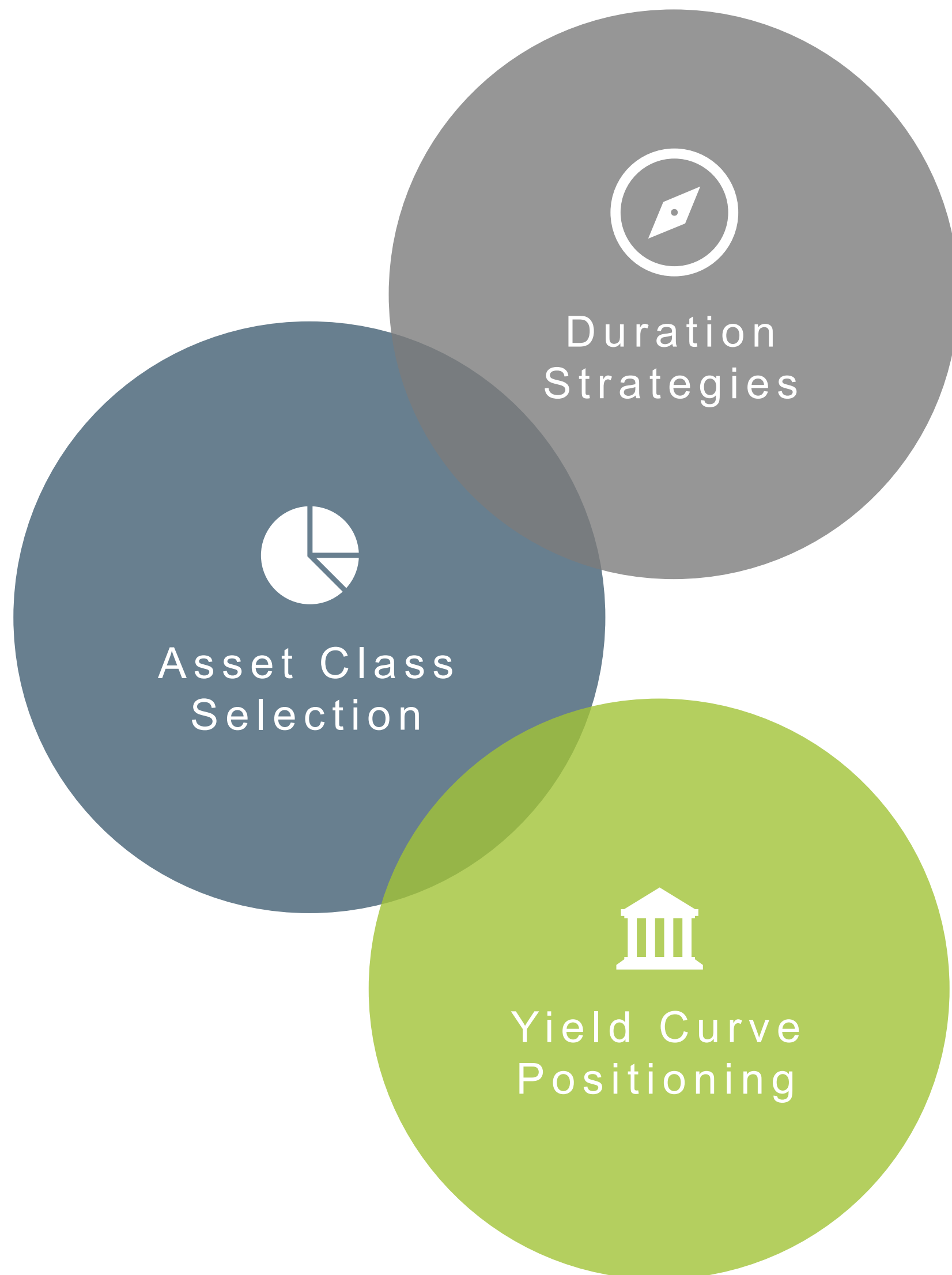


Benchmark	Average Duration	Dollar Growth on \$100 Million Portfolio	Incremental Growth Over 90 Day Bill (\$)
90 Day Treasury Bill	0.23	\$140,436,073	\$ -
0-1yr Treasury	0.51	\$144,205,188	\$3,769,115
0-3yr Treasury	1.41	\$148,383,988	\$7,947,915
0-5yr Treasury	2.13	\$155,379,613	\$14,943,540

* 90 day bill represents MMF rates or cash

Source: Bloomberg Historical Over 20 Years

CREATE OPTIMAL INVESTMENT PORTFOLIO STRATEGY

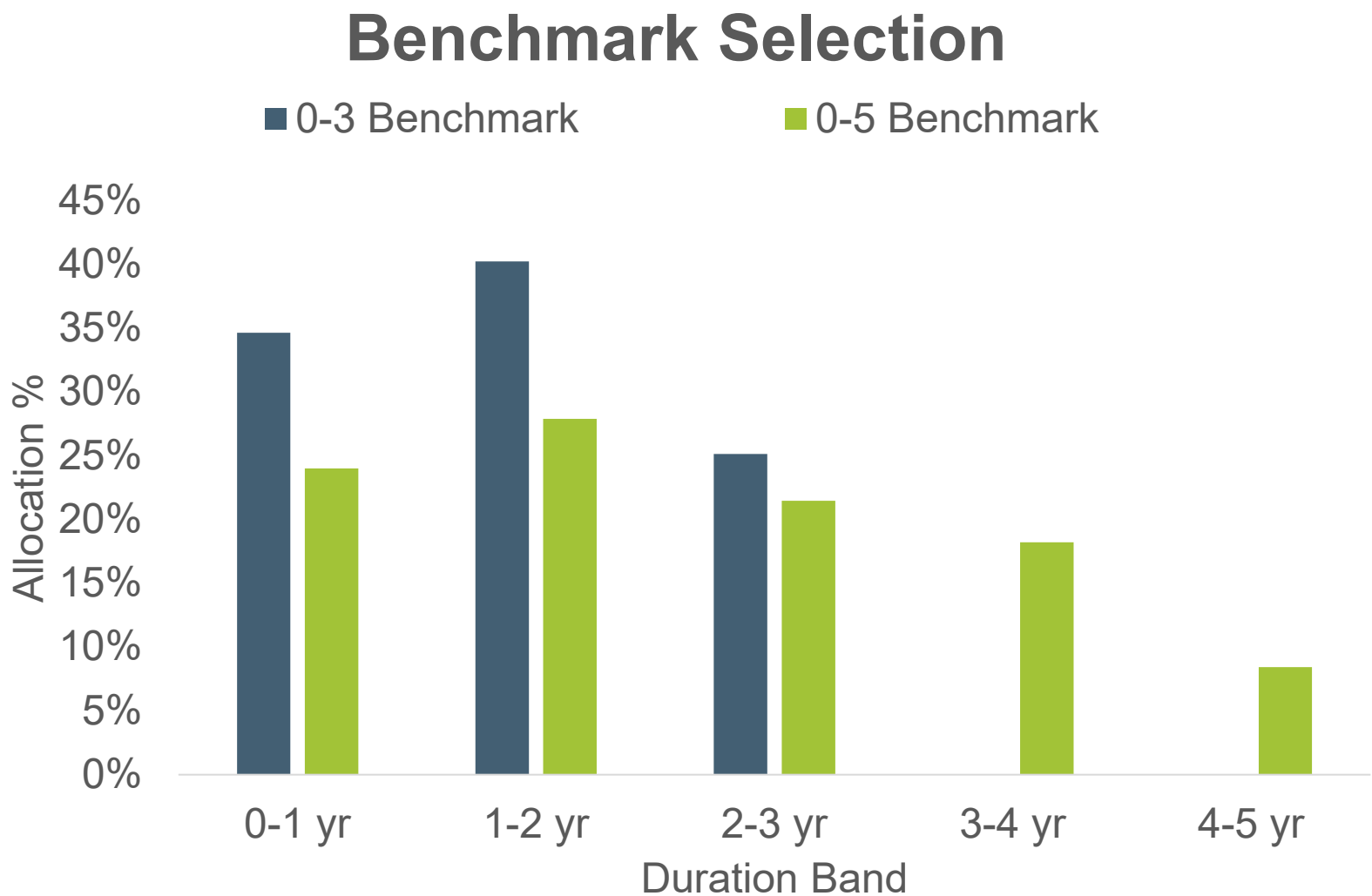
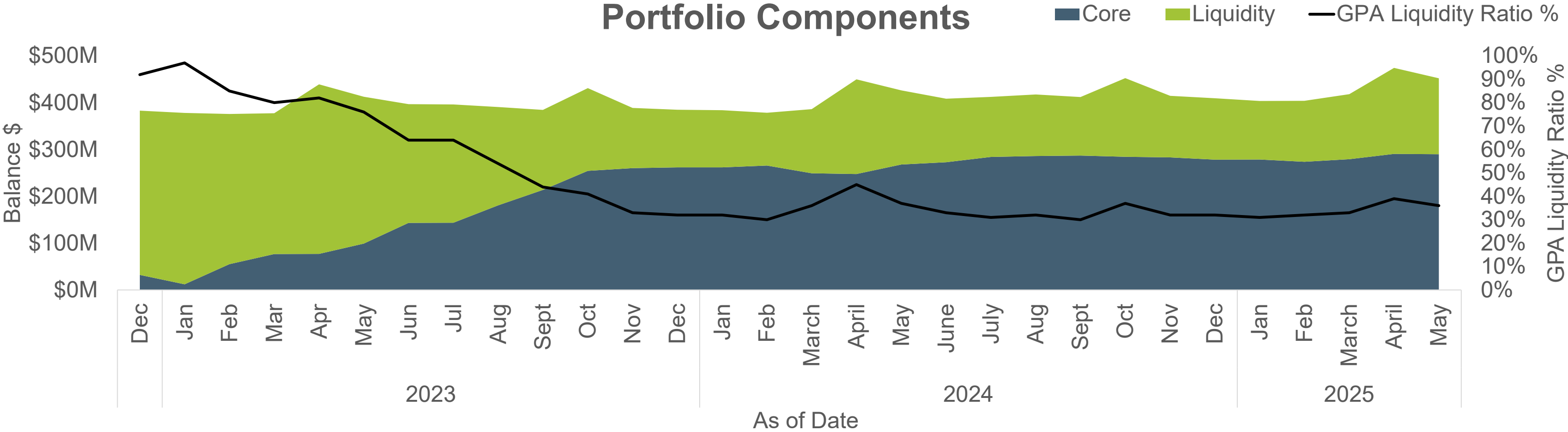


GPA creates a bespoke optimal portfolio strategy and risk management framework that seeks to:

- Earn a return aligned with a set benchmark over long investment horizons
- Create consistent interest earnings over market and business cycles
- Integrate with liquidity portfolio to meet fluctuating and uncertain cash flow needs
- Risk is controlled through liquidity management and maturity constraints

INVESTMENT PROGRAM

BUILDING THE STRATEGY



Market Sector	Strategic Target	Tactical Bands
Agency	60%	10% - 75%
Treasury	40%	10% - 90%
Municipal, NM Only	0%	0% - 10%

REPORTING THE RESULTS

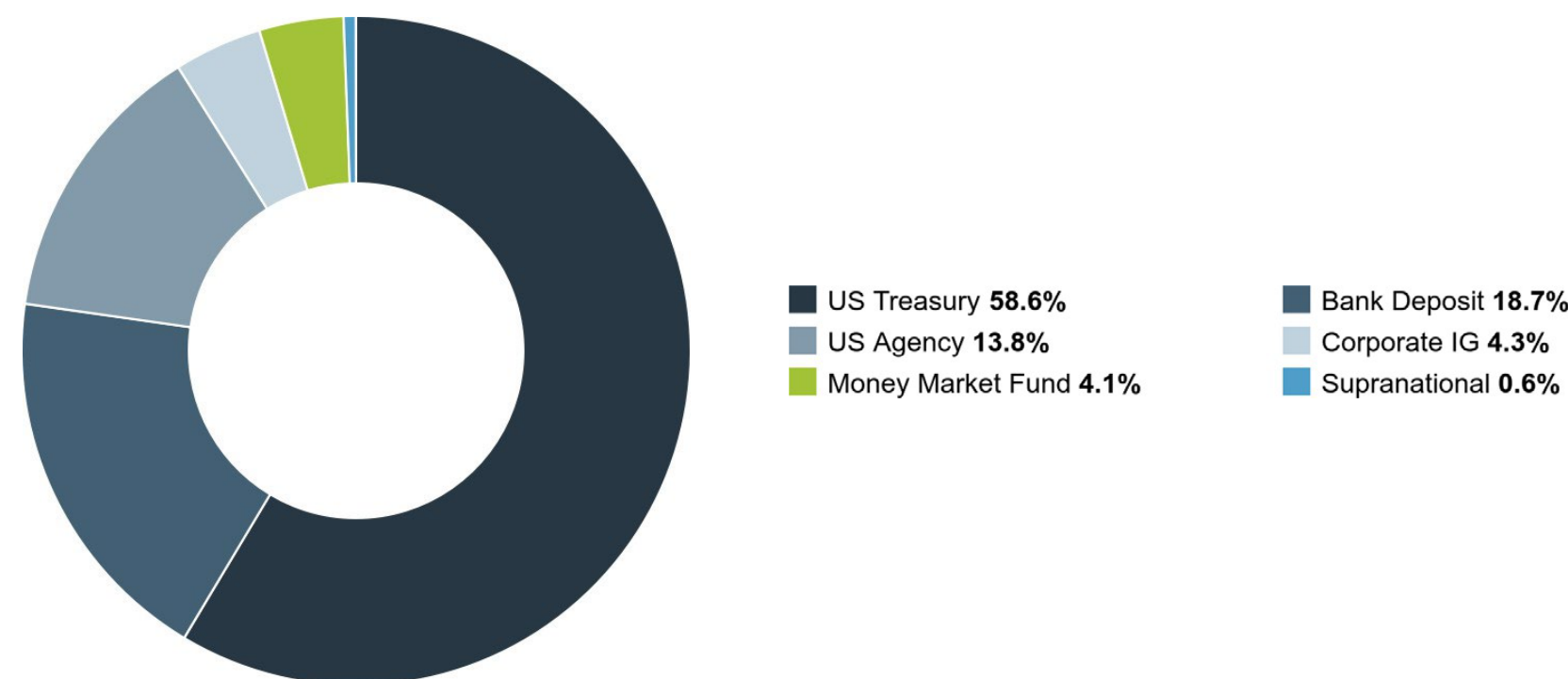


June 30, 2025

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	76,158,995
Investments	259,008,028
Book Yield	4.12%
Market Yield	4.04%
Effective Duration	1.26
Years to Maturity	1.34
Avg Credit Rating	AA+

Allocation by Asset Class



Strategic Structure

Account	Par Amount	Book Value	Market Value	Net Unrealized Gain (Loss)	Book Yield	Maturity*	Effective Duration	Benchmark Duration	Benchmark
BP2024 Investments	13,625,087	13,555,111	13,555,807	696	4.23%	0.44	0.42	0.51	ICE BofA 0-1 Year US Treasury Notes & Bonds
BP2025 SSGRT Investment	32,462,507	32,183,396	32,211,091	27,695	4.18%	0.84	0.82	0.51	ICE BofA 0-1 Year US Treasury Notes & Bonds
Cash Matched Investments	45,634,456	45,578,728	45,688,377	109,649	4.55%	0.45	0.43	0.08	ICE BofA US 1-Month Treasury Bill Index
Investment Core	169,933,966	178,379,151	179,617,503	1,238,352	3.95%	2.19	2.05	2.11	ICE BofA 0-5 Year US Treasury Index
Liquidity	62,507,980	62,507,980	62,507,980	0	4.27%	0.01	0.01	0.08	ICE BofA US 1-Month Treasury Bill Index
Total	324,163,995	332,204,366	333,580,758	1,376,392	4.12%	1.34	1.26	1.23	

REVIEW

ALLOWABLE SECURITIES

Authorized and suitable investments based on current Santa Fe Investment Policy.

- ✓ US Treasuries
- ✓ US Agencies
- ✓ New Mexico Municipal Bonds
- ✓ Money Market Funds

Maturity Constraints

- ✓ 5 years

RECOMMENDATION

- Pull \$75 million from Primary account into Investment Core to start investing in September.
- Complete Strategy Update and Review increasing Investments
- In coming years, build Portfolio up to a 70%/30% split or a 50%/50% split
- Eventually look at BDD-Water system for diversification in portfolio

PORTFOLIO COMPONENT SIZE:

	Current Par	Target %	Recommendation	Min	Max
Liquidity Components	390,360,011	50%	\$190,370,011		
Liquidity LGIP	87,544,491		\$87,544,491	\$75 Million	\$100 Million
Cash Matched - Liquidity Principal	302,815,520		\$112,825,520	\$50 Million	\$100 Million
Investments		50%	\$190,370,011		
Core Investments	0		\$190,000,000	\$75 Million	\$225 Million
Total Portfolio	390,360,011				

RECOMMENDATION PER INVESTMENT COMMITTEE-

Begin General Fund Program with \$75 million

* Recommendations are rounded

SAMPLE PORTFOLIO

Begin building the portfolio structure:

- ✓ Duration aligned to established benchmark
- ✓ Laddered Portfolio provides flexibility for unknown as well as continued opportunity to reinvest in ever-changing markets
- ✓ Lock in current market rates for years to come

SAMPLE CORE PORTFOLIO STRUCTURE

Description	Par	Coupon	Maturity	Price	Yield	Duration	Yrs to Maturity	Market Value	%	Rating
FEDERAL FARM CREDIT BANKS	5,000,000.00	4.25	9/30/2025	99.947	4.457	0.201	0.205	4,997,350.00	6.66%	AA+
UNITED STATES TREASURY	5,000,000.00	0.375	11/30/2025	98.541	4.363	0.366	0.372	4,927,050.00	6.56%	AA+
FEDERAL FARM CREDIT BANKS	5,000,000.00	4	4/28/2026	99.746	4.328	0.754	0.78	4,987,300.00	6.64%	AA+
UNITED STATES TREASURY	5,000,000.00	4.375	7/31/2026	100.244	4.131	0.986	1.038	5,012,200.00	6.68%	AA+
UNITED STATES TREASURY	5,000,000.00	0.875	9/30/2026	96.27	4.078	1.174	1.205	4,813,500.00	6.41%	AA+
UNITED STATES TREASURY	5,000,000.00	4.125	2/15/2027	100.199	3.992	1.491	1.583	5,009,950.00	6.67%	AA+
UNITED STATES TREASURY	5,000,000.00	4.625	6/15/2027	101.254	3.936	1.811	1.912	5,062,700.00	6.74%	AA+
FEDERAL FARM CREDIT BANKS	5,000,000.00	4.75	10/13/2027	101.588	3.999	2.085	2.241	5,079,400.00	6.77%	AA+
UNITED STATES TREASURY	5,000,000.00	4	2/29/2028	100.273	3.888	2.432	2.621	5,013,650.00	6.68%	AA+
UNITED STATES TREASURY	5,000,000.00	4	6/30/2028	100.336	3.878	2.757	2.956	5,016,800.00	6.68%	AA+
FEDERAL FARM CREDIT BANKS	5,000,000.00	4.5	8/28/2028	101.298	4.051	2.836	3.115	5,064,900.00	6.75%	AA+
FEDERAL FARM CREDIT BANKS	5,000,000.00	4.625	11/13/2028	101.692	4.074	3.034	3.326	5,084,600.00	6.77%	AA+
FEDERAL FARM CREDIT BANKS	5,000,000.00	4.25	12/15/2028	100.663	4.039	3.138	3.413	5,033,150.00	6.70%	AA+
UNITED STATES TREASURY	5,000,000.00	3.875	9/30/2029	99.672	3.959	3.802	4.205	4,983,600.00	6.64%	AA+
FEDERAL FARM CREDIT BANKS	5,000,000.00	4	4/1/2030	99.632	4.086	4.2	4.706	4,981,600.00	6.64%	AA+
	75,000,000.00				4.08	2.08	2.25	75,067,750.00		

SERVICE OVERVIEW

TRANSITION

STEP 1

RFP and Contract

- ✓ GPA selected through RFP process
- ✓ Contract is complete
- ✓ Bond proceeds have been invested
- ✓ Preparing to begin investing general funds.

STEP 2

Investment Policy

- ✓ Current policy allows for implementation of long-term investment portfolio strategy for General Operating Funds
- ✓ Diversify maturities and asset classes

STEP 3

Strategy

- ✓ Analyze historical data
- ✓ Determine appropriate liquidity levels
- ✓ Select benchmark that aligns with risk tolerance
- ✓ Create a Strategic Asset Allocation

GOVERNMENT PORTFOLIO ADVISORS

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