



# CITY OF CUPERTINO

## AGENDA

### AUDIT COMMITTEE

10185 North Stelling Road, Quinlan Conference Room  
Thursday, October 31, 2024  
4:00 PM

#### Special Meeting

Members of the public wishing to observe the meeting may do so in one of the following ways:

- 1) Attend in person at Quinlan Community Center, 10185 North Stelling Road
- 2) The meeting will also be streamed live on and online at <https://youtube.com/@cupertinocitycommission>

Members of the public wishing to comment on an item on the agenda may do so in the following ways:

- 1) Appear in person at Quinlan Community Center.
- 2) E-mail comments by 2:00 p.m. on Thursday, October 31 to the legislative body at [auditcommittee@cupertino.gov](mailto:auditcommittee@cupertino.gov). These e-mail comments will also be posted to the City's website after the meeting.

Oral public comments may be made during the public comment period for each agenda item.

#### NOTICE AND CALL FOR A SPECIAL MEETING OF THE CUPERTINO AUDIT COMMITTEE

NOTICE IS HEREBY GIVEN that a special meeting of Cupertino Audit Committee is hereby called for Thursday October 31, 2024, commencing at 4:00 p.m. at the Quinlan Community Center Conference Room, 10185 North Stelling Road, Cupertino, California 95014. Said special meeting shall be for the purpose of conducting business on the subject matters listed below under the heading, "Special Meeting."

#### SPECIAL MEETING

ROLL CALL

ORDERS OF THE DAY

APPROVAL OF MINUTES

1. Subject: Approve Minutes of Regular Meeting on July 22, 2024  
Recommended Action: Approve Minutes of Regular Meeting on July 22, 2024  
[A - Draft Minutes](#)

## POSTPONEMENTS

## ORAL COMMUNICATIONS

*This portion of the meeting is reserved for persons wishing to address the Committee on any matter within the jurisdiction of the Committee and not on the agenda. Speakers are limited to three (3) minutes. In most cases, State law will prohibit the Commission from making any decisions with respect to a matter not on the agenda.*

*Effective January 1, 2023, Government Code Section 65103.5 (SB 1214) limits the distribution of copyrighted material associated with the review of development projects. Members of the public wishing to view plans that cannot otherwise be distributed under SB 1214 may make an appointment with the Planning Division to view them at City Hall by sending an email to [planning@cupertino.org](mailto:planning@cupertino.org). Plans will also be made available digitally during the hearing to consider the proposal.*

## OLD BUSINESS

## NEW BUSINESS

2. Subject: INFORMATIONAL ITEM Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending September 30, 2024  
Recommended Action: Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending September 30, 2024  
Presenter: PARS and US Bank  
4:15(15)  
[A - OPEB Pension Section 115 Trust Performance Report for Quarter Ending September 30, 2024](#)
3. Subject: INFORMATIONAL ITEM Receive the Internal Audit and Fraud, Waste, and Abuse programs update  
Recommended Action: Receive the Internal Audit and Fraud, Waste, and Abuse programs update  
Presenter: Moss Adams  
4:30(10)  
[A - Internal Audit Status Report 10-21-24](#)
4. Subject: INFORMATIONAL ITEM Fiscal Year 2023-24 Annual Comprehensive Financial Report (ACFR) Update

- Recommended Action: Receive Fiscal Year 2023-24 Annual Comprehensive Financial Report (ACFR) Update  
Presenter: The Pun Group  
4:40(15)
5. Subject: ACTION ITEM Review and Accept the City-Wide Policy Inventory and Gap Analysis Report  
Recommended Action: Review and Accept the City-Wide Policy Inventory and Gap Analysis Report  
Presenter: Moss Adams  
4:55(20)  
[A - City-Wide Policy Inventory and Gap Analysis](#)
6. Subject: ACTION ITEM Review and Accept the OPEB and Pension Trust Investment Policy  
Recommended Action: Review and Accept the OPEB and Pension Trust Investment Policies  
Presenter: Jonathan Orozco, Finance Manager  
5:15(10)  
[Staff Report](#)  
[A - OPEB Trust Investment Policy](#)  
[B - Pension Trust Investment Policy](#)
7. Subject: INFORMATIONAL ITEM Receive the Treasurer's Investment Report for the Quarter Ending September 30, 2024  
Recommended Action: Receive the Treasurer's Investment Report for the Quarter Ending September 30, 2024  
Presenter: Jonathan Orozco, Finance Manager and Chandler  
5:25(15)  
[Staff Report](#)  
[A – Chandler Investment Report September 2024](#)  
[B – Chandler Custodial Statement September 2024](#)  
[C – PARS Pension and OPEB Account Statement September 2024](#)  
[D – LAIF Account Statement September 2024](#)
8. Subject: INFORMATIONAL ITEM Receive the proposed Audit Committee 2024 Schedule and Workplan  
Recommended Action: Receive the proposed Audit Committee 2024 Schedule and Workplan  
Presenter: Jonathan Orozco, Finance Manager  
5:40(10)  
[A - Proposed Audit Committee 2024 Schedule and Work Plan](#)

**STAFF AND COMMITTEE REPORTS****FUTURE AGENDA SETTING****ADJOURNMENT**

*In compliance with the Americans with Disabilities Act (ADA), anyone who is planning to attend this meeting who is visually or hearing impaired or has any disability that needs special assistance should call the City Clerk's Office at 408-777-3223, at least 48 hours in advance of the meeting to arrange for assistance. In addition, upon request in advance by a person with a disability, meeting agendas and writings distributed for the meeting that are public records will be made available in the appropriate alternative format.*

*Any writings or documents provided to a majority of the members after publication of the agenda will be made available for public inspection. Please contact the City Clerk's Office in City Hall located at 10300 Torre Avenue, Cupertino, California 95014, during normal business hours.*

*IMPORTANT NOTICE: Please be advised that pursuant to Cupertino Municipal Code section 2.08.100 written communications sent to the City Council, Commissioners or staff concerning a matter on the agenda are included as supplemental material to the agenda item. These written communications are accessible to the public through the City website and kept in packet archives. Do not include any personal or private information in written communications to the City that you do not wish to make public, as written communications are considered public records and will be made publicly available on the City website.*



# CITY OF CUPERTINO

## Agenda Item

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**24-13474**

**Agenda Date:  
10/31/2024 Agenda #: 1.**

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Subject: Approve Minutes of Regular Meeting on July 22, 2024

**Approve Minutes of Regular Meeting on July 22, 2024**

City of Cupertino  
**Audit Committee Regular Meeting**  
**DRAFT Minutes**  
July 22, 2024

**CALL TO ORDER**

At 4:04 p.m., Chair Schmidt called the regular meeting to order in the City of Cupertino Quinlan Conference Room, 10185 North Stelling Road.

**ROLL CALL**

Committee Members Present: Chair Eno Schmidt, Mayor Sheila Mohan, Committee member Angela Chen

City Staff Present: Kristina Alfaro, Janet Liang, Jonathan Orozco, Pamela Wu

Absent: Committee member Hanyan Wu, Councilmember Hung Wei

Guests: Ken Pun (The Pun Group), Sophia Kuo (The Pun Group), Chelsea Ritchie (Moss Adams), Maria Stroth (Moss Adams), Colleen Rozillis (Moss Adams), Jennifer Meza (PARS), Dennis Mullins (US Bank)

**ORDERS OF THE DAY**

**1. APPROVE MINUTES OF REGULAR MEETING ON JUNE 24, 2024**

Mayor Mohan motioned, Committee member Chen seconded. The motion passes with Committee member Wu and Councilmember Wei absent.

**POSTPONEMENTS**

**ORAL COMMUNICATIONS**

**OLD BUSINESS**

**NEW BUSINESS**

**2. Receive the Internal Audit and Fraud, Waste, and Abuse programs update**

Rozillis provided an overview. Mayor Mohan asked what happens after the three reports that went to HR. Rozillis noted that it could be issues related to employee compensation, employee-manager, and employee-employee challenges. HR will determine how to respond to that. Committee member Chen asked if they see a decline in reports. Rozillis noted that it is pretty steady. Mayor Mohan asked if most of these reports are internal or external. Rozillis noted there are instances when the public will submit reports and most complaints are from city employees. Rozillis noted that at least two of the four are internal.

No public comment.

**3. Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending June 30, 2024**

Meza and Mullins provided an overview. Mullins noted that they wanted to relook at the custom benchmark with the City. Chair Schmidt noted it would great to include in the report what would trigger investing in commodities at the city level. Mullins noted that they will try to come with recommendations to the benchmark to the October meeting.

No Public Comment.

**4. Receive the Treasurer's Investment Report for the Quarter Ending June 30, 2024**

Orozco provided an overview. Oblites provided an overview. Mayor Mohan asked about the difference in the City's Operating Checking account. Orozco noted that it is the same account except now it would get an earning credit and depending on the balance it would decrease the bank fees. Chair Schmidt asked if there is an amount limit on the FDIC that they will cover up to. Orozco noted that he will follow up with Wells Fargo. Chair Schmidt asked if any cities are making this type of trade-off. Oblites noted that City staff took a diversified approach which is wise as most cities leave it in LAIF because it is politically convenient.

Committee member Chen asked for clarification about the liquidity ratio and if that is the base of making decisions as to how much should go into investment and how much should stay cash and cash equivalent. Orozco noted that there is a lot of factors in what we decide to hold on to as cash and cash equivalents and how much we decide to invest and is constantly discussed with Oblites.

No public comment.

**5. Receive the proposed Audit Committee 2024 Schedule and Workplan**

Orozco provided an overview.

No public comment.

**STAFF AND COMMITTEE REPORTS**

**COMMITTEEMEMBER ATTENDANCE AT UPCOMING MEETINGS AND EVENTS**

**FUTURE AGENDA SETTING**

**ADJOURNMENT**

The meeting adjourned at 5:26 p.m.

Recording Secretary:  
Janet Liang, Management Analyst



# CITY OF CUPERTINO

## Agenda Item

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**24-13473**

**Agenda Date:**  
**10/31/2024 Agenda #: 2.**

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**Subject:** INFORMATIONAL ITEM Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending September 30, 2024

**Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending September 30, 2024**

**Presenter:** PARS and US Bank

**4:15(15)**





# PARS/CITY OF CUPERTINO 115P

## OPEB & PENSION ACCOUNTS

September 30, 2024 Investment Review

# Your Team

## **Dennis S. Mullins, CFA**

Senior Institutional Client Portfolio Manager  
PFM Asset Management LLC  
513.304.0398  
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## **Ryan Maxey**

Vice President &  
Relationship Manager  
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971.865.1407  
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## **Mitch Barker**

Executive Vice President  
PARS  
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## **Jennifer Meza, CEBS**

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[www.pars.org](http://www.pars.org)

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    - Performance (AGG460596)
    - Holdings
  - PARS/CITY OF CUPERTINO 115P – PENSION (X9601)
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    - Equity Analysis
    - Fixed Income Analysis
    - Performance
    - Holdings
- Page 21 – MARKET SUMMARY
- Page 30 – DISCLOSURES, DEFINITIONS, DESCRIPTIONS

# PORTFOLIO REVIEW



Account: XXXXXX9600

Holdings Method: Direct

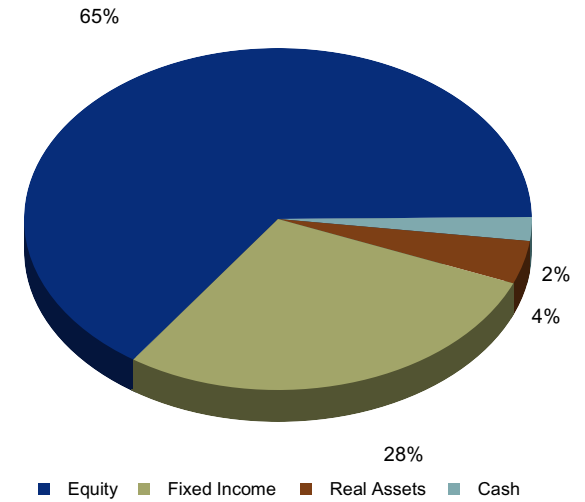
Report Date: 09/30/2024

**Portfolio Summary**

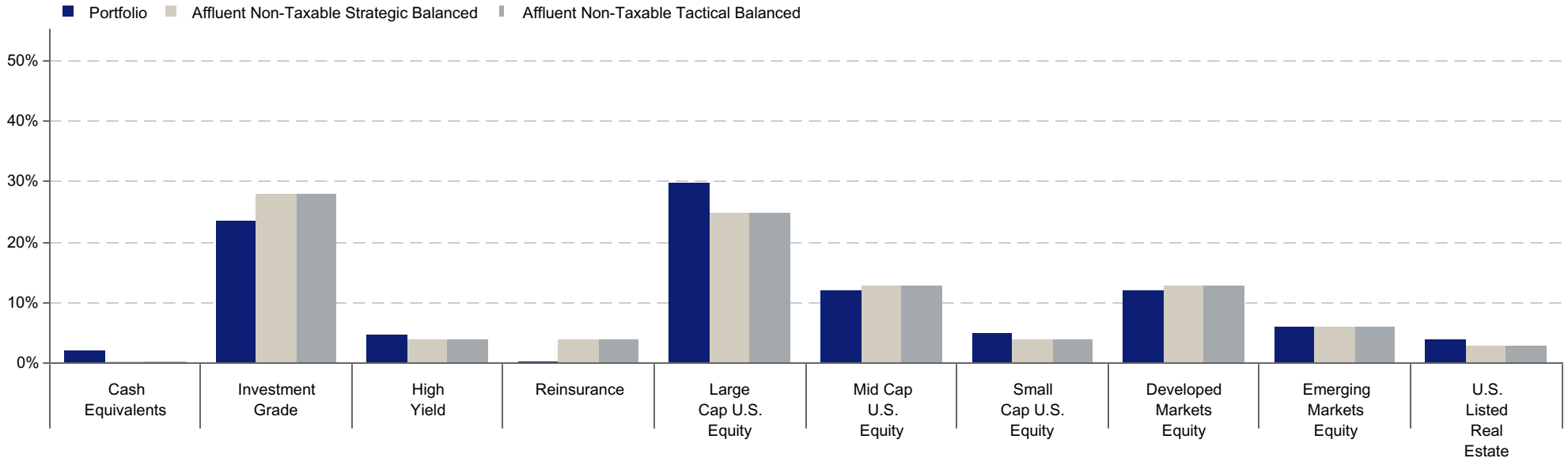
Inv. Objective	Balanced/Nontaxable-1
Total Portfolio Value	\$40,330,774
Net Realized Cap Gains YTD	\$556,745
Annual Income Projected	\$855,315
Current Yield	2.12%
Number of Securities	10
Portfolio Mgr.	Kenneth Donaldson, CFP®, CTFA

**Portfolio Asset Allocation**

Equity	\$26,384,623	65.42%
Fixed Income	\$11,436,585	28.36%
Real Assets	\$1,660,481	4.12%
Cash	\$849,085	2.11%
<b>Invested Total</b>	<b>\$40,330,774</b>	<b>100.00%</b>



**Portfolio Model Allocation**



Account: XXXXXX9600

Holdings Method: Direct

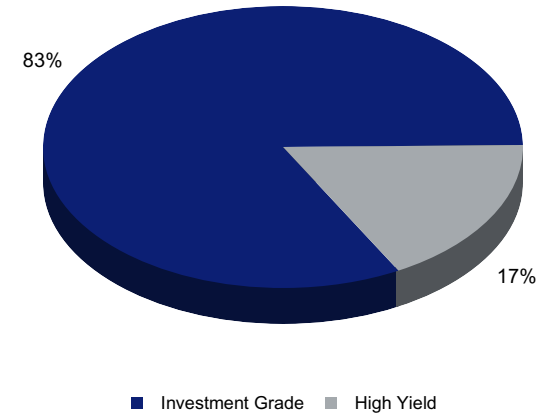
Report Date: 09/30/2024

**Fixed Income Summary**

Inv. Objective	Balanced/Nontaxable-1
Total Fixed Income Value	\$11,436,585
Current Yield	3.89%
Annual Income Projected	\$444,687
Number of Securities	2
Portfolio Mgr.	Kenneth Donaldson, CFP®, CTFA

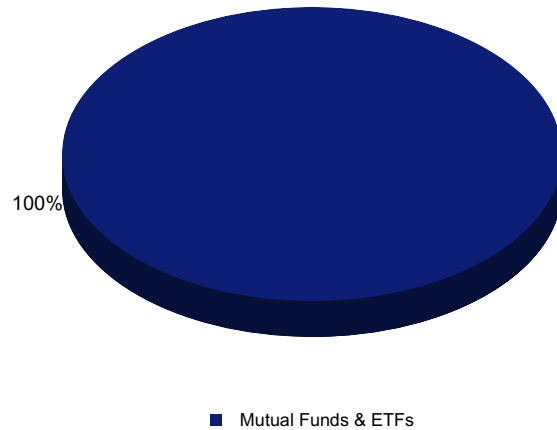
**Fixed Income Asset Allocation**

Investment Grade	\$9,480,042	82.89%
High Yield	\$1,956,542	17.11%

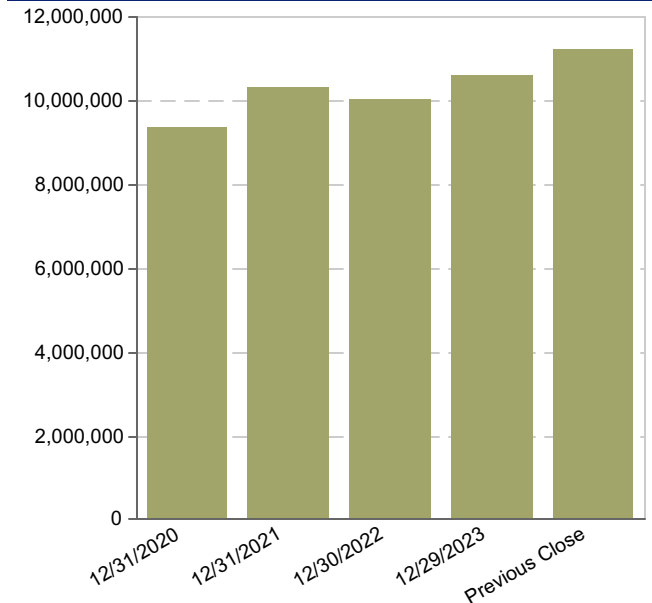


**Fixed Income Sector Exposures**

Mutual Funds & ETFs	\$11,436,585	100.00%
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**Fixed Income Market Value**



Account: XXXXXX9600

Holdings Method: Direct and Indirect (securities held in mutual funds & ETFs)

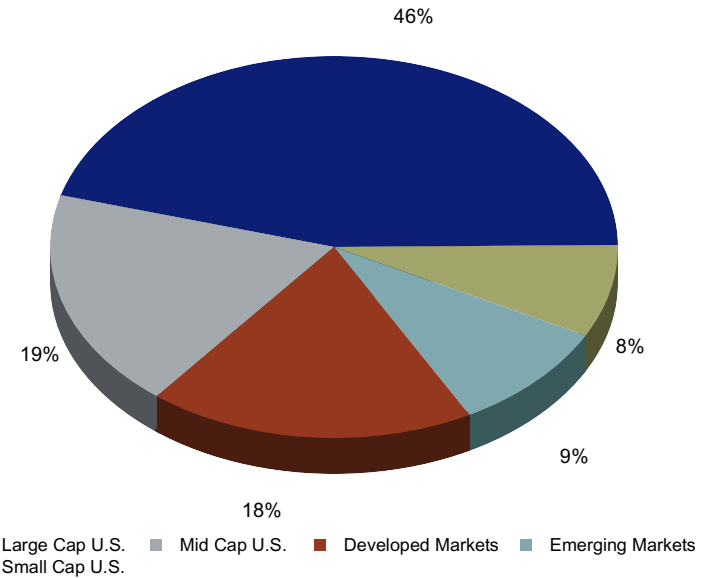
Report Date: 09/30/2024

**Equity Summary**

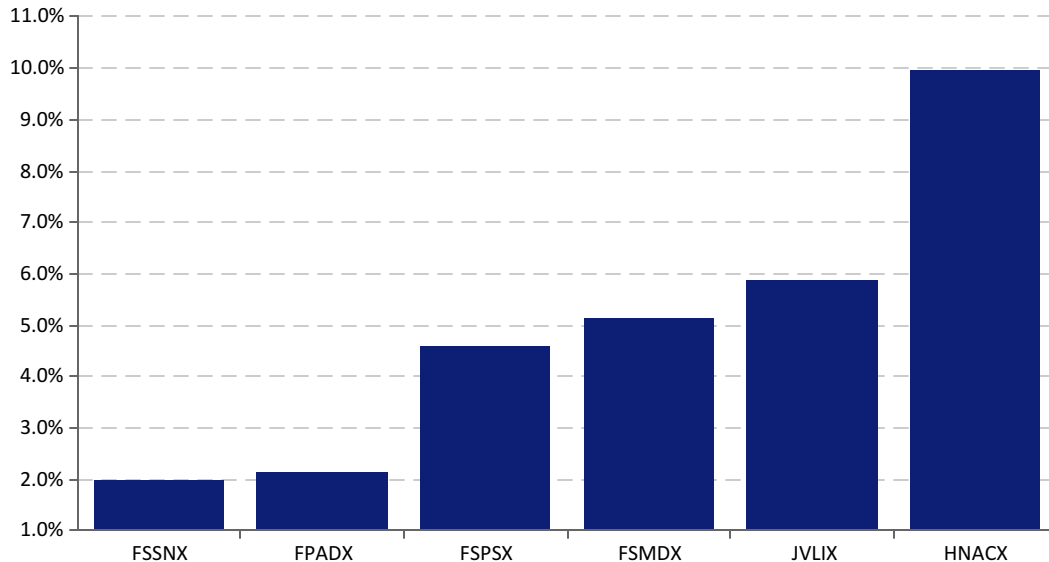
Inv. Objective	Balanced/Nontaxable-1
Total Equity Value	\$26,384,623
Current Yield	1.22%
Annual Income Projected	\$323,165
Number of Securities	6
Portfolio Mgr.	Kenneth Donaldson, CFP®, CTFA

**Equity Asset Allocation**

Large Cap U.S.	\$12,066,035	45.73%
Mid Cap U.S.	\$4,918,450	18.64%
Developed Markets	\$4,876,776	18.48%
Emerging Markets	\$2,480,376	9.40%
Small Cap U.S.	\$2,042,987	7.74%



**Bottom 5/ Top 5 Contributors (Trailing 12 Months)**



**Equity Global Distribution**

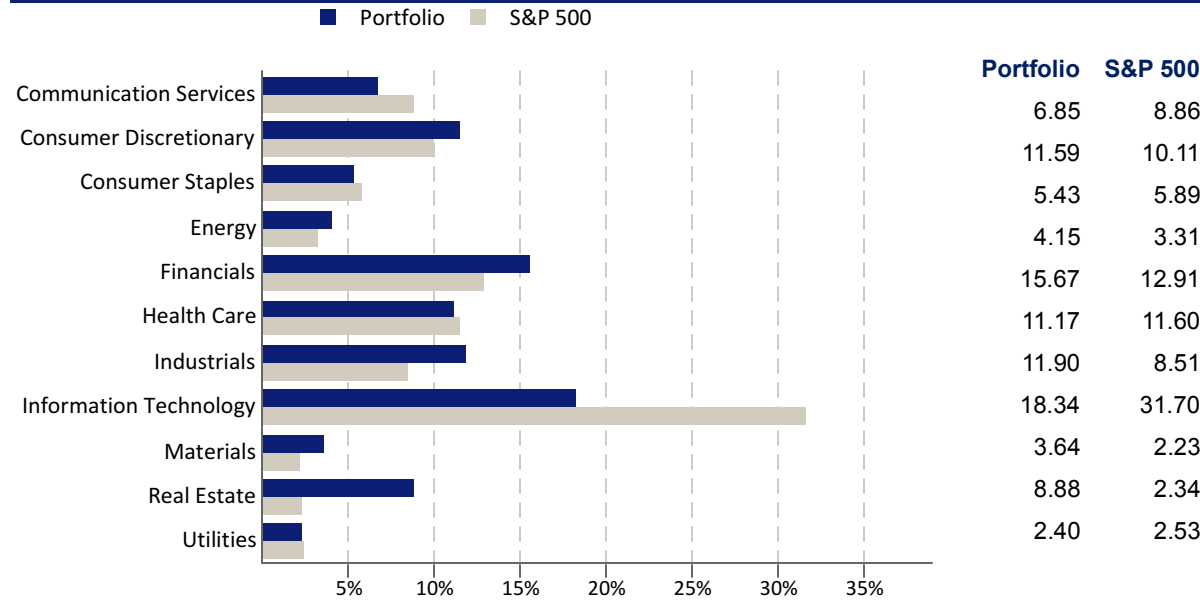


**Equity Country Distribution**

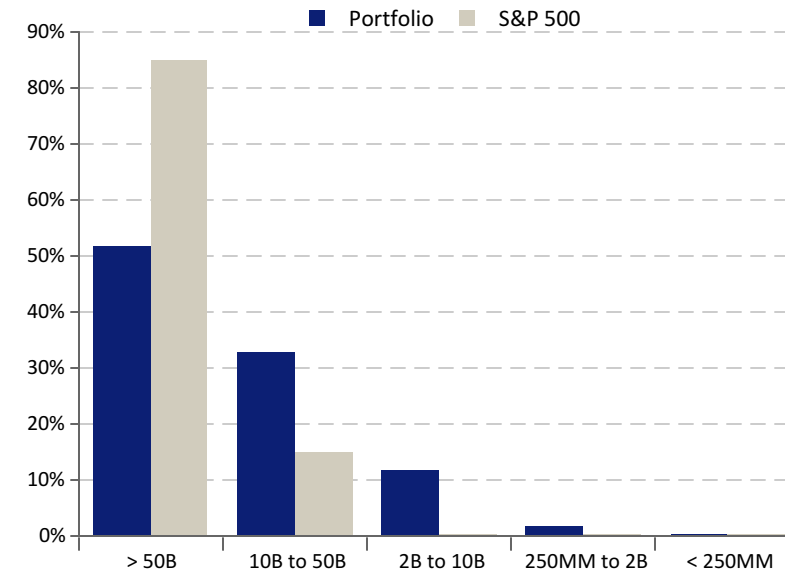


**Top 10 Common Stock Holdings**

	Stock Wt. (%)	Full Port Wt. (%)	Yield (%)	YTD Return (%)*	52 Wk Return (%)*
NVIDIA Corporation	1.96	1.31	0.03	145.3	179.3
Amazon.com, Inc.	1.83	1.22	0.00	22.6	46.6
Microsoft Corporation	1.81	1.21	0.80	15.0	37.3
Apple Inc.	1.30	0.87	0.44	21.5	36.8
Meta Platforms Inc Class A	1.27	0.85	0.34	62.2	91.3
Broadcom Inc.	1.12	0.75	1.14	56.2	110.9
Alphabet Inc. Class A	1.02	0.68	0.49	19.0	27.1
JPMorgan Chase & Co.	0.99	0.66	2.34	26.2	49.1
Eli Lilly and Company	0.97	0.65	0.57	52.7	66.0
Taiwan Semiconductor Manufa...	0.84	0.56	1.47	63.4	86.3

**Common Stock Sector Exposures**

**Common Stock Characteristics**

	Portfolio	S&P 500
Market Cap - Wtd Avg	\$355.7B	\$999.7B
Market Cap - Median	\$5.7B	\$38.1B
Dividend Yield (%)	1.84	1.45
P/E NTM	17.8	21.7
P/E LTM	21.0	27.2
ROE (%)	20.5	29.7
1 Yr Beta vs. S&P Composite	.92	1.01
Est 3-5 Yr EPS Growth (%)	14.9	14.8
Hist 3 Yr EPS Growth (%)	24.7	25.3
Number of Securities	4911	504

**Common Stock Market Cap Distribution**


\*Specific to the security - does not represent performance in the portfolio.



# Custom Benchmark

## CITY OF CUPERTINO OPEB

Asset Class	Benchmark	Range	Target	Actual
Equities	MSCI AC World Free Index	50%-70%	63%	65.4%
Fixed Income	BBARC Global Aggregate Index	20%-40%	29%	28.4%
Real Estate	S&P Global REIT TR USD	0%-15%	5%	4.1%
Commodities	S&P GSCI Commodity Index	0%-10%	2%	0%
Cash	FTSE 3-Mo US T-Bill Index	0%-10%	1%	2.1%

**Selected Period Performance**

Selected Period Performance

	Market Value	1 Month	3 Months	Year to Date (9 Months)	1 Year	3 Years	5 Years	Inception to Date 07/01/2010
<b>Total Portfolio Gross of Fees</b>	40,369,514	1.65	6.30	13.14	24.80	4.02	7.73	7.04
<b>Total Portfolio Net of Fees</b>	40,369,514	1.64	6.25	13.00	24.59	3.84	7.53	
City of Cupertino		2.15	6.96	13.77	25.09	4.97	8.26	7.72
<b>Total Equity</b>	26,384,623	1.71	6.27	16.73	30.68	5.90	12.45	11.79
<b>Domestic Equity</b>	19,027,472	1.40	5.82	17.80	32.86	8.11	13.32	
S&P 500 Index (Total Return)		2.14	5.89	22.08	36.35	11.91	15.98	15.03
S&P MidCap 400 Index		1.16	6.94	13.54	26.79	7.47	11.78	12.67
S&P SmallCap 600 Index		.85	10.13	9.33	25.86	3.99	10.21	12.43
<b>Foreign Equity</b>	7,357,152	2.50	7.44	13.94	25.01	.08	9.86	
MSCI EAFE Index (Net)		.92	7.26	12.99	24.77	5.48	8.20	7.22
MSCI Emerging Markets Index (Net)		6.68	8.72	16.86	26.05	.40	5.75	4.25
<b>Total Fixed Income</b>	11,471,841	1.46	5.13	5.10	12.10	-.18	-.31	1.91
BBARC US Aggregate Bond Index		1.34	5.20	4.45	11.57	-1.39	.33	2.35
BBARC Global Aggregate Index		1.70	6.98	3.60	11.99	-3.06	-.83	1.42
<b>Total Real Assets</b>	1,660,481	2.64	15.97	15.66	34.56	4.39	5.22	
<b>Real Estate</b>	1,660,481	2.64	15.97	15.66	34.56	4.39	5.22	
S&P Global REIT Index (Gross)		3.27	16.34	13.92	31.93	3.00	3.62	8.64
S&P GSCI Index		-.08	-5.26	5.23	-6.06	8.81	8.03	-.93
<b>Total Cash Equivalents</b>	852,568	.41	1.30	3.96	5.34	3.47	2.22	1.08
ICE BofAML US 3-Month Treasury Bill Index		.43	1.37	4.03	5.46	3.49	2.32	1.18
<b>Pending Cash</b>	0	.00	.00	.00	.00	.00	.00	.00

For performance and rate of return methodologies, as well as other important information, please refer to the Appendix/Disclosures provided.

Investment products and services are:  
NOT A DEPOSIT • NOT FDIC INSURED • MAY LOSE VALUE • NOT BANK GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY





Account: XXXXXX9600

Holdings Method: Direct

Report Date: 09/30/2024

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
<b>Total</b>		<b>100.0</b>			<b>40,330,774</b>	<b>32,979,741</b>	<b>7,351,033</b>	<b>2.12</b>	<b>855,315</b>
<b>Cash</b>		<b>2.11</b>			<b>849,085</b>	<b>849,085</b>	<b>0</b>	<b>4.82</b>	<b>40,888</b>
<b>Cash Equivalents</b>		<b>2.11</b>			<b>849,085</b>	<b>849,085</b>	<b>0</b>	<b>4.82</b>	<b>40,888</b>
FIRST AM GOVT OB FD CL X	31846V336	2.11	1.00	849,085	849,085	849,085	0	4.82	40,888
<b>Fixed Income</b>		<b>28.36</b>			<b>11,436,585</b>	<b>10,765,914</b>	<b>670,671</b>	<b>3.89</b>	<b>444,687</b>
<b>Investment Grade</b>		<b>23.51</b>			<b>9,480,042</b>	<b>8,717,001</b>	<b>763,041</b>	<b>3.15</b>	<b>298,479</b>
<b>Mutual Funds &amp; ETFs</b>		<b>23.51</b>			<b>9,480,042</b>	<b>8,717,001</b>	<b>763,041</b>	<b>3.15</b>	<b>298,479</b>
Fidelity U.S. Bond Index Fund	FXNAX	23.51	10.64	890,981	9,480,042	8,717,001	763,041	3.15	298,479
<b>High Yield</b>		<b>4.85</b>			<b>1,956,542</b>	<b>2,048,913</b>	<b>-92,371</b>	<b>7.47</b>	<b>146,208</b>
<b>Mutual Funds &amp; ETFs</b>		<b>4.85</b>			<b>1,956,542</b>	<b>2,048,913</b>	<b>-92,371</b>	<b>7.47</b>	<b>146,208</b>
Artisan High Income Fund - Institutional Sh...	APHFX	4.85	9.19	212,899	1,956,542	2,048,913	-92,371	7.47	146,208
<b>Equity</b>		<b>65.42</b>			<b>26,384,623</b>	<b>19,797,883</b>	<b>6,586,741</b>	<b>1.22</b>	<b>323,165</b>
<b>Large Cap U.S. Equity</b>		<b>29.92</b>			<b>12,066,035</b>	<b>10,167,675</b>	<b>1,898,360</b>	<b>0.47</b>	<b>57,113</b>
<b>Mutual Funds &amp; ETFs</b>		<b>29.92</b>			<b>12,066,035</b>	<b>10,167,675</b>	<b>1,898,360</b>	<b>0.47</b>	<b>57,113</b>
Harbor Capital Appreciation Fund - Retire...	HNACX	14.93	118.92	50,623	6,020,062	4,614,964	1,405,098	0.00	0
John Hancock Fds III Disciplined Value Fu...	JVLIX	14.99	25.83	234,068	6,045,973	5,552,711	493,262	0.94	57,113
<b>Mid Cap U.S. Equity</b>		<b>12.20</b>			<b>4,918,450</b>	<b>1,613,156</b>	<b>3,305,294</b>	<b>0.99</b>	<b>48,869</b>
<b>Mutual Funds &amp; ETFs</b>		<b>12.20</b>			<b>4,918,450</b>	<b>1,613,156</b>	<b>3,305,294</b>	<b>0.99</b>	<b>48,869</b>
Fidelity Mid Cap Index Fund	FSMDX	12.20	34.32	143,311	4,918,450	1,613,156	3,305,294	0.99	48,869
<b>Small Cap U.S. Equity</b>		<b>5.07</b>			<b>2,042,987</b>	<b>1,708,617</b>	<b>334,371</b>	<b>1.11</b>	<b>22,626</b>
<b>Mutual Funds &amp; ETFs</b>		<b>5.07</b>			<b>2,042,987</b>	<b>1,708,617</b>	<b>334,371</b>	<b>1.11</b>	<b>22,626</b>
Fidelity Small Cap Index Fund	FSSNX	5.07	27.81	73,462	2,042,987	1,708,617	334,371	1.11	22,626
<b>Developed Markets Equity</b>		<b>12.09</b>			<b>4,876,776</b>	<b>4,223,318</b>	<b>653,458</b>	<b>2.81</b>	<b>136,988</b>
<b>Mutual Funds &amp; ETFs</b>		<b>12.09</b>			<b>4,876,776</b>	<b>4,223,318</b>	<b>653,458</b>	<b>2.81</b>	<b>136,988</b>
Fidelity International Index Fund	FSPSX	12.09	53.40	91,325	4,876,776	4,223,318	653,458	2.81	136,988
<b>Emerging Markets Equity</b>		<b>6.15</b>			<b>2,480,376</b>	<b>2,085,118</b>	<b>395,258</b>	<b>2.32</b>	<b>57,569</b>
<b>Mutual Funds &amp; ETFs</b>		<b>6.15</b>			<b>2,480,376</b>	<b>2,085,118</b>	<b>395,258</b>	<b>2.32</b>	<b>57,569</b>
Fidelity Emerging Markets Index Fund	FPADX	6.15	11.59	214,010	2,480,376	2,085,118	395,258	2.32	57,569
<b>Real Assets</b>		<b>4.12</b>			<b>1,660,481</b>	<b>1,566,859</b>	<b>93,622</b>	<b>2.80</b>	<b>46,575</b>
<b>U.S. Listed Real Estate</b>		<b>4.12</b>			<b>1,660,481</b>	<b>1,566,859</b>	<b>93,622</b>	<b>2.80</b>	<b>46,575</b>



Account: XXXXXX9600

Holdings Method: Direct

Report Date: 09/30/2024

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
iShares Core U.S. REIT ETF	USRT	4.12	61.57	26,969	1,660,481	1,566,859	93,622	2.80	46,575

Account: XXXXXX9601

Holdings Method: Direct

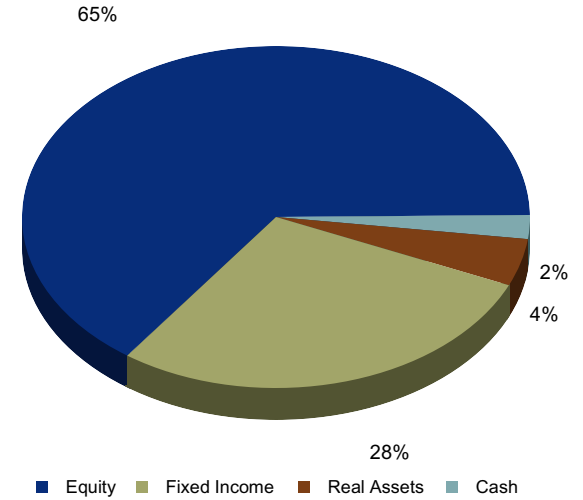
Report Date: 09/30/2024

**Portfolio Summary**

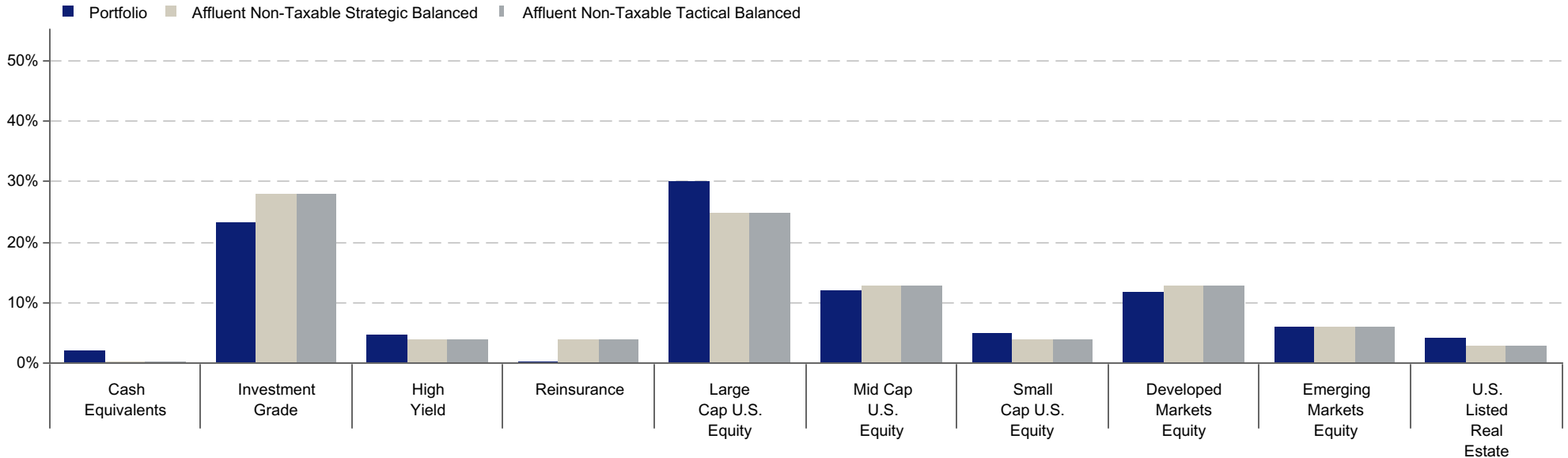
Inv. Objective	Balanced/Nontaxable-1
Total Portfolio Value	\$22,945,015
Net Realized Cap Gains YTD	\$0
Annual Income Projected	\$485,365
Current Yield	2.12%
Number of Securities	10
Portfolio Mgr.	Kenneth Donaldson, CFP®, CTFA

**Portfolio Asset Allocation**

Equity	\$14,958,736	65.19%
Fixed Income	\$6,481,880	28.25%
Real Assets	\$1,012,211	4.41%
Cash	\$492,188	2.15%
<b>Invested Total</b>	<b>\$22,945,015</b>	<b>100.00%</b>



**Portfolio Model Allocation**



Account: XXXXXX9601

Holdings Method: Direct

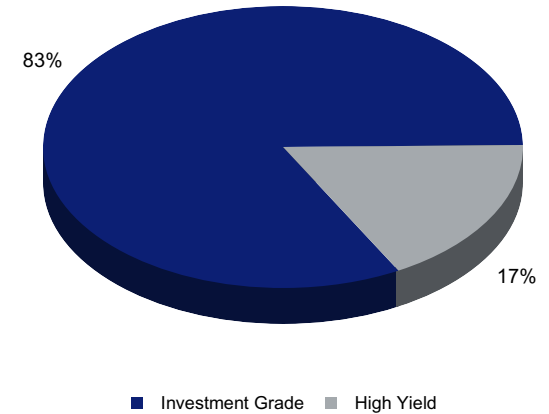
Report Date: 09/30/2024

**Fixed Income Summary**

Inv. Objective	Balanced/Nontaxable-1
Total Fixed Income Value	\$6,481,880
Current Yield	3.88%
Annual Income Projected	\$251,756
Number of Securities	2
Portfolio Mgr.	Kenneth Donaldson, CFP®, CTFA

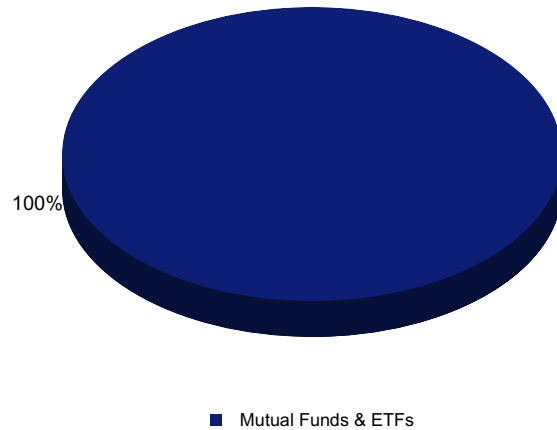
**Fixed Income Asset Allocation**

Investment Grade	\$5,379,406	82.99%
High Yield	\$1,102,474	17.01%

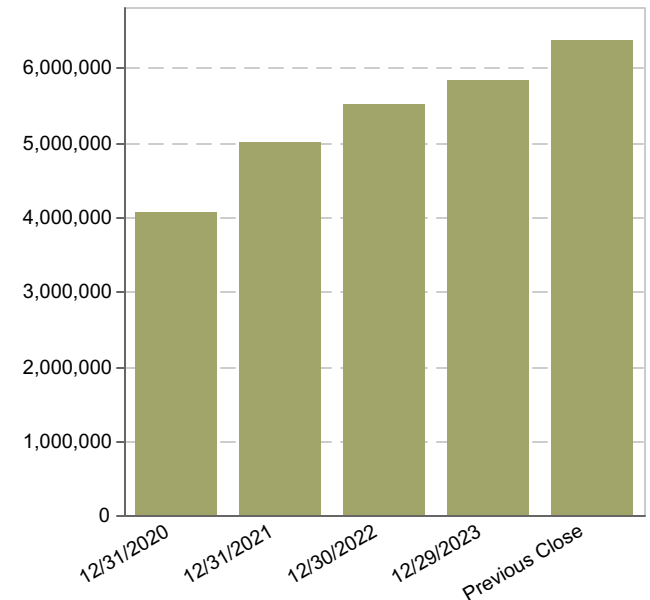


**Fixed Income Sector Exposures**

Mutual Funds & ETFs	\$6,481,880	100.00%
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**Fixed Income Market Value**



Account: XXXXXX9601

Holdings Method: Direct and Indirect (securities held in mutual funds & ETFs)

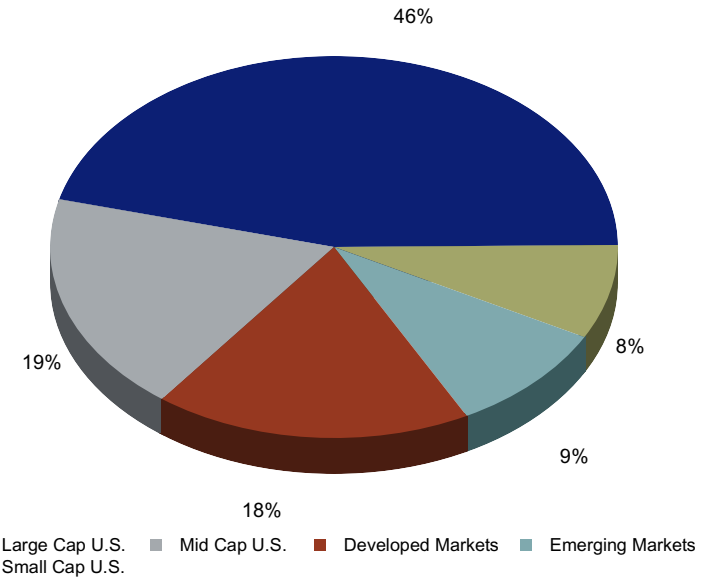
Report Date: 09/30/2024

**Equity Summary**

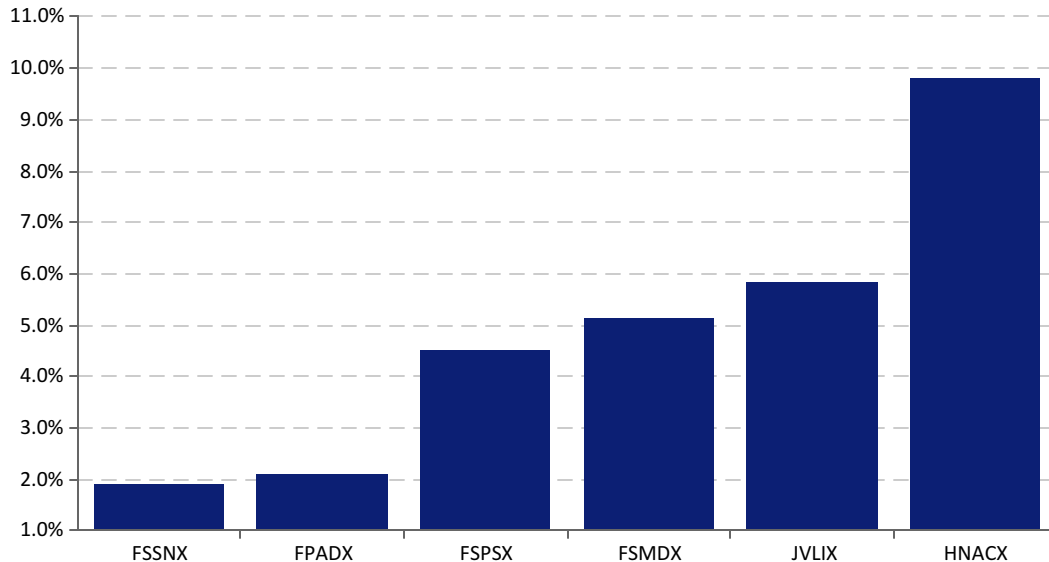
Inv. Objective	Balanced/Nontaxable-1
Total Equity Value	\$14,958,736
Current Yield	1.21%
Annual Income Projected	\$181,516
Number of Securities	6
Portfolio Mgr.	Kenneth Donaldson, CFP®, CTFA

**Equity Asset Allocation**

Large Cap U.S.	\$6,879,429	45.99%
Mid Cap U.S.	\$2,804,625	18.75%
Developed Markets	\$2,695,116	18.02%
Emerging Markets	\$1,409,844	9.42%
Small Cap U.S.	\$1,169,722	7.82%



**Bottom 5/ Top 5 Contributors (Trailing 12 Months)**



**Equity Global Distribution**



**Equity Country Distribution**



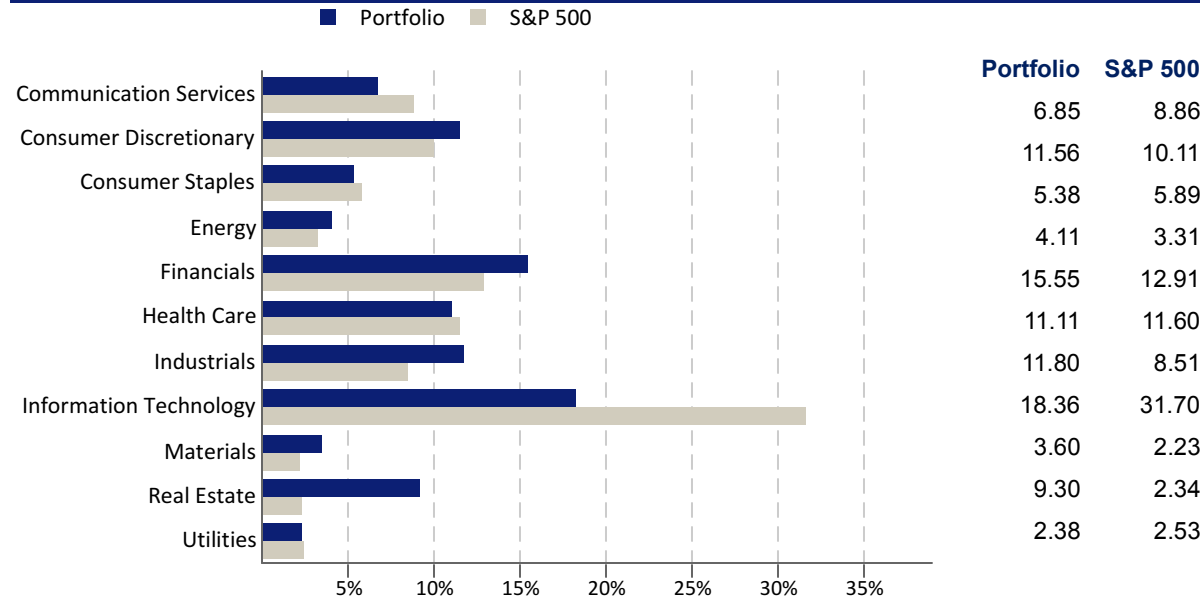
Account: XXXXXX9601

Holdings Method: Direct and Indirect (securities held in mutual funds &amp; ETFs)

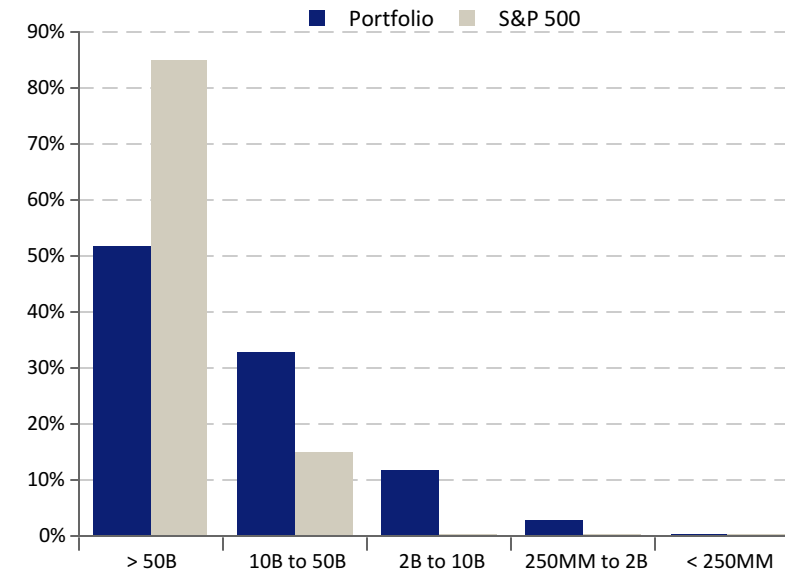
Report Date: 09/30/2024

**Top 10 Common Stock Holdings**

	Stock Wt. (%)	Full Port Wt. (%)	Yield (%)	YTD Return (%)*	52 Wk Return (%)*
NVIDIA Corporation	1.98	1.33	0.03	145.3	179.3
Amazon.com, Inc.	1.85	1.24	0.00	22.6	46.6
Microsoft Corporation	1.83	1.22	0.80	15.0	37.3
Apple Inc.	1.31	0.88	0.44	21.5	36.8
Meta Platforms Inc Class A	1.28	0.86	0.34	62.2	91.3
Broadcom Inc.	1.14	0.76	1.14	56.2	110.9
Alphabet Inc. Class A	1.02	0.68	0.49	19.0	27.1
JPMorgan Chase & Co.	0.98	0.66	2.34	26.2	49.1
Eli Lilly and Company	0.98	0.65	0.57	52.7	66.0
Taiwan Semiconductor Manufa...	0.84	0.56	1.47	63.4	86.3

**Common Stock Sector Exposures**

**Common Stock Characteristics**

	Portfolio	S&P 500
Market Cap - Wtd Avg	\$357.7B	\$999.7B
Market Cap - Median	\$5.7B	\$38.1B
Dividend Yield (%)	1.84	1.45
P/E NTM	17.9	21.7
P/E LTM	21.1	27.2
ROE (%)	20.5	29.7
1 Yr Beta vs. S&P Composite	.92	1.01
Est 3-5 Yr EPS Growth (%)	14.9	14.8
Hist 3 Yr EPS Growth (%)	24.6	25.3
Number of Securities	4911	504

**Common Stock Market Cap Distribution**


\*Specific to the security - does not represent performance in the portfolio.



# Custom Benchmark

## CITY OF CUPERTINO PENSION

Asset Class	Benchmark	Range	Target	Actual
Equities	MSCI AC World Free Index	50%-70%	63%	65.2%
Fixed Income	BBARC Global Aggregate Index	20%-40%	29%	28.3%
Real Estate	S&P Global REIT TR USD	0%-15%	5%	4.4%
Commodities	S&P GSCI Commodity Index	0%-10%	2%	0%
Cash	FTSE 3-Mo US T-Bill Index	0%-10%	1%	2.1%

**Selected Period Performance**

Selected Period Performance

	Market Value	1 Month	3 Months	Year to Date (9 Months)	1 Year	3 Years	5 Years	Inception to Date 05/01/2019
<b>Total Portfolio Gross of Fees</b>	22,967,000	1.66	6.11	12.92	24.56	3.99	8.44	8.00
<b>Total Portfolio Net of Fees</b>	22,967,000	1.64	6.07	12.78	24.35	3.81	8.25	7.81
City of Cupertino		2.15	6.96	13.77	25.09	4.97	8.26	7.98
<b>Total Equity</b>	14,958,736	1.71	6.09	16.54	30.47	5.85	12.43	11.24
<b>Domestic Equity</b>	10,853,776	1.41	5.59	17.55	32.58	8.03	13.27	12.22
S&P 500 Index (Total Return)		2.14	5.89	22.08	36.35	11.91	15.98	15.07
S&P MidCap 400 Index		1.16	6.94	13.54	26.79	7.47	11.78	10.61
S&P SmallCap 600 Index		.85	10.13	9.33	25.86	3.99	10.21	8.95
<b>Foreign Equity</b>	4,104,960	2.53	7.44	13.93	25.00	.08	9.90	8.44
MSCI EAFE Index (Net)		.92	7.26	12.99	24.77	5.48	8.20	7.50
MSCI Emerging Markets Index (Net)		6.68	8.72	16.86	26.05	.40	5.75	4.17
<b>Total Fixed Income</b>	6,501,849	1.46	5.13	5.09	12.10	-.19	-.29	.48
BBARC US Aggregate Bond Index		1.34	5.20	4.45	11.57	-1.39	.33	1.28
BBARC Global Aggregate Index		1.70	6.98	3.60	11.99	-3.06	-.83	.01
<b>Total Real Assets</b>	1,012,211	2.64	16.00	15.69	34.58	4.44	5.26	6.54
<b>Real Estate</b>	1,012,211	2.64	16.00	15.69	34.58	4.44	5.26	6.54
S&P Global REIT Index (Gross)		3.27	16.34	13.92	31.93	3.00	3.62	4.83
S&P GSCI Index		-.08	-5.26	5.23	-6.06	8.81	8.03	5.72
<b>Total Cash Equivalents</b>	494,205	.41	1.30	3.96	5.34	3.42	2.19	2.19
ICE BofAML US 3-Month Treasury Bill Index		.43	1.37	4.03	5.46	3.49	2.32	2.33
<b>Pending Cash</b>	0	.00	.00	.00	.00	.00	.00	.00

For performance and rate of return methodologies, as well as other important information, please refer to the Appendix/Disclosures provided.

Investment products and services are:  
NOT A DEPOSIT • NOT FDIC INSURED • MAY LOSE VALUE • NOT BANK GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY





**PARS/CITY OF CUPERTINO 115P- PENSION**

*Portfolio Holdings*

Account: XXXXXX9601

Holdings Method: Direct

Report Date: 09/30/2024

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
<b>Total</b>		<b>100.0</b>			<b>22,945,015</b>	<b>19,314,279</b>	<b>3,630,736</b>	<b>2.12</b>	<b>485,365</b>
<b>Cash</b>		<b>2.15</b>			<b>492,188</b>	<b>492,188</b>	<b>0</b>	<b>4.82</b>	<b>23,702</b>
<b>Cash Equivalents</b>		<b>2.15</b>			<b>492,188</b>	<b>492,188</b>	<b>0</b>	<b>4.82</b>	<b>23,702</b>
FIRST AM GOVT OB FD CL X	31846V336	2.15	1.00	492,188	492,188	492,188	0	4.82	23,702
<b>Fixed Income</b>		<b>28.25</b>			<b>6,481,880</b>	<b>6,442,206</b>	<b>39,673</b>	<b>3.88</b>	<b>251,756</b>
<b>Investment Grade</b>		<b>23.44</b>			<b>5,379,406</b>	<b>5,298,190</b>	<b>81,216</b>	<b>3.15</b>	<b>169,370</b>
<b>Mutual Funds &amp; ETFs</b>		<b>23.44</b>			<b>5,379,406</b>	<b>5,298,190</b>	<b>81,216</b>	<b>3.15</b>	<b>169,370</b>
Fidelity U.S. Bond Index Fund	FXNAX	23.44	10.64	505,583	5,379,406	5,298,190	81,216	3.15	169,370
<b>High Yield</b>		<b>4.80</b>			<b>1,102,474</b>	<b>1,144,016</b>	<b>-41,542</b>	<b>7.47</b>	<b>82,385</b>
<b>Mutual Funds &amp; ETFs</b>		<b>4.80</b>			<b>1,102,474</b>	<b>1,144,016</b>	<b>-41,542</b>	<b>7.47</b>	<b>82,385</b>
Artisan High Income Fund - Institutional Sh...	APHFX	4.80	9.19	119,964	1,102,474	1,144,016	-41,542	7.47	82,385
<b>Equity</b>		<b>65.19</b>			<b>14,958,736</b>	<b>11,434,134</b>	<b>3,524,602</b>	<b>1.21</b>	<b>181,516</b>
<b>Large Cap U.S. Equity</b>		<b>29.98</b>			<b>6,879,429</b>	<b>5,608,201</b>	<b>1,271,228</b>	<b>0.47</b>	<b>32,267</b>
<b>Mutual Funds &amp; ETFs</b>		<b>29.98</b>			<b>6,879,429</b>	<b>5,608,201</b>	<b>1,271,228</b>	<b>0.47</b>	<b>32,267</b>
Harbor Capital Appreciation Fund - Retire...	HNACX	15.10	118.92	29,126	3,463,613	2,504,520	959,094	0.00	0
John Hancock Fds III Disciplined Value Fu...	JVLIX	14.89	25.83	132,242	3,415,816	3,103,681	312,135	0.94	32,267
<b>Mid Cap U.S. Equity</b>		<b>12.22</b>			<b>2,804,624</b>	<b>1,386,296</b>	<b>1,418,328</b>	<b>0.99</b>	<b>27,866</b>
<b>Mutual Funds &amp; ETFs</b>		<b>12.22</b>			<b>2,804,624</b>	<b>1,386,296</b>	<b>1,418,328</b>	<b>0.99</b>	<b>27,866</b>
Fidelity Mid Cap Index Fund	FSMDX	12.22	34.32	81,720	2,804,624	1,386,296	1,418,328	0.99	27,866
<b>Small Cap U.S. Equity</b>		<b>5.10</b>			<b>1,169,722</b>	<b>972,122</b>	<b>197,600</b>	<b>1.11</b>	<b>12,955</b>
<b>Mutual Funds &amp; ETFs</b>		<b>5.10</b>			<b>1,169,722</b>	<b>972,122</b>	<b>197,600</b>	<b>1.11</b>	<b>12,955</b>
Fidelity Small Cap Index Fund	FSSNX	5.10	27.81	42,061	1,169,722	972,122	197,600	1.11	12,955
<b>Developed Markets Equity</b>		<b>11.75</b>			<b>2,695,116</b>	<b>2,286,209</b>	<b>408,907</b>	<b>2.81</b>	<b>75,706</b>
<b>Mutual Funds &amp; ETFs</b>		<b>11.75</b>			<b>2,695,116</b>	<b>2,286,209</b>	<b>408,907</b>	<b>2.81</b>	<b>75,706</b>
Fidelity International Index Fund	FSPSX	11.75	53.40	50,470	2,695,116	2,286,209	408,907	2.81	75,706
<b>Emerging Markets Equity</b>		<b>6.14</b>			<b>1,409,844</b>	<b>1,181,306</b>	<b>228,538</b>	<b>2.32</b>	<b>32,722</b>
<b>Mutual Funds &amp; ETFs</b>		<b>6.14</b>			<b>1,409,844</b>	<b>1,181,306</b>	<b>228,538</b>	<b>2.32</b>	<b>32,722</b>
Fidelity Emerging Markets Index Fund	FPADX	6.14	11.59	121,643	1,409,844	1,181,306	228,538	2.32	32,722
<b>Real Assets</b>		<b>4.41</b>			<b>1,012,211</b>	<b>945,750</b>	<b>66,461</b>	<b>2.80</b>	<b>28,392</b>
<b>U.S. Listed Real Estate</b>		<b>4.41</b>			<b>1,012,211</b>	<b>945,750</b>	<b>66,461</b>	<b>2.80</b>	<b>28,392</b>

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 Material is based on data from sources deemed to be reliable, accuracy/completeness is not guaranteed.

Holdings Date: 9/30/2024



Account: XXXXXX9601

Holdings Method: Direct

Report Date: 09/30/2024

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
iShares Core U.S. REIT ETF	USRT	4.41	61.57	16,440	1,012,211	945,750	66,461	2.80	28,392

# MARKET SUMMARY

Provided by Sub-Advisor - PFM Asset Management LLC

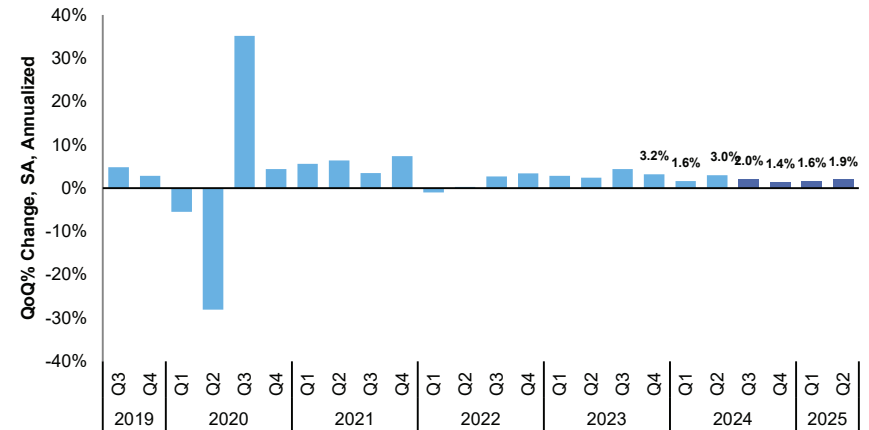
	QTD	YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
<b>DOMESTIC EQUITY</b>							
S&P 500 (TR)	5.89%	22.08%	36.19%	11.88%	15.91%	14.44%	13.33%
Russell 3000	6.23%	20.63%	35.04%	10.26%	15.20%	13.69%	12.78%
Russell 1000 Growth	3.19%	24.55%	42.00%	11.99%	19.66%	18.14%	16.46%
Russell 1000	6.08%	21.18%	35.52%	10.80%	15.58%	14.13%	13.06%
Russell 1000 Value	9.43%	16.68%	27.64%	9.00%	10.65%	9.50%	9.20%
Russell Midcap	9.21%	14.63%	29.20%	5.74%	11.25%	10.44%	10.16%
Russell Midcap Growth	6.54%	12.91%	29.21%	2.31%	11.43%	11.84%	11.26%
Russell Midcap Value	10.08%	15.08%	28.89%	7.37%	10.29%	8.79%	8.90%
Russell 2000 Growth	8.41%	13.22%	27.54%	-0.35%	8.78%	7.57%	8.92%
Russell 2000	9.27%	11.17%	26.65%	1.84%	9.35%	7.34%	8.75%
Russell 2000 Value	10.15%	9.22%	25.77%	3.76%	9.25%	6.58%	8.19%
<b>INTERNATIONAL EQUITY</b>							
MSCI EAFE	7.26%	12.99%	24.66%	5.47%	8.17%	5.97%	5.69%
MSCI AC World	6.61%	18.66%	31.62%	8.07%	12.14%	10.20%	9.35%
MSCI AC World ex-USA	8.06%	14.21%	25.24%	4.13%	7.56%	5.42%	5.20%
MSCI AC World ex-USA Small Cap	8.90%	11.93%	23.15%	1.39%	8.18%	5.18%	6.05%
MSCI EM (Emerging Markets)	8.72%	16.86%	25.94%	0.40%	5.73%	3.64%	4.01%
<b>ALTERNATIVES</b>							
FTSE Nareit/Equity REITs - INV	16.09%	15.93%	34.58%	5.06%	5.43%	6.95%	7.80%
MSCI US REIT INDEX	16.12%	15.84%	34.23%	4.97%	5.45%	6.94%	7.74%
FTSE Global Core Infrastructure 50/50 Index	13.59%	16.20%	28.68%	6.69%	5.22%	6.16%	6.33%
Bloomberg Commodity Index	0.68%	5.86%	0.95%	3.65%	7.76%	4.85%	0.03%
<b>FIXED INCOME</b>							
Bloomberg U.S. Aggregate	5.20%	4.45%	11.52%	-1.38%	0.33%	1.47%	1.84%
Bloomberg U.S. Government/Credit	5.10%	4.39%	11.27%	-1.50%	0.41%	1.63%	1.99%
Bloomberg U.S. Intermediate Government/Credit	4.17%	4.68%	9.41%	0.17%	1.25%	1.89%	1.96%
Bloomberg U.S. Treasury (1-3 Y)	2.91%	4.13%	6.76%	1.26%	1.48%	1.67%	1.40%
ICE BofA U.S. High Yield	5.31%	8.05%	15.62%	3.07%	4.53%	4.55%	4.94%
Bloomberg Global Aggregate ex-USD	8.52%	2.81%	12.23%	-4.40%	-1.85%	-0.80%	-0.50%
<b>CASH EQUIVALENT</b>							
Bloomberg 3 Month T-Bill	1.38%	4.06%	5.48%	3.56%	2.36%	2.25%	1.67%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

**THE ECONOMY**

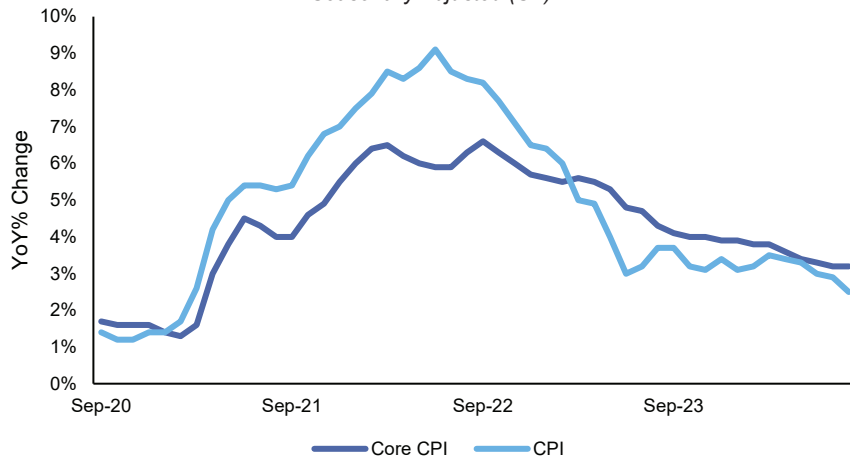
- ▶ In the second quarter, U.S. gross domestic product (GDP) grew at an annualized rate of 3.0%, nearly double the 1.6% recorded in the first quarter of 2024, pointing to a still resilient economy. Within this reading, we saw domestic demand remain strong at 2.8% growth. The U.S. economy once again outperformed many other developed markets including the United Kingdom, which grew 1.8%; Japan, which grew 2.9%; and the Euro Area, which grew a meager 1.1% in the second quarter.
- ▶ The U.S. unemployment rate ended the quarter at 4.1%, in line with the end of second quarter, but still relatively higher than the 3.7% low at the beginning of the year. While the labor market appears to be cooling overall, there are several signs pointing to continued health as jobless claims remain firmly below their long-term averages and layoff rates continue to hold very low.
- ▶ Inflation continued to moderate in the second quarter. Headline inflation (CPI) grew at a year-over-year rate of 2.5% in August, down from the 3.0% growth in June. Core CPI, which excludes volatile food and energy, eased to a three year low of 3.2%. Both mark the lowest readings in more than three years and point to the progress made toward the Federal Reserve’s (Fed) inflation target of 2%.

**U.S. GDP Growth**



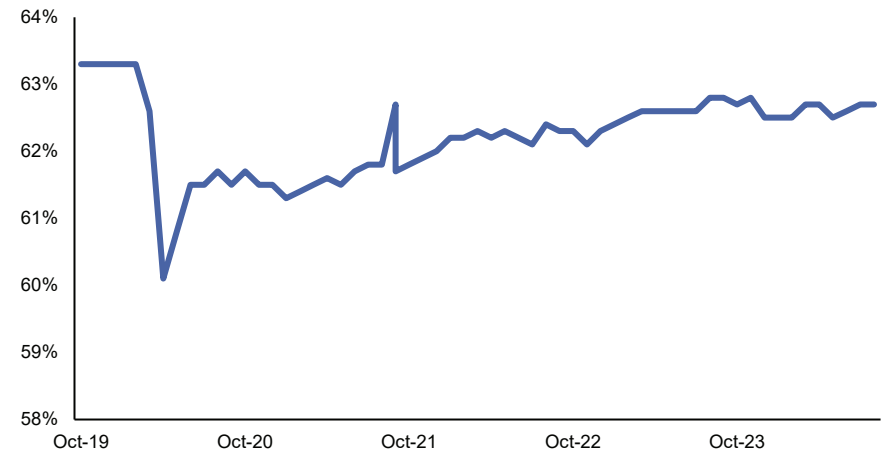
Source: Bloomberg. Light blue bars indicate actual numbers; dark blue bars indicate forecasted estimates.

**U.S. Inflation Rate**  
Seasonally Adjusted (SA)



Source: Bureau of Labor Statistics.

**Labor Force Participation Rate**  
Seasonally Adjusted (SA)

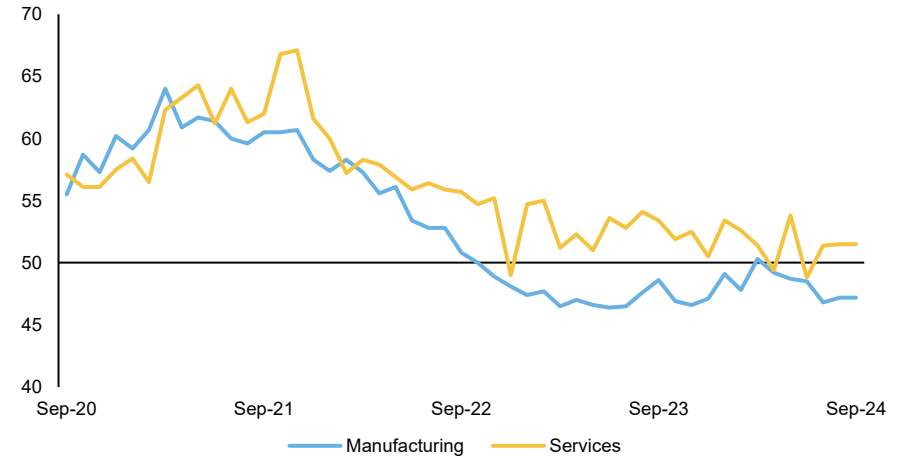


Source: Bureau of Labor Statistics.

**WHAT WE'RE WATCHING**

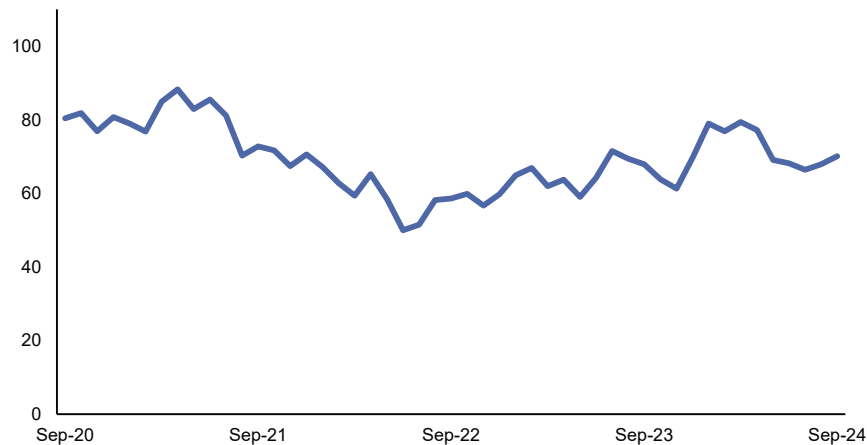
- ▶ The Fed cut the overnight rate by 50 basis points (bps) (0.50%) to a new target range of 4.75% to 5.00% at its September 18 meeting, marking the first rate cut in more than four years. Looking forward, the Fed's updated "dot plot" points to an additional 50 bps of rate cuts by the end of 2024 and 100 bps of cuts in 2025. Outside of the U.S., other major central banks also made rate changes during the quarter, with the European Central Bank (ECB) cutting rates and the Bank of Japan (BOJ) hiking rates for the second time this year.
- ▶ U.S. manufacturing activity dipped back into contraction during the second quarter, with the ISM U.S. Manufacturing PMI reading at 47.2 in September, signaling weak demand. The services sector crept up into expansion territory, with the Services PMI rising to 51.5 in September.
- ▶ Consumer confidence, as measured by the University of Michigan's Consumer Sentiment survey, rose in September after a dip earlier in the quarter, and ended at 70.1, up from the 68.2 reading at the end of the first quarter.
- ▶ In response to the weakness across the economy, China's central bank unveiled several new monetary and fiscal policies to restore consumer confidence and boost growth. They include lowering bank reserve requirements, cutting its key policy rate, and pledging support to relieve local government debt, among other measures.

**U.S. ISM Manufacturing & Services PMI**



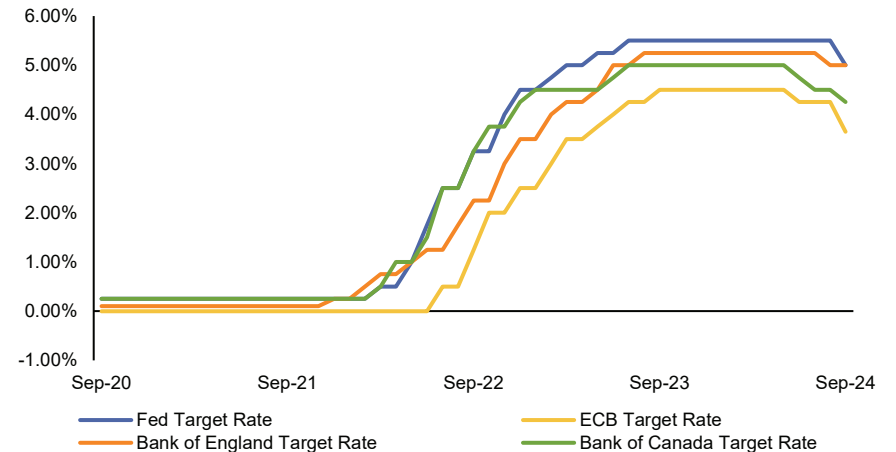
Source: Bloomberg.

**University of Michigan Consumer Sentiment**



Source: Bloomberg.

**Global Central Bank Rates**



Source: Bloomberg.



**DOMESTIC EQUITY**

▶ The S&P 500 Index (S&P) posted a 5.9% return for the third quarter of 2024. As of September 30, 2024, the trailing one-year return for the index was 36.2%.

▶ During the quarter, equity performance broadened beyond mega-cap stocks as the S&P 500 equal-weighted index outperformed its capitalization-weighted counterpart. Across market cap segments, value indices outperformed growth indices for the quarter.

▶ Within S&P 500, only one of 11 GICS sectors posted negative returns over the quarter. The worst performing sectors were Energy (-2.3%), Information Technology (1.6%), and Communication Services (1.7%). The best performing sectors were Utilities (19.4%), Real Estate (17.2%), and Industrials (11.6%).

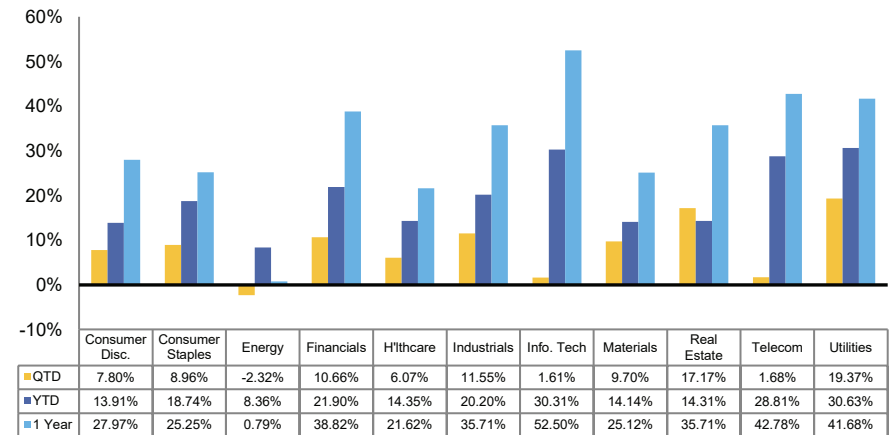
▶ Small-caps, as represented by the Russell 2000 Index, returned 9.3% during the quarter, and outperformed both mid-caps and large-caps. The Russell Midcap and Russell 1000 indices returned 9.2% and 6.1%, respectively.

▶ According to FactSet Earnings Insight (as of September 27, 2024), the expected year-over-year earnings growth rate for the S&P 500 for Q3 2024 was 4.6%, down from the June 30 estimate of 7.8%. At the sector level, Energy (-0.6% to -18.3%) and Materials (7.6% to -1.9%) saw the biggest downward revisions in YoY earnings growth estimates from June 30 to September 27. Conversely, the only sectors revised upward during this period were Information Technology (15.2% to 15.6%) and Communication Services (10.0% to 10.4%).

▶ As of the end of the quarter, the S&P 500 forward P/E (price-to-earnings) ratio was 26.0, above its five-year average of 22.7. By comparison, the Russell 2000 had a forward P/E ratio of 19.9, above its five-year average of 17.8.

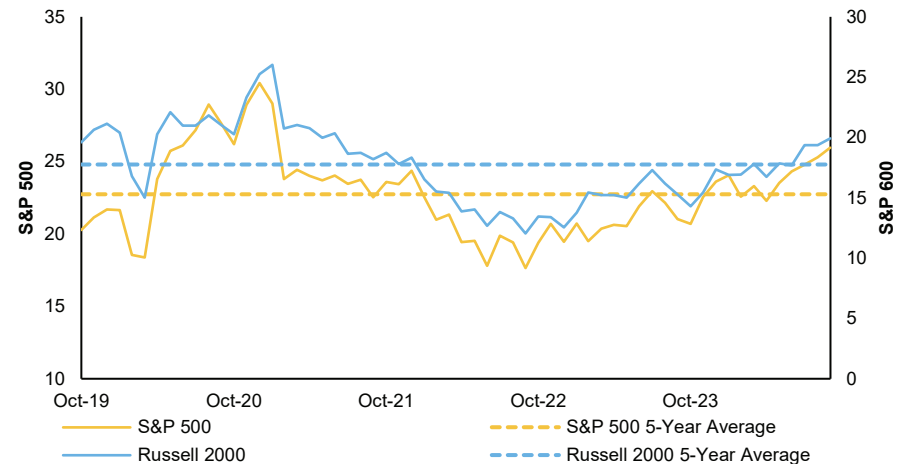
**S&P 500 Index Performance by Sector**

Periods Ended September 30, 2024



Source: Bloomberg.

**P/E Ratios of Major Stock Indices\***



Source: Bloomberg.

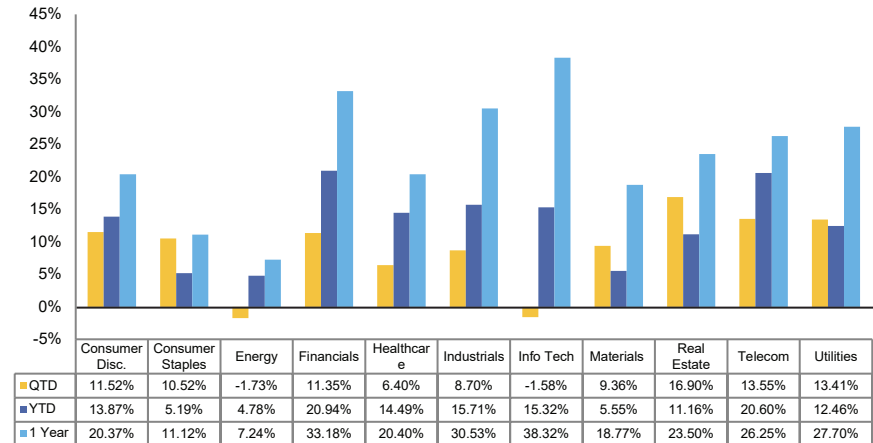
\*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

**NON-U.S. EQUITY**

- ▶ Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, significantly outperformed their U.S. counterparts, returning 8.06% for the quarter. The weaker dollar was a tailwind to these returns.
- ▶ Nine of the 11 sectors posted positive returns for the quarter, with Real Estate (16.90%) leading the way, followed by Communication Services (13.55%) and Utilities (13.41%). Energy (-1.73%) and Information Technology (-1.58%) were the worst performers for the quarter.
- ▶ Developed ex-U.S. Markets, as represented by the MSCI EAFE Index, underperformed emerging markets (EM), represented by the MSCI Emerging Market Index, returning 7.26% versus 8.72% for the quarter.
- ▶ MSCI Australia (11.32%) outperformed the MSCI EAFE Index on the back of cooling inflation. Of the five largest-weighted countries in the index, MSCI Japan (5.80%) was the worst performer. The surprise July rate hike and subsequent yen’s appreciation reduced the prospects of higher profits for Japanese exporters.
- ▶ Within EM, EM Asia (9.47%) was the largest contributor to overall returns during the quarter, benefitting from MSCI China’s strong return of 23.49%. Chinese equities experienced a sharp rally in September, powered by the injection of additional stimulus. MSCI Korea on the other hand, declined 5.94% during the quarter as the technology sell-off impacted index heavyweights - Samsung and SK Hynix.
- ▶ Value stocks outperformed growth stocks for the quarter, as represented by the broad benchmark. MSCI AC World ex-USA Value returned 9.26%, while MSCI AC World ex-USA Growth returned 6.92%. Within EM, growth outperformed value, returning 9.26% versus 8.12%.
- ▶ Small-caps, as represented by MSCI ACWI ex-U.S. Small Cap Index, outperformed within the international equity markets, returning 8.90% for the quarter.
- ▶ Valuations of non-U.S. equities have moved closer to their long-term average across international equity markets. As of September 30, MSCI EAFE’s forward P/E stood at 15.77 versus a five-year average of 16.06. MSCI EM ended the quarter with a forward P/E ratio of 14.02, slightly higher than its five-year average of 13.32.

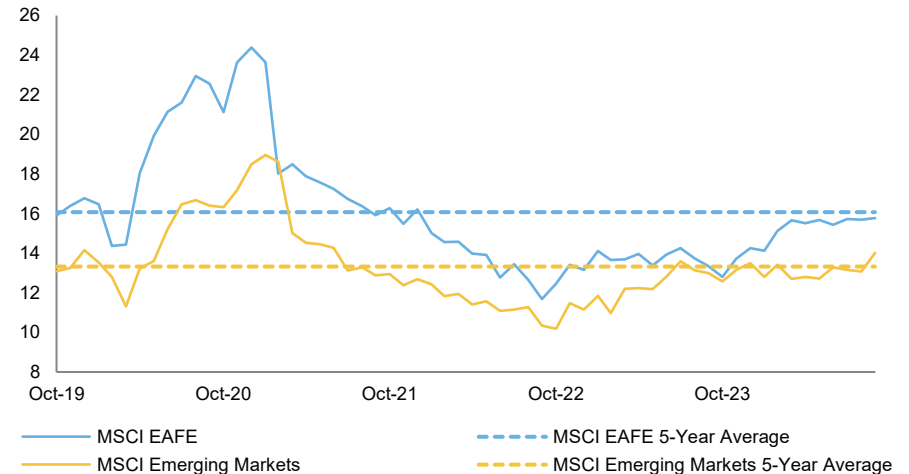
**MSCI ACWI ex-U.S. Sectors**

Periods Ended September 30, 2024



Source: Bloomberg.

**P/E Ratios of MSCI Equity Indices\***



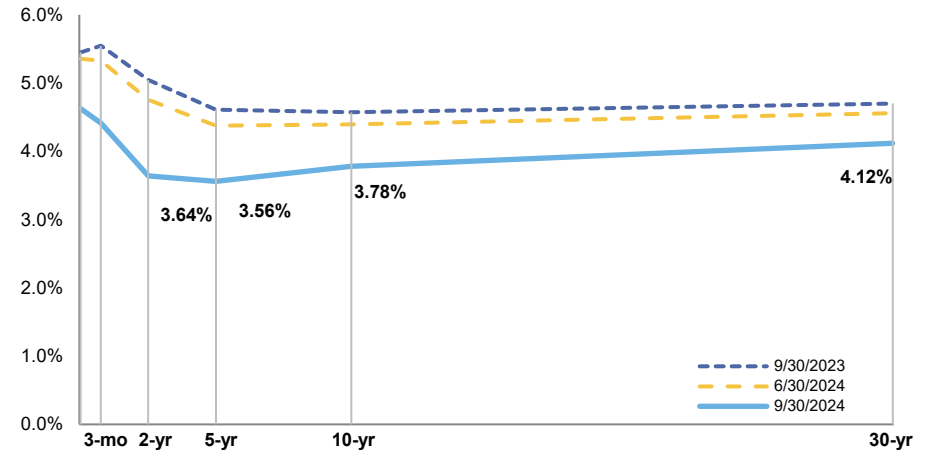
Source: Bloomberg.

\*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

**FIXED INCOME**

- ▶ The U.S. bond market, as represented by the Bloomberg U.S. Aggregate (Aggregate) Index, had a strong third quarter, and ended 5.20% higher. The trailing one-year period return is 11.54%.
- ▶ The Bloomberg U.S. Treasury Index closed the quarter with a gain of 4.74%. During the period, the Federal Open Market Committee (FOMC) initiated its first rate cut of the cycle, lowering the Fed funds Rate by 50 bps. This was more than many market participants had anticipated. Treasury rates beyond the one-year range generally fell during the period. The yield curve steepened during the quarter and dis-inverted for the first time in over two years as the Fed funds rate is targeted at 5.0%. Meanwhile, the 10-year fell to 3.78%, and the 2-year ended at 3.64%.
- ▶ Corporate credit had mixed results for the quarter on the falling rates but spots of widening spreads. The investment grade Bloomberg U.S. Corporate (IG Corp) Index gained 5.84% while high yield bonds, as represented by the Bloomberg U.S. Corporate High Yield (HY) Index, gained 1.09%. Spreads tightened in the “CCC” category, but “BB” performed the worst in the high yield category.
- ▶ The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index, gained 5.53%. On the commercial side, returns were positive, with the Bloomberg U.S. Agency CMBS Index up 4.74%, while the non-agency CMBS index gained 4.55%.
- ▶ Emerging market USD sovereign bonds, as represented by the JP Morgan EMBI Global Diversified index, gained 6.15% and were supported by sovereign names. Latin America saw the strongest returns for the quarter.

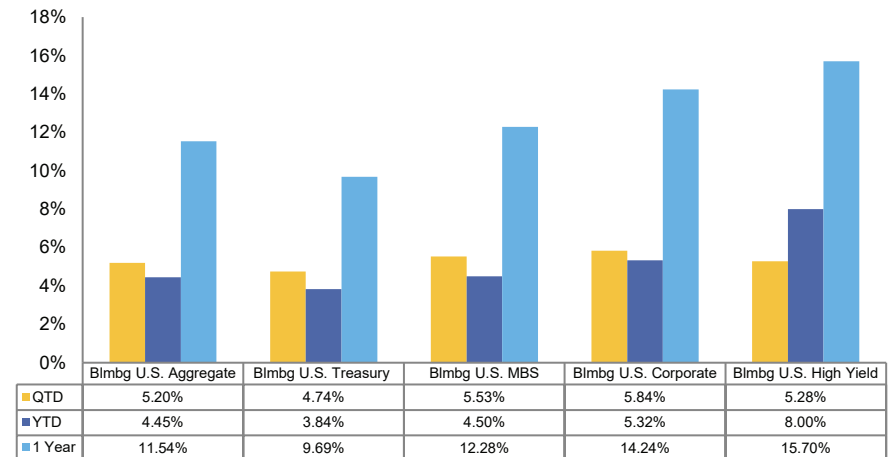
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended September 30, 2024



Source: Bloomberg.

**ALTERNATIVES**

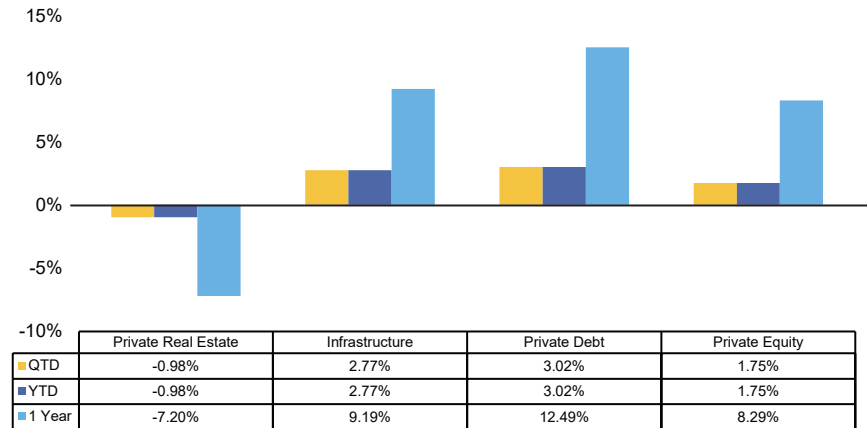
► Public REITs, as measured by the FTSE NAREIT Equity REITs Index, returned 16.09% in the third quarter of 2024, compared to a 0.06% return in the prior quarter. All major sectors saw positive returns. The strong performance can be attributed to expectations of monetary policy easing and falling real interest rates. Private real estate, as measured by the NCREIF Property Index, fell -0.22% in the second quarter of 2024. Weak performance has been driven by property value declines stemming from weak demand and oversupply, primarily within the Office and Apartment sectors. However, value declines are leveling off, and the income component of total returns continues to be positive.

► Listed infrastructure, as measured by the S&P Global Infrastructure Index, gained 13.43% in the third quarter of 2024, compared to a 2.67% increase in the prior quarter. Performance was mostly positive across the major sectors. In the first half of 2024, 25 infrastructure funds raised \$42.24 billion, a modest figure despite the broad slowdown seen in private markets fundraising. The asset class has received increased attention in recent years due to its potential to generate resilient, inflation-sensitive returns. Artificial intelligence and its prospective applications across industries have also contributed to the positive sentiment, especially for data center and utilities. According to PitchBook, infrastructure funds posted a return of 2.77% in Q1 2024. The asset class has generated an annualized return of 10.08% for the five years ended Q1 2024.

► In the first half of 2024, 59 private debt funds raised \$90.77 billion and rebounded from a slow start to the year. The asset class has performed well relative to public fixed income over the long-term. However, competition between private debt managers and a resurgence of the broadly syndicated loan market against the backdrop of a declining rate environment may keep future asset class returns in check. According to the Cliffwater Direct Lending Index, U.S. middle market loans, a proxy for private debt, posted a return of 3.02% in Q1 2024. The asset class has also generated an annualized return of 9.15% for the five years ended Q1 2024.

► In the first half of 2024, 250 private equity funds raised \$295.64 billion, a strong pace despite a challenging macroeconomic environment. Private equity performance has been muted due to high borrowing costs, limited debt availability, and reduced deal flow. Recent trailing performance has lagged public equity indices; however, longer term performance relative to public equities remains strong. According to Cambridge Associates, U.S. private equity posted a return of 1.75% in Q1 2024. The asset class has generated an annualized return of 17.01% for the five years ended Q1 2024.

**Returns for Private Capital Assets**



Source: NCREIF, PitchBook, Cliffwater, Cambridge Associates.  
As of March 31, 2024, the most recent period for which all index data is available.

**Private Capital Fundraising & Dry Powder**



Sources: Pitchbook.

\* Total capital raised in 2024 as of June 30, 2024 - most recent period for which ALL fundraising data is available.

\*\* Cumulative dry powder as of December 31, 2023, unless specified otherwise.

\*\*\* Excluding open-end, evergreen fund vehicles.

## Disclosures

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# Important disclosures (page 1 of 4)

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For use in one-on-one meetings/presentations.

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U.S. Bank and its representatives do not provide tax or legal advice. Your tax and financial situation is unique. You should consult your tax and/or legal advisor for advice and information concerning your particular situation.

**Past performance is no guarantee of future results.** All performance data, while obtained from sources deemed to be reliable, are not guaranteed for accuracy. Indexes shown are unmanaged and are not available for direct investment, nor are they subject to fees and expenses.

Performance reports included may show performance results gross of fees and expenses. If fees and expenses were included, the performance would be lower. If you have any questions, please speak with your relationship manager for additional information.

Based on our strategic approach to creating diversified portfolios, guidelines are in place concerning the construction of portfolios and how investments should be allocated to specific asset classes based on client goals, objectives and tolerance for risk. Not all recommended asset classes will be suitable for every portfolio. **Diversification and asset allocation do not guarantee returns or protect against losses.**



# Important disclosures (page 2 of 4)

**Equity securities** are subject to stock market fluctuations that occur in response to economic and business developments. **Stocks of small-capitalization companies** involve substantial risk. These stocks historically have experienced greater price volatility than stocks of larger companies and may be expected to do so in the future. **Stocks of mid-capitalization companies** can be expected to be slightly less volatile than those of small-capitalization companies, but still involve substantial risk and may be subject to more abrupt or erratic movements than large-capitalization companies. The value of **large-capitalization stocks** will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions. **Growth investments** focus on stocks of companies whose earnings/profitability are accelerating in the short term or have grown consistently over the long term. Such investments may provide minimal dividends, which could otherwise cushion stock prices in a market decline. Stock value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments. **Value investments** focus on stocks of income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that their intrinsic values may never be realized by the market, or such stocks may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

**International investing** involves special risks, including foreign taxation, currency risks, risks associated with possible differences in financial standards and other risks associated with future political and economic developments. Investing in **emerging markets** may involve greater risks than investing in more developed countries. In addition, concentration of investments in a single region may result in greater volatility.

Investments in **real estate securities** can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates and risks related to renting properties (such as rental defaults). There are special risks associated with an investment in **commodities**, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors.

Investments in **fixed income securities** are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors. Investment in fixed income securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term securities. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in **high yield bonds** offer the potential for high current income and attractive total return, but involve certain risks. Changes in economic conditions or other circumstances may adversely affect a bond issuer's ability to make principal and interest payments.

# Important disclosures (page 3 of 4)

The **municipal bond** market is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issues of municipal securities. Interest rate increases can cause the price of a bond to decrease. Income on municipal bonds is free from federal taxes, but may be subject to the federal alternative minimum tax (AMT), state and local taxes. **Treasury Inflation-Protected Securities (TIPS)** offer a lower return compared to other similar investments and the principal value may increase or decrease with the rate of inflation. Gains in principal are taxable in that year, even though not paid out until maturity.

Non-financial **specialty assets**, such as real estate, farm, ranch and timber properties, oil, gas and mineral interests or closely-held business interests are complex and involve unique risks specific to each asset type, including the total loss of value. Special risk considerations may include natural events or disasters, complex tax considerations and lack of liquidity. Specialty assets may not be suitable for all investors.

**Alternative investments** very often use speculative investment and trading strategies. There is no guarantee that the investment program will be successful. Alternative investments are designed only for investors who are able to tolerate the full loss of an investment. These products are not suitable for every investor even if the investor does meet the financial requirements. It is important to consult with your investment professional to determine how these investments might fit your asset allocation, risk profile and tax situation. **Hedge funds** are speculative and involve a high degree of risk. An investment in a hedge fund involves a substantially more complicated set of risk factors than traditional investments in stocks or bonds, including the risks of using derivatives, leverage and short sales, which can magnify potential losses or gains. Restrictions exist on the ability to redeem or transfer interests in a fund. **Exchange-traded funds (ETFs)** are baskets of securities that are traded on an exchange like individual stocks at negotiated prices and are not individually redeemable. ETFs are designed to generally track a market index and shares may trade at a premium or a discount to the net asset value of the underlying securities. **Private equity** investments provide investors and funds the potential to invest directly into private companies or participate in buyouts of public companies that result in a delisting of the public equity. Investors considering an investment in private equity must be fully aware that these investments are illiquid by nature, typically represent a long-term binding commitment and are not readily marketable. The valuation procedures for these holdings are often subjective in nature. **Private debt** investments may be either direct or indirect and are subject to significant risks, including the possibility of default, limited liquidity and the infrequent availability of independent credit ratings for private companies. **Structured products** are subject to market risk and/or principal loss if sold prior to maturity or if the issuer defaults on the security. Investors should request and review copies of Structured Products Pricing Supplements and Prospectuses prior to approving or directing an investment in these securities.

# Important disclosures (page 4 of 4)

**Mutual fund investing** involves risk and principal loss is possible. Investing in certain funds involves special risks, such as those related to investments in small- and mid-capitalization stocks, foreign, debt and high-yield securities and funds that focus their investments in a particular industry. Please refer to the fund prospectus for additional details pertaining to these risks. An investment in **money market funds** is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although these funds seek to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in these funds.

**Holdings of First American Funds:** U.S. Bancorp Asset Management, Inc. is a registered investment advisor and subsidiary of U.S. Bank National Association. U.S. Bank National Association is a separate entity and wholly owned subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, performance or services of U.S. Bancorp Asset Management. U.S. Bancorp Asset Management, Inc. serves as an investment advisor to First American Funds. **Holdings of Nuveen mutual funds:** Firststar Capital Corporation (Firststar Capital), an affiliate of U.S. Bancorp, holds a less-than-10 percent ownership interest in Windy City Investments Holdings, LLC which was formerly the parent of Windy City Investment Inc. and the indirect parent of Nuveen Fund Advisors, LLC which is the investment advisor to the Nuveen Mutual Funds. On October 1, 2014, Windy City Investments, Inc. was sold to Teachers Insurance and Annuity Association of America. As a result of the sale, U.S. Bancorp no longer has an indirect ownership interest in Nuveen Fund Advisors, LLC. Depending on the outcome of certain factors, Firststar Capital might in the future receive an earn-out payment in respect of its interest in Windy City Investment Holdings, LLC, under the terms of the sale. **Non-proprietary mutual funds:** U.S. Bank may enter into agreements with other non-proprietary mutual funds or their service providers whereby U.S. Bank provides shareholder services and/or sub-transfer agency, custodial and other administrative support services and receives compensation for these services. Compensation received by U.S. Bank directly or indirectly from mutual funds does not increase fund fees and expenses beyond what is disclosed in the fund prospectuses. For more information, review the fund prospectus.

# Definitions of report and statement terms (page 1 of 5)

**Accredited Investor:** Private placement securities generally require that investors be accredited due to the additional risks and speculative nature of the securities. For natural persons, the criteria is met by a net worth of more than \$1 million (excluding primary residence) or an income of more than \$200,000 individually (\$300,000 jointly) for the two most recent years and a reasonable expectation for the same in the current year. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$5 million in assets. See full definition in Rule 501 of Regulation D under the Securities Act of 1933.

**Alpha:** A measure of risk-adjusted performance. A statistic measuring that portion of a stock, fund or composite's total return attributable to specific or non-market risk. Alpha measures non-market return and indicates how much value has been added or lost. A positive Alpha indicates the fund or composite has performed better than its Beta would predict (i.e., the manager has added value above the benchmark). A negative Alpha indicates a fund or composite has underperformed given the composite's Beta.

**Alternative Investments:** As used by U.S. Bank, an investment considered to be outside of the traditional asset classes of long-only stocks, bonds and cash. Examples of alternative investments include hedge funds, private equity, options and financial derivatives.

**Annualized Excess Return:** Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided annualize only periods greater than one year.

**Annualized or Annual Rate of Return:** Represents the average annual change in the value of an investment over the periods indicated.

**Batting Average:** Shows how consistently the portfolio return met or beat the market.

**Beta:** A measure of your portfolio's risk relative to a benchmark. A portfolio with a beta of 1.5, for example, would be expected to return roughly 1.5 times the benchmark's return. A high Beta indicates a riskier portfolio.

**Bond Credit Rating:** A grade given to bonds by a private independent rating service that indicates their credit quality. Ratings are the opinion of Standard & Poor's or other agencies as noted and not the opinion of U.S. Bank.

**Consumer Price Index (CPI):** A measure of the average change in prices over time in a market basket of goods and services and is one of the most frequently used statistics for identifying periods of inflation and deflation.

**Convexity to Stated Maturity:** A measure of the curvature in the relationship between bond prices and bond yields that demonstrates how the duration of a bond changes as the interest rate changes. Convexity is used as a risk-management tool and helps to measure and manage the amount of market risk to which a portfolio of bonds is exposed. This version of convexity measures the rate change in duration of a bond as the yield to (stated) maturity changes.

# Definitions of report and statement terms (page 2 of 5)

**Cost basis/book value:** The original value of an asset at the time it was acquired. This is normally the purchase price or appraised value at the time of acquisition. This data is for information purposes only.

**Cumulative Excess Return:** Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided use unannualized returns in periods up to one year, but annualized returns for periods exceeding one year.

**Downside Capture:** The downside capture ratio reflects how a portfolio compares to a benchmark during periods when the benchmark is down. A downside capture ratio of 0.80 (or 80 percent) means the portfolio has historically declined only 80 percent as much as the benchmark during down markets.

**Downside Deviation:** The deviation of returns that fall below a minimum acceptable return (MAR). Although the numerator includes only returns below the MAR, the denominator includes all returns in the performance period. This risk statistic is similar to the downside standard deviation except the sum is restricted to returns less than the MAR instead of the mean.

**Downside Standard Deviation:** The deviation of returns that fall below the mean return. Although the numerator includes only returns below the mean, the denominator includes all returns in the performance period. This risk statistic is similar to the downside deviation except the sum is restricted to returns less than the mean instead of the minimum acceptable return (MAR).

**Effective Maturity:** The date of a bond's most likely redemption, given current market conditions, taking into consideration the optional and mandatory calls, the optional, mandatory and recurring puts, and the stated maturity.

**Estimated annual income:** The amount of income a particular asset is anticipated to earn over the period indicated. The shares multiplied by the annual income rate.

**Gain/loss calculation:** If an asset was sold, the difference between the proceeds received from the sale compared to the cost of acquiring the asset. If the value of the proceeds is the higher of the two numbers, then a gain was realized. If the value of the proceeds is the lower of the two numbers, a loss was incurred. This data is for information purposes only.

**Information Ratio:** The information ratio compares the average excess return of the portfolio over its associated benchmark divided by the tracking error.

**M-Squared:** The hypothetical return of the portfolio after its risk has been adjusted to match a benchmark.

# Definitions of report and statement terms (page 3 of 5)

**Market Value:** Publicly traded assets are valued using market quotations or valuation methods from financial industry services believed by us to be reliable. Assets, that are not publicly traded, may be reflected at values from other external sources or special valuations prepared by us. Assets for which a current value is not available may be reflected as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could have been bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

**Market Value Over Time:** Many factors can impact the portfolio value over time, such as contributions to the account, distributions from the account, the investment of dividends and interest, the deduction of fees and expenses, and market performance.

**Modified Duration to Effective Maturity:** A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration takes into consideration a “horizon date/price” that is, given current conditions, the most likely redemption date/price using the set of calls/puts, as well as stated maturity.

**Modified Duration to Stated Maturity:** A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration uses stated maturity as the “horizon date/price” and ignores any potential call/put/pre-refunding, even if they are mandatory.

**Price/Earnings Ratio (P/E):** The P/E ratio of a company is calculated by dividing the price of the company’s stock by its trailing 12-month earnings per share. A high P/E usually indicates that the market is paying a premium for current earnings because it believes in the firm’s ability to grow its earnings. A low P/E indicates the market has less confidence that the company’s earnings will increase. Within a portfolio, P/E is the weighted average of the price/earnings ratios of the stocks in the portfolio.

**Qualified Purchaser:** Some private placement securities require that investors be Qualified Purchasers in addition to being Accredited Investors. For natural persons, the criteria is generally met when the client (individually or jointly) owns at least \$5 million in investments. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$25 million in investments though there are other eligibility tests that may apply. See full definition in Section 2(a)(51) of the Investment Company Act of 1940.

**R-Squared:** Measures the portion of the risk in your portfolio that can be attributed to the risk in the benchmark.

**Realized and Unrealized Gains/Losses:** Are calculated for individual tax lots based on the records we have available. Some data may be incomplete or differ from what you are required to report on your tax return. Some data used in these calculations may have been obtained from outside sources and cannot be verified by U.S. Bank. The data is intended for informational purposes only and should not be used for tax reporting purposes. Please consult with your tax or legal advisor for questions concerning your personal tax or financial situation.

# Definitions of report and statement terms (page 4 of 5)

**Residual Risk:** The amount of risk specific to the assets in a portfolio distinct from the market, represented by a benchmark.

**Return:** An indication of the past performance of your portfolio.

**Sharpe Ratio:** Measures of risk-adjusted return that calculates the return per unit of risk, where risk is the Standard Deviation of your portfolio. A high Sharpe ratio indicates that the portfolio is benefiting from taking risk.

**Sortino Ratio:** Intended to differentiate between good and bad volatility. Similar to the Sharpe ratio, except it uses downside deviation for the denominator instead of standard deviation, the use of which doesn't discriminate between up and down volatility.

**Spread:** The difference between the yields of two bonds with differing credit ratings (most often, a corporate bond with a certain amount of risk is compared to a standard traditionally lower risk Treasury bond). The bond spread will show the additional yield that could be earned from a bond which has a higher risk.

**Standard Deviation:** A measure of the volatility and risk of your portfolio. A low standard deviation indicates a portfolio with less volatile returns and therefore less inherent risk.

**Time-weighted Return:** The method used to calculate performance. Time-weighted return calculates period by period returns that negates the effect of external cash flows. Returns for periods of greater than one year are reported as an annualized (annual) rate of return. Returns of less than one year are reported on a cumulative return basis. Cumulative return is the aggregate amount an investment has gained or lost over time, independent of the period involved.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. This is often in the context of a hedge or mutual fund that did not work as effectively as intended, creating an unexpected profit or loss instead.

**Traditional Investments:** As used by U.S. Bank, an investment made in equity, fixed income or cash securities, mutual funds or exchange-traded funds (ETFs) where the investor buys at a price with the goal that the investment will go up in value.

**Top 10 Holdings:** The 10 assets with the highest market values in the account.

**Total Portfolio Gross of Fees:** Represents all assets included in the calculation of the portfolio, before the deduction of trust and asset management fees, and is inclusive of all applicable third-party security fees and expenses. Details of those fees and expenses are provided in the security's prospectus or offering documents.

# Definitions of report and statement terms (page 5 of 5)

**Total Return:** The rate of return that includes the realized and unrealized gains and losses plus income for the measurement period.

**Treynor Ratio:** Measures the performance of a sector relative to risk by dividing the return of the sector in excess of the risk-free return by the sector's Beta. The higher the Treynor ratio, the better the return relative to risk.

**Turnover Percent:** Indicates how frequently asset are bought and sold within a portfolio.

**Turnover Ratio:** The percentage of a mutual fund's or other investment vehicle's holdings that have been "turned over" or replaced with other holdings in a given year.

**Unrealized gain (loss)** — The difference between the current market value (at the end of the statement period) and the cost to acquire the asset. If the current market value is higher than the cost, a gain is reflected. If the current market value is lower than the cost paid, a loss is reflected. This data is for information purposes only.

**Upside Capture:** The upside capture ratio reflects how a portfolio compares to the selected model benchmark during periods when the benchmark is up. An upside capture ratio of 1.15 (or 115 percent) means the portfolio has historically beat the benchmark by 15 percent during up markets.

**Yield:** The annual rate of return on an investment, expressed as a percentage. For bonds, it is the coupon rate divided by the market price. For stocks, it is the annual dividend divided by the market price.



# Frequently used indexes (page 1 of 5)

**Bloomberg Barclays 1-3 year U.S. Treasury Index:** Measures the performance of the U.S. government bond market and includes public obligations of the U.S. Treasury with a maturity between one year and up to (but not including) three years.

**Bloomberg Barclays 1-5 year U.S. Treasury Index:** Includes all publicly issued, U.S. Treasury securities that have a remaining maturity of greater than or equal to one year and less than five years, are rated investment grade and have \$250 million or more of outstanding face value.

**The Bloomberg Barclays 1-5 year Municipal Index:** Measures the performance of municipal bonds with time to maturity of more than one year and less than five years.

**Bloomberg Barclays 7-year Municipal Index:** Includes municipal bonds with a minimum credit rating of Baa that have been issued as part of a transaction of at least \$50 million, have a maturity value of at least \$5 million and a maturity range of four to six years.

**Bloomberg Barclays Global Aggregate Index ex-U.S. Index:** Measure of global investment grade debt from 24 local currency markets. This multi-currency benchmark includes Treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

**Bloomberg Barclays Global Treasury ex-U.S. Index:** Includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

**Bloomberg Barclays High Yield Municipal Bond Index:** An unmanaged index made up of bonds that are non-investment grade, unrated or below Ba1 bonds.

**Bloomberg Barclays Intermediate Aggregate Index:** Consists of one- to 10-year governments, one- to 10-year corporate bonds, all mortgages and all asset-backed securities within the Aggregate Index.

**Bloomberg Barclays Mortgage-Backed Securities Index:** Covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid adjustable-rate mortgages) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**Bloomberg Barclays U.S. Aggregate Bond Index:** Measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities.

**Bloomberg Barclays U.S. Corporate Bond Index:** Measures the investment grade, fixed-rate, taxable corporate bond market and includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

# Frequently used indexes (page 2 of 5)

**Bloomberg Barclays U.S. Corporate High Yield Bond Index:** Measures the U.S. dollar denominated, high yield, fixed-rate corporate bond market.

**Bloomberg Barclays U.S. Municipal Bond Index:** Measures the investment grade, U.S. dollar-denominated, fixed tax-exempt bond market. The index includes state and local general obligation, revenue, insured and pre-refunded bonds.

**Bloomberg Barclays U.S. Treasury Index:** Measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

**Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index:** An unmanaged index includes all publicly issued, U.S. TIPS that have at least one year remaining to maturity, are rated investment grade, and have \$250 million or more of outstanding face value.

**Cambridge U.S. Private Equity Index:** This index is based on returns data compiled for U.S. private equity funds (including buyout, growth equity and mezzanine funds) that represent the majority of institutional capital raised by private equity partnerships formed since 1986. Returns may be delayed by up to six months. Quarterly performance is prorated based on the cube root for the months of the quarter.

**Citigroup 3-Month Treasury Bills:** An unmanaged index and represents monthly return equivalents of yield averages of the last three-month Treasury Bill issues.

**Citigroup 6-Month Treasury Bills:** An unmanaged index and represents monthly return equivalents of yield averages of the last six-month Treasury Bill issues.

**Credit Suisse Leverage Loan Index:** Represents tradable, senior-secured, U.S. dollar-denominated non-investment grade loans.

**Dow Jones Industrial Average (DJIA):** The price-weighted average of 30 significant U.S. stocks traded on the New York Stock Exchange and NASDAQ. The DJIA is the oldest and single most watched index in the world.

**Dow Jones Select REIT Index:** Measures the performance of publicly traded REITs and REIT-like securities in the U.S. and is a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate.

**HFRI Indices:** The Hedge Fund Research, Inc. (HFRI) indexes are a series of benchmarks designed to reflect hedge fund industry performance by constructing composites of constituent funds, as reported by the hedge fund managers listed within the HFR Database.

# Frequently used indexes (page 3 of 5)

**HFRI Equity Hedge Total Index:** Uses the HFR (Hedge Fund Research) database and consists only of equity hedge funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

**HFRI Relative Value Fixed Income Corporate Index:** Uses the HFR (Hedge Fund Research) database and consists of only relative value fixed income corporate funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

**ICE BofAML 1-3 Year Corporate Index:** Tracks U.S. dollar-denominated investment grade public debt issued in the U.S. bond market with maturities of one to three years.

**ICE BofAML 1-5 Year Corporate and Government Index:** Tracks the performance of short-term U.S. investment grade government and corporate securities with maturities between one and five years.

**ICE BofAML U.S. 7-10 Year Index:** Tracks the performance of U.S. dollar denominated investment grade rated corporate debt publicly issued in the U.S. domestic market and includes all securities with a remaining term to maturity of greater than or equal to seven years and less than 10 years.

**ICE BofAML Global Broad Market Index:** Tracks the performance of investment grade public debt issued in the major domestic and Eurobond markets, including global bonds.

**ICE BofAML U.S. High Yield Master II Index:** Commonly used benchmark index for high yield corporate bonds and measures the broad high yield market.

**J.P. Morgan Emerging Markets Bond Index Global (EMBI Global):** Tracks total returns for traded external debt instruments in the emerging markets.

**London Interbank Offered Rate (LIBOR) 3-months:** The interest rate offered by a specific group of London banks for U.S. dollar deposits with a three-month maturity.

**London Interbank Offered Rate (LIBOR) 9-months:** The interest rate offered by a specific group of London banks for U.S. dollar deposits with a nine-month maturity.

**MSCI All Country World Index (ACWI):** Designed to measure the equity market performance of developed and emerging markets.

# Frequently used indexes (page 4 of 5)

**Russell 2000 Value Index:** Measures companies in the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

**Russell 3000 Index:** Measures the performance of the 3,000 largest U.S. securities based on total market capitalization.

**Russell Midcap Index:** Measures the 800 smallest companies in the Russell 3000 Index.

**Russell Midcap Growth Index:** Measures companies in the Russell Midcap Index having higher price-to-book ratios and higher forecasted growth values.

**Russell Midcap Value Index:** Measures companies in the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values.

**MSCI All County World ex-U.S. Index (ACWI, excluding United States):** Tracks the performance of stocks representing developed and emerging markets around the world that collectively comprise most foreign stock markets. U.S. stocks are excluded from the index.

**MSCI EAFE Index:** Includes approximately 1,000 companies representing the stock markets of 21 countries in Europe, Australasia and the Far East.

**MSCI Emerging Markets (EM) Index:** Designed to measure equity market performance in global emerging markets.

**MSCI World Index:** Tracks equity market performance of developed markets through individual country indices.

**NAREIT Index:** Includes REITs (Real Estate Investment Trusts) listed on the New York Stock Exchange, NASDAQ and American Stock Exchange.

**NASDAQ Composite Index:** A market capitalization-weighted average of roughly 5,000 stocks that are electronically traded in the NASDAQ market.

**NCREIF Property Index (NPI):** Measures the investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only.

**Russell 1000 Index:** Measures the performance of the 1,000 largest companies in the Russell 3000 Index and is representative of the U.S. large capitalization securities market.

# Frequently used indexes (page 5 of 5)

**Russell 1000 Growth Index:** Measures companies in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

**Russell 1000 Value Index:** Measures companies in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

**Russell 2000 Index:** Measures the performance of the 2,000 smallest companies in the Russell 3000 Index and is representative of the U.S. small capitalization securities market.

**Russell 2000 Growth Index:** Measures companies in the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values, and is representative of U.S. securities exhibiting growth characteristics. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

**S&P 500 Index:** Consists of 500 widely traded stocks that are considered to represent the performance of the U.S. stock market.

**S&P Global ex-U.S. Property Index:** Measures the investable universe of publicly traded property companies domiciled in developed and emerging markets excluding the United States. The companies included are engaged in real estate related activities such as property ownership, management, development, rental and investment.

**S&P GSCI:** A composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities.

**S&P/Case-Shiller Home Price Indexes:** A group of indexes that track changes in home prices throughout the United States. Case-Shiller produces indexes representing certain metropolitan statistical areas (MSA) as well as a national index.

**Swiss Re Global Cat Bond Total Return Index:** Tracks the aggregate performance of all U.S. dollar-denominated euros and Japanese yen-denominated catastrophe bonds, capturing all ratings, perils and triggers.

**U.S. Dollar Index:** Indicates the general international value of the U.S. dollar by averaging the exchange rates between the U.S. dollar and six major world currencies.

**Wilshire 5000 Index:** Composed of more than 6,700 publicly-traded U.S. companies and is designed to track the overall performance of the American stock markets.



# CITY OF CUPERTINO

## Agenda Item

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**24-13475**

**Agenda Date:**  
**10/31/2024 Agenda #: 3.**

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**Subject:** INFORMATIONAL ITEM Receive the Internal Audit and Fraud, Waste, and Abuse programs update

**Receive the Internal Audit and Fraud, Waste, and Abuse programs update**

**Presenter: Moss Adams**

**4:30(10)**

October 21, 2024

To: City of Cupertino Audit Committee  
 From: Moss Adams LLP  
 Subject: Internal Audit Status Report July 16 through October 21, 2024

FY23-24 INTERNAL AUDIT PROGRAM		CITYWIDE POLICY REVIEW
<b>Objective</b>	Inventory City policies in each department, identify gaps, and review policies for opportunities for update and alignment with best practice. Provide a prioritized implementation plan for policy update.	
<b>Schedule</b>	September 2023 through September 2024	
<b>Activities for This Period</b>	Finalized report and present to the Audit Committee	
<b>Activities for Next Period</b>	None	
<b>Issues</b>	None	

FY24-25 INTERNAL AUDIT PROGRAM	GRANTS MANAGEMENT INTERNAL CONTROLS REVIEW	SPECIAL REVENUE FUND PROCESS REVIEW	RECOMMENDATION VALIDATION PROCESS ESTABLISHMENT	ONGOING INTERNAL AUDIT SERVICES
<b>Objective</b>	Assess the internal controls in place over the City's grants management activities (including applications, review, administration, and reporting).	Document the process used for special revenue fund accounting, identify gaps compared to best practices, and conduct testing of prior years' accounting.	Inventory prior internal and external audit recommendations, collaborate with City staff to develop a tracking mechanism and process to report and validate recommendation implementation.	Attend Audit Committee and Council meetings, prepare status reports, manage internal audit program, and monitor FWA hotline.
<b>Schedule</b>	January through April 2025	August through December 2024	July 2024 through June 2025	July 2024 through June 2025
<b>Activities for This Period</b>	N/A	Held kickoff meeting and requested documents.	Developed initial tracking spreadsheet, requested documentation to begin validating recommendations City staff report are implemented.	Met monthly with City staff, monitored FWA hotline, and provided assistance at the City's request.
<b>Activities for Next Period</b>	None	Received documents, conduct analysis, develop preliminary observations and draft report.	Validate recommendations City staff report are implemented to determine status.	Continue to monitor FWA hotline and provide ongoing support to City.
<b>Issues</b>	None	None	None	None

FRAUD, WASTE, AND ABUSE HOTLINE STATISTICS: QUARTERLY				
Complaint Type	Complaints Received This Quarter	Under Review	Referred to Appropriate City Official(s)	Closed
Compliance & Ethics	3	0	3	3
Fraud	1	0	1	1
Employment Matters	2	0	2	2

HOTLINE STATISTICS: LIFETIME (OCTOBER 2022-PRESENT)	
Total Reports	28
Reports Closed	23
Reports Open	5





# CITY OF CUPERTINO

## Agenda Item

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**24-13480**

**Agenda Date:  
10/31/2024 Agenda #: 4.**

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**Subject: INFORMATIONAL ITEM Fiscal Year 2023-24 Annual Comprehensive Financial Report (ACFR) Update**

**Receive Fiscal Year 2023-24 Annual Comprehensive Financial Report (ACFR) Update**

**Presenter: The Pun Group**

**4:40(15)**



# CITY OF CUPERTINO

## Agenda Item

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**24-13477**

**Agenda Date:**  
**10/31/2024 Agenda #: 5.**

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Subject: ACTION ITEM Review and Accept the City-Wide Policy Inventory and Gap Analysis Report

**Review and Accept the City-Wide Policy Inventory and Gap Analysis Report**

**Presenter: Moss Adams**

**4:55(20)**



FINAL REPORT

**City of Cupertino**  
**CITY-WIDE POLICY INVENTORY AND GAP ANALYSIS**

September 11, 2024

Moss Adams LLP  
999 Third Avenue, Suite 2800  
Seattle, WA 98104  
(206) 302-6500



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# I. BACKGROUND, SCOPE, AND METHODOLOGY

## A. BACKGROUND

The City of Cupertino (the City) requested that Moss Adams LLP (Moss Adams), as the City's internal auditor, perform an inventory of Citywide Administrative policies and procedures (P&Ps) and provide a gap analysis to determine whether gaps in coverage exist, and develop a prioritized P&P work plan to support the City in addressing identified gaps. The objectives of this project were to:

- Determine which Citywide departments are adequately covered by comprehensive and current P&Ps.
- Identify the gaps within each policy, including areas where:
  - There were no documented policies to support departmental functions
  - Existing policies that are outdated or in need of minor updates or additions, and;
  - Current internal control or gap coverage is missing key components.
- Prioritize policy gaps based on overall risk and develop an implementation plan to provide the City with recommendations for prioritizing and addressing identified policy gaps.

This engagement was performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants. Accordingly, we provide no opinion, attestation, or other form of assurance with respect to our work or the information upon which our work is based. This report was developed based on our assessment of the City's departmental Administrative P&Ps we requested as of October 2023, however, some departments required additional time to provide all P&Ps and therefore, P&Ps were received up through June 2024. The procedures we performed do not constitute an examination in accordance with generally accepted auditing standards or attestation standards.

## B. SCOPE AND METHODOLOGY

The scope of this project included Administrative P&Ps in each of the following City departments:

- Administrative Services
- City Manager's Office
- Community Development
- Innovation and Technology
- Law Enforcement
- Parks and Recreation
- Public Works
  - Capital Improvement Program

The scope does not include the City's finance and accounting functional areas, which were addressed in our report titled "Fiscal Policy Inventory and Gap Analysis" from May 2022. The scope also does not include City Council P&Ps and P&Ps adopted by Council Resolution, which are more legislative in nature compared to the in-scope Administrative P&Ps, which are more operationally



focused. Citywide Administrative P&Ps are reviewed and approved by the City Manager and department-specific P&Ps are reviewed and approved by the respective Department Head.

All Administrative P&Ps available as of October 2023 through June 2024 were provided to Moss Adams to assess as part of this project. Other P&P documents, informal process documentation, or guideline documents that are not approved formal P&Ps at the City level may exist; however, they were not included in this analysis and are therefore not included in the results presented in this report. The procedures performed included:

### **Citywide P&P Inventory**

- We worked with the City to determine that the following departments would be included in the scope of this project:
  - Administrative Services
  - City Manager's Office
  - Community Development
  - Innovation and Technology
  - Law Enforcement
  - Parks and Recreation
  - Public Works
    - Capital Improvement Program
- For each department, we performed the following:
  - Obtained all available P&P documents.
  - Documented a full inventory of existing P&Ps, including a summary of the coverage areas and age of each P&P.
  - Discussed the full inventory of results with the City to ensure that all P&Ps were provided and included in the inventory for each department listed above.

### **Citywide P&P Gap Analysis**

- We performed a full gap analysis of departmental P&Ps including:
  - Identifying potential gaps in coverage for the current departmental P&Ps.
  - Assessing the current departmental P&Ps for opportunities to improve the overall content and flow/structure, incorporate best practices, and improve internal controls, where possible, to provide effective resources for employees.
  - Summarizing the gaps identified for all policies within the gap analysis.
  - Categorizing the significance and extent of the identified gaps as follows: full gaps, major gaps, or minor gaps. Additionally, we identified policies that need to be reviewed for potential updates.



## Prioritized P&P Work Plan Development

Based on the results of the P&P inventory and gap analysis performed, we developed detailed recommendations, by department, for the City to use as a road map for developing, amending, or updating policies. We assigned a risk level (high, medium, or low), as described in the following table, and a recommended priority order by phase based on the risk level. We discussed the prioritized policies work plan with management, gathered input on the work plan, and made updates, as appropriate.

Gaps identified during the analysis were categorized as follows:

- **Full Gap:** Documented P&Ps do not exist for the area.
- **Major Gap:** Some P&P documentation exists; however, there are major gaps in overall coverage.
- **Minor Gap:** P&Ps cover most of the key areas but require some updating or additional coverage.
- **Update Needed:** The P&P needs to be reviewed for potential updates.

The assessed risk level, category descriptions, and recommended phases/timing for addressing the gaps and related recommendations are described in the following table. The risk levels were assigned based on our understanding of the City, insights gained from management, the inherent risk in each area, and the level and significance of gaps identified.

Assessed Risk Level	Category Description	Recommended Phase/Timing
High Risk	<ul style="list-style-type: none"> <li>• Area is inherently high risk</li> <li>• Gaps identified were either full gaps (i.e., no P&amp;P coverage) or major gaps</li> <li>• Area is a high priority for the City’s operations and structure</li> </ul>	Phase One (within 6 months of fiscal year end – June 2025)
Medium Risk	<ul style="list-style-type: none"> <li>• Area is inherently high or medium risk; however, a lack of documented P&amp;Ps may only represent a medium risk to the City</li> <li>• Gaps identified were either full gaps or major gaps</li> <li>• Area is a high priority for the City’s operations and structure</li> </ul>	Phase Two (within 12 months of fiscal year end – December 2025)
Low Risk	<ul style="list-style-type: none"> <li>• Area is inherently low risk</li> <li>• Gaps identified were either minor in significance or magnitude, or the area only needed review or updating</li> <li>• Area is a low priority for the City’s operations and structure</li> </ul>	Phase Three (within 18 months of fiscal year end – June 2026)



## II. OVERALL RESULTS

Throughout the P&P inventory and gap analysis, we found that the Citywide departments have a variety of P&P documents; however, they are not consistently utilized, structured, or based on standard templates Citywide.

The City does not have a defined Citywide P&P framework and, as a result, in many cases it was unclear what level of policy a document fell under or whether a P&P was a policy, memorandum, or standard operating procedure.

In addition, the City does not have a standard template/format and there does not appear to be a structure for ensuring all policies are supported by underlying procedures.

Utilizing a defined P&P framework with standard templates will help streamline the City's P&P resources. This framework can be used to define responsibilities at both the City Council and management level.

After completing the policy and procedure gap analysis for the Law Enforcement Department we were informed that given that they contract with Santa Clara Sheriff's Office the City's policies and procedures are not public record and could not be provided. As we were not able to review these policies, we recommend that the City assess whether the policies cover the topics detailed below. In the Prioritized P&P Work Plan, we have marked the Type of Gap, Associated Risk, and Recommended Priority Level columns as "N/A" as the City will need to perform this assessment.

The City can utilize the Prioritized P&P Work Plan, presented in the following section, to carry out their efforts in developing and updating their Citywide P&Ps. In addition to the following summary table, we have provided management with a detailed Prioritized P&P Work Plan, which includes all results from the inventory and gap analysis performed and detailed recommendations by area.





### III. PRIORITIZED P&P WORK PLAN

#### A. ADMINISTRATIVE SERVICES

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Vehicle Use Policy	Minor Gap	Medium	2
Anti-Bullying Policy and Signature Sheet	Update Needed	Low	3
Children in the Workplace Policy	Updated Needed	Low	3
Debt Management Policy	Update Needed	Low	3
Employee Events	Minor Gap	Low	3
Employee Service – Retirement Awards Policy	Minor Gap	Low	3
Hiring Retired Annuitants Policy	Update Needed	Low	3
Interim Parking Policy	Update Needed	Low	3
Rec Bucks Program Policy	Update Needed	Low	3
Reclass Policy	Update Needed	Low	3
Return to Work Policy	Update Needed	Low	3
Risk Management Policy	Update Needed	Low	3
Salary Admin Procedures	Update Needed	Low	3
Surety Deposit Policy	Update Needed	Low	3
Travel Policy	Update Needed	Low	3
Unclaimed Property	Update Needed	Low	3
Volunteer Intern Process Policy	Update Needed	Low	3

#### B. CITY MANAGER’S OFFICE

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Candidate Restriction on Campaign Activity	Minor Gap	Medium	2
Redaction Policy	Minor Gap	Medium	2



Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Record Retention Schedule Policy	Minor Gap	Medium	2
Social Media Policy	Minor Gap	Medium	2
Sponsorship Policy	Minor Gap	Medium	2
Trusted Electronics System Policy for Management of City Records	Minor Gap	Medium	2
Business Cards for Councilmembers, Commissioners, and Staff	Minor Gap	Low	3
City Hall Meeting Room Use Policy	Minor Gap	Low	3
Council Orientation Guidelines	Update Needed	Low	3
Employee and City Officer Restrictions - Political Activities	Update Needed	Low	3
Naming of City Facilities Policy	Update Needed	Low	3
News Media Contact Relations Policy	Update Needed	Low	3
Outgoing Mayor & Councilmember Gifts Policy	Update Needed	Low	3
Telephone Etiquette Policy	Minor Gap	Low	3

### C. COMMUNITY DEVELOPMENT

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
New Planning Employee Training Manual	Minor Gap	Medium	2
Comparison Matrix for Existing and New Construction	Minor Gap	Low	3
Plans Required to be Prepared	Minor Gap	Low	3
Protection of Wiring during Construction	Minor Gap	Low	3
Reinspection Fee Policy	Minor Gap	Low	3
Temporary Certificate of Occupancy Procedure	Minor Gap	Low	3
Survey Policy	No Gap	N/A	N/A



## D. INNOVATION AND TECHNOLOGY

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
City Channel Policies and Procedures	Update Needed	Medium	2
Intranet Policy	Update Needed	Medium	2
Photo Identification Policy	Update Needed	Medium	2
Technology Use Policy	Minor Gap	Medium	2
Email Retention Policy	Update Needed	Low	3
Electronic Communications Policy	Minor Gap	Low	3
Internet Access and Use Policy	Minor Gap	Low	3
MS Teams Governance	Update Needed	Low	3

## E. LAW ENFORCEMENT

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Arrest and Detention Policy and Procedures	N/A	N/A	N/A
Bias-Free Policing Policy and Procedures	N/A	N/A	N/A
Complaints and Discipline Policy and Procedures	N/A	N/A	N/A
Reporting and Accountability Policy and Procedures	N/A	N/A	N/A
Training and Professional Development Policy and Procedures	N/A	N/A	N/A
Use of Force Policy and Procedures	N/A	N/A	N/A

## F. PARKS AND RECREATION

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Cupertino Senior Center Internal Policies	Update Needed	Medium	2
Front Office Rental Policies and Procedures	Minor Gap	Medium	2



Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Sport Center Sign Policy	Update Needed	Medium	2
Community Special Events in Memorial Park Approved	Update Needed	Low	3

## G. PUBLIC WORKS

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Capital Improvement Program: Capital Improvement Policy	Major Gap	High	1
Paper Procurement Policy	Minor Gap	Medium	2
Polychlorinated biphenyls (PCB) Demo Management Policy	Minor Gap	Medium	2
Pool Vehicle Use	Minor Gap	Medium	2
Banner Policy	Update Needed	Low	3
Bicycle Commute Policy	Update Needed	Low	3
Building Exteriors and Bridge Maintenance	Update Needed	Low	3
Complete Street Policy	Update Needed	Low	3
Compost Site Operations	Update Needed	Low	3
Dark Traffic Signal Policy	Update Needed	Low	3
Dedication Requirement Policy	Update Needed	Low	3
Emergency Response	Update Needed	Low	3
Environmental Preferred Purchasing Policy	Update Needed	Low	3
Impervious Material in Parkstrip	Update Needed	Low	3
Integrated Pest Management Policy	Update Needed	Low	3
Key Policy	Update Needed	Low	3
Maint. Of City Medians	Update Needed	Low	3
Monitoring Wells Policy	Update Needed	Low	3
Opening/Closing City Parks	Update Needed	Low	3



Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Parkstrip Policy	Update Needed	Low	3
Public Works Confirmation Fee	Update Needed	Low	3
Record Keeping - Spraying Chem. Application Training	Update Needed	Low	3
Road Improvement Requirement Policy	Update Needed	Low	3
School Sites	Update Needed	Low	3
SOP Fleet 2000	Update Needed	Low	3
Steel Plate Requirements for Excavations in the Public ROW	Update Needed	Low	3
Stormwater Re-Inspection Fee	Update Needed	Low	3
Street and Easement Vacations	Update Needed	Low	3
Street Name Policy	Update Needed	Low	3
Street Lighting Systems	Update Needed	Low	3
Street Signs & Markings	Update Needed	Low	3
Street Tree maintenance	Update Needed	Low	3
Weekend Work Furlough Program	Update Needed	Low	3
Work Zone Traffic Control	Update Needed	Low	3



MOSSADAMS



# CITY OF CUPERTINO

## Agenda Item

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**24-13479**

**Agenda Date:**  
**10/31/2024 Agenda #: 6.**

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Subject: ACTION ITEM Review and Accept the OPEB and Pension Trust Investment Policy

**Review and Accept the OPEB and Pension Trust Investment Policies**

**Presenter: Jonathan Orozco, Finance Manager**

**5:15(10)**



## ADMINISTRATIVE SERVICES DEPARTMENT

CITY HALL  
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255  
TELEPHONE: (408) 777-3220 • FAX: (408) 777-3109  
CUPERTINO.ORG

### AUDIT COMMITTEE STAFF REPORT

Meeting: October 31, 2024

#### Subject

Consider the Other Post-Employment Benefits (OPEB) and Pension Trust Investment Policies

#### Recommended Action

Review and accept the OPEB and Pension Trust Investment Policies

#### Discussion

##### *Background*

In Fiscal Year (FY) 2009-10, the City established a Section 115 Trust to help fund its retiree health obligations, also known as OPEB. In FY 2017-18, the City also established a Section 115 Trust to pre-fund its pension obligations and reduce the potential impact of pension cost volatility on the City's operating budget.

#### **OPEB and Pension Trusts**

##### *Section 115 Trust Overview*

A Section 115 Trust is a tax-exempt investment tool that allows local governments to pre-fund pension and retiree health costs. The benefits of a Section 115 Trust include the following:

- Local control over assets: The City controls the contributions, withdrawals, investment strategy, and risk level of assets in the Trust.
- Potential for higher investment returns than General Fund: Investment requirements that apply to the City's General Fund assets under Government Code 53601 are not applicable to Trust assets.
- Pension rate stabilization: Assets can be transferred to CalPERS at the City's discretion to pay for Normal Cost or Unfunded Accrued Liability (UAL) contributions and can be used to reduce or eliminate large fluctuations in the City's pension costs.
- Diversification: Trust assets will be diversified from CalPERS investments.



### *OPEB Trust Overview*

In FY 2009-10, the City established a Section 115 Trust to help fund its retiree health obligations, also known as OPEB. Compared to a pay-as-you-go plan, the OPEB Trust allows the City to:

- Grow assets to pay future OPEB benefits.
- Earn higher returns than the General Fund.
- Reduce its total cost for providing post-employment benefits.
- Reduce its Net OPEB Liability.

In July 2010, the City contributed \$7.0 million in initial funding. With additional contributions of \$12.3 million, total contributions to date are \$19.3 million.

As of June 30, 2024, the City's OPEB Trust had a market value of \$38.0 million and had earned an annualized investment return of 6.71% gross of fees since inception.

<b>Time Period</b>	<b>Annualized Investment Return</b>
1 Year	13.85%
5 Year	6.54%
Since Inception	6.71%

1-Year investment returns were impacted by financial market volatility due to heightened geopolitical risk, supply chain bottlenecks and persistent inflation, and the Federal Reserve's pivot to a less accommodative monetary policy.

As of the June 30, 2024 measurement date, using a 6.5% discount rate, the City's OPEB plan had an accrued liability of \$40.4 million and a market value of assets of \$38.0 million, resulting in an unfunded accrued liability of \$2.4 million and a funded ratio of 94.1%. Compared to June 30, 2023, the unfunded accrued liability continued to increase, and the funded ratio decreased, primarily due to changes in actuarial assumptions.

	<b>June 30, 2022</b>	<b>June 30, 2023*</b>	<b>June 30, 2024*</b>
Accrued Liability	29,871,000	35,290,000	40,389,000
Market Value of Assets	31,340,000	34,708,000	38,013,000
Unfunded Accrued Liability	(1,469,000)	582,000	2,376,000
Funded Ratio	104.9%	98.4%	94.1%

\*Amounts provided from Actuarial Report, as opposed to PARS provided.

### *Pension Trust Overview*

Since pension obligations are one of the City's largest financial obligations, the City has taken proactive steps to reduce the impacts of pension cost volatility. In March 2018, the City provided options to Council to address rising pension costs. In April 2018, the City presented a long-term pension funding strategy to the Fiscal Strategic Plan Committee. In May 2018, the City adopted a Section 115 Trust, also known as a Pension Rate Stabilization

Program (PRSP), to reduce pension rate volatility on the City's budget. The Pension Trust helps the City to:

- Grow assets for future pension contributions.
- Invest assets over appropriate time horizons.
- Earn higher investment returns than the General Fund.
- Reduce pension contribution volatility.
- Diversify funds from CalPERS investments.

As a fiscal sustainability measure, the City funds the Pension Trust using a more conservative discount rate of 6.25%. The City's pension funding goal is to accumulate sufficient funds in the Pension Trust to fund the difference between a 6.25% and a 7% discount rate and achieve a funded status of 80% by FY 2036-37, 20 years from the adoption of the Pension Trust. The City's projections indicated that it would need to accumulate over \$42 million in the Pension Trust within 20 years to achieve its pension funding goal.

As a result, the funding strategy proposed \$8.0 million in initial funding, along with additional funding of \$10.0 million over the first five years. To date, the City has contributed \$16.0 million, including:

- \$8.0 million in FY 2018-19
- \$4.0 million in FY 2019-20
- \$2.0 million in FY 2020-21
- \$2.0 million in FY 2021-22

As of June 30, 2023, the City's Pension Trust had a market value of \$21.7 million and had earned an annualized investment return of 7.16% gross of fees since inception.

<b>Time Period</b>	<b>Annualized Investment Return</b>
1 Year	13.83%
5 Year	7.28%
Since Inception	5.62%

1-Year investment returns were impacted by financial market volatility due to heightened geopolitical risk, supply chain bottlenecks and persistent inflation, and the Federal Reserve's pivot to a less accommodative monetary policy.

*OPEB and Pension Trust Investment Policies*

The Audit Committee is responsible for reviewing the OPEB and Pension Trust investment policies annually, appointing investment managers, and monitoring investment performance. The City Council is responsible for annually adopting the OPEB and Pension Trust investment policies.

It is not expected that the OPEB and Pension Trust investment policies will change frequently. Short-term changes in the financial markets should not require adjustments to the policies.

The Audit Committee last reviewed the policies on October 23, 2023, with City Council adopting the policies on December 5, 2024.

Public Agency Retirement Services (PARS) is the City’s Trust Administrator and US Bank is the City’s Investment Manager for the Pension and OPEB Trusts. The Investment Manager manages the investments per the investment policies. Within the constraints imposed by these policies, Investment Managers are expected to comply with all applicable fiduciary and due diligence requirements under the “prudent investor” rules.

*OPEB and Pension Trust Investment Objectives*

The OPEB Trust has a “Balanced” investment objective with a target rate of return of 6.50%, and the Pension Trust has a “Balanced” investment objective with a target rate of return of 6.25%. The “Balanced” investment objective is designed to provide a moderate amount of current income with moderate growth of capital. Investors should have sufficient tolerance for price and return volatility and substantial periodic declines in investment value. This objective is recommended for investors with a long-term time horizon. The strategic asset allocation ranges and tactical targets for this objective are listed below:

<b>Asset Class</b>	<b>Range</b>	<b>Target</b>
Fixed Income	20-40%	29%
Equities	50-70%	63%
Real Estate	0-15%	5%
Commodities	0-10%	2%
Cash	0-10%	1%

The target rates of return are based on the long-term expected rate of return for assets in the trusts and the City's time horizon for the investments.

With strong reserves and a fully funded OPEB plan, the City can maintain a long-term investment horizon with a “balanced” investment objective. There may be periods of substantial decline in investment value, and the portfolio should expect periodic volatility. However, a 6.56% return on investment is expected over the long-term, based on the current investment objective. More conservative investment objectives such as “moderate” and “moderate-conservative” would expect less volatility and declines in investment value; however, over the long term, they would also expect lower returns. Many agencies anticipate needing to access the funds in their respective trusts sooner and invest with more emphasis on preserving capital in the near term.

The OPEB Trust has a higher discount rate than the Pension Trust because OPEB investments are expected to have a longer time horizon. OPEB obligations are generally longer in duration, and the City expects to withdraw Pension Trust funds earlier to fund CalPERS contributions. Given that changes to the CalPERS discount rate have larger effects on the City's operating budget and are farther out of the City's control, it is important that the City be able to use the Trust to pay CalPERS contributions as needed.

Sustainability Impact

There is no sustainability impact.

Fiscal Impact

There is no direct fiscal impact at this time.

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Prepared by: Jonathan Orozco, Finance Manager

Reviewed by: Kristina Alfaro, Director of Administrative Services


Tina Kapoor, Interim Assistant City Manager

Approved for Submission by: Pamela Wu, City Manager

Attachments:

A – OPEB Trust Investment Policy

B – Pension Trust Investment Policy

 <p style="text-align: center;"><b>Other Post-Employment Benefits (OPEB) Investment Policy</b></p>	<b>Citywide Policy Manual</b>
	Attachments: N/A
<b>Effective Date:</b> November 19, 2024 <del>December 5, 2023</del>	<b>Responsible Department:</b> Administrative Services
<b>Related Policies &amp; Notes:</b> City Investment Policy, Pension Investment Policy	

**Overview**

In response to the Government Accounting Standards Board (GASB) Statement No. 45, replaced by GASB Statement No. 74 and GASB Statement No. 75, new disclosure requirements for Other Post-employment Benefit (OPEB) Plans, the City of Cupertino has adopted a Section 115 Trust and Plan that seeks to satisfy these liabilities for certain eligible employees

**Executive Summary**

Account Name: City of Cupertino OPEB Trust  
Account Number: 6746035000  
Investment Authority: Full Investment Authority  
Current Assets: \$40.7 ~~33.6~~ million (September ~~2023~~ 2024)  
Time Horizon: Long-Term  
Target Rate of Return: 6.5%  
Communication Schedule: Meetings will be conducted at least quarterly

U.S. Bank Portfolio Manager: **Dennis Mullins**  
Dennis.mullins@usbank.com  
513-304-0398

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~~Rick Rosenthal~~  
~~richard.rosenthal@usbank.com~~  
~~213-359-7954~~

U.S. Bank Relationship Manager: Ryan Maxey

[ryan.maxey@usbank.com](mailto:ryan.maxey@usbank.com)

503-464-3789

### **Investment Objective: 'Balanced'**

This investment objective is designed to provide a moderate amount of current income with moderate growth of capital. Investors should have sufficient tolerance for price and return volatility and substantial periodic declines in investment value. This objective is recommended for investors with a long-term time horizon.

The strategic asset allocation ranges and tactical targets for this objective are listed below:

<b>Asset Class</b>	<b>Range</b>	<b>Benchmark Target</b>
<b>Fixed Income</b>	20-40%	29%
<b>Equities</b>	50-70%	63%
<b>Real Estate</b>	0-15%	5%
<b>Commodities</b>	0-10%	2%
<b>Cash</b>	0-10%	1%

### **Investment Guidelines**

#### **Overview**

This document defines the investment policy, guidelines and performance objectives applicable to the assets of The City of Cupertino's OPEB Trust. The goal of this Policy is to create an investment framework within which the assets can be actively yet prudently managed.

The purpose of this document is threefold.

- First, it will set forth an investment structure for managing the Portfolio assets. This structure is expected to produce an appropriate level of overall diversification and total investment return over the investment time horizon.
- Second, it will serve as to encourage effective communications between the organization and parties involved with investment management decisions.
- Third, these guidelines will provide a framework to measure ongoing investment performance.

Within the constraints imposed by these policies, Investment Managers are expected to comply with all applicable fiduciary and due diligence requirements under the "prudent investor" rules, which state: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of

their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." All applicable laws, rules and regulations from various local, state, federal and international political entities that may impact the Portfolio are to be adhered to.

### **Diversification**

Your Portfolio Manager is responsible for maintaining the balance between the various asset classes based on the investment objective's strategic asset allocation. As a general policy, the Investment Manager will maintain reasonable diversification at all times by asset class, credit quality, issuer, sector, industry, and country.

The following parameters shall be adhered to in managing the portfolio:

#### **Fixed Income Assets**

- The fixed income investments are to maintain intermediate-term average weighted duration, between three-seven years.
- At the time of purchase, no single fixed income issuer shall exceed 2% of the total market value of the Portfolio, with the exception of U.S. Treasury or Agency obligations.
- The direct high-yield portion shall constitute no more than 10% of the total market value of the Portfolio.
- Hedged fixed income positions shall constitute no more than 10% of the total market value of the Portfolio.

#### **Equity & Growth Assets**

- The domestic equity investments are expected to be diversified at all times by size, industry, sector, and style (Large Cap, Mid Cap, and Small Cap).
- At the time of purchase, no individual equity security shall exceed 2% of the total market value of the Portfolio.
- The international equity investments (including emerging markets) shall constitute no more than 20% of the total market value of the Portfolio
- The real estate investments shall be captured through the use of diversified mutual funds or ETFs investing in REITs; and shall constitute no more than 15% of the total market value of the Portfolio.
- The commodities investments shall be captured through the use of diversified mutual funds or ETFs; and shall constitute no more than 10% of the total market value of the Portfolio.
- Hedged equity positions shall constitute no more than 10% of the total market value of the Portfolio

### **Permitted Asset Classes and Security Types**

#### **Fixed Income & Cash Equivalent Investments:**

- Domestic Certificates of Deposit (rated A-1/P-1 or better)
- Domestic Commercial Paper (rated A-1/P-1 or better)

- Floating Rate Notes
- Money Market Mutual Funds
- U.S. Treasury Bonds, Bills and Notes
- U.S. Agency (and Instrumentality) Discount Notes, Notes, and Bonds
- Treasury Inflation-Protected Securities (TIPS)
- Municipal Bonds and Notes
- Corporate Bonds
- Mortgage-Backed Bonds (MBS)
- Asset-Backed Bonds (ABS)
- High-Yield Bonds (rated B-/B3 or better)
- Dollar denominated Foreign Bonds and Notes
- Bond Mutual Funds

Equity Investments:

- Common & Preferred Stocks
- American Depository Receipts (ADRs)
- Domestic and International Equity Mutual Funds (Open and Closed)
- Emerging Market Equity Funds or Exchange Traded Funds (ETFs)

Alternative Investments:

- Commodities Mutual Funds or Exchange Traded Notes (ETNs)
- REIT Investment or Pooled Strategy or Fund of REITs
- Registered Hedge Funds or Hedge Fund of Funds

**Prohibited Asset Classes and Transactions**

The Investment Manager is prohibited from purchasing or holding any of the following types of investments:

- Partnerships unless investing in Master Limited Partnerships invested in a mutual fund and limited in scope and allocation of Portfolio based on asset class limitations of table above
- Letter stock and other unregistered securities; physical commodities or other commodity contracts; and short sales or margin transactions
- Investments in the equity securities of any company with a record of less than three years continuous operation, including the operation of any predecessor
- Investments for the purpose of exercising control of management
- Direct or indirect exposure to cryptocurrencies
- Leveraged securities, other than registered Hedged Equity and Hedged Fixed Income positions

**Duties and Responsibilities**

- 1) CITY OF CUPERTINO AUDIT COMMITTEE
  - a) Establish, approve, and maintain investment objectives, guidelines, and policies (including this Policy).



- b) Appoint Investment Managers who can be reasonably expected to adhere to the investment guidelines and meet the investment objectives as established.
  - c) Monitor the investment performance of the Portfolio and compare actual investment performance relative to an appropriate benchmark index given the stated investment guidelines and objectives set forth in this Policy.
  - d) Conduct a formal review of the Portfolio's asset allocation, investment structure and performance annually or more frequently as the need arises.
  - e) Periodically review the Portfolio performance against objectives.
- 2) CITY OF CUPERTINO CITY COUNCIL
- a) Adopt the Policy by resolution of the City Council on an annual basis.
- 3) PORTFOLIO MANAGER
- The Portfolio Manager will be responsible for carrying out the activities related to the Portfolio in accordance with the Policy including:
- a) Manage the day-to-day investment of Portfolio assets in accordance with the Policy guidelines and objectives included herein.
  - b) Exercise full investment discretion and prudence in the selection and diversification of investments.
  - c) Promptly bring to the attention of the City Treasurer or designee any investment that is subsequently downgraded and fails to meet the quality guidelines, along with a recommendation of retention or disposal.
  - d) Provide on a quarterly basis the following investment reporting:
    - (i) Year-to-date rate of return
    - (ii) Annualized one, three, five, etc. rates of return
  - e) Provide annually to the City's Audit Committee a commentary and analysis of investment performance to include an evaluation of the current and future investment environment and potential impact of the investment environment on achievement of investment objectives.

**Investment Policy Statement Review**


The City's Audit Committee will review and the Cupertino City Council will adopt this Investment Policy Statement at least annually to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the Policy will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the Policy.

If at any time the Portfolio Manager finds the above guidelines too restrictive or possibly injurious to investment returns, they should communicate that information immediately to the City's Audit Committee.

City Manager's signature: \_\_\_\_\_  
Date: \_\_\_\_\_

Director of Administrative Services' signature: \_\_\_\_\_  
Date: \_\_\_\_\_

**Revisions: 6.5.2018, 11.19.2019, 11.17.2020, 12.7.2021, 12.06.2022, 12.05.2023**

 <p style="text-align: center;"><b>Pension Trust Investment Policy</b></p>	<b>Citywide Policy Manual</b>
	<b>Attachments:</b> N/A
<b>Effective Date:</b> November 19, 2024 <del>December 5, 2023</del>	<b>Responsible Department:</b> Administrative Services
<b>Related Policies &amp; Notes:</b> N/A	

### Investment Policy Statement

#### Overview

The City has established a Section 115 Trust with PARS to assist in stabilizing the potential impact of pension cost volatility on the City’s operating budget. The City intends to use the Section 115 Trust to pre-fund pension costs and proactively address the unfunded liability. The City’s goal is to have sufficient assets in the trust to increase the funded status to over 80% within 20 years, as well as fund the difference between a 7.0% and 6.25% discount rate.

#### Executive Summary

Account Name: City of Cupertino Pension Trust  
Account Number: 6746050100  
Investment Authority: Full Investment Authority  
Current Assets: \$23.0 ~~18.5~~ Million (September ~~2023~~ 2024)  
Time Horizon: Long-Term  
Target Rate of Return: 6.25%  
Communication Schedule: Meetings will be conducted at least quarterly

U.S. Bank Portfolio Manager: Rick Rosenthal  
[richard.rosenthal@usbank.com](mailto:richard.rosenthal@usbank.com)  
213-359-7954

U.S. Bank Relationship Manager: Ryan Maxey  
[ryan.maxey@usbank.com](mailto:ryan.maxey@usbank.com)  
503-464-3789

## **Investment Objective: ‘Balanced’**

This investment objective is designed to provide a moderate amount of current income with moderate growth of capital. Investors should have sufficient tolerance for price and return volatility and substantial periodic declines in investment value. This objective is recommended for investors with a long-term time horizon.

The strategic asset allocation ranges and tactical targets for this objective are listed below:

<b>Asset Class</b>	<b>Range</b>	<b>Benchmark Target</b>
<b>Fixed Income</b>	20-40%	29%
<b>Equities</b>	50-70%	63%
<b>Real Estate</b>	0-15%	5%
<b>Commodities</b>	0-10%	2%
<b>Cash</b>	0-10%	1%

## **Investment Guidelines**

### **Overview**

This document defines the investment policy, guidelines and performance objectives applicable to the assets of The City of Cupertino’s Pension Trust. The goal of this Policy is to create an investment framework within which the assets can be actively yet prudently managed.

The purpose of this document is threefold.

- First, it will set forth an investment structure for managing the Portfolio assets. This structure is expected to produce an appropriate level of overall diversification and total investment return over the investment time horizon.
- Second, it will serve as to encourage effective communications between the organization and parties involved with investment management decisions.
- Third, these guidelines will provide a framework to measure ongoing investment performance.

Within the constraints imposed by these policies, Investment Managers are expected to comply with all applicable fiduciary and due diligence requirements under the “prudent investor” rules, which state: “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.” All applicable laws, rules and regulations from various local, state, federal and international political entities that may impact the Portfolio are to be adhered to.

## **Diversification**

Your Portfolio Manager is responsible for maintaining the balance between the various asset classes based on the investment objective's strategic asset allocation. As a general policy, the Investment Manager will maintain reasonable diversification at all times by asset class, credit quality, issuer, sector, industry, and country.

The following parameters shall be adhered to in managing the portfolio:

### **Fixed Income Assets**

- The fixed income investments are to maintain intermediate-term average weighted duration, between three-seven years.
- At the time of purchase, no single fixed income issuer shall exceed 2% of the total market value of the Portfolio, with the exception of U.S. Treasury or Agency obligations.
- The direct high-yield portion shall constitute no more than 10% of the total market value of the Portfolio.
- Hedged fixed income positions shall constitute no more than 10% of the total market value of the Portfolio

### **Equity & Growth Assets**

- The domestic equity investments are expected to be diversified at all times by size, industry, sector, and style (Large Cap, Mid Cap, and Small Cap).
- At the time of purchase, no individual equity security shall exceed 2% of the total market value of the Portfolio.
- The international equity investments (including emerging markets) shall constitute no more than 20% of the total market value of the Portfolio
- The real estate investments shall be captured through the use of diversified mutual funds or ETFs investing in REITs; and shall constitute no more than 15% of the total market value of the Portfolio.
- The commodities investments shall be captured through the use of diversified mutual funds or ETFs; and shall constitute no more than 10% of the total market value of the Portfolio.
- Hedged equity positions shall constitute no more than 10% of the total market value of the Portfolio

## **Permitted Asset Classes and Security Types**

### **Fixed Income & Cash Equivalent Investments:**

- Domestic Certificates of Deposit (rated A-1/P-1 or better)
- Domestic Commercial Paper (rated A-1/P-1 or better)
- Floating Rate Notes
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- U.S. Agency (and Instrumentality) Discount Notes, Notes, and Bonds
- Treasury Inflation-Protected Securities (TIPS)
- Municipal Bonds and Notes

- Corporate Bonds
- Mortgage-Backed Bonds (MBS)
- Asset-Backed Bonds (ABS)
- High-Yield Bonds (rated B-/B3 or better)
- Dollar denominated Foreign Bonds and Notes
- Bond Mutual Funds

Equity Investments:

- Common & Preferred Stocks
- American Depository Receipts (ADRs)
- Domestic and International Equity Mutual Funds (Open and Closed)
- Emerging Market Equity Funds or Exchange Traded Funds (ETFs)

Alternative Investments:

- Commodities Mutual Funds or Exchange Traded Notes (ETNs)
- REIT Investment or Pooled Strategy or Fund of REITs
- Registered Hedge Funds or Hedge Fund of Funds

**Prohibited Asset Classes and Transactions**

The Investment Manager is prohibited from purchasing or holding any of the following types of investments:

- Partnerships unless investing in Master Limited Partnerships invested in a mutual fund and limited in scope and allocation of Portfolio based on asset class limitations of table above
- Letter stock and other unregistered securities; physical commodities or other commodity contracts; and short sales or margin transactions
- Investments in the equity securities of any company with a record of less than three years continuous operation, including the operation of any predecessor
- Investments for the purpose of exercising control of management
- Direct or indirect exposure to cryptocurrencies
- Leveraged securities, other than registered Hedged Equity and Hedged Fixed Income positions

**Duties and Responsibilities**

- 1) CITY OF CUPERTINO AUDIT COMMITTEE
  - a) Establish, approve, and maintain investment objectives, guidelines, and policies (including this Policy).
  - b) Appoint Investment Managers who can be reasonably expected to adhere to the investment guidelines and meet the investment objectives as established.
  - c) Monitor the investment performance of the Portfolio and compare actual investment performance relative to an appropriate benchmark index given the stated investment guidelines and objectives set forth in this Policy.

- d) Conduct a formal review of the Portfolio’s asset allocation, investment structure and performance annually or more frequently as the need arises.
- e) Periodically review the Portfolio performance against objectives.

2) CITY OF CUPERTINO CITY COUNCIL

- a) Adopt the Policy by resolution of the City Council on an annual basis.

3) PORTFOLIO MANAGER

The Portfolio Manager will be responsible for carrying out the activities related to the Portfolio in accordance with the Policy including:

- a) Manage the day-to-day investment of Portfolio assets in accordance with the Policy guidelines and objectives included herein.
- b) Exercise full investment discretion and prudence in the selection and diversification of investments.
- c) Promptly bring to the attention of the City Treasurer or designee any investment that is subsequently downgraded and fails to meet the quality guidelines, along with a recommendation of retention or disposal.
- d) Provide on a quarterly basis the following investment reporting:
  - (i) Year-to-date rate of return
  - (ii) Annualized one, three, five, etc. rates of return
- e) Provide annually to the City’s Audit Committee a commentary and analysis of investment performance to include an evaluation of the current and future investment environment and potential impact of the investment environment on achievement of investment objectives.

**Investment Policy Statement Review**

The City’s Audit Committee will review and the Cupertino City Council will adopt this Investment Policy Statement at least annually to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the Policy will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the Policy.

If at any time the Portfolio Manager finds the above guidelines too restrictive or possibly injurious to investment returns, they should communicate that information immediately to the City’s Audit Committee.

<p style="text-align: center;">City Manager’s signature: _____</p> <p style="text-align: center;">Date: _____</p>
---

Director of Administrative Services' signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Revisions: 11.19.2019, 11.17.2020, 12.7.2021, 12.06.2022, 12.05.2023**





# CITY OF CUPERTINO

## Agenda Item

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**24-13478**

**Agenda Date:**  
**10/31/2024 Agenda #: 7.**

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**Subject:** INFORMATIONAL ITEM Receive the Treasurer's Investment Report for the Quarter Ending September 30, 2024

**Receive the Treasurer's Investment Report for the Quarter Ending September 30, 2024**

**Presenter:** Jonathan Orozco, Finance Manager and Chandler

**5:25(15)**



## ADMINISTRATIVE SERVICES DEPARTMENT

CITY HALL  
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255  
TELEPHONE: (408) 777-3220 • FAX: (408) 777-3109  
CUPERTINO.ORG

### AUDIT COMMITTEE STAFF REPORT

Meeting: October 31, 2024

#### Subject

Receive the Treasurer's Investment Report for the Quarter Ending September 30, 2024

#### Recommended Action

Receive the Treasurer's Investment Report for the Quarter Ending September 30, 2024

#### Reasons for Recommendation

##### **Background**

On May 14, 2024, the City Council approved the City Investment Policy. Per the City's Investment Policy, the Treasurer shall submit a quarterly investment report to the City Council approximately 45 days following the end of the quarter. In addition to the quarterly investment reports, monthly transaction reports are submitted to the City Council within 30 days of the end of the reporting period per California Government Code Section 53607. The quarterly investment report offers a more extensive discussion of the City's economy, cash flow, and investments.

The City's Municipal Code Section 2.24.050 Investment Authority states that the Treasurer shall make a monthly report of all investment transactions to the City Council. The City's Municipal Code Section 2.48.020(A)(3) states that the Director of Administrative Services shall be appointed Treasurer and also shall act as ex officio Assessor and shall assess and collect all City taxes save and except for those collected by State and County officers for the City. Lastly, the City's Municipal Code Section 2.88.100 Duties–Powers–Responsibilities lists one of the powers and functions of the Audit Committee is "to review the quarterly Treasurer's Investment report."

Per the referenced code provisions, a Treasurer's Investment Report is made available to the City Council quarterly.

##### **Treasurer's Investment Report**

The report provides an update on the City's investment portfolio for the month ending September 30, 2024. The report is as of October 25, 2024.

The attached statements include balances and transactions of the City's investments with the Local Agency Investment Fund (LAIF) and Chandler Asset Management. The Chandler investment report provides information on the investment type, issuer, purchase date, maturity date, cost value, par value, and market value for each security, as well as the weighted average maturity and weighted average yield of all investments.

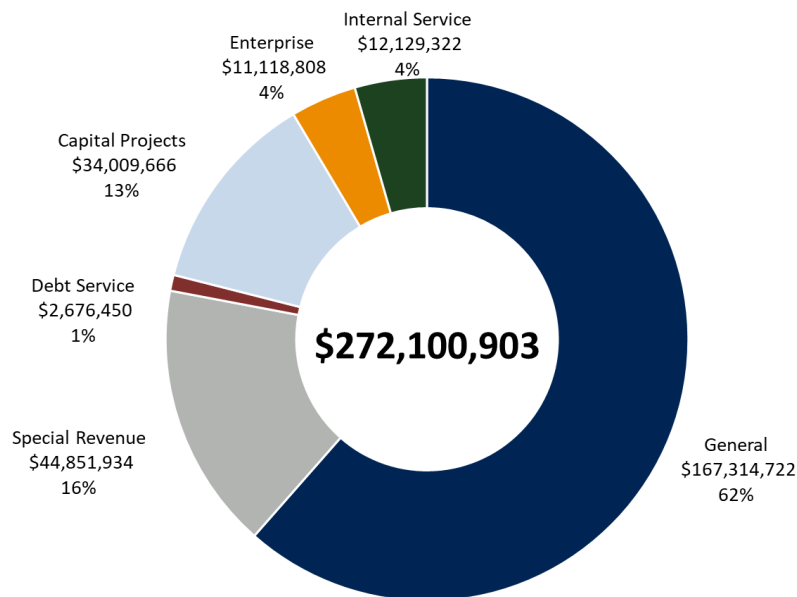
While not governed by the City's Investment Policy, statements for the Public Agency Retirement Services (PARS) Section 115 Trusts are also attached per a request from the Treasurer's Report sub-committee.

The City's General Ledger cash and investments balance was \$272.1 million, a \$2.8 million decrease from the prior quarter.

### Cash and Investments – General Ledger Balance

Fund Type	Quarter Ending June 30, 2024	Quarter Ending September 30, 2024
General Fund	173,568,057	167,314,722
Special Revenue	42,654,567	44,851,934
Debt Service	250	2,676,450
Capital Projects	36,410,445	34,009,666
Enterprise	10,400,929	11,118,808
Internal Service	11,857,266	12,129,322
<b>Total</b>	<b>\$274,891,514</b>	<b>\$272,100,903</b>

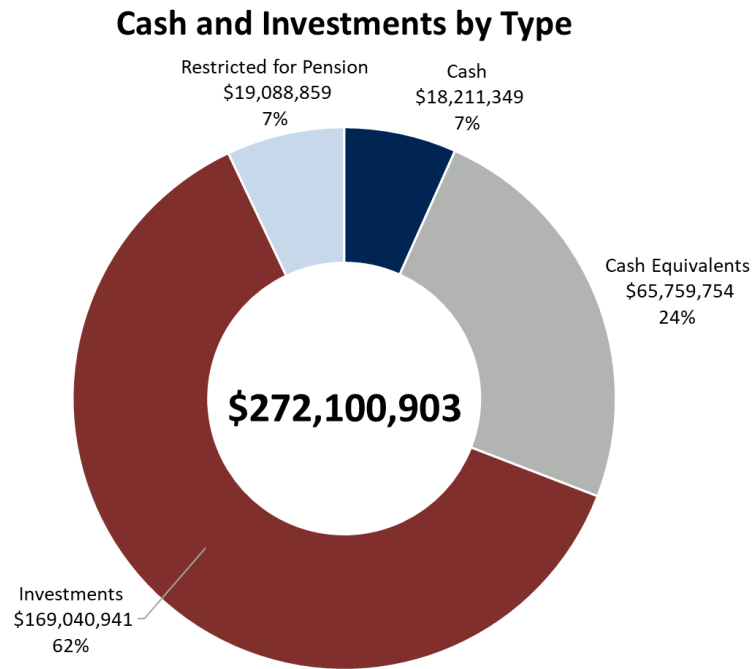
### Cash and Investments by Fund



The \$272.1 million in cash and investments include \$18.2 million in cash, \$65.8 million in cash equivalents, \$169.0 million in investments, and \$19.1 million restricted for funding pension costs.

Note: Beginning balances have been updated to account for any final adjustments made as part of the month-end close that could not be completed before the prior report's preparation. These adjustments were necessary due to time constraints associated with both completing the month-end close process and generating the report.

The City pools cash for all funds except restricted funds. However, the City accounts for interest earnings, revenues, and expenditures separately for each fund to adequately meet the purpose and restrictions of each funding source. Pooling funds is a common and appropriate practice used in public agencies. By pooling funds, the City can benefit from economies of scale, diversification, liquidity, and ease of administration.



### Cash and Investments – General Ledger Balance

	Quarter Ending June 30, 2024	Quarter Ending September 30, 2024	% of Portfolio
<b>Cash in banks and on hand</b>			
Operating Checking (Wells Fargo)	22,457,990	18,172,695	7%
Workers' Compensation Checking (Wells Fargo)	6,038	36,003	0%
Payroll Checking (Wells Fargo)	-	-	0%
Restricted for Bond Repayments <sup>1</sup> (BNY Mellon)	-	-	0%
Petty Cash and Change	2,950	2,650	0%
<b>Cash Equivalents</b>			
Local Agency Investment Fund	65,000,052	65,759,754	24%
<b>Investments</b>			
Investments (Chandler)	168,335,625	169,040,941	62%
Restricted for Pension <sup>2</sup> (PARS)	19,088,859	19,088,859	7%
<b>Total Cash and Investments<sup>3</sup></b>	<b>\$274,891,514</b>	<b>\$272,100,903</b>	<b>100%</b>

<sup>1</sup> Cash held by fiscal agent for bond repayments

<sup>2</sup> In accordance with GASB 67/68, the assets in the Section 115 Pension Trust are reported as restricted cash and investments in the General Fund. The assets can only be used to fund CalPERS costs.

<sup>3</sup> Assets in the Section 115 OPEB Trust are excluded as the City cannot use these assets to fund its own operations. The assets are held in trust for retirees' post-employment health benefits.

The table below shows the bank balances for the City's cash and investments. Bank and General Ledger balances differ due to timing. Bank balances do not include outstanding checks and deposits in transit. The General Ledger is updated quarterly with interest earnings and annually with the year-end investment market values.

### Cash and Investments – Bank Balance

	Quarter Ending June 30, 2024	Quarter Ending September 30, 2024	% of Portfolio
<b>Cash in banks and on hand</b>			
Operating Checking (Wells Fargo)	23,579,447	21,319,079	8%
Workers' Compensation Checking (Wells Fargo)	6,992	37,977	0%
Payroll Checking (Wells Fargo)	-	-	0%
Restricted for Bond Repayments <sup>1</sup> (BNY Mellon)	-	-	0%
<b>Cash Equivalents</b>			
Local Agency Investment Fund	65,000,052	65,759,754	23%
<b>Investments</b>			
Investments (Chandler)	164,967,177	169,948,739	61%
Restricted for Pension <sup>2</sup> (PARS)	21,663,664	22,967,000	8%
<b>Total Cash and Investments<sup>3</sup></b>	<b>\$275,217,332</b>	<b>\$280,032,549</b>	<b>100%</b>

<sup>1</sup> Cash held by fiscal agent for bond repayments

<sup>2</sup> In accordance with GASB 67/68, the assets in the Section 115 Pension Trust are reported as restricted cash and investments in the General Fund. The assets can only be used to fund CalPERS costs.

<sup>3</sup> Assets in the Section 115 OPEB Trust are excluded as the City cannot use these assets to fund its own operations. The assets are held in trust for retirees' post-employment health benefits.

### *Wells Fargo Accounts*

The City, in collaboration with Chandler and Wells Fargo's relationship manager, explored various options to maximize investment opportunities for excess funds in the City operating account. Prioritizing safety and liquidity, it was ultimately decided that converting the operating checking account to a "Government Advantage Checking" account was the optimal solution. This account offers full FDIC insurance and an interest rate of 3% as of June 30, 2024. The interest rate is subject to change based on market conditions. Staff will continuously monitor the rate and evaluate whether to retain funds in the account or transfer them to alternative investment opportunities.

### *Local Agency Investment Fund (LAIF)*

LAIF is an investment pool administered by the State of California Treasurer and governed by California Government Code. The City can withdraw funds from LAIF at any time. As a result, the City uses LAIF for short-term investment, liquidity, and yield.

The City's LAIF account had a balance of \$65.8 million. The quarterly interest rate was 4.71%.

### *Investment Portfolio*

In FY 2018-19, the City conducted a Request for Proposal (RFP) for investment management services and selected Chandler Asset Management. Under the City's Treasurer's direction, Chandler Asset Management manages the City's investment portfolio in accordance with the City's investment objectives. The City's investment objectives, in order of priority, are to provide:

- Safety to ensure the preservation of capital in the overall portfolio
- Sufficient liquidity for cash needs
- A market rate of return consistent with the investment program

The performance objective is to earn a total rate of return through a market cycle equal to or above the return on the benchmark index. Chandler Asset Management invests in high-quality fixed-income securities consistent with the City's Investment Policy and California Government Code to achieve the objective.

The portfolio's market value was \$169.1 million, compared to \$164.2 million at the end of the previous quarter. The table below includes historical comparisons of the City's portfolio:

	June 30, 2024	September 30, 2024
Market Value	164,177,564	169,065,101
Par Value	168,885,052	170,704,952
Book Value	168,646,769	169,511,721
Average Maturity	2.10 years	2.67 years
Average Modified Duration	1.72	2.28
Average Purchase Yield	2.59%	3.17%
Average Market Yield	4.75%	3.97%
Average Quality <sup>1</sup>	AA+	AA

<sup>1</sup> S&P and Moody's respectively

The portfolio's market value fluctuates depending on interest rates. When interest rates decrease after an investment is purchased, the market value of the investment increases. In contrast, when interest rates increase after an investment is purchased, the market value of the investment decreases. At the time of purchase, the City intends to hold all investments until maturity, meaning that changes in market value will not impact the City's investment principal. If the market value decreases, the City will incur an unrealized loss. However, the loss will only be realized if the City sells its investments before their maturity. The market values for the portfolio were provided by Chandler Asset Management.

#### *Section 115 Trust Investment Portfolio*

The City established Section 115 Trusts to reduce pension rate volatility and pre-fund Other Post-Employment Benefits (OPEB) costs. These trusts are a tax-exempt investment tool that local governments can use to set aside funds for pension and retiree health costs. Contributions made to the trust can only be used to fund retirement plans.

Investments in the Section 115 Trusts are governed by separate investment policies, which are distinct from the City's Investment Policy. On December 5, 2023, City Council approved the Pension Trust Investment Policy and OPEB Trust Investment Policy. Public Agency Retirement Services (PARS) administers the trust, while US Bank manages the investments in accordance with the approved investment policies.

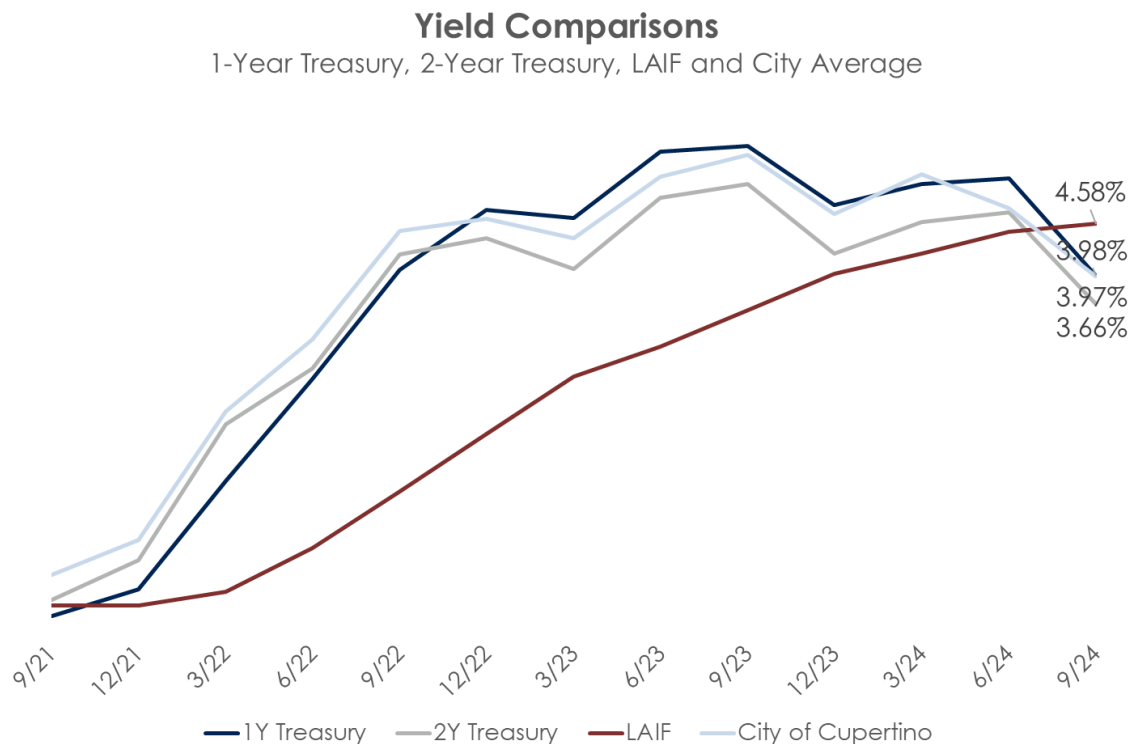
Both Section 115 Trusts are invested in "balanced" portfolios. The investment objective is designed to provide a moderate amount of current income with moderate growth of capital. This type of investment strategy is generally recommended for investors with a long-term horizon. The strategic asset allocation ranges for this investment objective are:

Asset Class	Range	Target
Equities	50-70%	63%
Fixed Income	20-40%	29%
Real Estate	0-15%	5%
Commodities	0-10%	2%
Cash	0-10%	1%

The Section 115 Pension Trust had a balance of \$23.0 million, an increase of \$1.3 million from the prior quarter due to investment gains. The Section 115 OPEB Trust had a balance of \$40.4 million, an increase of \$2.4 million from the prior quarter mainly due to investment gains. The quarterly investment return for OPEB Trust was 6.29% and Pension Trust was 6.11%.

### Analysis

The City compares its portfolio to LAIF and one-year and two-year Treasury yields. Yield comparisons for the one-year Treasury, two-year Treasury, LAIF, and City average are presented below:

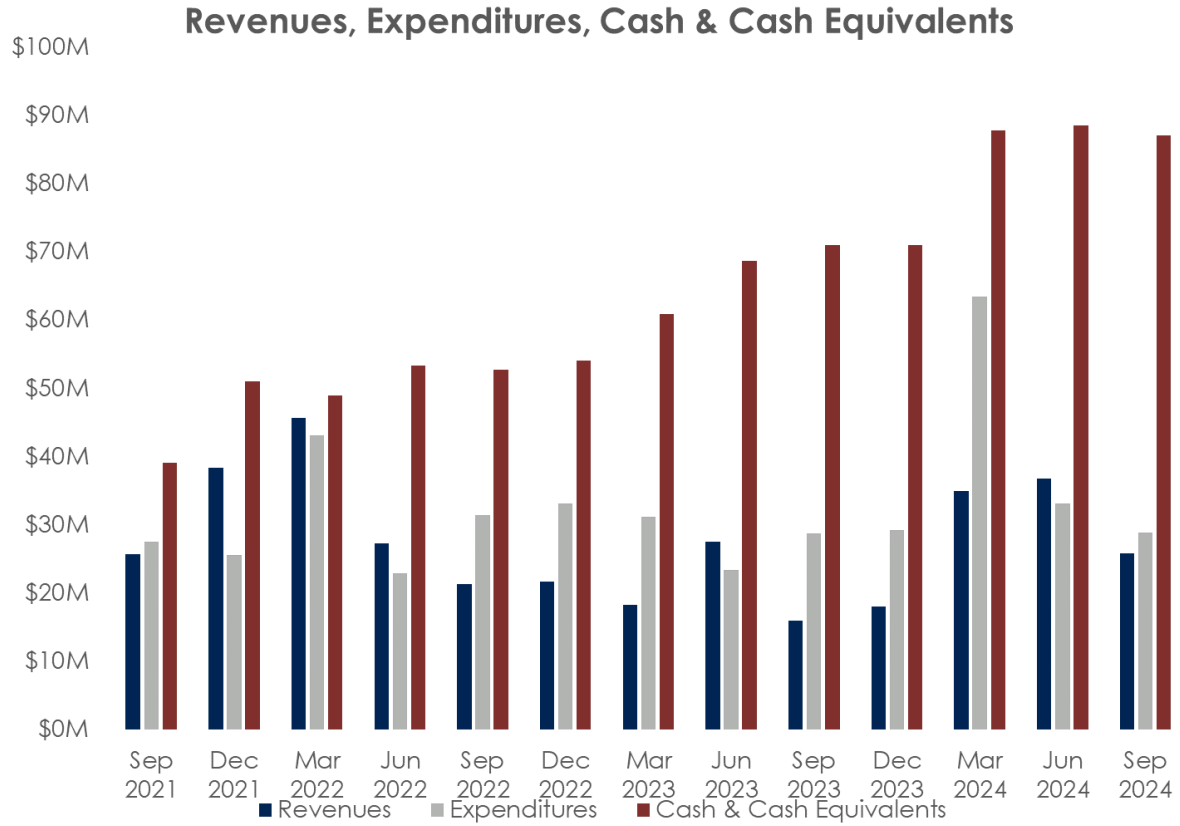


In September, the one-year Treasury yield and two-year Treasury yield decreased with yields of 3.98% and 3.66%, respectively. The one-year Treasury yield decreased by 111 basis points, and the two-year Treasury yield decreased by 105 basis points from June 30, 2024. The yield of the City's investment portfolio was 3.97%, higher than the two-year Treasury yield, but lower than the one-year Treasury yield and LAIF.

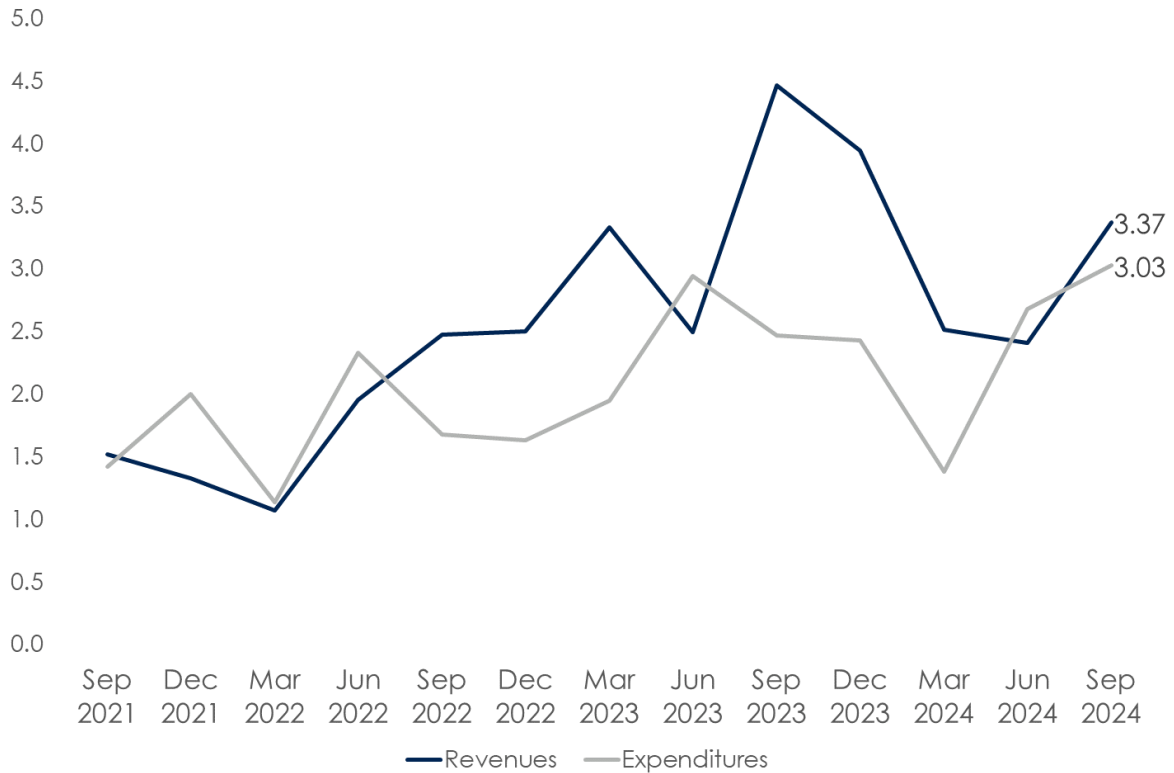


## Cash Flow History

Historical revenues, expenditures, and liquidity ratios are presented below:



## Liquidity Ratios



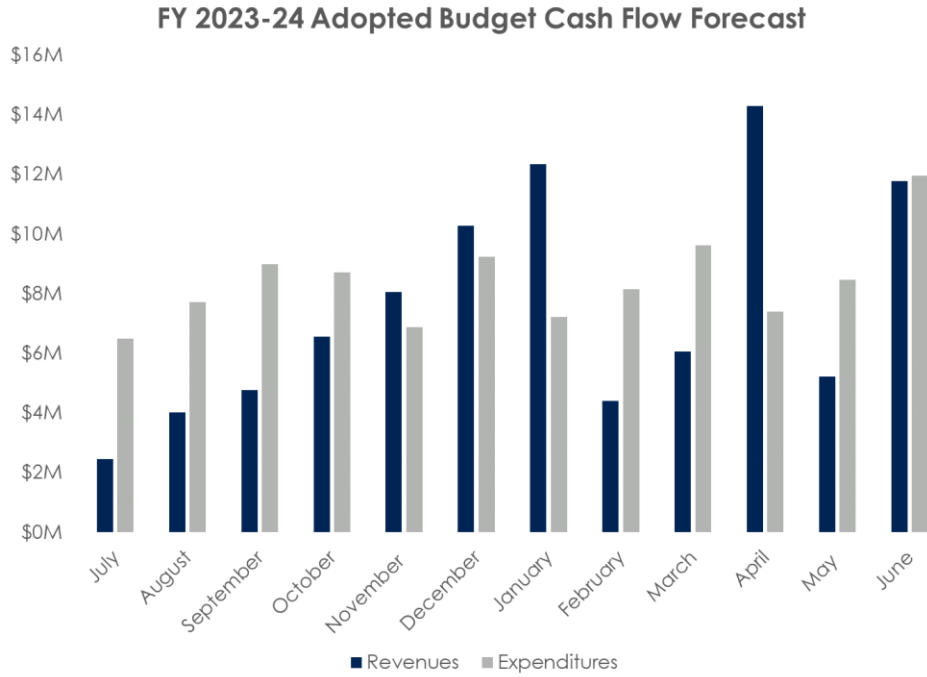
As the City's portfolio becomes more or less liquid over time, the ratio of cash and cash equivalents to revenues and expenditures will increase or decrease, respectively. The portfolio's investment structure is complete, so the City anticipates the ratio of cash and cash equivalents to revenues and expenditures to continue to flatten out moving forward. While a formal liquidity level has not been established, significant and consistent fluctuations in the ratio may indicate that additional funds should be invested or, conversely, that investments should be liquidated. In recent years, sufficient liquidity levels for operating revenues and expenditures have approximated a ratio of 1.0. In March 2022, the City transferred \$15.0 million from the operating account to the investment portfolio, which reduced the March 2022 liquidity ratios. Liquidity ratios have been higher in FY 2023-24 due to increased cash and investment balances as the City anticipated a decision from a California Department of Tax and Fee Administration (CDTFA) audit of a City taxpayer. In FY 2023-24, the City established a Sales Tax Repayment Reserve with a total allocation of \$74.5 million to set aside disputed received sales tax revenue. With the additional June 2024 deposit and subsequent investments, the liquidity ratios will be in flux until the funds have been fully invested.

As of September 30, 2024, the liquidity ratio was 3.37 and 3.03 for revenues and expenditures, respectively. The City will monitor inflows and outflows during FY 2024-25 and bring recommendations for the City's investment portfolio as necessary and applicable.

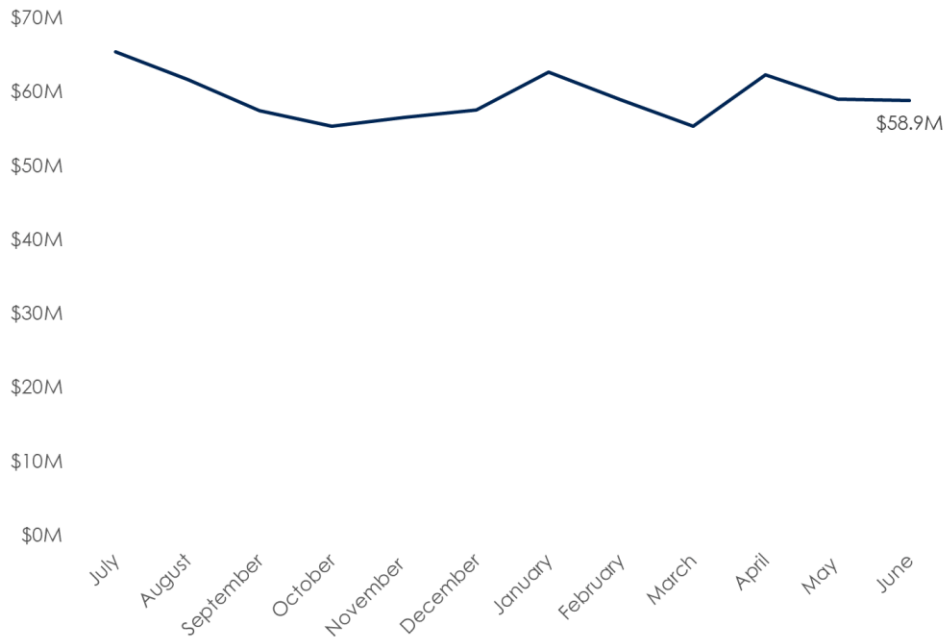
As of September 30, 2024, the City had \$87.1 million in cash and cash equivalents in the bank and on hand. Based on the cash flow forecast, the City maintains the ability to meet its expenditure requirements for the next six months.

**Cash Flow Forecast**

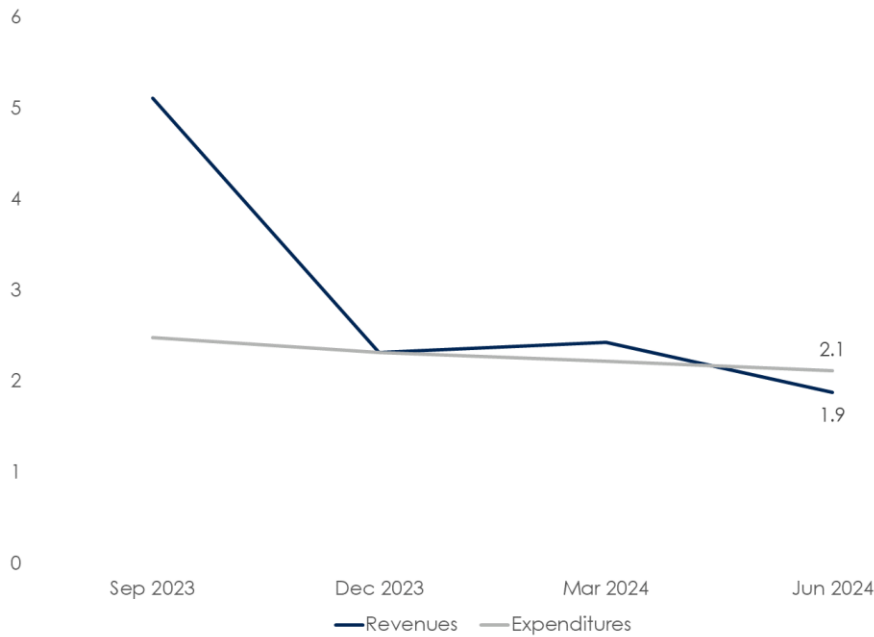
Applying three-year historical trend data for each of the City's revenue and expenditure line items to the FY 2023-24 Adopted Budget, the City estimated the following cash flow forecast for FY 2023-24:



### FY 2023-24 Adopted Budget Liquidity Balance Forecast



### FY 2023-24 Adopted Budget Liquidity Ratio Forecast



The purpose of this cash flow and liquidity forecast is to illustrate the timing of the City's revenues and expenditures throughout a fiscal year using historical trend data. The first quarter of the fiscal year experiences expenditures exceeding revenues since the City begins receiving its property tax distributions in November and April of the respective fiscal year. In January and April, the City receives additional property tax revenues due to the Vehicle License Fee (VLF) swap. In June, the City tends to experience higher

activities, particularly expenditures, due to the year-end close and accrual process. From one fiscal year to the next, the City typically incurs one-time special project or capital expenditure costs. The timing of these costs is more difficult to pinpoint in a particular month.

From a cash flow analysis perspective, the Adopted and Amended Budgets are efficient planning tools for determining cash flow needs for a single fiscal year. If a budget is adopted at a position in which revenues and expenditures are balanced, then it is reasonable to conclude cash flow is unlikely to be of concern. Beyond one fiscal year, a City prepares a long-term forward-looking forecast using historical and prospective assumptions. This forecast model is incorporated and presented to the City Council as part of the City's Adopted Budget.

**Compliance**

All of the City's investments comply with state law and the City's Investment Policy. In compliance with California Government Code 53646 (b)(3), the City maintains the ability to meet its expenditure requirements for the next six months.

Sustainability Impact

No sustainability impact.

Fiscal Impact

No fiscal impact.

California Environmental Quality Act

Not applicable.

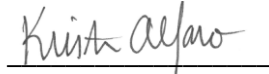
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Prepared by:



Jonathan Orozco  
Finance Manager

Reviewed by:



Kristina Alfaro  
Director of Administrative Services and City Treasurer

Approved for Submission by:



Pamela Wu  
City Manager

Attachments:

- A – Chandler Investment Report September 2024
- B – Chandler Custodial Statement September 2024

C – PARS Pension and OPEB Account Statement September 2024  
D – LAIF Account Statement September 2024

# INVESTMENT REPORT

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City of Cupertino | As of September 30, 2024

CHANDLER ASSET MANAGEMENT | [chandlerasset.com](https://chandlerasset.com)

**Chandler Team:**

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

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City of Cupertino | Account #10659 | As of September 30, 2024

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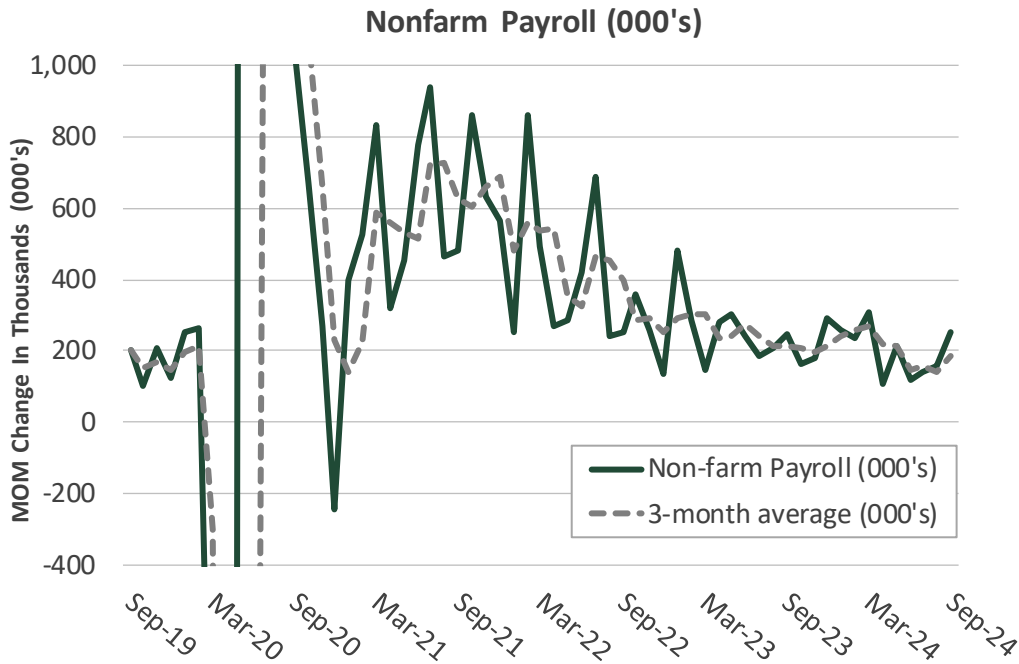
### TRANSACTIONS



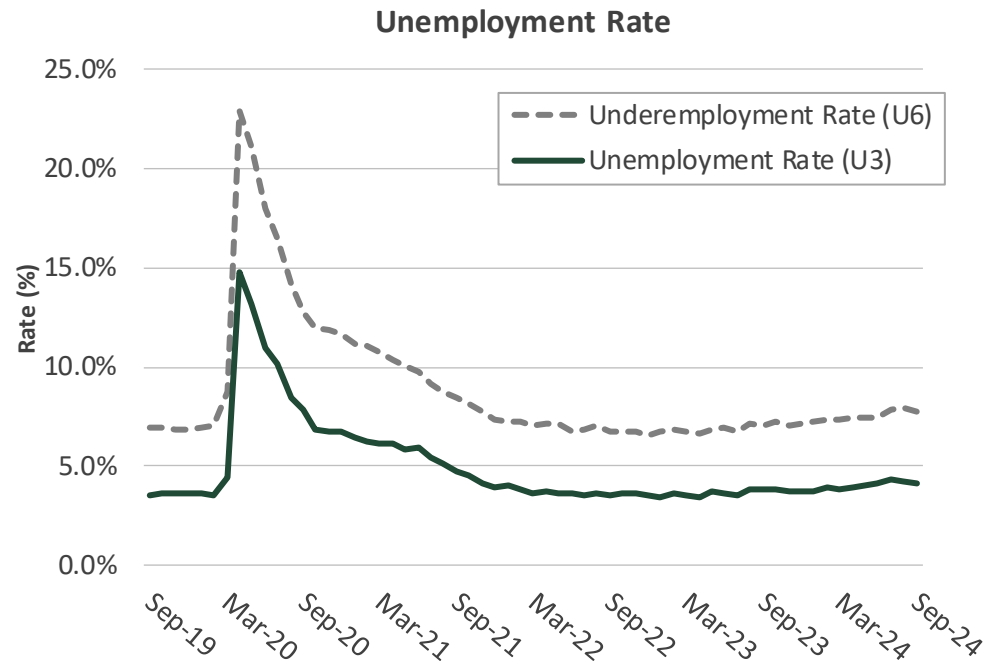
## ECONOMIC UPDATE

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- Recent economic data suggests positive but slower growth this year fueled by consumer spending. While the consumer has been resilient, declining savings rates, growing credit card debt, higher delinquencies, and a moderating labor market pose potential headwinds to future economic growth. Inflationary trends are subsiding, but core levels remain above the Fed's target. The labor market is showing signs of cooling, reflecting an improved balance between supply and demand for workers. Given the cumulative effects of restrictive monetary policy and tighter financial conditions, we believe the economy will gradually soften and the Fed will continue to lower rates at a measured pace through this year with the ability to move more aggressively should the employment data warrant.
- The Federal Open Market Committee (FOMC) delivered the first rate cut of the easing cycle at the September meeting. Although a reduction in the Fed Funds Rate was widely anticipated, the magnitude was somewhat of a surprise, as market participants were split between whether the FOMC would cut by 25 basis points or 50 basis points. Chair Jerome Powell reiterated previous statements acknowledging that monetary policy has shifted into a more balanced approach addressing price stability and full employment in tandem. The Fed released the quarterly Summary of Economic Projections (SEP) which now forecasts a substantially lower median Fed Funds Rate expectation among Fed Governors in 2025 due to lower inflation expectations and a higher projected unemployment rate. We believe the Fed will continue to lower rates at a measured pace through this year with the ability to move more aggressively should the employment data warrant.
- The US Treasury yield curve shifted lower in September following the 50 basis points rate cut by the FOMC mid-month. The 2-year Treasury yield fell 28 basis points to 3.64%, the 5-year Treasury dropped 15 basis points to 3.56%, and the 10-year Treasury yield declined 12 basis points to 3.78%. The 2-year and 10-year Treasury yield points on the curve began to normalize to +14 basis points at September month-end versus -2 basis points at August month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was -47 basis points. The inversion between 3-month and 10-year Treasuries ended the month of September at -85 basis points.



Source: US Department of Labor



Source: US Department of Labor

The U.S. economy added 254,000 jobs in September, well above expectations of 150,000. The three-month moving average and six-month moving average payrolls continued to trend weaker to 186,000 and 167,000 respectively. The unemployment rate declined to 4.1% in September, and the labor participation rate remained at 62.7%, remaining below the pre-pandemic level of 63.3%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons declined to 7.7% from 7.9%. Average hourly earnings rose 4.0% year-over-year in September. U.S. labor market data from September surprised to the upside, with strong job growth and a sharper-than-expected drop in unemployment, suggesting the economy may be more resilient than anticipated. The Federal Reserve’s view is that there has been “substantial” progress towards better balance in the labor market between demand and supply for workers.

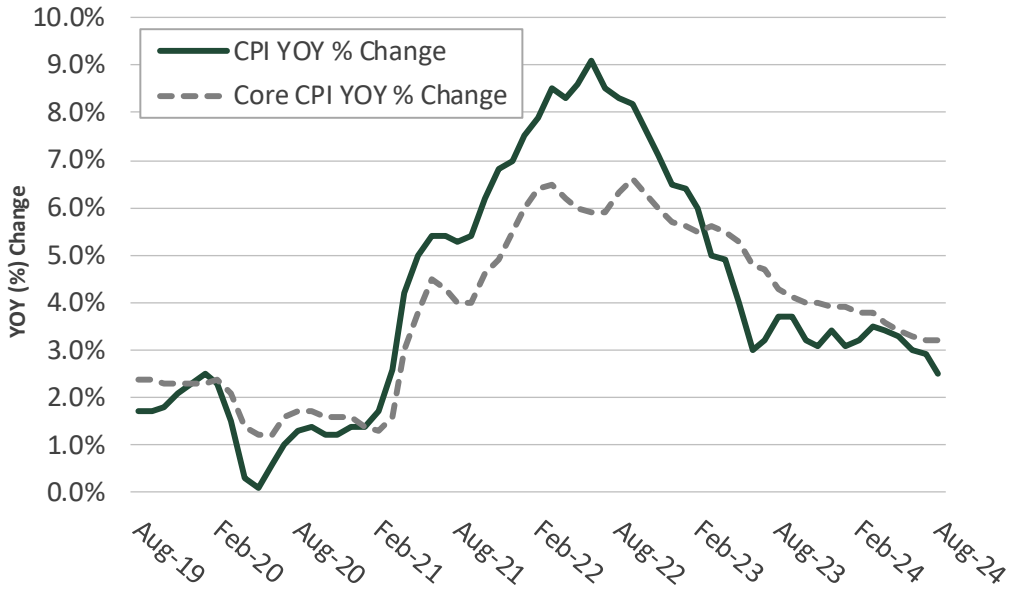
Job Openings



Source: US Department of Labor

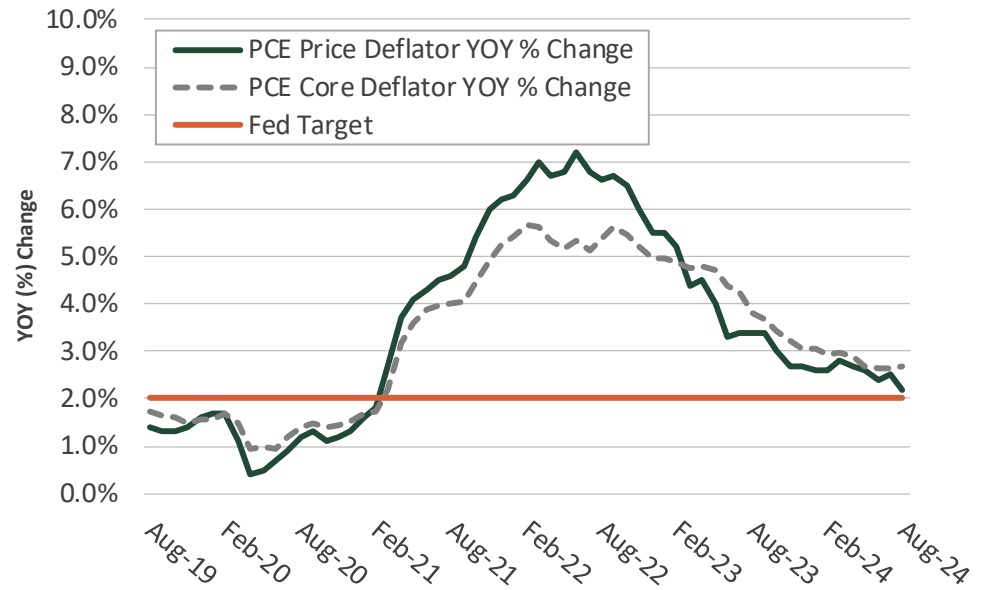
The Labor Department’s Job Openings and Labor Turnover Survey (JOLTS) increased to 8.04 million job openings in August from an upwardly revised 7.71 million in July. Job openings have increased to a ratio of 1.13 jobs for each unemployed individual. The quits rate, an indicator of job availability, declined to 1.9% from downwardly revised 2.0% in July. That is the lowest level since 2020. While the current level of job openings remains elevated from a historical perspective, the trend is decelerating.

Consumer Price Index (CPI)



Source: US Department of Labor

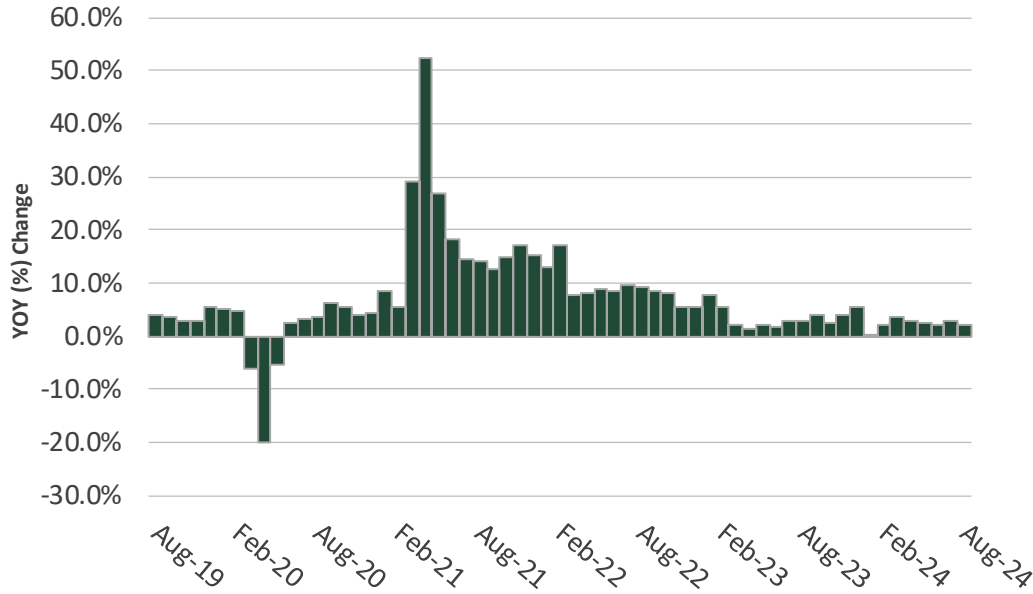
Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

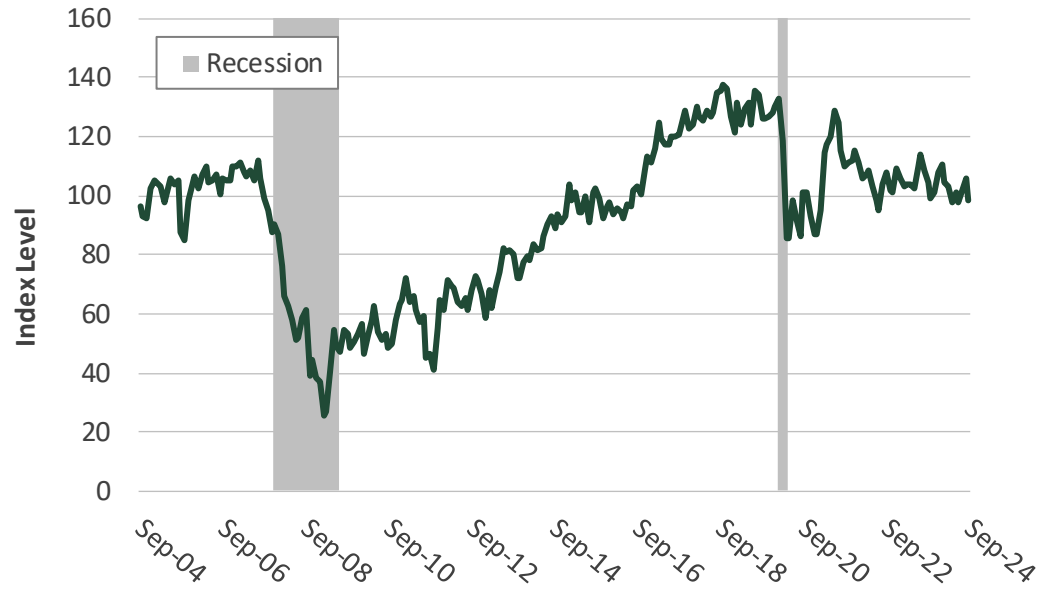
In August, the Consumer Price Index (CPI) rose 0.2% month-over-month and 2.5% year-over-year, down from 2.9% in July, largely due to a drop in gasoline prices. The Core CPI, which excludes volatile food and energy components, rose more than expected in August by 0.3% month-over-month and 3.2% year-over-year. The Personal Consumption Expenditures (PCE) Index rose 0.1% from the previous month and 2.2% year-over-year in August. The Core PCE deflator (the Fed’s preferred gauge) increased 0.1% month-over-month and 2.7% over the past year, still above the Fed’s 2% inflation target. Much of the lingering inflation has been driven by shelter costs and demand for services, but recent data provide confirmation that inflation is moderating.

Retail Sales YOY % Change



Source: US Department of Commerce

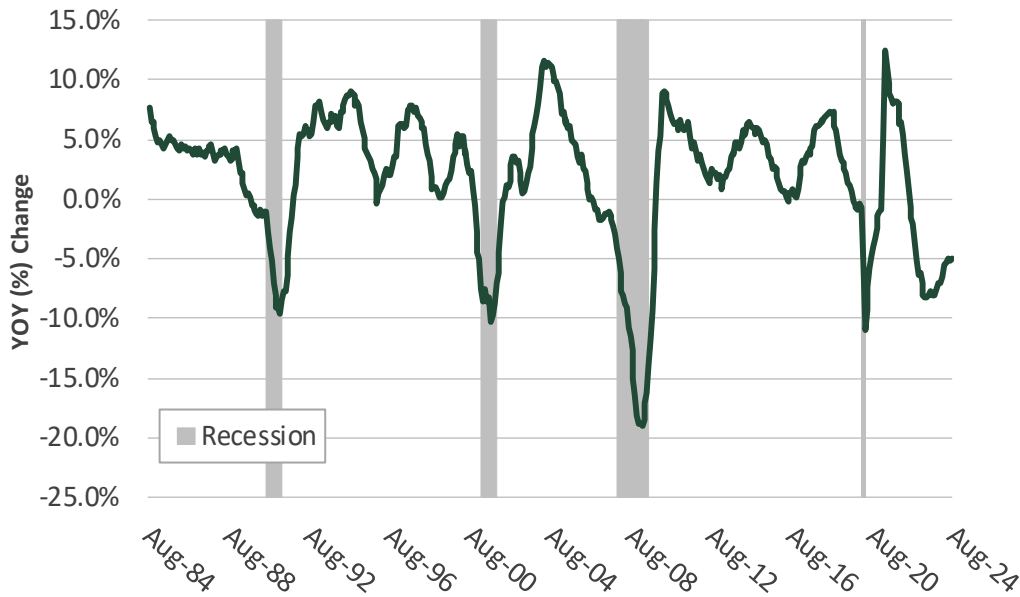
Consumer Confidence



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

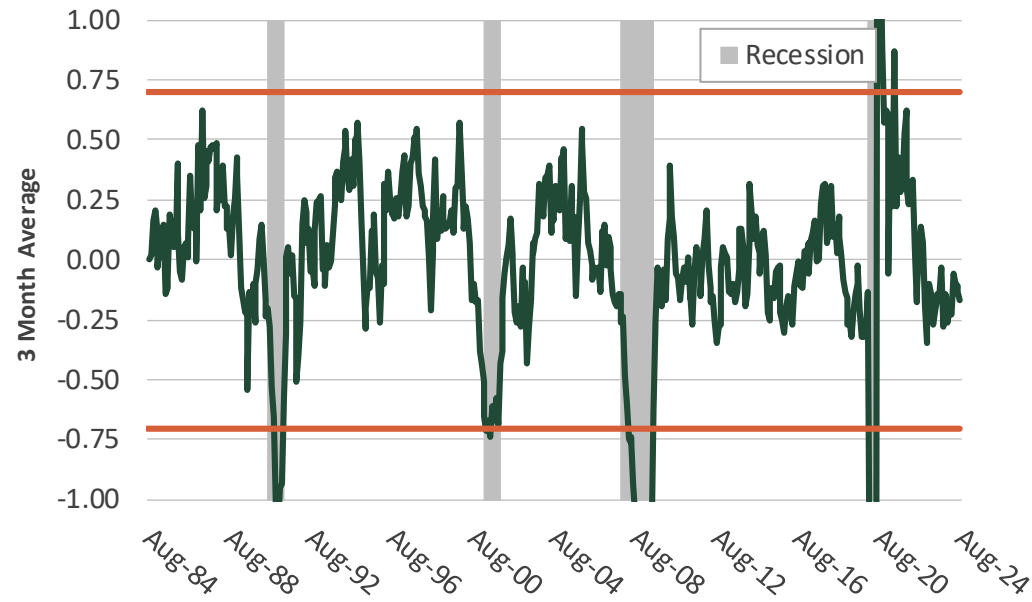
Retail Sales grew more than expected month-over-month in August at 0.1% after growth of 1.1% in July. On a year-over-year basis, Retail Sales grew 2.1% in August versus 2.9% in July. Control-group sales, which are used to calculate gross domestic product, rose 0.3% month-over-month in August after last month’s data was revised higher to an increase of 0.4%. E-commerce contributed the most to the increase. The Conference Board’s Consumer Confidence Index for September came in below expectations, contracting to 98.7 after an upward revision to 105.6 in August. The decline reflects recent softening in labor market conditions, and less optimism about the job market and income growth. While the consumer has been resilient, consumption has begun to moderate in the face of declining savings rates, growing credit card debt, higher delinquencies, and a moderating labor market.

Leading Economic Indicators (LEI)



Source: The Conference Board

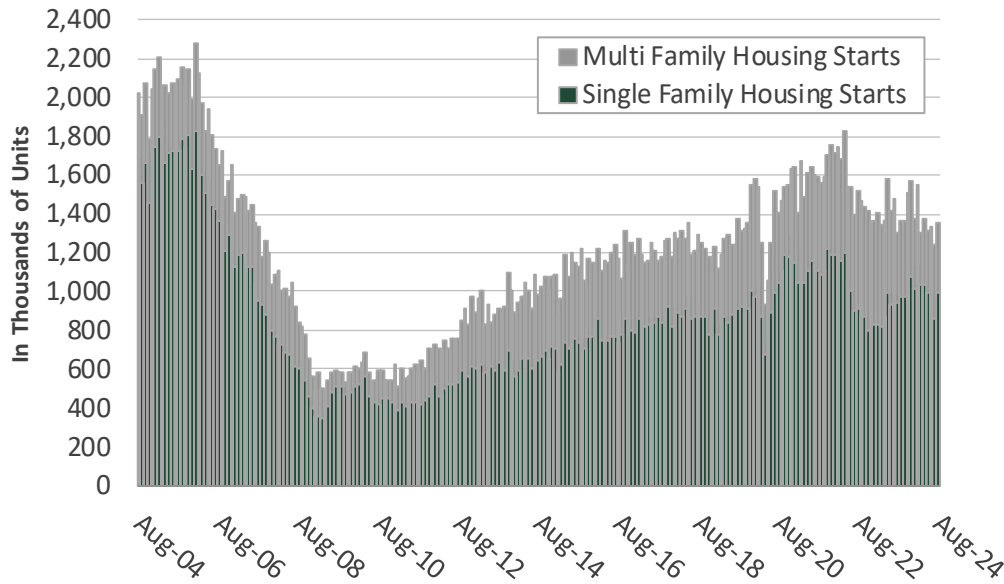
Chicago Fed National Activity Index (CFNAI)



Source: Federal Reserve Bank of Chicago

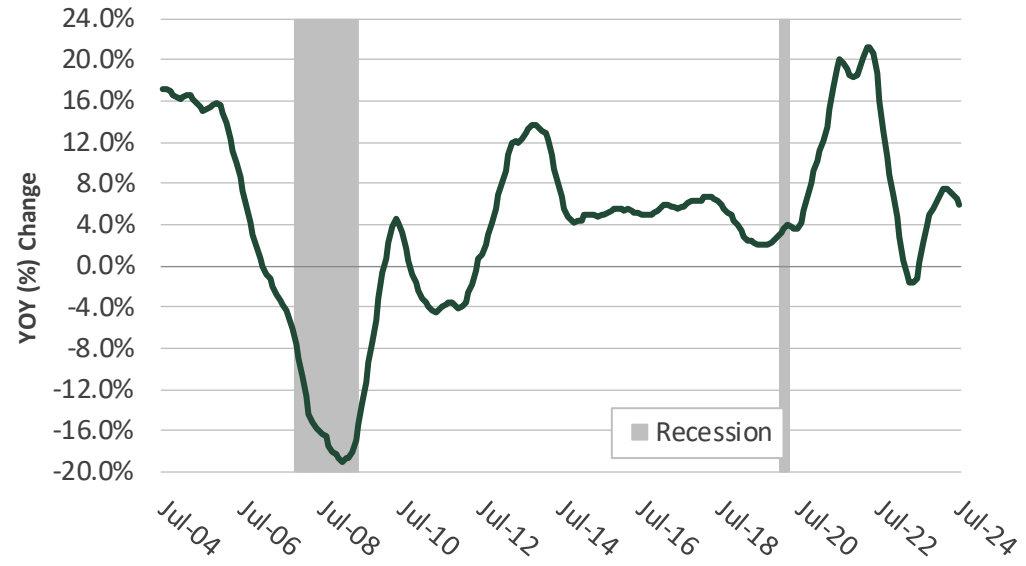
The Conference Board’s Leading Economic Index (LEI) remained in negative territory at -0.2% in August, improving from -0.6% in July. The index dropped 5.0% year-over-year. The improvement can be attributed to a decrease in the yield curve inversion, an increase in building permits, and stock market performance. The Chicago Fed National Activity Index (CFNAI) increased to 0.12 in August from a downwardly revised -0.42 in July, which was above consensus expectations. The three-month moving average fell to -0.17 in August from -0.13 in July, indicating below-trend growth expectations for the economy.

Annualized Housing Starts



Source: US Department of Commerce

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

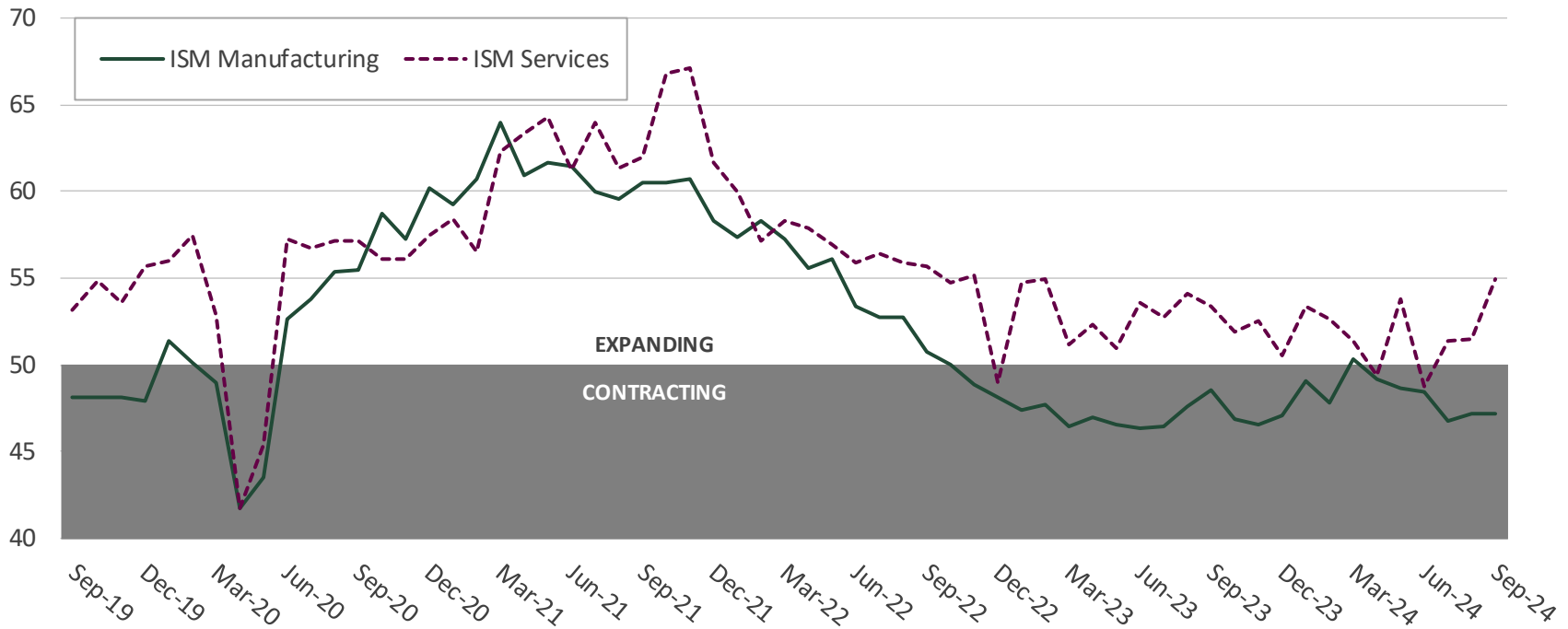


Source: S&P

Housing starts surprised to the upside on a month-over-month basis in August, increasing 9.6% to 1.356 million units versus the previous decline of 6.9% the prior month. Starts were led by the single-family home sector. Total starts were up 3.9% year-over-year. The Freddie Mac average rate for a 30-year fixed mortgage edged down to 6.35% in August from 6.85% in July. According to the Case-Shiller 20-City Home Price Index, housing prices rose 5.9% year-over-year in July, decelerating from 6.5% reported in the previous month. Although the trend is gradually improving, tight inventories and higher mortgage rates continue to impact affordability.



Institute of Supply Management (ISM) Surveys



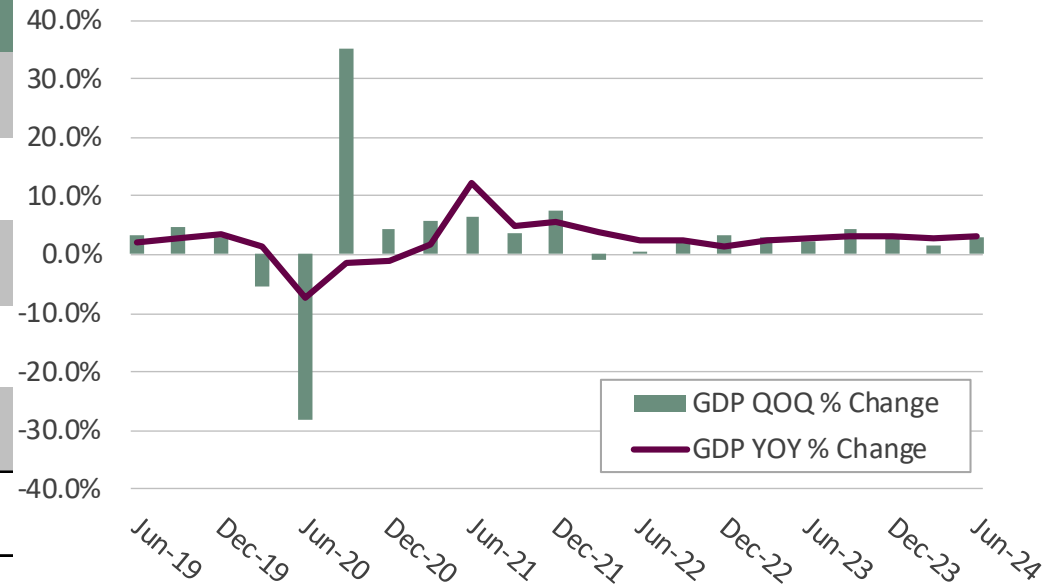
Source: Institute for Supply Management

The Institute for Supply Management (ISM) Manufacturing index contracted at a slower rate of 47.2 in September compared to 47.5 in August. Demand remains subdued and companies are continuing to reduce head counts through layoffs, attrition and hiring freezes. The ISM Services Index increased to 54.9 in September, increasing from 51.7 in August, due stronger production and new orders. A reading over 50 indicates expansion, while a reading under 50 indicates contraction.

Components of GDP	9/23	12/23	3/24	6/24
Personal Consumption Expenditures	1.7%	2.3%	1.3%	1.9%
Gross Private Domestic Investment	1.8%	0.2%	0.6%	1.5%
Net Exports and Imports	-0.1%	0.1%	-0.6%	-0.9%
Federal Government Expenditures	0.3%	0.0%	0.0%	0.3%
State and Local (Consumption and Gross Investment)	0.6%	0.6%	0.3%	0.3%
<b>Total</b>	<b>4.4%</b>	<b>3.2%</b>	<b>1.6%</b>	<b>3.0%</b>

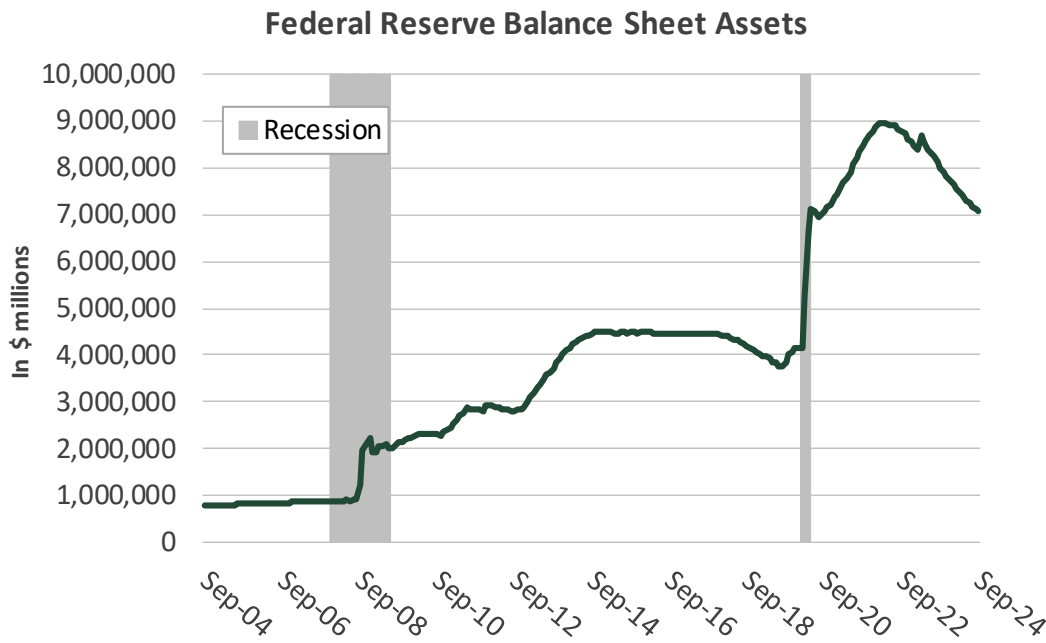
Source: US Department of Commerce

Gross Domestic Product (GDP)

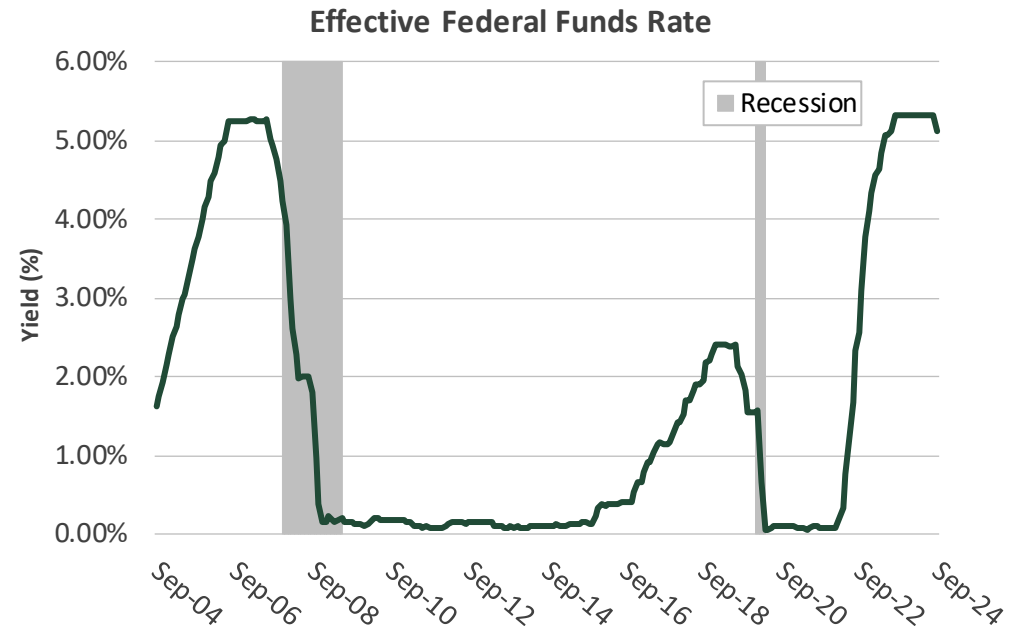


Source: US Department of Commerce

According to the third estimate, second quarter GDP increased at an annualized rate of 3.0%, unchanged from the prior estimate. Growth continues to be powered by personal consumption expenditures. Gross fixed investment, government consumption expenditures, and inventories also had positive contributions, with a negative offset by net exports. The consensus projection calls for 2.0% growth in the third quarter and 2.6% growth for the full year 2024.



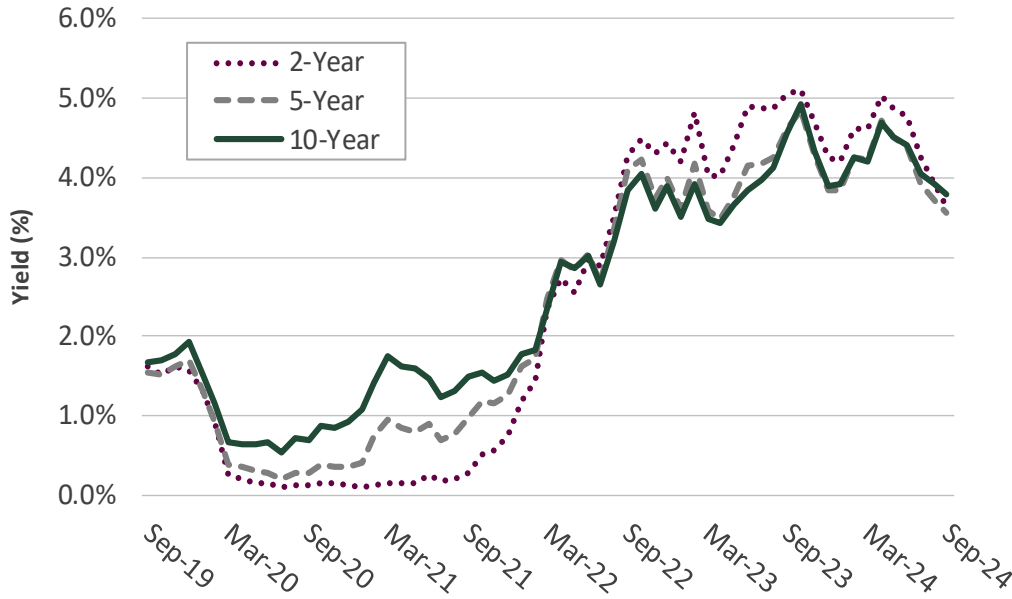
Source: Federal Reserve



Source: Bloomberg

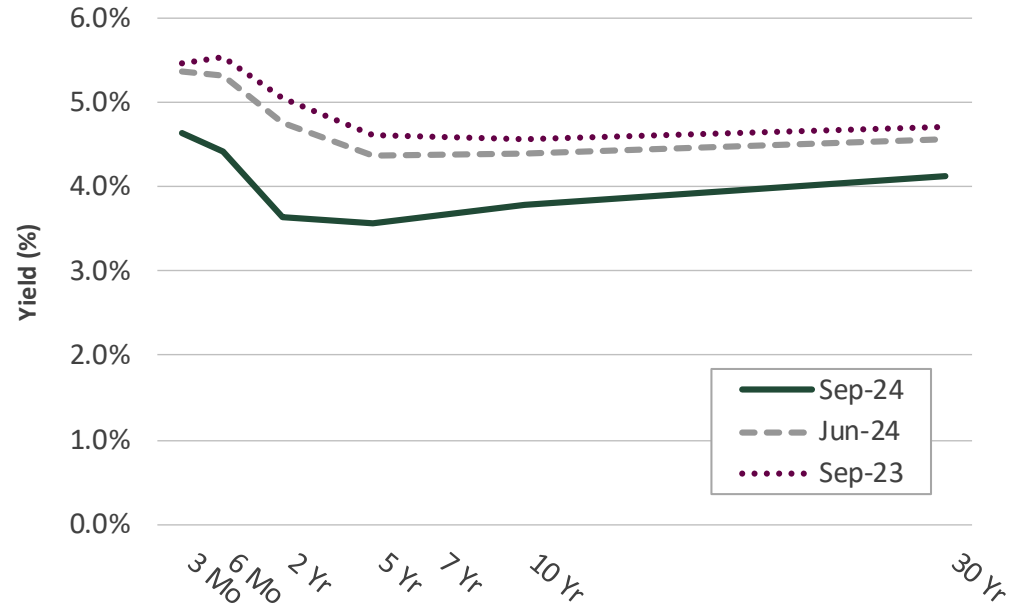
The Federal Open Market Committee (FOMC) delivered the first rate cut of the easing cycle at the September meeting. Although a reduction in the Fed Funds Rate was widely anticipated, the magnitude was somewhat of a surprise, as market participants were split between whether the FOMC would cut by 25 basis points or 50 basis points. Chair Jerome Powell reiterated previous statements acknowledging that monetary policy has shifted into a more balanced approach addressing price stability and full employment in tandem. The Fed released the quarterly Summary of Economic Projections (SEP) which now forecasts a substantially lower median Fed Funds Rate expectation among Fed Governors in 2025 to 3.1 – 3.6%. The Fed continues to reduce its holdings of U.S. Treasury securities and agency mortgage-backed securities as per its predefined schedule of \$25 billion and \$35 billion per month. Since the Fed began its Quantitative Tightening campaign in June 2022, securities holdings have declined by approximately \$1.8T to approximately \$7.1T.

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At the end of September, the 2-year Treasury yield was 140 basis points lower, and the 10-Year Treasury yield was 79 basis points lower, year-over-year. The 2-year and 10-year Treasury yield points on the curve began to normalize to +14 basis points at September month-end versus -2 basis points at August month-end. The yield curve inversion which began in July 2022 was historically long. The average historical spread (since 2003) is about +110 basis points. The inversion between 3-month and 10-year Treasuries tightened to -85 basis points in September from -121 basis points in August.

# ACCOUNT PROFILE

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### Investment Objectives

The City of Cupertino's investment objectives, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program.

### 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 these objectives, the portfolio invests in high quality fixed incomes securities consistent with the investment policy and California Government Code.

# STATEMENT OF COMPLIANCE



City of Cupertino | Account #10659 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
<b>AGENCY MORTGAGE SECURITIES (CMOS)</b>				
Max % (MV)	100.0	9.9	Compliant	
Max % Issuer (MV; Agencies & Agency CMOS)	25.0	5.4	Compliant	
Max Maturity (Years)	5.0	4.9	Compliant	
<b>ASSET-BACKED SECURITIES (ABS)</b>				
Max % (MV; Non Agency ABS & MBS)	20.0	10.1	Compliant	
Max % Issuer (MV)	5.0	1.7	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
<b>BANKERS' ACCEPTANCES</b>				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
<b>CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)</b>				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
<b>COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)</b>				
Max % (MV; FDIC & Collateralized CD)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
<b>COMMERCIAL PAPER</b>				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	

# STATEMENT OF COMPLIANCE



City of Cupertino | Account #10659 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
<b>CORPORATE MEDIUM TERM NOTES</b>				
Max % (MV)	30.0	26.5	Compliant	
Max % Issuer (MV)	5.0	1.8	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
<b>FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)</b>				
Max % (MV; FDIC & Collateralized CD)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
<b>FEDERAL AGENCIES</b>				
Max % (MV)	100.0	13.2	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	25.0	5.4	Compliant	
Max Callables (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	3	Compliant	
<b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b>				
Max Concentration (MV)	75.0	0.0	Compliant	
<b>MONEY MARKET MUTUAL FUNDS</b>				
Max % (MV)	20.0	0.2	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
<b>MORTGAGE-BACKED SECURITIES (NON-AGENCY)</b>				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
<b>MUNICIPAL SECURITIES (CA, LOCAL AGENCY)</b>				



# STATEMENT OF COMPLIANCE



City of Cupertino | Account #10659 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
<b>MUNICIPAL SECURITIES (CA, OTHER STATES)</b>				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
<b>NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)</b>				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit)	0.0	0.0	Compliant	
<b>REPURCHASE AGREEMENTS</b>				
Max % (MV)	10.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	1.0	0.0	Compliant	
<b>SUPRANATIONAL OBLIGATIONS</b>				
Max % (MV)	30.0	4.2	Compliant	
Max % Issuer (MV)	10.0	1.4	Compliant	
Max Maturity (Years)	5	1	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
<b>U.S. TREASURIES</b>				
Max % (MV)	100.0	35.9	Compliant	
Max Maturity (Years)	5	4	Compliant	

# PORTFOLIO SUMMARY



City of Cupertino | Account #10659 | As of September 30, 2024

## Portfolio Characteristics

Average Modified Duration	2.28
Average Coupon	2.95%
Average Purchase YTM	3.17%
Average Market YTM	3.97%
Average Quality	AA
Average Final Maturity	2.67
Average Life	2.35

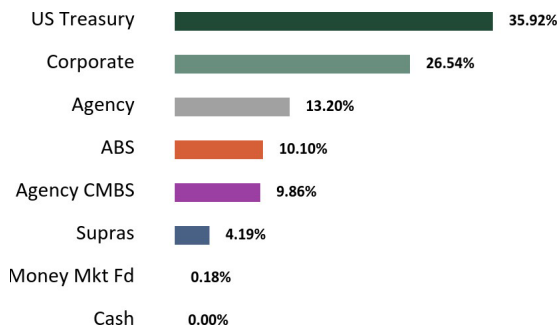
## Account Summary

	Beg. Values as of 06/30/2024	End Values as of 09/30/2024
Market Value	164,177,564.58	169,065,101.73
Accrued Interest	789,612.72	883,637.19
<b>Total Market Value</b>	<b>164,967,177.31</b>	<b>169,948,738.92</b>
Income Earned	226,746.67	586,104.90
Cont/WD	8,639,529.99	0.00
Par	168,885,052.00	170,704,952.15
Book Value	168,646,769.08	169,511,721.72
Cost Value	168,445,525.33	169,150,841.25

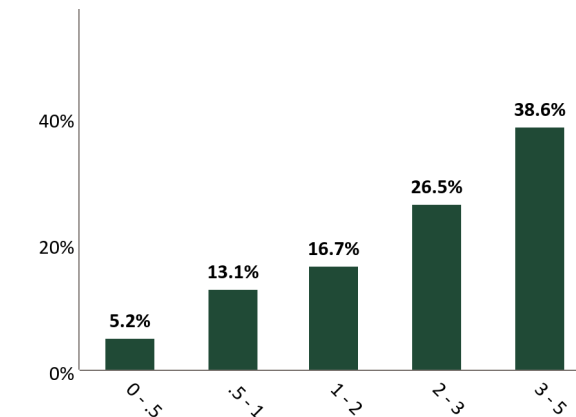
## Top Issuers

United States	
FHLMC	
FNMA	5.37%
Farm Credit System	3.16%
Morgan Stanley	1.79%
JPMorgan Chase & Co.	1.79%
American Express Credit Master Trust	1.71%
UnitedHealth Group Incorporated	1.71%

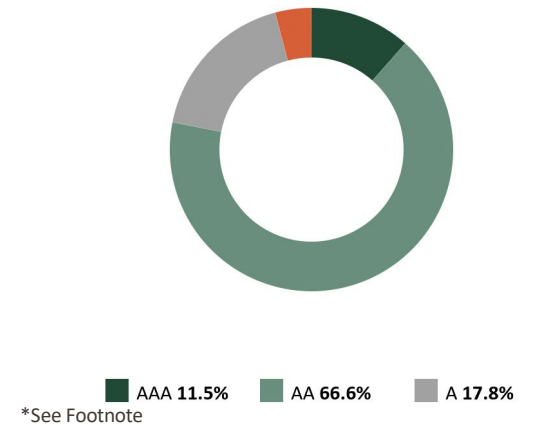
## Sector Allocation



## Maturity Distribution



## Credit Quality



## Performance Review

Total Rate of Return	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (02/01/19)
City of Cupertino	0.81%	3.04%	4.67%	7.38%	5.18%	1.09%	1.63%	--	1.96%
Benchmark Return*	0.80%	2.86%	4.14%	6.74%	4.73%	0.75%	1.27%	--	1.73%

\*Periods over 1 year are annualized.

Benchmark: ICE BofA 1-3 Year US Treasury & Agency Index Secondary Benchmark:

## PORTFOLIO CHARACTERISTICS



City of Cupertino | Account #10659 | As of September 30, 2024

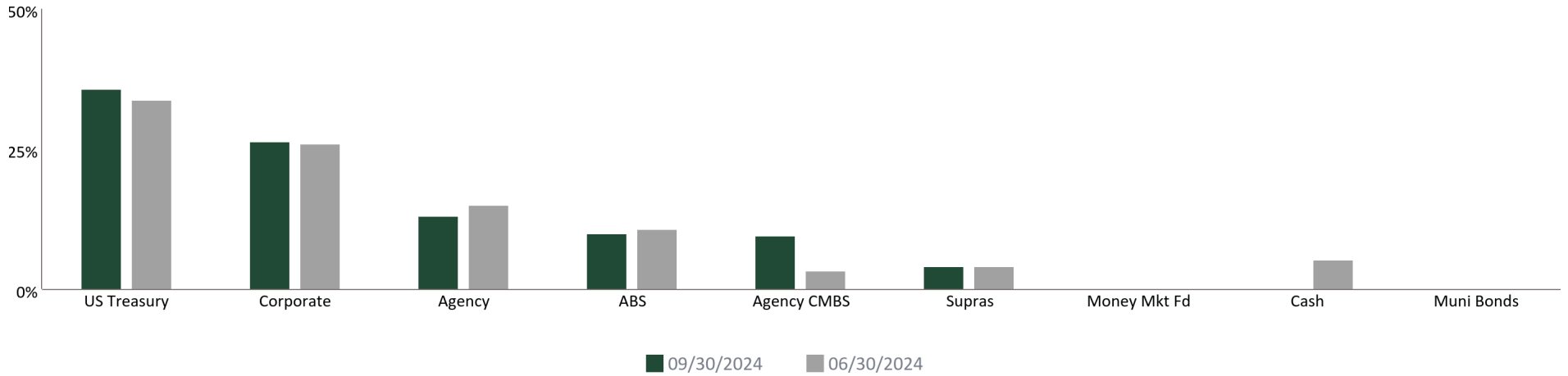
	Benchmark*	9/30/2024 Portfolio	6/30/2024 Portfolio
Average Maturity (yrs)	1.84	2.67	2.01
Average Modified Duration	1.76	2.28	1.72
Average Purchase Yield		3.17%	2.59%
Average Market Yield	3.71%	3.97%	4.75%
Average Quality**	AA+	AA	AA+
Total Market Value		169,948,739	164,967,177

\*Benchmark: ICE BofA 1-3 Year 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 Cupertino | Account #10659 | As of September 30, 2024

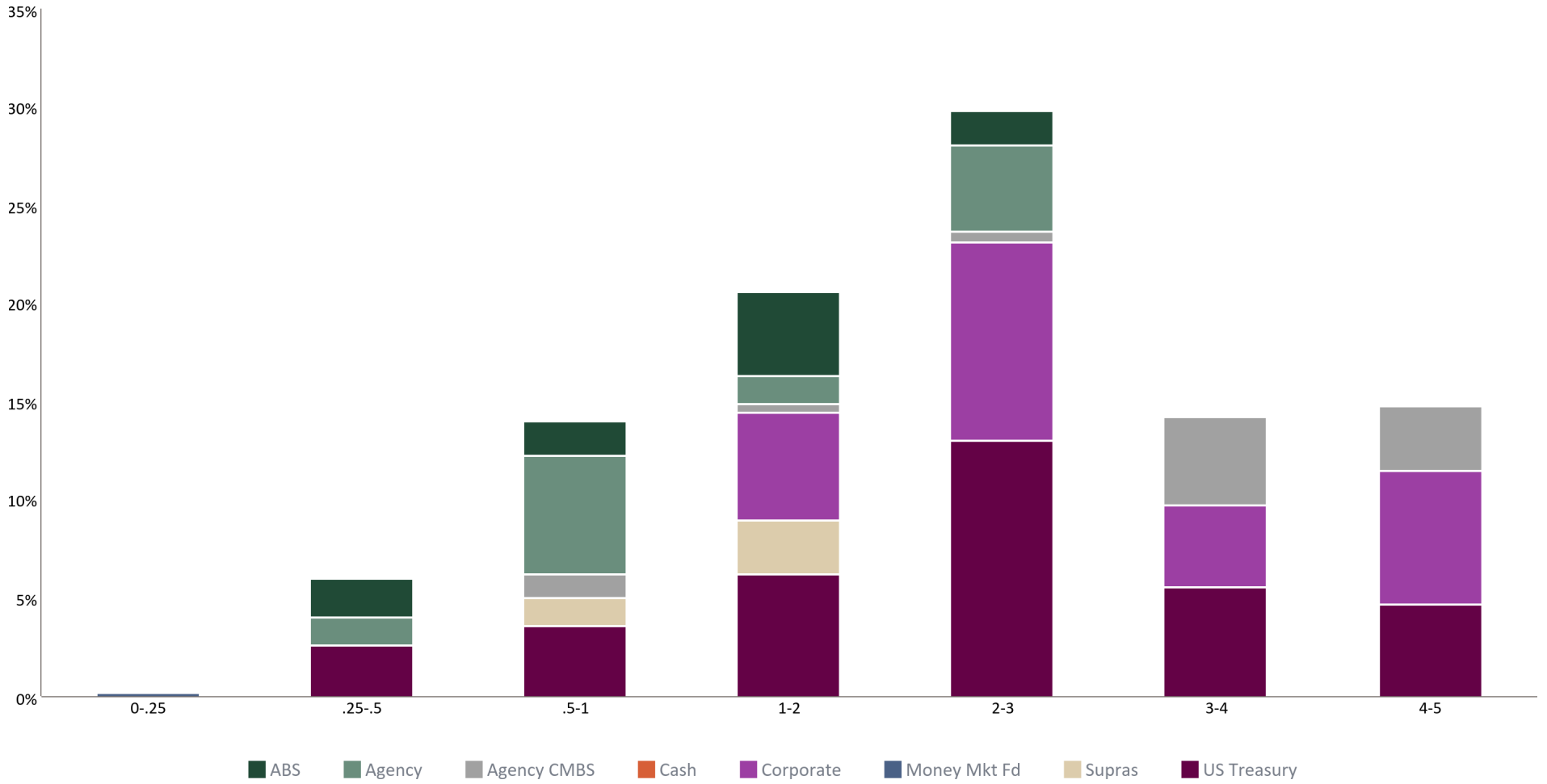


### Sector as a Percentage of Market Value

Sector	09/30/2024	06/30/2024
US Treasury	35.92%	34.03%
Corporate	26.54%	26.18%
Agency	13.20%	15.28%
ABS	10.10%	10.92%
Agency CMBS	9.86%	3.46%
Supras	4.19%	4.22%
Money Mkt Fd	0.18%	0.12%
Cash	0.00%	5.34%
Muni Bonds	--	0.46%

# DURATION ALLOCATION

City of Cupertino | Account #10659 | As of September 30, 2024



	0-25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
09/30/2024	0.4%	6.0%	14.1%	20.6%	29.8%	14.3%	14.8%	0.0%	0.0%

## ISSUERS

City of Cupertino | Account #10659 | As of September 30, 2024

Issuer	Investment Type	% Portfolio
United States	US Treasury	35.92%
FHLMC	Agency CMBS	9.86%
FNMA	Agency	5.37%
FHLMC	Agency	3.53%
Farm Credit System	Agency	3.16%
Morgan Stanley	Corporate	1.79%
JPMorgan Chase & Co.	Corporate	1.79%
American Express Credit Master Trust	ABS	1.71%
UnitedHealth Group Incorporated	Corporate	1.71%
The Home Depot, Inc.	Corporate	1.55%
Guardian Life Global Funding	Corporate	1.51%
International Finance Corporation	Supras	1.43%
Inter-American Development Bank	Supras	1.39%
International Bank for Recon and Dev	Supras	1.37%
John Deere Owner Trust	ABS	1.33%
Cisco Systems, Inc.	Corporate	1.21%
Deere & Company	Corporate	1.21%
Massachusetts Mutual Life Insurance	Corporate	1.17%
Federal Home Loan Banks	Agency	1.14%
Honda Auto Receivables Owner Trust	ABS	1.08%
State Street Corporation	Corporate	1.07%
Amazon.com, Inc.	Corporate	1.06%
GM Financial Securitized Term	ABS	1.06%
Chase Issuance Trust	ABS	1.01%
Bank of America Credit Card Trust	ABS	0.99%
Berkshire Hathaway Inc.	Corporate	0.92%
PepsiCo, Inc.	Corporate	0.91%
Prologis, Inc.	Corporate	0.89%
The Progressive Corporation	Corporate	0.88%
Bank of America Corporation	Corporate	0.88%

## ISSUERS

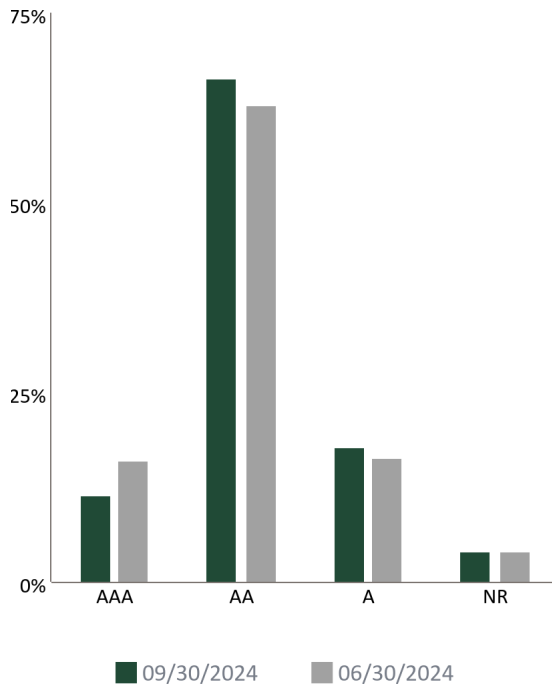
City of Cupertino | Account #10659 | As of September 30, 2024

Issuer	Investment Type	% Portfolio
Realty Income Corporation	Corporate	0.85%
Toyota Auto Receivables Owner Trust	ABS	0.85%
The Toronto-Dominion Bank	Corporate	0.81%
Toyota Motor Corporation	Corporate	0.78%
MERCEDES-BENZ AUTO RECEIVABLES TRUST	ABS	0.67%
Metropolitan Life Global Funding I	Corporate	0.63%
New York Life Insurance Company	Corporate	0.61%
Caterpillar Inc.	Corporate	0.61%
Mastercard Incorporated	Corporate	0.58%
BMW Vehicle Owner Trust	ABS	0.57%
Meta Platforms, Inc.	Corporate	0.55%
The Charles Schwab Corporation	Corporate	0.55%
Chubb Limited	Corporate	0.52%
Northwestern Mutual Global Funding	Corporate	0.48%
Hyundai Auto Receivables Trust	ABS	0.46%
Met Tower Global Funding	Corporate	0.43%
Northern Trust Corporation	Corporate	0.40%
Hyundai Auto Lease Securitization Tr	ABS	0.37%
Walmart Inc.	Corporate	0.20%
Wells Fargo & Company	Money Mkt Fd	0.15%
WC MMF Sweep	Money Mkt Fd	0.03%
Cash	Cash	0.00%
<b>TOTAL</b>		<b>100.00%</b>

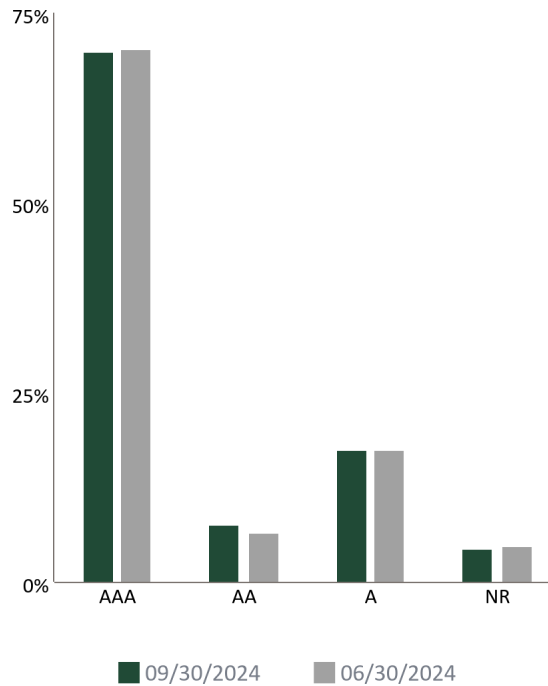
# QUALITY DISTRIBUTION

City of Cupertino | Account #10659 | As of September 30, 2024

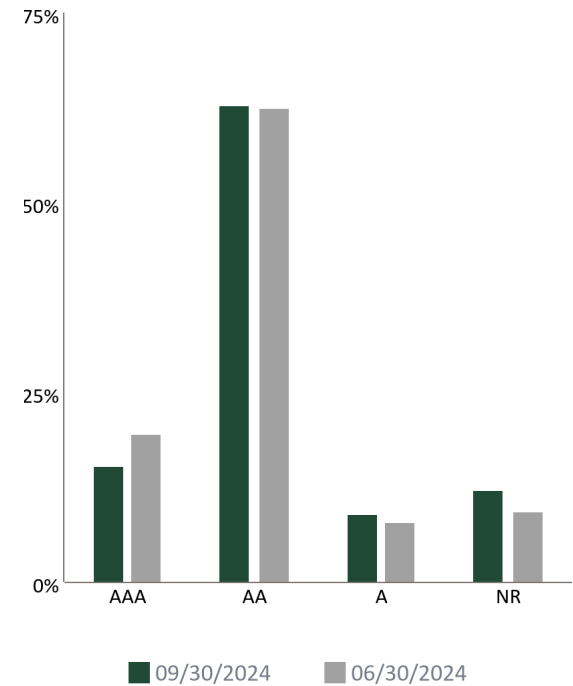
S&P Rating



Moody's Rating



Fitch Rating



Rating	09/30/2024	06/30/2024
AAA	11.5%	16.1%
AA	66.6%	62.9%
A	17.8%	16.6%
NR	4.1%	4.4%

Rating	09/30/2024	06/30/2024
AAA	69.9%	70.6%
AA	7.8%	6.9%
A	17.7%	17.7%
NR	4.6%	4.9%

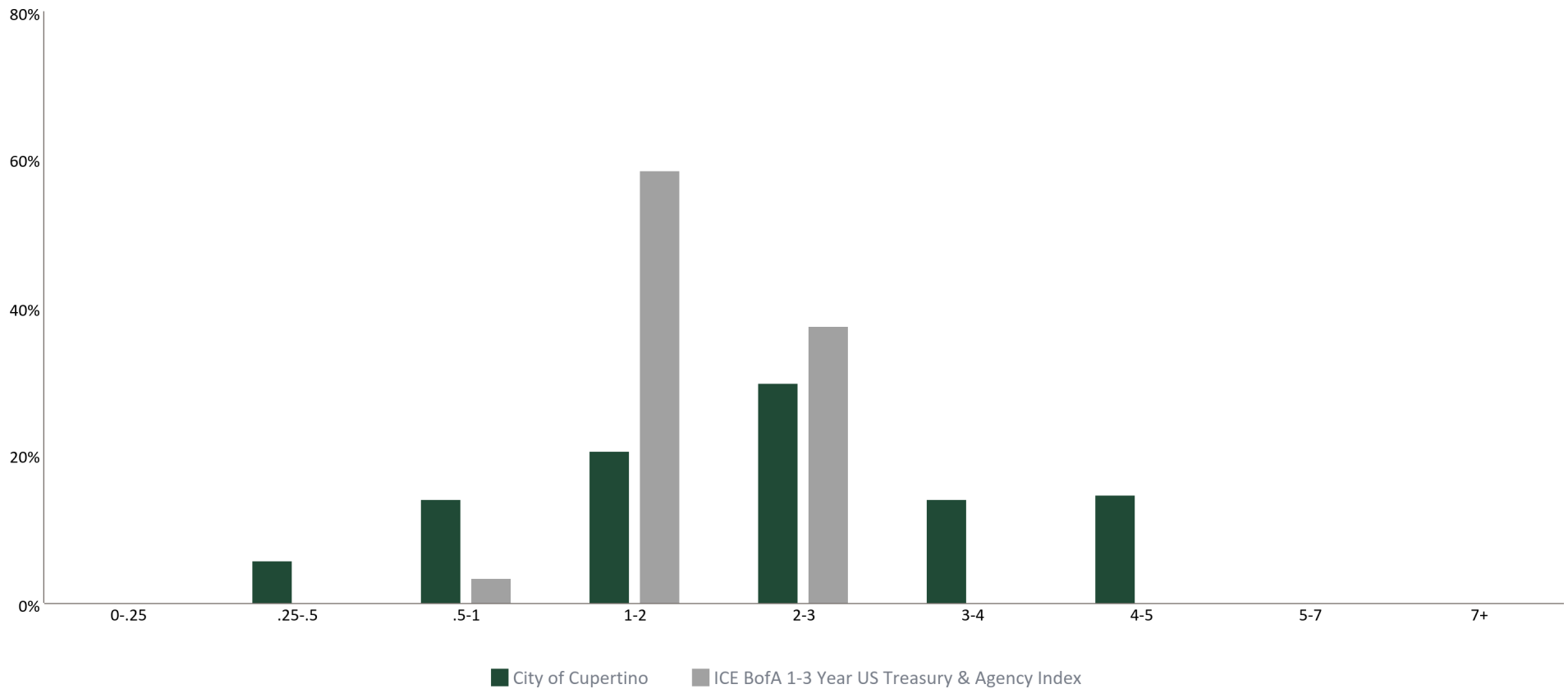
Rating	09/30/2024	06/30/2024
AAA	15.6%	19.6%
AA	63.0%	62.8%
A	9.1%	8.1%
NR	12.3%	9.5%



# DURATION DISTRIBUTION

City of Cupertino | Account #10659 | As of September 30, 2024

Portfolio Compared to the Benchmark



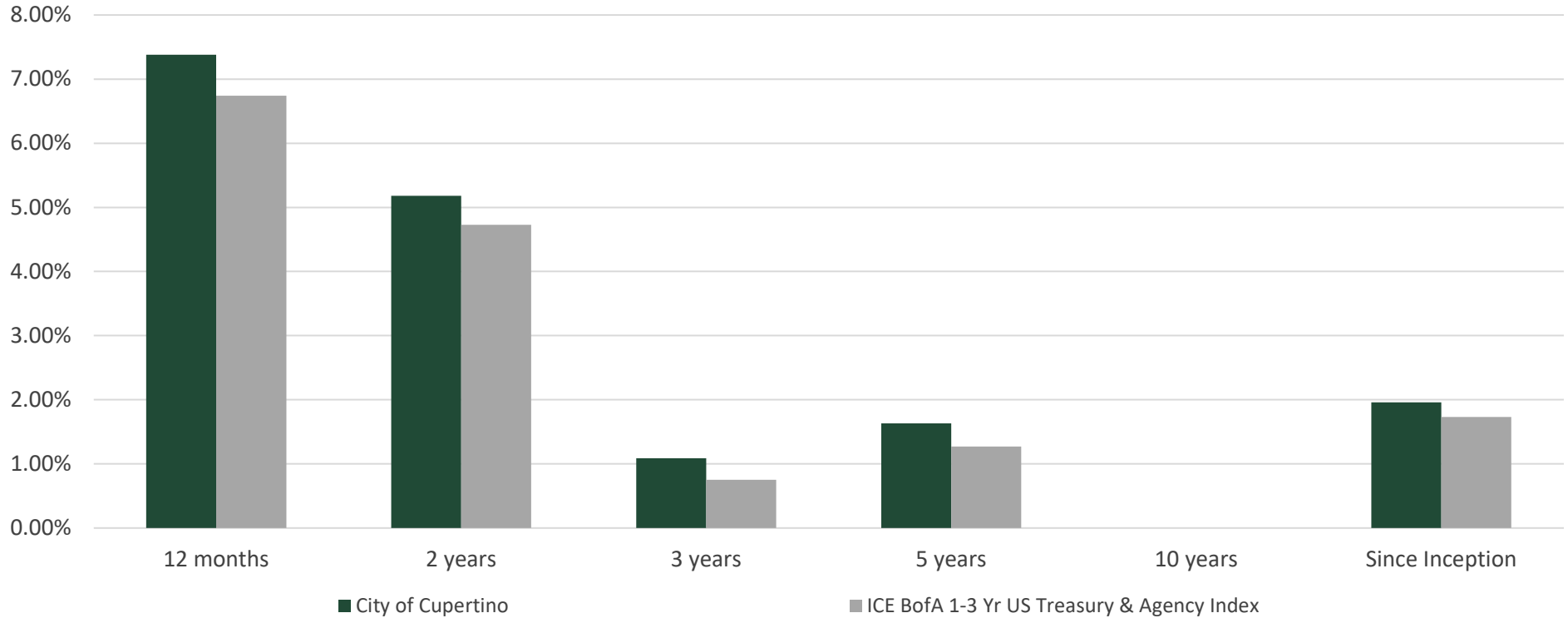
	0-0.25	0.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
Portfolio	0.4%	6.0%	14.1%	20.6%	29.8%	14.3%	14.8%	0.0%	0.0%
ICE BofA 1-3 Year US Treasury & Agency Index	0.1%	0.1%	3.6%	58.6%	37.6%	0.0%	0.0%	0.0%	0.0%

# INVESTMENT PERFORMANCE



City of Cupertino | Account #10659 | As of September 30, 2024

Total Rate of Return : Inception | 02/01/2019



	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
<b>TOTAL RATE OF RETURN</b>							
City of Cupertino	3.04%	7.38%	5.18%	1.09%	1.63%		1.96%
Benchmark	2.86%	6.74%	4.73%	0.75%	1.27%		1.73%

\*Periods over 1 year are annualized.

Benchmark: ICE BofA 1-3 Year US Treasury & Agency Index

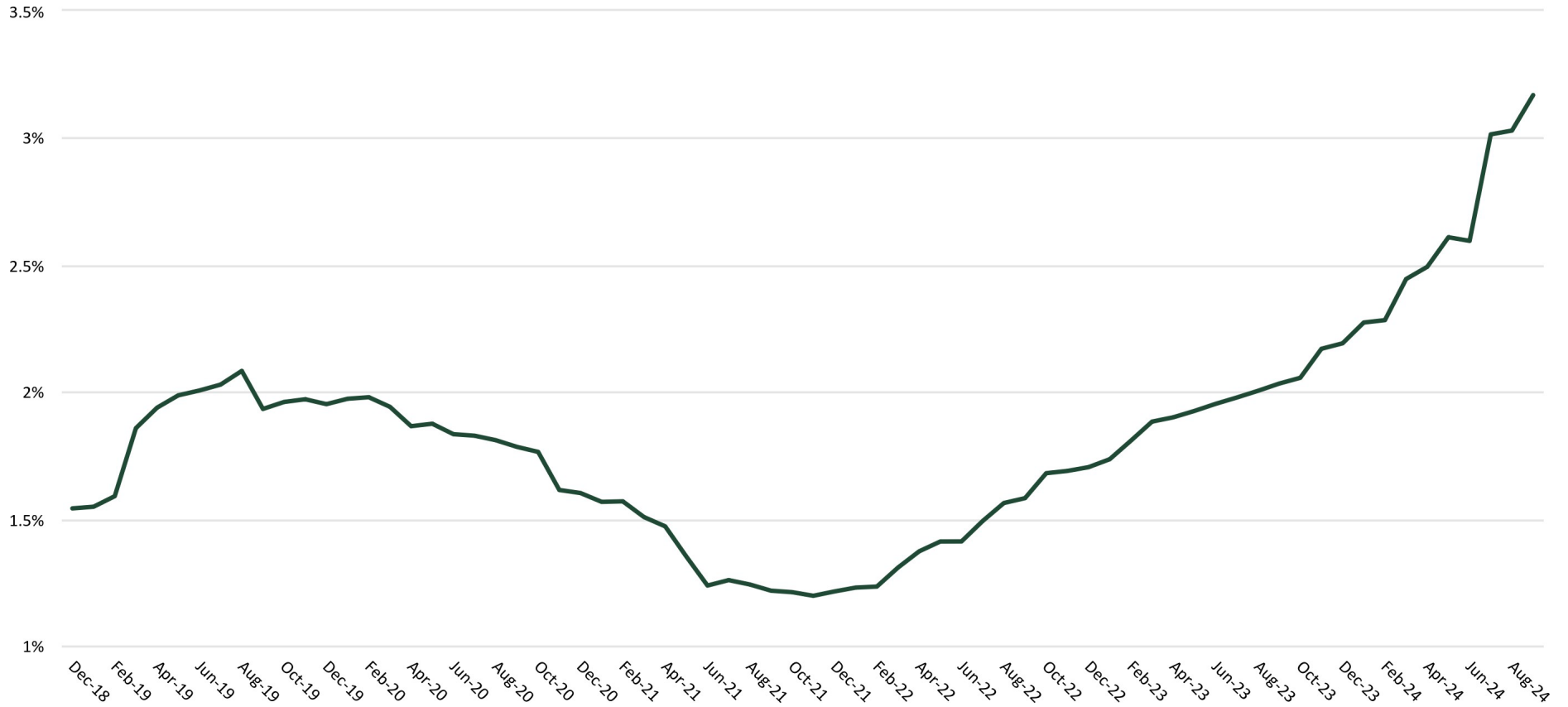
Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

# HISTORICAL AVERAGE PURCHASE YIELD



City of Cupertino | Account #10659 | As of September 30, 2024

Purchase Yield as of 09/30/24 = 3.17%



# PORTFOLIO HOLDINGS

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# HOLDINGS REPORT



City of Cupertino | Account #10659 | As of September 30, 2024

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
<b>ABS</b>									
43815GAC3	HAROT 2021-4 A3 0.88 01/21/2026	124,921.35	11/16/2021 0.89%	124,895.02 124,913.93	98.70 5.24%	123,294.88 30.54	0.07% (1,619.05)	Aaa/NA AAA	1.31 0.30
47789QAC4	JDOT 2021-B A3 0.52 03/16/2026	123,022.51	07/13/2021 0.52%	123,011.54 123,019.51	98.83 4.69%	121,581.32 28.43	0.07% (1,438.19)	Aaa/NA AAA	1.46 0.28
89238JAC9	TAOT 2021-D A3 0.71 04/15/2026	123,747.06	11/09/2021 0.71%	123,744.42 123,746.25	98.81 4.64%	122,276.71 39.05	0.07% (1,469.55)	NA/AAA AAA	1.54 0.30
44935FAD6	HART 2021-C A3 0.74 05/15/2026	312,769.81	-- 2.17%	304,861.59 310,022.06	99.08 5.23%	309,889.45 102.87	0.18% (132.61)	NA/AAA AAA	1.62 0.20
43815BAC4	HAROT 2022-1 A3 1.88 05/15/2026	340,002.36	02/15/2022 1.89%	339,951.22 339,984.30	98.81 4.89%	335,949.09 284.09	0.20% (4,035.21)	Aaa/AAA NA	1.62 0.39
05602RAD3	BMWOT 2022-A A3 3.21 08/25/2026	247,751.54	05/10/2022 3.23%	247,738.66 247,746.18	99.33 4.75%	246,087.22 132.55	0.15% (1,658.97)	Aaa/AAA NA	1.90 0.44
47787JAC2	JDOT 2022 A3 0.36 09/15/2026	191,836.37	03/10/2022 2.34%	191,793.94 191,819.08	98.85 4.69%	189,630.01 197.80	0.11% (2,189.07)	Aaa/NA AAA	1.96 0.49
362554AC1	GMCAR 2021-4 A3 0.68 09/16/2026	114,117.31	10/13/2021 0.68%	114,114.40 114,116.31	98.52 4.96%	112,431.34 32.33	0.07% (1,684.97)	Aaa/AAA NA	1.96 0.34
448977AD0	HART 2022-A A3 2.22 10/15/2026	476,406.35	03/09/2022 2.23%	476,388.01 476,398.91	98.90 4.95%	471,164.22 470.05	0.28% (5,234.69)	NA/AAA AAA	2.04 0.40
380146AC4	GMCAR 2022-1 A3 1.26 11/16/2026	117,840.82	01/11/2022 1.27%	117,830.58 117,836.81	98.64 4.79%	116,240.69 61.87	0.07% (1,596.11)	NA/AAA AAA	2.13 0.38
362585AC5	GMCAR 2022-2 A3 3.1 02/16/2027	234,645.75	04/05/2022 3.13%	234,596.71 234,623.43	99.15 4.69%	232,661.11 303.08	0.14% (1,962.32)	Aaa/AAA NA	2.38 0.54
47800AAC4	JDOT 2022-B A3 3.74 02/16/2027	490,018.70	07/12/2022 3.77%	489,971.91 489,995.15	99.44 4.62%	487,285.97 814.52	0.29% (2,709.19)	Aaa/NA AAA	2.38 0.66
02589BAA8	AMXCA 2022-1 A 2.21 03/17/2025	1,545,000.00	03/21/2022 2.69%	1,524,359.77 1,541,839.74	98.89 4.72%	1,527,872.13 1,517.53	0.90% (13,967.61)	Aaa/NA AAA	0.46 0.44
44934FAD7	HALST 24B A3 5.41 05/17/2027	610,000.00	05/14/2024 5.41%	609,983.04 609,985.09	101.70 4.37%	620,374.39 1,466.71	0.37% 10,389.30	NA/AAA AAA	2.63 1.54
02582JIT8	AMXCA 2022-2 A 3.39 05/17/2027	1,375,000.00	05/17/2022 3.42%	1,374,695.85 1,374,908.77	99.28 4.61%	1,365,101.38 2,071.67	0.81% (9,807.39)	NA/AAA AAA	0.62 0.60

# HOLDINGS REPORT



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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
47800BAC2	JDOT 2022-C A3 5.09 06/15/2027	943,295.68	10/12/2022 5.15%	943,222.48 943,253.71	100.44 4.58%	947,492.88 2,133.94	0.56% 4,239.16	Aaa/NA AAA	2.71 0.79
89231FAD2	TAOT 2023-C A3 5.16 04/17/2028	1,300,000.00	11/21/2023 5.40%	1,294,718.75 1,295,744.75	101.22 4.30%	1,315,838.94 2,981.33	0.78% 20,094.19	NA/AAA AAA	3.55 1.32
438123AC5	HAROT 2023-4 A3 5.67 06/21/2028	805,000.00	-- 5.64%	806,992.67 806,531.18	102.32 4.18%	823,704.42 1,267.88	0.49% 17,173.23	Aaa/NA AAA	3.73 1.47
47800RAD5	JDOT 2024 A3 4.96 11/15/2028	500,000.00	03/25/2024 5.13%	499,765.63 499,791.64	101.66 4.20%	508,311.40 1,102.22	0.30% 8,519.76	Aaa/NA AAA	4.13 2.04
05522RDH8	BACCT 2023-2 A 4.98 11/16/2026	850,000.00	01/24/2024 4.58%	858,798.83 856,660.94	102.02 4.02%	867,127.67 1,881.33	0.51% 10,466.73	Aaa/NA AAA	2.13 1.98
58769FAC9	MBART 2023-2 A3 5.95 11/15/2028	1,100,000.00	11/29/2023 5.18%	1,123,289.06 1,118,498.84	102.71 4.11%	1,129,853.23 2,908.89	0.67% 11,354.39	NA/AAA AAA	4.13 1.41
437930AC4	HONDO-242-A3 5.27 11/20/2028	535,000.00	05/14/2024 5.27%	534,935.00 534,940.26	102.19 4.16%	546,712.76 1,018.13	0.32% 11,772.50	NA/AAA AAA	4.14 1.86
36268GAD7	GMCAR 2024-1 A3 4.85 12/18/2028	1,310,000.00	-- 4.97%	1,307,922.66 1,308,127.04	101.27 4.18%	1,326,606.61 2,647.29	0.78% 18,479.56	Aaa/NA AAA	4.22 1.74
161571HV9	CHAIT 241 A 4.6 01/16/2029	1,690,000.00	01/24/2024 4.61%	1,689,742.61 1,689,777.27	101.28 4.05%	1,711,583.33 3,455.11	1.01% 21,806.06	NR/AAA AAA	4.30 2.13
096919AD7	BMWOT 2024-A A3 5.18 02/26/2029	695,000.00	06/04/2024 5.24%	694,894.43 694,901.30	102.19 4.05%	710,236.28 600.02	0.42% 15,334.98	Aaa/AAA NA	4.41 1.84
05522RDJ4	BACCT 2024-1 A 4.93 03/15/2029	785,000.00	06/06/2024 4.93%	784,955.96 784,958.75	102.32 4.03%	803,220.09 1,720.02	0.48% 18,261.34	Aaa/AAA NA	4.45 2.41
<b>Total ABS</b>		<b>16,940,375.62</b>	<b>4.27%</b>	<b>16,937,174.73</b> <b>16,954,141.20</b>	<b>100.80</b> <b>4.37%</b>	<b>17,072,527.47</b> <b>29,269.27</b>	<b>10.10%</b> <b>118,386.28</b>	<b>Aaa/AAA</b> <b>AAA</b>	<b>2.90</b> <b>1.28</b>

AGENCY									
3137EAEP0	FEDERAL HOME LOAN MORTGAGE CORP 1.5 02/12/2025	2,365,000.00	02/13/2020 1.52%	2,363,178.95 2,364,866.29	98.85 4.70%	2,337,804.20 4,828.54	1.38% (27,062.09)	Aaa/AA+ AA+	0.37 0.36

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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
3135G03U5	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.625 04/22/2025	1,860,000.00	04/22/2020 0.67%	1,856,168.40 1,859,573.57	97.98 4.33%	1,822,397.37 5,134.38	1.08% (37,176.20)	Aaa/AA+ AA+	0.56 0.54
3135G04Z3	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 06/17/2025	2,500,000.00	-- 0.50%	2,499,227.30 2,499,920.26	97.43 4.20%	2,435,826.95 3,611.11	1.44% (64,093.31)	Aaa/AA+ AA+	0.71 0.70
3137EAEU9	FEDERAL HOME LOAN MORTGAGE CORP 0.375 07/21/2025	1,250,000.00	07/21/2020 0.48%	1,243,775.00 1,249,000.04	97.12 4.04%	1,214,060.43 911.46	0.72% (34,939.62)	Aaa/AA+ AA+	0.80 0.79
3135G05X7	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.375 08/25/2025	2,500,000.00	-- 0.47%	2,487,983.75 2,497,776.91	96.87 3.95%	2,421,636.23 937.50	1.43% (76,140.68)	Aaa/AA+ AA+	0.90 0.88
3137EAEX3	FEDERAL HOME LOAN MORTGAGE CORP 0.375 09/23/2025	2,500,000.00	-- 0.46%	2,489,362.80 2,497,874.48	96.53 4.03%	2,413,334.58 208.33	1.43% (84,539.91)	Aaa/AA+ AA+	0.98 0.96
3135G06G3	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 11/07/2025	2,500,000.00	-- 0.56%	2,492,700.00 2,498,388.00	96.23 4.04%	2,405,668.25 5,000.00	1.42% (92,719.75)	Aaa/AA+ AA+	1.10 1.07
3130B0TY5	FEDERAL HOME LOAN BANKS 4.75 04/09/2027	1,875,000.00	04/10/2024 4.85%	1,870,050.00 1,870,833.49	102.76 3.59%	1,926,841.37 42,057.29	1.14% 56,007.88	Aaa/AA+ AA+	2.52 2.32
3133ERDS7	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 05/06/2027	2,400,000.00	06/20/2024 4.55%	2,412,552.00 2,411,331.50	102.78 3.62%	2,466,713.52 45,916.67	1.46% 55,382.02	Aaa/AA+ AA+	2.60 2.39
3133EPC60	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.625 11/15/2027	2,800,000.00	11/09/2023 4.73%	2,789,612.00 2,791,894.37	102.87 3.64%	2,880,311.90 48,922.22	1.70% 88,417.52	Aaa/AA+ AA+	3.13 2.85
<b>Total Agency</b>		<b>22,550,000.00</b>	<b>1.99%</b>	<b>22,504,610.20</b> <b>22,541,458.90</b>	<b>99.07</b> <b>4.00%</b>	<b>22,324,594.78</b> <b>157,527.50</b>	<b>13.20%</b> <b>(216,864.13)</b>	<b>Aaa/AA+</b> <b>AA+</b>	<b>1.44</b> <b>1.35</b>
<b>AGENCY CMBS</b>									
3137BLMZ8	FHMS K-049 A2 3.01 07/25/2025	989,730.34	07/01/2021 0.87%	1,068,599.48 1,004,528.47	98.79 4.51%	977,716.50 2,482.57	0.58% (26,811.97)	Aaa/AA+ AAA	0.82 0.69

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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
3137BLW95	FHMS K-050 A2 3.334 08/25/2025	950,000.00	11/16/2021 1.22%	1,018,132.81 965,331.14	98.96 4.47%	940,162.28 2,639.42	0.56% (25,168.87)	Aaa/AA+ AAA	0.90 0.74
3137BSP72	FHMS K-058 A2 2.653 08/25/2026	650,000.00	11/12/2021 1.36%	687,451.17 664,583.72	97.49 3.99%	633,699.76 1,437.04	0.37% (30,883.96)	Aaa/AA+ AAA	1.90 1.78
3137FBBX3	FHMS K-068 A2 3.244 08/25/2027	1,000,000.00	09/28/2022 4.36%	950,664.06 971,064.46	98.16 3.88%	981,581.00 2,703.33	0.58% 10,516.54	Aaa/AA+ AA+	2.90 2.66
3137FKUP9	FHMS K-087 A2 3.771 12/25/2028	2,000,000.00	07/01/2024 4.86%	1,913,359.38 1,918,095.02	99.26 3.93%	1,985,154.60 6,285.00	1.17% 67,059.58	Aaa/AAA AA+	4.24 3.76
3137FL6P4	FHMS K-089 A2 3.563 01/25/2029	1,288,000.00	07/03/2024 4.70%	1,228,178.44 1,231,248.09	98.44 3.93%	1,267,848.21 3,824.29	0.75% 36,600.12	Aaa/AA+ AA+	4.32 3.90
3137H5YC5	FHMS K-748 A2 2.26 01/25/2029	2,000,000.00	07/03/2024 4.74%	1,801,718.75 1,811,893.23	93.32 3.97%	1,866,316.00 3,766.67	1.10% 54,422.77	Aaa/AA+ AAA	4.32 3.95
3137FKZZ2	FHMS K-088 A2 3.69 01/25/2029	2,550,000.00	07/17/2024 4.50%	2,465,830.08 2,469,509.92	98.93 3.93%	2,522,817.51 7,841.25	1.49% 53,307.59	Aaa/AA+ AA+	4.32 3.86
3137FMCR1	FHMS K-093 A2 2.982 05/25/2029	2,000,000.00	09/19/2024 3.82%	1,929,531.25 1,929,824.87	96.00 3.94%	1,919,926.60 4,970.00	1.14% (9,898.27)	Aaa/AA+ AAA	4.65 4.11
3137FNAE0	FHMS K-095 A2 2.785 06/25/2029	2,200,000.00	07/17/2024 4.47%	2,039,382.82 2,046,154.20	95.01 3.96%	2,090,317.02 5,105.83	1.24% 44,162.82	Aaa/AA+ AAA	4.73 4.26
3137FPHK4	FHMS K-098 A2 2.425 08/25/2029	1,600,000.00	09/03/2024 4.00%	1,488,375.00 1,489,934.01	93.30 3.96%	1,492,721.92 3,233.33	0.88% 2,787.91	Aaa/AA+ AAA	4.90 4.44
<b>Total Agency CMBS</b>		<b>17,227,730.34</b>	<b>3.93%</b>	<b>16,591,223.24</b> <b>16,502,167.12</b>	<b>96.86</b> <b>4.01%</b>	<b>16,678,261.39</b> <b>44,288.74</b>	<b>9.86%</b> <b>176,094.27</b>	<b>Aaa/AA+</b> <b>AAA</b>	<b>3.88</b> <b>3.48</b>
<b>CASH</b>									
CCYUSD	Receivable	3,753.53	-- 0.00%	3,753.53 3,753.53	1.00 0.00%	3,753.53 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
<b>Total Cash</b>		<b>3,753.53</b>	<b>0.00%</b>	<b>3,753.53</b>	<b>1.00</b> <b>0.00%</b>	<b>3,753.53</b> <b>0.00</b>	<b>0.00%</b> <b>0.00</b>	<b>Aaa/AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>CORPORATE</b>									



# HOLDINGS REPORT



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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
40139LBC6	GUARDIAN LIFE GLOBAL FUNDING 0.875 12/10/2025	1,400,000.00	-- 1.12%	1,385,860.00 1,395,972.62	96.03 4.33%	1,344,404.89 3,777.08	0.80% (51,567.72)	Aa1/AA+ NA	1.19 1.16
66815L2A6	NORTHWESTERN MUTUAL GLOBAL FUNDING 0.8 01/14/2026	850,000.00	12/06/2021 1.46%	827,449.50 842,924.74	95.86 4.14%	814,813.62 1,454.44	0.48% (28,111.12)	Aaa/AA+ AAA	1.29 1.25
023135BX3	AMAZON.COM INC 1.0 05/12/2026	1,875,000.00	05/10/2021 1.09%	1,866,900.00 1,872,391.68	95.61 3.83%	1,792,715.85 7,239.58	1.06% (79,675.83)	A1/AA AA-	1.61 1.57
91324PEC2	UNITEDHEALTH GROUP INC 1.15 05/15/2026	1,035,000.00	-- 1.37%	1,025,051.35 1,031,334.81	95.60 3.97%	989,504.43 4,496.50	0.59% (41,830.38)	A2/A+ A	1.62 1.57
89236TJK2	TOYOTA MOTOR CREDIT CORP 1.125 06/18/2026	1,385,000.00	06/15/2021 1.13%	1,384,390.60 1,384,791.42	95.34 3.96%	1,320,452.50 4,457.97	0.78% (64,338.91)	A1/A+ A+	1.71 1.66
57629WDE7	MASSMUTUAL GLOBAL FUNDING II 1.2 07/16/2026	1,000,000.00	08/19/2021 1.15%	1,002,230.00 1,000,814.43	95.03 4.11%	950,292.45 2,500.00	0.56% (50,521.98)	Aa3/AA+ AA+	1.79 1.74
58989V2D5	MET TOWER GLOBAL FUNDING 1.25 09/14/2026	770,000.00	09/07/2021 1.27%	769,291.60 769,723.39	94.65 4.13%	728,818.66 454.51	0.43% (40,904.73)	Aa3/AA- AA-	1.96 1.89
931142ER0	WALMART INC 1.05 09/17/2026	350,000.00	09/08/2021 1.09%	349,338.50 349,740.62	94.97 3.74%	332,380.17 142.92	0.20% (17,360.44)	Aa2/AA AA	1.96 1.91
61690U7W4	MORGAN STANLEY BANK NA 5.882 10/30/2026	1,000,000.00	-- 5.88%	1,000,082.50 1,000,056.58	103.60 4.06%	1,036,032.08 24,671.72	0.61% 35,975.50	Aa3/A+ AA-	2.08 1.83
59217GER6	METROPOLITAN LIFE GLOBAL FUNDING I 1.875 01/11/2027	1,115,000.00	01/03/2022 1.90%	1,113,728.90 1,114,420.84	95.34 4.04%	1,063,057.65 4,645.83	0.63% (51,363.19)	Aa3/AA- AA-	2.28 2.19
17275RBQ4	CISCO SYSTEMS INC 4.8 02/26/2027	2,000,000.00	-- 4.71%	2,004,911.40 2,003,972.48	102.19 3.84%	2,043,769.18 9,333.33	1.21% 39,796.70	A1/AA- NA	2.41 2.17
808513BY0	CHARLES SCHWAB CORP 2.45 03/03/2027	960,000.00	03/01/2022 2.46%	959,729.90 959,866.78	96.04 4.19%	921,966.13 1,829.33	0.55% (37,900.65)	A2/A- A	2.42 2.31
24422EXM6	JOHN DEERE CAPITAL CORP 4.85 03/05/2027	2,000,000.00	03/11/2024 4.77%	2,004,220.00 2,003,435.79	102.04 3.96%	2,040,873.84 7,005.56	1.21% 37,438.05	A1/A A+	2.43 2.27
084664CZ2	BERKSHIRE HATHAWAY FINANCE CORP 2.3 03/15/2027	1,615,000.00	03/07/2022 2.30%	1,614,693.15 1,614,849.60	96.79 3.68%	1,563,169.11 1,650.89	0.92% (51,680.49)	Aa2/AA A+	2.45 2.35
857477CL5	STATE STREET CORP 4.993 03/18/2027	1,760,000.00	03/13/2024 4.99%	1,760,000.00 1,760,000.00	102.36 3.98%	1,801,610.71 3,173.33	1.07% 41,610.71	A1/A AA-	2.46 2.23

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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
89115A2W1	TORONTO-DOMINION BANK 4.98 04/05/2027	1,340,000.00	03/26/2024 4.98%	1,340,000.00 1,340,000.00	102.04 4.12%	1,367,271.56 32,624.53	0.81% 27,271.56	A1/A AA-	2.51 2.29
57629W4S6	MASSMUTUAL GLOBAL FUNDING II 5.1 04/09/2027	1,000,000.00	06/20/2024 4.99%	1,002,630.00 1,002,374.48	102.62 4.00%	1,026,213.89 24,366.67	0.61% 23,839.41	Aa3/AA+ AA+	2.52 2.30
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	670,000.00	05/05/2022 4.03%	668,914.60 669,434.71	100.16 3.93%	671,090.11 10,496.67	0.40% 1,655.40	A2/A+ A+	2.61 2.34
14913UAL4	CATERPILLAR FINANCIAL SERVICES CORP 5.0 05/14/2027	1,000,000.00	05/10/2024 5.04%	998,930.00 999,065.95	102.77 3.88%	1,027,717.99 19,027.78	0.61% 28,652.04	A2/A A+	2.62 2.40
46647PEA0	JPMORGAN CHASE & CO 5.04 01/23/2028	1,500,000.00	03/11/2024 5.02%	1,500,780.00 1,500,629.37	101.67 4.78%	1,525,089.33 14,280.00	0.90% 24,459.96	A1/A- AA-	3.31 2.15
57636QAW4	MASTERCARD INC 4.875 03/09/2028	945,000.00	03/06/2023 4.90%	944,083.35 944,370.34	103.30 3.84%	976,207.74 2,815.31	0.58% 31,837.40	Aa3/A+ NA	3.44 3.07
61690U8E3	MORGAN STANLEY BANK NA 4.968 07/14/2028	1,950,000.00	07/17/2024 4.97%	1,950,000.00 1,950,000.00	102.03 4.58%	1,989,569.54 19,375.20	1.18% 39,569.54	Aa3/A+ AA-	3.79 2.56
74340XBL4	PROLOGIS LP 4.375 02/01/2029	1,500,000.00	07/18/2024 4.68%	1,481,235.00 1,482,072.52	100.87 4.15%	1,513,006.32 10,937.50	0.89% 30,933.80	A3/A WR	4.34 3.68
743315AV5	PROGRESSIVE CORP 4.0 03/01/2029	1,500,000.00	07/16/2024 4.72%	1,455,495.00 1,457,498.78	99.75 4.06%	1,496,178.48 5,000.00	0.88% 38,679.70	A2/A A	4.42 4.00
64952WFG3	NEW YORK LIFE GLOBAL FUNDING 5.0 06/06/2029	1,000,000.00	07/01/2024 5.12%	994,880.00 995,138.84	103.75 4.11%	1,037,467.61 15,972.22	0.61% 42,328.77	Aaa/AA+ AAA	4.68 4.09
437076BY7	HOME DEPOT INC 2.95 06/15/2029	1,663,000.00	09/17/2024 3.93%	1,593,203.89 1,593,728.07	95.48 4.01%	1,587,786.35 14,445.00	0.94% (5,941.71)	A2/A A	4.71 4.30
437076DC3	HOME DEPOT INC 4.75 06/25/2029	1,000,000.00	07/01/2024 4.93%	992,260.00 992,647.21	103.07 4.03%	1,030,712.42 12,666.67	0.61% 38,065.21	A2/A A	4.73 4.10
756109CB8	REALTY INCOME CORP 4.0 07/15/2029	1,463,000.00	08/08/2024 4.69%	1,419,212.41 1,420,501.00	98.45 4.36%	1,440,270.76 12,354.22	0.85% 19,769.76	A3/A- NA	4.79 4.27
713448FX1	PEPSICO INC 4.5 07/17/2029	1,500,000.00	07/15/2024 4.53%	1,497,675.00 1,497,771.77	103.07 3.79%	1,545,987.18 13,875.00	0.91% 48,215.41	A1/A+ NA	4.79 4.19
46647PAV8	JPMORGAN CHASE & CO 4.203 07/23/2029	1,500,000.00	09/17/2024 4.27%	1,496,610.00 1,496,641.39	99.63 4.66%	1,494,418.86 11,908.50	0.88% (2,222.53)	A1/A- AA-	4.81 3.46

# HOLDINGS REPORT



City of Cupertino | Account #10659 | As of September 30, 2024

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
06051GHM4	BANK OF AMERICA CORP 4.271 07/23/2029	1,500,000.00	09/17/2024 4.29%	1,498,710.00 1,498,721.94	99.74 4.70%	1,496,047.59 12,101.17	0.88% (2,674.35)	A1/A- AA-	4.81 3.45
171239AL0	CHUBB INA HOLDINGS LLC 4.65 08/15/2029	865,000.00	08/12/2024 4.52%	869,887.39 869,759.42	102.32 4.12%	885,094.81 6,815.48	0.52% 15,335.39	A3/A A	4.87 4.24
30303M8S4	META PLATFORMS INC 4.3 08/15/2029	912,000.00	08/12/2024 4.33%	910,584.09 910,620.53	101.54 3.95%	926,059.12 5,664.53	0.55% 15,438.58	Aa3/AA- NA	4.87 4.27
91324PDS8	UNITEDHEALTH GROUP INC 2.875 08/15/2029	2,000,000.00	09/17/2024 3.94%	1,906,080.00 1,906,761.34	94.85 4.05%	1,897,026.86 7,347.22	1.12% (9,734.48)	A2/A+ A	4.87 4.46
40139LBJ1	GUARDIAN LIFE GLOBAL FUNDING 4.179 09/26/2029	1,205,000.00	09/23/2024 4.18%	1,205,000.00 1,205,000.00	99.68 4.25%	1,201,099.05 699.40	0.71% (3,900.95)	Aa1/AA+ NA	4.99 4.45
<b>Total Corporate</b>		<b>45,128,000.00</b>	<b>3.84%</b>	<b>44,794,048.13</b> <b>44,837,033.43</b>	<b>99.54</b> <b>4.11%</b>	<b>44,878,176.85</b> <b>329,606.08</b>	<b>26.54%</b> <b>41,143.42</b>	<b>A1/A+</b> <b>A+</b>	<b>3.29</b> <b>2.86</b>

MONEY MARKET FUND									
992995944	WC MMF SWEEP	51,482.48	-- 2.85%	51,482.48 51,482.48	1.00 2.85%	51,482.48 0.00	0.03% 0.00	NA/NA NA	0.00 0.00
VP4520004	WF ADV 100% TREAS MM FD- SVC CL #008	248,610.18	-- 0.01%	248,610.18 248,610.18	1.00 0.01%	248,610.18 0.00	0.15% 0.00	Aaa/AAAm NA	0.00 0.00
<b>Total Money Market Fund</b>		<b>300,092.66</b>	<b>0.50%</b>	<b>300,092.66</b> <b>300,092.66</b>	<b>1.00</b> <b>0.50%</b>	<b>300,092.66</b> <b>0.00</b>	<b>0.18%</b> <b>0.00</b>	<b>Aaa/AAA</b> <b>NA</b>	<b>0.00</b> <b>0.00</b>

SUPRANATIONAL									
45950KCT5	INTERNATIONAL FINANCE CORP 0.375 07/16/2025	2,500,000.00	05/27/2021 0.66%	2,471,150.00 2,494,482.87	97.03 4.23%	2,425,823.65 1,953.13	1.43% (68,659.22)	Aaa/AAA NA	0.79 0.77
459058JL8	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 0.5 10/28/2025	2,400,000.00	-- 0.60%	2,388,859.25 2,397,456.25	96.30 4.06%	2,311,097.35 5,100.00	1.37% (86,358.90)	Aaa/AAA NA	1.08 1.05
4581X0DV7	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026	2,460,000.00	04/13/2021 0.97%	2,448,733.20 2,456,507.66	95.52 3.87%	2,349,906.56 9,626.46	1.39% (106,601.10)	Aaa/AAA NA	1.55 1.51

# HOLDINGS REPORT



City of Cupertino | Account #10659 | As of September 30, 2024

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
<b>Total</b>				<b>7,308,742.45</b>	<b>96.29</b>	<b>7,086,827.56</b>	<b>4.19%</b>	<b>Aaa/AAA</b>	<b>1.14</b>
<b>Supranational</b>		<b>7,360,000.00</b>	<b>0.74%</b>	<b>7,348,446.78</b>	<b>4.05%</b>	<b>16,679.58</b>	<b>(261,619.22)</b>	<b>NA</b>	<b>1.11</b>
<b>US TREASURY</b>									
912828ZC7	UNITED STATES TREASURY 1.125 02/28/2025	1,495,000.00	03/18/2020 0.81%	1,518,067.38 1,496,914.84	98.65 4.45%	1,474,764.94 1,440.28	0.87% (22,149.90)	Aaa/AA+ AA+	0.41 0.41
91282CED9	UNITED STATES TREASURY 1.75 03/15/2025	3,100,000.00	-- 2.23%	3,057,617.20 3,093,513.61	98.85 4.31%	3,064,428.71 2,397.79	1.81% (29,084.91)	Aaa/AA+ AA+	0.45 0.45
912828ZL7	UNITED STATES TREASURY 0.375 04/30/2025	2,500,000.00	03/21/2022 2.22%	2,360,839.85 2,474,129.70	97.76 4.32%	2,443,925.78 3,923.23	1.45% (30,203.92)	Aaa/AA+ AA+	0.58 0.57
91282CAB7	UNITED STATES TREASURY 0.25 07/31/2025	1,500,000.00	03/12/2021 0.72%	1,469,765.63 1,494,270.78	96.90 4.08%	1,453,511.72 631.79	0.86% (40,759.07)	Aaa/AA+ AA+	0.83 0.81
91282CAM3	UNITED STATES TREASURY 0.25 09/30/2025	2,400,000.00	-- 0.56%	2,366,140.63 2,392,623.68	96.39 3.98%	2,313,375.00 16.48	1.37% (79,248.68)	Aaa/AA+ AA+	1.00 0.98
91282CAT8	UNITED STATES TREASURY 0.25 10/31/2025	2,450,000.00	-- 0.49%	2,422,492.19 2,443,771.82	96.13 3.94%	2,355,158.20 2,563.18	1.39% (88,613.62)	Aaa/AA+ AA+	1.08 1.06
91282CAZ4	UNITED STATES TREASURY 0.375 11/30/2025	2,250,000.00	03/26/2021 0.76%	2,209,658.20 2,239,955.91	96.05 3.88%	2,161,142.57 2,835.55	1.28% (78,813.34)	Aaa/AA+ AA+	1.17 1.14
91282CBH3	UNITED STATES TREASURY 0.375 01/31/2026	2,500,000.00	05/27/2021 0.75%	2,456,445.31 2,487,588.57	95.57 3.82%	2,389,160.15 1,579.48	1.41% (98,428.42)	Aaa/AA+ AA+	1.34 1.30
91282CBW0	UNITED STATES TREASURY 0.75 04/30/2026	2,500,000.00	05/27/2021 0.80%	2,493,652.34 2,497,966.49	95.44 3.75%	2,385,937.50 7,846.47	1.41% (112,028.99)	Aaa/AA+ AA+	1.58 1.54
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	1,400,000.00	10/18/2021 1.19%	1,379,054.68 1,391,550.01	94.73 3.64%	1,326,171.87 33.65	0.78% (65,378.14)	Aaa/AA+ AA+	2.00 1.95
91282CDG3	UNITED STATES TREASURY 1.125 10/31/2026	1,400,000.00	11/15/2021 1.25%	1,391,468.75 1,396,415.84	94.98 3.65%	1,329,726.57 6,591.03	0.79% (66,689.27)	Aaa/AA+ AA+	2.08 2.02
91282CJP7	UNITED STATES TREASURY 4.375 12/15/2026	2,500,000.00	12/28/2023 4.01%	2,525,097.66 2,518,672.47	101.59 3.62%	2,539,648.45 32,274.59	1.50% 20,975.98	Aaa/AA+ AA+	2.21 2.06
91282CKJ9	UNITED STATES TREASURY 4.5 04/15/2027	2,300,000.00	04/17/2024 4.77%	2,283,109.38 2,285,677.00	102.18 3.59%	2,350,042.96 47,790.98	1.39% 64,365.96	Aaa/AA+ AA+	2.54 2.34

# HOLDINGS REPORT



City of Cupertino | Account #10659 | As of September 30, 2024

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
91282CKR1	UNITED STATES TREASURY 4.5 05/15/2027	3,200,000.00	05/08/2024 4.65%	3,186,500.00 3,188,213.70	102.26 3.59%	3,272,375.01 54,391.30	1.94% 84,161.31	Aaa/AA+ AA+	2.62 2.42
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	3,250,000.00	-- 3.18%	3,260,312.50 3,255,514.61	99.16 3.57%	3,222,578.13 26,693.27	1.91% (32,936.48)	Aaa/AA+ AA+	2.75 2.58
91282CFB2	UNITED STATES TREASURY 2.75 07/31/2027	400,000.00	08/22/2022 3.12%	393,218.75 396,114.79	97.77 3.58%	391,078.12 1,853.26	0.23% (5,036.67)	Aaa/AA+ AA+	2.83 2.68
91282CFH9	UNITED STATES TREASURY 3.125 08/31/2027	4,500,000.00	-- 3.28%	4,468,902.34 4,481,783.13	98.76 3.58%	4,444,277.36 12,042.47	2.63% (37,505.78)	Aaa/AA+ AA+	2.92 2.75
91282CFM8	UNITED STATES TREASURY 4.125 09/30/2027	3,450,000.00	-- 4.31%	3,421,152.34 3,432,435.15	101.61 3.56%	3,505,388.68 390.97	2.07% 72,953.53	Aaa/AA+ AA+	3.00 2.80
91282CFZ9	UNITED STATES TREASURY 3.875 11/30/2027	850,000.00	12/05/2022 3.81%	852,656.25 851,685.69	100.88 3.58%	857,437.50 11,069.16	0.51% 5,751.81	Aaa/AA+ AA+	3.17 2.92
91282CGC9	UNITED STATES TREASURY 3.875 12/31/2027	2,750,000.00	-- 3.67%	2,775,107.42 2,766,561.45	100.95 3.56%	2,776,210.94 26,930.20	1.64% 9,649.48	Aaa/AA+ AA+	3.25 3.00
91282CGH8	UNITED STATES TREASURY 3.5 01/31/2028	3,000,000.00	02/07/2023 3.81%	2,957,929.69 2,971,837.42	99.77 3.57%	2,993,203.14 17,690.22	1.77% 21,365.72	Aaa/AA+ AA+	3.34 3.10
91282CGP0	UNITED STATES TREASURY 4.0 02/29/2028	3,700,000.00	-- 4.01%	3,699,113.28 3,699,485.74	101.36 3.57%	3,750,296.88 12,674.03	2.22% 50,811.13	Aaa/AA+ AA+	3.42 3.16
91282CKG5	UNITED STATES TREASURY 4.125 03/31/2029	2,300,000.00	04/17/2024 4.62%	2,249,867.19 2,254,470.09	102.27 3.57%	2,352,199.21 260.65	1.39% 97,729.12	Aaa/AA+ AA+	4.50 4.08
91282CKX8	UNITED STATES TREASURY 4.25 06/30/2029	2,000,000.00	07/01/2024 4.41%	1,985,546.88 1,986,267.95	102.92 3.57%	2,058,437.50 21,480.98	1.22% 72,169.55	Aaa/AA+ AA+	4.75 4.24
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	3,500,000.00	09/11/2024 3.45%	3,527,480.47 3,527,207.64	100.30 3.56%	3,510,390.63 10,864.99	2.08% (16,817.01)	Aaa/AA+ AA+	4.92 4.45
<b>Total US Treasury</b>		<b>61,195,000.00</b>	<b>2.89%</b>	<b>60,711,196.31</b> <b>61,024,628.09</b>	<b>99.29</b> <b>3.74%</b>	<b>60,720,867.48</b> <b>306,266.02</b>	<b>35.92%</b> <b>(303,760.61)</b>	<b>Aaa/AA+</b> <b>AA+</b>	<b>2.47</b> <b>2.30</b>
<b>Total Portfolio</b>		<b>170,704,952.15</b>	<b>3.17%</b>	<b>169,150,841.25</b> <b>169,511,721.72</b>	<b>98.94</b> <b>3.97%</b>	<b>169,065,101.73</b> <b>883,637.19</b>	<b>100.00%</b> <b>(446,619.99)</b>	<b>Aa2/AA</b> <b>AA</b>	<b>2.67</b> <b>2.28</b>
<b>Total Market Value + Accrued</b>						<b>169,948,738.92</b>			

## TRANSACTIONS

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# TRANSACTION LEDGER



City of Cupertino | Account #10659 | 07/01/2024 Through 09/30/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	07/02/2024	437076DC3	1,000,000.00	HOME DEPOT INC 4.75 06/25/2029	99.226	4.93%		(923.61)	(993,183.61)	0.00
Purchase	07/02/2024	64952WFG3	1,000,000.00	NEW YORK LIFE GLOBAL FUNDING 5.0 06/06/2029	99.488	5.12%		(3,611.11)	(998,491.11)	0.00
Purchase	07/02/2024	91282CKX8	2,000,000.00	UNITED STATES TREASURY 4.25 06/30/2029	99.277	4.41%		(461.96)	(1,986,008.84)	0.00
Purchase	07/05/2024	3137FKUP9	2,000,000.00	FHMS K-087 A2 3.771 12/25/2028	95.668	4.86%		(838.00)	(1,914,197.38)	0.00
Purchase	07/09/2024	3137FL6P4	1,288,000.00	FHMS K-089 A2 3.563 01/25/2029	95.355	4.70%		(1,019.81)	(1,229,198.25)	0.00
Purchase	07/09/2024	3137H5YC5	2,000,000.00	FHMS K-748 A2 2.26 01/25/2029	90.086	4.74%		(1,004.44)	(1,802,723.19)	0.00
Purchase	07/17/2024	713448FX1	1,500,000.00	PEPSICO INC 4.5 07/17/2029	99.845	4.53%		0.00	(1,497,675.00)	0.00
Purchase	07/17/2024	743315AV5	1,500,000.00	PROGRESSIVE CORP 4.0 03/01/2029	97.033	4.72%		(22,666.67)	(1,478,161.67)	0.00
Purchase	07/18/2024	3137FNAE0	2,200,000.00	FHMS K-095 A2 2.785 06/25/2029	92.699	4.47%		(2,893.31)	(2,042,276.13)	0.00
Purchase	07/19/2024	74340XBL4	1,500,000.00	PROLOGIS LP 4.375 02/01/2029	98.749	4.68%		(30,625.00)	(1,511,860.00)	0.00
Purchase	07/19/2024	61690U8E3	1,950,000.00	MORGAN STANLEY BANK NA 4.968 07/14/2028		4.97%		0.00	(1,950,000.00)	0.00
Purchase	07/22/2024	3137FKZZ2	2,550,000.00	FHMS K-088 A2 3.69 01/25/2029	96.699	4.50%		(5,488.88)	(2,471,318.96)	0.00
Purchase	08/09/2024	756109CB8	1,463,000.00	REALTY INCOME CORP 4.0 07/15/2029	97.007	4.69%		(3,901.33)	(1,423,113.74)	0.00
Purchase	08/15/2024	30303M8S4	667,000.00	META PLATFORMS INC 4.3 08/15/2029	99.852	4.33%		(478.02)	(666,490.86)	0.00

# TRANSACTION LEDGER



City of Cupertino | Account #10659 | 07/01/2024 Through 09/30/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	08/15/2024	30303M8S4	245,000.00	META PLATFORMS INC 4.3 08/15/2029	99.825	4.34%		(175.58)	(244,746.83)	0.00
Purchase	08/15/2024	171239AL0	604,000.00	CHUBB INA HOLDINGS LLC 4.65 08/15/2029		4.52%		(1,170.25)	(608,697.61)	0.00
Purchase	08/15/2024	171239AL0	80,000.00	CHUBB INA HOLDINGS LLC 4.65 08/15/2029		4.52%	(80,449.60)	(155.00)	(80,604.60)	0.00
Purchase	08/15/2024	171239AL0	181,000.00	CHUBB INA HOLDINGS LLC 4.65 08/15/2029		4.53%		(350.69)	(182,261.12)	0.00
Purchase	09/06/2024	3137FPHK4	1,600,000.00	FHMS K-098 A2 2.425 08/25/2029	93.023	4.00%		(538.89)	(1,488,913.89)	0.00
Purchase	09/13/2024	91282CLK5	3,500,000.00	UNITED STATES TREASURY 3.625 08/31/2029		3.45%		(4,556.28)	(3,532,036.75)	0.00
Purchase	09/18/2024	437076BY7	1,663,000.00	HOME DEPOT INC 2.95 06/15/2029	95.803	3.93%		(12,673.45)	(1,605,877.34)	0.00
Purchase	09/18/2024	91324PDS8	2,000,000.00	UNITEDHEALTH GROUP INC 2.875 08/15/2029	95.304	3.94%		(5,270.83)	(1,911,350.83)	0.00
Purchase	09/18/2024	46647PAV8	1,500,000.00	JPMORGAN CHASE & CO 4.203 07/23/2029	99.774	4.26%		(9,631.88)	(1,506,241.88)	0.00
Purchase	09/18/2024	06051GHM4	1,500,000.00	BANK OF AMERICA CORP 4.271 07/23/2029	99.914	4.29%		(9,787.71)	(1,508,497.71)	0.00
Purchase	09/24/2024	3137FMCR1	2,000,000.00	FHMS K-093 A2 2.982 05/25/2029	96.477	3.82%		(3,810.33)	(1,933,341.58)	0.00
Purchase	09/26/2024	40139LBJ1	1,205,000.00	GUARDIAN LIFE GLOBAL FUNDING 4.179 09/26/2029		4.18%		0.00	(1,205,000.00)	0.00
<b>Total Purchase</b>								<b>(122,033.03)</b>	<b>(37,772,268.88)</b>	<b>0.00</b>



# TRANSACTION LEDGER



City of Cupertino | Account #10659 | 07/01/2024 Through 09/30/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>TOTAL ACQUISITIONS</b>								<b>(122,033.03)</b>	<b>(37,772,268.88)</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	07/17/2024	74153WCQ0	(885,000.00)	PRICOA GLOBAL FUNDING I 1.15 12/06/2024	98.266	1.18%	869,654.10	1,159.10	870,813.20	(15,227.58)
Sale	07/17/2024	14913Q3B3		CATERPILLAR FINANCIAL SERVICES CORP 2.15 11/08/2024	98.960	1.93%		4,532.92	1,093,092.92	(12,192.83)
Sale	07/17/2024	89114TZL9	(700,000.00)	TORONTO-DOMINION BANK 1.45 01/10/2025	98.074	2.78%	686,518.00	197.36	686,715.36	(9,140.69)
Sale	07/18/2024	3135G0W66		FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.625 10/15/2024	99.100	1.76%		8,290.89	1,965,515.89	(17,314.06)
Sale	07/18/2024	6174468Q5	(650,000.00)	MORGAN STANLEY 2.188 04/28/2026	97.473	3.63%	633,574.50	3,160.44	636,734.94	(6,708.45)
Sale	07/18/2024	66815L2J7		NORTHWESTERN MUTUAL GLOBAL FUNDING 4.0 07/01/2025	98.884	4.01%		2,210.00	1,159,152.80	(12,930.89)
Sale	07/18/2024	13063DRK6	(755,000.00)	CALIFORNIA STATE 2.4 10/01/2024	99.427	1.92%	750,673.85	5,385.67	756,059.52	(5,047.15)
Sale	07/18/2024	912828YY0		UNITED STATES TREASURY 1.75 12/31/2024	98.461	1.97%		1,797.55	2,069,477.24	(30,239.72)
Sale	07/19/2024	3135G0X24		FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.625 01/07/2025	98.331	1.69%		701.46	1,274,091.80	(23,072.03)

# TRANSACTION LEDGER



City of Cupertino | Account #10659 | 07/01/2024 Through 09/30/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	08/09/2024	06406RBC0		BANK OF NEW YORK MELLON CORP 3.35 04/25/2025	98.850	3.35%		13,258.56	1,367,503.56	(15,709.63)
Sale	08/13/2024	89236TJT3		TOYOTA MOTOR CREDIT CORP 1.45 01/13/2025	98.386	1.50%		1,468.13	1,196,858.03	(19,382.82)
Sale	08/14/2024	78016EZ59		ROYAL BANK OF CANADA 3.375 04/14/2025	98.871	3.39%		11,812.50	1,049,958.00	(11,768.36)
Sale	09/06/2024	3137BFE98		FHMS K-041 A2 3.171 10/25/2024	99.484	0.46%	421,076.12	186.41	421,262.53	(2,860.14)
Sale	09/12/2024	64952WEK5		NEW YORK LIFE GLOBAL FUNDING 1.45 01/14/2025	98.777	1.49%		3,924.67	1,663,378.27	(20,341.12)
Sale	09/12/2024	69371RR73	(885,000.00)	PACCAR FINANCIAL CORP 2.85 04/07/2025	98.901	2.86%	875,273.85	10,859.69	886,133.54	(9,682.69)
Sale	09/18/2024	06367WB85		BANK OF MONTREAL 1.85 05/01/2025	98.274	0.86%		8,729.94	1,227,327.54	(28,878.95)
Sale	09/18/2024	06051GHY8	(600,000.00)	BANK OF AMERICA CORP 2.015 02/13/2026	98.736	1.06%	592,416.00	1,175.42	593,591.42	(9,869.67)
Sale	09/18/2024	46647PBK1	(401,000.00)	JPMORGAN CHASE & CO 2.083 04/22/2026	98.295	1.11%	394,162.95	3,387.54	397,550.49	(9,099.73)
Sale	09/18/2024	06051GJD2	(700,000.00)	BANK OF AMERICA CORP 1.319 06/19/2026	97.364	1.27%	681,548.00	2,282.60	683,830.60	(18,696.11)
Sale	09/18/2024	74153WCM9	(904,000.00)	PRICOA GLOBAL FUNDING I 0.8 09/01/2025	96.695	3.23%	874,122.80	341.51	874,464.31	(9,975.84)
Sale	09/18/2024	91324PEG3	(675,000.00)	UNITEDHEALTH GROUP INC 3.7 05/15/2027	99.818	3.71%	673,771.50	8,533.12	682,304.62	(1,394.38)

# TRANSACTION LEDGER



City of Cupertino | Account #10659 | 07/01/2024 Through 09/30/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	09/18/2024	437076DB5		HOME DEPOT INC 4.875 06/25/2027		5.00%		15,173.44	1,402,595.44	40,269.09
Sale	09/19/2024	912828ZC7	(5,000.00)	UNITED STATES TREASURY 1.125 02/28/2025	98.531	0.81%	4,926.56	2.95	4,929.51	(80.36)
Sale	09/20/2024	06406HCQ0		BANK OF NEW YORK MELLON CORP 3.95 11/18/2025	99.628	3.21%	996,280.00	13,386.11	1,009,666.11	(11,308.86)
Sale	09/24/2024	3137BM7C4	(440,000.00)	FHMS K-051 A2 3.308 09/25/2025	98.910	2.16%	423,566.21	905.05	424,471.26	(8,114.12)
Sale	09/24/2024	3137BN6G4	(570,000.00)	FHMS K-053 A2 2.995 12/25/2025	98.516	2.20%	561,539.06	1,090.68	562,629.74	(12,316.97)
Sale	09/24/2024	06051GHT9		BANK OF AMERICA CORP 3.559 04/23/2027	98.901	4.30%		17,167.23	1,154,528.73	6,933.02
<b>Total Sale</b>								<b>141,120.94</b>	<b>26,114,637.37</b>	
<b>TOTAL DISPOSITIONS</b>								<b>141,120.94</b>	<b>26,114,637.37</b>	

## IMPORTANT DISCLOSURES



City of Cupertino | Account #10659 | As of September 30, 2024

2024 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc (“IDS”), an independent pricing source. In the event IDS does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client’s Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody’s, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities (“MBS”) reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody’s and Fitch respectively.

## BENCHMARK DISCLOSURES



City of Cupertino | Account #10659 | As of September 30, 2024

Benchmark	Disclosure
ICE BofA 1-3 Yr US Treasury & Agency Index	The ICE BofA 1-3 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 three 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.

**CITY OF CUPERTINO -  
CHANDLER ASSET MANAGEMENT**

ACCOUNT NUMBER [REDACTED]  
MONTHLY STATEMENT  
SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

ACCOUNT MANAGER: MICHAEL J WADE  
TELEPHONE NUMBER: 515-878-6110

PFGEDD

INVESTMENT CONTACT: IMR/CONNOR GAFKJEN  
TELEPHONE NUMBER:

ADMINISTRATOR: BELINDA CONWAY  
TELEPHONE NUMBER: 254-265-6137

27524 SE

**INVESTMENT AND INSURANCE PRODUCTS ARE:**

- NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR ANY FEDERAL GOVERNMENT AGENCY
- NOT A DEPOSIT, OBLIGATION OF, OR GUARANTEED BY ANY BANK OR BANKING AFFILIATE
- SUBJECT TO INVESTMENT RISKS AND MAY LOSE VALUE, INCLUDING POSSIBLE LOSS OF PRINCIPAL AMOUNT INVESTED

Custody and trust services are provided by Principal Bank®, Member FDIC, and/or Principal Trust Company®. These services are provided under the trade name Principal® Custody Solutions. Principal Trust Company is a trade name of Delaware Charter Guarantee & Trust Company. Principal Bank and Principal Trust Company are members of the Principal Financial Group®, Des Moines, IA 50392.

#### ASSET VALUATION PRACTICES

VALUES REFLECTED FOR PUBLICLY TRADED ASSETS ARE OBTAINED FROM UNAFFILIATED SOURCES. IN SITUATIONS WHERE AN ASSET VALUE CANNOT BE PROVIDED BY OUR UNAFFILIATED PRICING SOURCES, SUCH AS BUT NOT LIMITED TO NON-PUBLICLY TRADED ASSETS, THE CUSTOMER OR THEIR DESIGNATED REPRESENTATIVE MUST PROVIDE THE UPDATED VALUE. IF PRINCIPAL CUSTODY SOLUTIONS DOES NOT RECEIVE AN UPDATED VALUE, OR IS UNABLE TO USE THE VALUE PROVIDED, THE LAST REPORTED VALUE WILL CONTINUE TO BE REPORTED.

#### TRADE CONFIRMS

PURSUANT TO FEDERAL REGULATION, MONTHLY OR QUARTERLY ACCOUNT STATEMENTS THAT INCLUDE INVESTMENT TRANSACTION DETAILS MAY BE PROVIDED IN LIEU OF SEPARATE TRADE CONFIRMATIONS. SEPARATE TRADE CONFIRMS MAY BE OBTAINED AT NO ADDITIONAL COST UPON WRITTEN REQUEST TO THE ACCOUNT MANAGER.

#### UNCLAIMED PROPERTY DESIGNATED REPRESENTATIVE NOTIFICATION

YOUR PROPERTY MAY BE TRANSFERRED TO THE APPROPRIATE STATE IF NO ACTIVITY OCCURS IN THE ACCOUNT WITHIN THE TIME PERIOD SPECIFIED BY STATE LAW. IF YOUR STATE OF RESIDENCE ALLOWS, YOU MAY DESIGNATE A REPRESENTATIVE FOR THE PURPOSE OF RECEIVING NOTICE OF ACCOUNT INACTIVITY BY PROVIDING THE NAME AND MAILING OR EMAIL ADDRESS OF A REPRESENTATIVE. THE DESIGNATED REPRESENTATIVE DOES NOT HAVE ANY RIGHTS TO YOUR ACCOUNT. PLEASE REFER TO YOUR STATE'S UNCLAIMED PROPERTY WEBSITE FOR MORE INFORMATION AND INSTRUCTIONS ON HOW TO DESIGNATE A REPRESENTATIVE FOR NOTICE.

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ASSET SUMMARY  
AS OF SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

**ASSET SUMMARY**

INVESTMENT CATEGORY	COST VALUE	MARKET VALUE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	CURRENT YIELD	ACCRUED INCOME
CASH	0.00	0.00	0.00				
CASH EQUIVALENTS	300,092.66	300,092.66	0.18	0.00	12,802	4.27	3,753.53
BONDS AND NOTES	168,846,995.07	168,761,320.03	99.82	85,675.04-	4,970,008	2.94	883,775.71
=====	=====	=====	=====	=====	=====	=====	=====
TOTAL INVESTMENTS	169,147,087.73	169,061,412.69	100.00	85,675.04-	4,982,810	2.95	887,529.24
TOTAL ACCRUALS	887,529.24	887,529.24					
=====	=====	=====	=====	=====	=====	=====	=====
<b>TOTAL ACCRUALS AND INVESTMENTS</b>	<b>170,034,616.97</b>	<b>169,948,941.93</b>		<b>85,675.04-</b>	<b>4,982,810</b>	<b>2.95</b>	<b>887,529.24</b>

STATEMENT OF ASSETS AND LIABILITIES  
AS OF SEPTEMBER 30, 2024CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

## STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
CASH EQUIVALENTS						
248,610.18	ALLSPRING 100% TREASURY MONEY MARKET FUND - #008	248,610.18 1.0000	248,610.18 1.0000	0.15	0.00	3,632.16
51,482.48	PRINCIPAL PUBLIC DEPOSIT SWEEP PROGRAM	51,482.48 1.0000	51,482.48 1.0000	0.03	0.00	121.37
=====						
TOTAL CASH EQUIVALENTS		300,092.66	300,092.66	0.18	0.00	3,753.53
BOND & NOTES						
1,875,000	AMAZON.COM INC DTD 05/12/21 1.000 05/12/2026 MOODY'S RATING A1 CUSIP 023135BX3	1,866,900.00 99.5680	1,792,725.00 95.6120	1.06	74,175.00-	7,239.58
1,375,000	AMERICAN EXPRESS CREDIT ACCOUNT ASSET BCKD SEC SER 2022-2 CL A DTD 05/24/2022 3.390% 05/17/2027 NON CALLABLE CUSIP 02582JTT8	1,374,695.85 99.9779	1,365,100.00 99.2800	0.81	9,595.85-	2,071.67
1,545,000	AMERICAN EXPRESS CREDIT ACCOUNT ASSET BCKD SEC SER 2022-1 CL A DTD 03/18/2022 2.210% 03/15/2027 NON CALLABLE MOODY'S RATING AAA CUSIP 02589BAA8	1,524,359.77 98.6641	1,527,865.95 98.8910	0.90	3,506.18	1,517.53
1,500,000	BANK OF AMERICA CORP DTD 07/23/18 07/23/2029 MOODY'S RATING A1 CUSIP 06051GHM4	1,498,710.00 99.9140	1,496,055.00 99.7370	0.88	2,655.00-	12,101.17
850,000	BANK OF AMERICA CREDIT CARD TRUST ASSET BCKD SEC SER 2023-A2 CL A2 DTD 12/14/2023 4.980% 11/15/2028 NON CALLABLE MOODY'S RATING AAA CUSIP 05522RDH8	858,798.83 101.0352	867,127.50 102.0150	0.51	8,328.67	1,881.33

STATEMENT OF ASSETS AND LIABILITIES  
AS OF SEPTEMBER 30, 2024CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

## STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
785,000	BANK OF AMERICA CREDIT CARD TRUST ASSET BCKD SEC SER 2024-A1 CL A DTD 06/13/2024 4.930% 05/15/2029 NON CALLABLE MOODY'S RATING AAA CUSIP 05522RDJ4	784,955.96 99.9944	803,219.85 102.3210	0.48	18,263.89	1,720.02
1,615,000	BERKSHIRE HATHAWAY FIN DTD 03/15/2022 2.300% 03/15/2027 CALLABLE MOODY'S RATING AA2 CUSIP 084664CZ2	1,614,693.15 99.9810	1,563,174.65 96.7910	0.92	51,518.50-	1,650.89
247,751.55	BMW VEHICLE OWNER TRUST ASSET BCKD SEC SER 2022-A CL A3 DTD 05/18/2022 3.210% 08/25/2026 CALLABLE MOODY'S RATING AAA CUSIP 05602RAD3	247,738.66 99.9948	246,086.66 99.3280	0.15	1,652.00-	132.55
695,000	BMW VEHICLE OWNER TRUST ASSET BCKD SEC SER 2024-A CL A3 DTD 06/11/2024 5.180% 02/26/2029 CALLABLE MOODY'S RATING AAA CUSIP 096919AD7	694,894.43 99.9848	710,234.40 102.1920	0.42	15,339.97	600.02
1,000,000	CATERPILLAR FINL SERVICE MEDIUM TERM NOTE DTD 05/14/2024 5.000% 05/14/2027 NON CALLABLE MOODY'S RATING A2 CUSIP 14913UAL4	998,930.00 99.8930	1,027,720.00 102.7720	0.61	28,790.00	19,027.78
960,000	CHARLES SCHWAB CORP DTD 03/03/2022 2.450% 03/03/2027 CALLABLE MOODY'S RATING A2 CUSIP 808513BY0	959,729.90 99.9719	921,964.80 96.0380	0.55	37,765.10-	1,829.33

STATEMENT OF ASSETS AND LIABILITIES  
AS OF SEPTEMBER 30, 2024CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

## STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,690,000	CHASE ISSUANCE TRUST ASSET BCKD SEC SER 2024-A1I CL A DTD 01/31/2024 4.600% 01/16/2029 CALLABLE CUSIP 161571HV9	1,689,742.61 99.9848	1,711,581.30 101.2770	1.01	21,838.69	3,455.11
865,000	CHUBB INA HOLDINGS LLC DTD 07/31/2024 4.650% 08/15/2029 CALLABLE MOODY'S RATING A3 CUSIP 171239AL0	869,887.39 100.5650	885,093.95 102.3230	0.52	15,206.56	6,815.48
2,000,000	CISCO SYSTEMS INC DTD 02/26/2024 4.800% 02/26/2027 CALLABLE MOODY'S RATING A1 CUSIP 17275RBQ4	2,004,911.40 100.2456	2,043,780.00 102.1890	1.21	38,868.60	9,333.33
2,365,000	FED HOME LN MTG CORP DTD 02/14/20 1.500 02/12/2025 MOODY'S RATING AAA CUSIP 3137EAEP0	2,363,178.95 99.9230	2,337,802.50 98.8500	1.38	25,376.45-	4,828.54
1,250,000	FED HOME LN MTG CORP SER USD DTD 07/23/20 0.375 07/21/2025 MOODY'S RATING AAA CUSIP 3137EAEU9	1,243,775.00 99.5020	1,214,062.50 97.1250	0.72	29,712.50-	911.46
2,500,000	FED HOME LN MTG CORP DTD 09/25/20 0.375 09/23/2025 MOODY'S RATING AAA CUSIP 3137EAEX3	2,489,362.80 99.5745	2,413,325.00 96.5330	1.43	76,037.80-	208.33
1,288,000	FED HOME LN MTG CORP SER K089 CL A2 *24 DAY DELAY* DTD 03/01/19 3.563 01/25/2029 CUSIP 3137FL6P4	1,228,178.44 95.3555	1,267,842.80 98.4350	0.75	39,664.36	3,824.29

STATEMENT OF ASSETS AND LIABILITIES  
AS OF SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
2,000,000	FED HOME LN MTG CORP SER K093 CL A2 *24 DAY DELAY* DTD 06/01/19 2.982 05/25/2029 CUSIP 3137FMCR1	1,929,531.25 96.4766	1,919,920.00 95.9960	1.14	9,611.25-	4,970.00
1,860,000	FED NATL MTG ASSN DTD 04/24/20 0.625 04/22/2025 MOODY'S RATING AAA CUSIP 3135G03U5	1,856,168.40 99.7940	1,822,390.80 97.9780	1.08	33,777.60-	5,134.38
2,500,000	FED NATL MTG ASSN DTD 06/19/20 0.500 06/17/2025 MOODY'S RATING AAA CUSIP 3135G04Z3	2,499,227.30 99.9691	2,435,825.00 97.4330	1.44	63,402.30-	3,611.11
2,500,000	FED NATL MTG ASSN DTD 08/27/20 0.375 08/25/2025 MOODY'S RATING AAA CUSIP 3135G05X7	2,487,983.75 99.5194	2,421,625.00 96.8650	1.43	66,358.75-	937.50
2,500,000	FED NATL MTG ASSN DTD 11/12/20 0.500 11/07/2025 MOODY'S RATING AAA CUSIP 3135G06G3	2,492,700.00 99.7080	2,405,675.00 96.2270	1.42	87,025.00-	5,000.00
2,800,000	FEDERAL FARM CREDIT BANK DTD 11/15/2023 4.625% 11/15/2027 NON CALLABLE MOODY'S RATING AAA CUSIP 3133EPC60	2,789,612.00 99.6290	2,880,304.00 102.8680	1.70	90,692.00	48,922.22
2,400,000	FEDERAL FARM CREDIT BANK DTD 05/06/2024 4.750% 05/06/2027 NON CALLABLE MOODY'S RATING AAA CUSIP 3133ERDS7	2,412,552.00 100.5230	2,466,720.00 102.7800	1.46	54,168.00	45,916.67

STATEMENT OF ASSETS AND LIABILITIES  
AS OF SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,875,000	FEDERAL HOME LOAN BANK DTD 04/11/2024 4.750% 04/09/2027 NON CALLABLE MOODY'S RATING AAA CUSIP 3130B0TY5	1,870,050.00 99.7360	1,926,843.75 102.7650	1.14	56,793.75	42,057.29
2,000,000	FEDERAL HOME LOAN MORTGAGE CORP CMO SER K748 CL A2 DTD 03/01/2022 2.260% 01/25/2029 NON CALLABLE CUSIP 3137H5YC5	1,801,718.75 90.0860	1,866,320.00 93.3160	1.10	64,601.25	3,766.67
989,730.34	FHLMC MULTIFAMILY STRUCTURED P SER K049 CL A2 *24 DAY DELAY* DTD 10/01/15 3.010 08/25/2025 CUSIP 3137BLMZ8	1,068,599.48 107.9688	977,715.01 98.7860	0.58	90,884.47-	2,482.57
950,000	FHLMC MULTIFAMILY STRUCTURED P SER K050 CL A2 *24 DAY DELAY* DTD 11/01/15 08/25/2025 CUSIP 3137BLW95	1,018,132.81 107.1719	940,158.00 98.9640	0.56	77,974.81-	2,639.42
650,000	FHLMC MULTIFAMILY STRUCTURED P SER K058 CL A2 *24 DAY DELAY* DTD 11/01/16 2.653 08/25/2026 CUSIP 3137BSP72	687,451.17 105.7617	633,698.00 97.4920	0.37	53,753.17-	1,437.04
1,000,000	FHLMC MULTIFAMILY STRUCTURED P SER K068 CL A2 *24 DAY DELAY* DTD 10/01/17 3.244 08/25/2027 MOODY'S RATING AAA CUSIP 3137FBBX3	950,664.06 95.0664	981,580.00 98.1580	0.58	30,915.94	2,703.33
2,000,000	FHLMC MULTIFAMILY STRUCTURED P SER K087 CL A2 *24 DAY DELAY* DTD 01/01/19 3.771 12/25/2028 CUSIP 3137FKUP9	1,913,359.38 95.6680	1,985,160.00 99.2580	1.17	71,800.62	6,285.00

STATEMENT OF ASSETS AND LIABILITIES  
AS OF SEPTEMBER 30, 2024CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

## STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
2,550,000	FHLMC MULTIFAMILY STRUCTURED P SER K088 CL A2 *24 DAY DELAY* DTD 03/01/19 3.690 01/25/2029 MOODY'S RATING AAA CUSIP 3137FKZZ2	2,465,830.08 96.6992	2,522,817.00 98.9340	1.49	56,986.92	7,841.25
2,200,000	FHLMC MULTIFAMILY STRUCTURED P SER K095 CL A2 *24 DAY DELAY* DTD 08/01/19 2.785 06/25/2029 CUSIP 3137FNAE0	2,039,382.82 92.6992	2,090,308.00 95.0140	1.24	50,925.18	5,105.83
1,600,000	FHLMC MULTIFAMILY STRUCTURED P SER K098 CL A2 *24 DAY DELAY* DTD 10/01/19 2.425 08/25/2029 CUSIP 3137FPHK4	1,488,375.00 93.0235	1,492,720.00 93.2950	0.88	4,345.00	3,233.33
114,117.32	GM FINANCIAL SECURITIZED TERM SER 2021-4 CL A3 *0 DAY DELAY* DTD 10/21/21 0.680 09/16/2026 MOODY'S RATING AAA CUSIP 362554AC1	114,114.40 99.9975	112,431.81 98.5230	0.07	1,682.59-	32.33
234,645.76	GM FINANCIAL SECURITIZED TERM ASSET BCKD SEC SER 2022-2 CL A3 DTD 04/13/2022 3.100% 02/16/2027 CALLABLE MOODY'S RATING AAA CUSIP 362585AC5	234,596.72 99.9791	232,660.66 99.1540	0.14	1,936.06-	303.08
1,310,000	GM FINANCIAL SECURITIZED TERM ASSET BCKD SEC SER 2024-1 CL A3 DTD 01/17/2024 4.850% 12/18/2028 CALLABLE MOODY'S RATING AAA CUSIP 36268GAD7	1,307,922.66 99.8414	1,326,610.80 101.2680	0.78	18,688.14	2,647.29
117,840.83	GM FINANCIAL SECURITIZED TERM SER 2022-1 CL A3 *0 DAY DELAY* DTD 01/19/22 1.260 11/16/2026 CUSIP 380146AC4	117,830.59 99.9913	116,240.55 98.6420	0.07	1,590.04-	61.87

STATEMENT OF ASSETS AND LIABILITIES  
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PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,400,000	GUARDIAN LIFE GLOB FUND 144A PRIV PLCMT 0.875 12/10/2025 MOODY'S RATING AA1 CUSIP 40139LBC6	1,385,860.00 98.9900	1,344,406.00 96.0290	0.80	41,454.00-	3,777.08
1,205,000	GUARDIAN LIFE GLOBAL FDG MEDIUM TERM NOTE DTD 09/26/2024 4.179% 09/26/2029 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA1 CUSIP 40139LBJ1	1,205,000.00 100.0000	1,201,095.80 99.6760	0.71	3,904.20-	699.40
1,663,000	HOME DEPOT INC DTD 06/17/19 2.950 06/15/2029 MOODY'S RATING A2 CUSIP 437076BY7	1,593,203.89 95.8030	1,587,782.51 95.4770	0.94	5,421.38-	14,445.00
1,000,000	HOME DEPOT INC DTD 06/25/2024 4.750% 06/25/2029 CALLABLE MOODY'S RATING A2 CUSIP 437076DC3	992,260.00 99.2260	1,030,710.00 103.0710	0.61	38,450.00	12,666.67
535,000	HONDA AUTO RECEIVABLES OWNER ASSET BCKD SEC SER 2024-2 CL A3 DTD 05/21/2024 5.270% 11/20/2028 CALLABLE CUSIP 437930AC4	534,935.00 99.9879	546,711.15 102.1890	0.32	11,776.15	1,018.13
805,000	HONDA AUTO RECEIVABLES OWNER ASSET BCKD SEC SER 2023-4 CL A3 DTD 11/08/2023 5.670% 06/21/2028 NON CALLABLE MOODY'S RATING AAA CUSIP 438123AC5	806,992.67 100.2476	823,708.20 102.3240	0.49	16,715.53	1,267.88



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PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
340,002.36	HONDA AUTO RECEIVABLES OWNER T SER 2022-1 CL A3 *0 DAY DELAY* DTD 02/23/22 1.000 05/15/2026 MOODY'S RATING AAA CUSIP 43815BAC4	339,951.22 99.9850	335,949.53 98.8080	0.20	4,001.69-	284.09
124,921.33	HONDA AUTO RECEIVABLES OWNER T SER 2021-4 CL A3 *0 DAY DELAY* DTD 11/24/21 0.880 01/21/2026 MOODY'S RATING AAA CUSIP 43815GAC3	124,894.99 99.9789	123,294.85 98.6980	0.07	1,600.14-	30.54
610,000	HYUNDAI AUTO LEASE SECURITIZAT ASSET BCKD SEC SER 2024-B CL A3 DTD 05/22/2024 5.410% 05/17/2027 NON CALLABLE 144A PRIVATE PLACEMENT CUSIP 44934FAD7	609,983.04 99.9972	620,376.10 101.7010	0.37	10,393.06	1,466.71
476,406.37	HYUNDAI AUTO RECEIVABLES TRUST ASSET BCKD SEC SER 2022-A CL A3 DTD 03/16/2022 2.220% 10/15/2026 CALLABLE CUSIP 448977AD0	476,388.03 99.9962	471,165.90 98.9000	0.28	5,222.13-	470.05
312,769.81	HYUNDAI AUTO RECEIVABLES TRUST SER 2021-C CL A3 *0 DAY DELAY* DTD 11/17/21 0.740 05/15/2026 CUSIP 44935FAD6	304,861.60 97.4716	309,889.20 99.0790	0.18	5,027.60	102.87
2,460,000	INTER-AMERICAN DEVEL BK DTD 04/20/21 0.875 04/20/2026 MOODY'S RATING AAA CUSIP 4581X0DV7	2,448,733.20 99.5420	2,349,915.00 95.5250	1.39	98,818.20-	9,626.46
2,400,000	INTL BK RECON & DEVELOP DTD 10/28/20 0.500 10/28/2025 MOODY'S RATING AAA CUSIP 459058JL8	2,388,859.25 99.5358	2,311,104.00 96.2960	1.37	77,755.25-	5,100.00

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PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
2,500,000	INTL FINANCE CORP DTD 07/16/20 0.375 07/16/2025 MOODY'S RATING AAA CUSIP 45950KCT5	2,471,150.00 98.8460	2,425,825.00 97.0330	1.43	45,325.00-	1,958.33
2,000,000	JOHN DEERE CAPITAL CORP MEDIUM TERM NOTE DTD 03/07/2024 4.850% 03/05/2027 NON CALLABLE MOODY'S RATING A1 CUSIP 24422EXM6	2,004,220.00 100.2110	2,040,880.00 102.0440	1.21	36,660.00	7,005.56
191,836.39	JOHN DEERE OWNER TRUST ASSET BCKD SEC SER 2022-A CL A3 DTD 03/16/2022 2.320% 09/16/2026 NON CALLABLE MOODY'S RATING AAA CUSIP 47787JAC2	191,793.94 99.9779	189,630.27 98.8500	0.11	2,163.67-	197.80
123,022.51	JOHN DEERE OWNER TRUST SER 2021-B CL A3 *0 DAY DELAY* DTD 07/21/21 0.520 03/16/2026 MOODY'S RATING AAA CUSIP 47789QAC4	123,011.53 99.9911	121,581.92 98.8290	0.07	1,429.61-	26.65
490,018.71	JOHN DEERE OWNER TRUST ASSET BCKD SEC SER 2022-B CL A3 DTD 07/20/2022 3.740% 02/16/2027 NON CALLABLE MOODY'S RATING AAA CUSIP 47800AAC4	489,971.92 99.9905	487,284.41 99.4420	0.29	2,687.51-	814.52
943,295.68	JOHN DEERE OWNER TRUST ASSET BCKD SEC SER 2022-C CL A3 DTD 10/19/2022 5.090% 06/15/2027 CALLABLE MOODY'S RATING AAA CUSIP 47800BAC2	943,222.48 99.9923	947,493.35 100.4450	0.56	4,270.87	2,133.94

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PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
500,000	JOHN DEERE OWNER TRUST ASSET BCKD SEC SER 2024-A CL A3 DTD 03/19/2024 4.960% 11/15/2028 CALLABLE MOODY'S RATING AAA CUSIP 47800RAD5	499,765.63 99.9531	508,310.00 101.6620	0.30	8,544.37	1,102.22
1,500,000	JPMORGAN CHASE & CO DTD 07/23/18 07/23/2029 MOODY'S RATING A1 CUSIP 46647PAV8	1,496,610.00 99.7740	1,494,420.00 99.6280	0.88	2,190.00-	11,908.50
1,500,000	JPMORGAN CHASE & CO DTD 01/23/2024 VAR CPN 01/23/2028 CALLABLE MOODY'S RATING A1 CUSIP 46647PEA0	1,500,780.00 100.0520	1,525,095.00 101.6730	0.90	24,315.00	14,280.00
1,000,000	MASSMUTUAL GLBL FDG MEDIUM TERM NOTE DTD 04/09/2024 5.100% 04/09/2027 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA3 CUSIP 57629W4S6	1,002,630.00 100.2630	1,026,210.00 102.6210	0.61	23,580.00	24,366.67
1,000,000	MASSMUTUAL GLOBAL FUNDIN 144A PRIV PLCMT 1.200 07/16/2026 MOODY'S RATING AA3 CUSIP 57629WDE7	1,002,230.00 100.2230	950,290.00 95.0290	0.56	51,940.00-	2,500.00
945,000	MASTERCARD INC DTD 03/09/2023 4.875% 03/09/2028 CALLABLE MOODY'S RATING AA3 CUSIP 57636QAW4	944,083.35 99.9030	976,203.90 103.3020	0.58	32,120.55	2,815.31

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PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,100,000	MERCEDES-BENZ AUTO RECEIVABLES TRUST ASSET BCKD SEC SER 2023-2 CL A3 DTD 10/25/2023 5.950% 11/15/2028 CALLABLE CUSIP 58769FAC9	1,123,289.06 102.1172	1,129,854.00 102.7140	0.67	6,564.94	2,908.89
1,115,000	MET LIFE GLOB FUNDING I 144A PRIV PLCMT 1.875 01/11/2027 MOODY'S RATING AA3 CUSIP 59217GER6	1,113,728.90 99.8860	1,063,063.30 95.3420	0.63	50,665.60-	4,645.83
770,000	MET TOWER GLOBAL FUNDING 144A PRIV PLCMT 1.250 09/14/2026 MOODY'S RATING AA3 CUSIP 58989V2D5	769,291.60 99.9080	728,820.40 94.6520	0.43	40,471.20-	454.51
912,000	META PLATFORMS INC DTD 08/09/2024 4.300% 08/15/2029 CALLABLE MOODY'S RATING AA3 CUSIP 30303M8S4	910,584.09 99.8448	926,063.04 101.5420	0.55	15,478.95	5,664.53
1,950,000	MORGAN STANLEY BANK DTD 07/19/2024 VAR CPN 07/14/2028 CALLABLE MOODY'S RATING AA3 CUSIP 61690U8E3	1,950,000.00 100.0000	1,989,565.50 102.0290	1.18	39,565.50	19,375.20
1,000,000	MORGAN STANLEY BK DTD 11/01/2023 5.882% 10/30/2026 CALLABLE MOODY'S RATING AA3 CUSIP 61690U7W4	1,000,082.50 100.0083	1,036,030.00 103.6030	0.61	35,947.50	24,671.72
1,000,000	NEW YORK LIFE GLOBAL FDG MEDIUM TERM NOTE DTD 06/06/2024 5.000% 06/06/2029 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AAA CUSIP 64952WFG3	994,880.00 99.4880	1,037,470.00 103.7470	0.61	42,590.00	15,972.22

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PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
670,000	NORTHERN TRUST CORP DTD 05/10/2022 4.000% 05/10/2027 CALLABLE MOODY'S RATING A2 CUSIP 665859AW4	668,914.60 99.8380	671,092.10 100.1630	0.40	2,177.50	10,496.67
850,000	NORTHWESTERN MUTUAL GLOBAL MEDIUM TERM NOTE DTD 01/14/2021 0.800% 01/14/2026 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AAA CUSIP 66815L2A6	827,449.50 97.3470	814,810.00 95.8600	0.48	12,639.50-	1,454.44
1,500,000	PEPSICO INC DTD 07/17/2024 4.500% 07/17/2029 CALLABLE MOODY'S RATING A1 CUSIP 713448FX1	1,497,675.00 99.8450	1,545,990.00 103.0660	0.91	48,315.00	13,875.00
1,500,000	PROGRESSIVE CORP DTD 10/23/18 4.000 03/01/2029 MOODY'S RATING A2 CUSIP 743315AV5	1,455,495.00 97.0330	1,496,175.00 99.7450	0.88	40,680.00	5,000.00
1,500,000	PROLOGIS LP DTD 02/01/20 4.375 02/01/2029 MOODY'S RATING A3 CUSIP 74340XBL4	1,481,235.00 98.7490	1,513,005.00 100.8670	0.89	31,770.00	10,937.50
1,463,000	REALTY INCOME CORP DTD 01/15/2024 4.000% 07/15/2029 CALLABLE MOODY'S RATING A3 CUSIP 756109CB8	1,419,212.41 97.0070	1,440,264.98 98.4460	0.85	21,052.57	12,354.22
1,760,000	STATE STR CORP DTD 03/18/2024 4.993% 03/18/2027 CALLABLE MOODY'S RATING A1 CUSIP 857477CL5	1,760,000.00 100.0000	1,801,606.40 102.3640	1.07	41,606.40	3,173.33

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PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,340,000	TORONTO DOMINION BANK MEDIUM TERM NOTE CONVERTIBLE DTD 04/05/2024 4.980% 04/05/2027 NON CALLABLE MOODY'S RATING A1 CUSIP 89115A2W1	1,340,000.00 100.0000	1,367,269.00 102.0350	0.81	27,269.00	32,624.53
1,300,000	TOYOTA AUTO RECEIVABLES OWNER ASSET BCKD SEC SER 2023-C CL A3 DTD 08/15/2023 5.160% 04/17/2028 CALLABLE CUSIP 89231FAD2	1,294,718.75 99.5938	1,315,834.00 101.2180	0.78	21,115.25	2,981.33
123,747.04	TOYOTA AUTO RECEIVABLES OWNER SER 2021-D CL A3 *0 DAY DELAY* DTD 11/15/21 0.710 04/15/2026 CUSIP 89238JAC9	123,744.40 99.9979	122,276.93 98.8120	0.07	1,467.47-	39.05
1,385,000	TOYOTA MOTOR CREDIT CORP MED TERM NOTE DTD 06/18/21 1.125 06/18/2026 MOODY'S RATING A1 CUSIP 89236TJK2	1,384,390.60 99.9560	1,320,459.00 95.3400	0.78	63,931.60-	4,457.97
3,100,000	UNITED STATES TREASURY NOTES DTD 03/15/2022 1.750% 03/15/2025 MOODY'S RATING AAA CUSIP 91282CED9	3,057,617.20 98.6328	3,064,443.00 98.8530	1.81	6,825.80	2,397.79
3,250,000	UNITED STATES TREASURY NOTES DTD 06/30/2022 3.250% 06/30/2027 MOODY'S RATING AAA CUSIP 91282CEW7	3,260,312.50 100.3173	3,222,570.00 99.1560	1.91	37,742.50-	26,693.27
400,000	UNITED STATES TREASURY NOTES DTD 07/31/2022 2.750% 07/31/2027 MOODY'S RATING AAA CUSIP 91282CFB2	393,218.75 98.3047	391,080.00 97.7700	0.23	2,138.75-	1,853.26

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PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
4,500,000	UNITED STATES TREASURY NOTES DTD 08/31/2022 3.125% 08/31/2027 MOODY'S RATING AAA CUSIP 91282CFH9	4,468,902.34 99.3090	4,444,290.00 98.7620	2.63	24,612.34-	12,042.47
3,450,000	UNITED STATES TREASURY NOTES DTD 09/30/2022 4.125% 09/30/2027 MOODY'S RATING AAA CUSIP 91282CFM8	3,421,152.34 99.1639	3,505,407.00 101.6060	2.07	84,254.66	390.97
850,000	UNITED STATES TREASURY NOTES DTD 11/30/2022 3.875% 11/30/2027 MOODY'S RATING AAA CUSIP 91282CFZ9	852,656.25 100.3125	857,437.50 100.8750	0.51	4,781.25	11,069.16
2,750,000	UNITED STATES TREASURY NOTES DTD 12/31/2022 3.875% 12/31/2027 MOODY'S RATING AAA CUSIP 91282CGC9	2,775,107.42 100.9130	2,776,207.50 100.9530	1.64	1,100.08	26,930.20
3,000,000	UNITED STATES TREASURY NOTES DTD 01/31/2023 3.500% 01/31/2028 MOODY'S RATING AAA CUSIP 91282CGH8	2,957,929.69 98.5977	2,993,190.00 99.7730	1.77	35,260.31	17,690.22
3,700,000	UNITED STATES TREASURY NOTES DTD 02/28/2023 4.000% 02/29/2028 MOODY'S RATING AAA CUSIP 91282CGP0	3,699,113.28 99.9760	3,750,283.00 101.3590	2.22	51,169.72	12,674.03
2,500,000	UNITED STATES TREASURY NOTES DTD 12/15/2023 4.375% 12/15/2026 MOODY'S RATING AAA CUSIP 91282CJP7	2,525,097.66 101.0039	2,539,650.00 101.5860	1.50	14,552.34	32,274.59
2,300,000	UNITED STATES TREASURY NOTES DTD 03/31/2024 4.125% 03/31/2029 MOODY'S RATING AAA CUSIP 91282CKG5	2,249,867.19 97.8203	2,352,210.00 102.2700	1.39	102,342.81	260.65

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PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
2,300,000	UNITED STATES TREASURY NOTES DTD 04/15/2024 4.500% 04/15/2027 MOODY'S RATING AAA CUSIP 91282CKJ9	2,283,109.38 99.2656	2,350,048.00 102.1760	1.39	66,938.62	47,790.98
3,200,000	UNITED STATES TREASURY NOTES DTD 05/15/2024 4.500% 05/15/2027 MOODY'S RATING AAA CUSIP 91282CKR1	3,186,500.00 99.5781	3,272,384.00 102.2620	1.94	85,884.00	54,391.30
2,000,000	UNITED STATES TREASURY NOTES DTD 06/30/2024 4.250% 06/30/2029 MOODY'S RATING AAA CUSIP 91282CKX8	1,985,546.88 99.2774	2,058,440.00 102.9220	1.22	72,893.12	21,480.98
3,500,000	UNITED STATES TREASURY NOTES DTD 08/31/2024 3.625% 08/31/2029 MOODY'S RATING AAA CUSIP 91282CLK5	3,527,480.47 100.7852	3,510,395.00 100.2970	2.08	17,085.47-	10,864.99
2,000,000	UNITEDHEALTH GROUP INC DTD 07/25/19 2.875 08/15/2029 MOODY'S RATING A2 CUSIP 91324PDS8	1,906,080.00 95.3040	1,897,020.00 94.8510	1.12	9,060.00-	7,347.22
1,035,000	UNITEDHEALTH GROUP INC DTD 05/19/21 1.150 05/15/2026 MOODY'S RATING A2 CUSIP 91324PEC2	1,025,051.35 99.0388	989,501.40 95.6040	0.59	35,549.95-	4,496.50
1,500,000	US TREASURY NOTE DTD 07/31/20 0.250 07/31/2025 MOODY'S RATING AAA CUSIP 91282CAB7	1,469,765.63 97.9844	1,453,515.00 96.9010	0.86	16,250.63-	631.79
2,400,000	US TREASURY NOTE DTD 09/30/20 0.250 09/30/2025 MOODY'S RATING AAA CUSIP 91282CAM3	2,366,140.63 98.5892	2,313,384.00 96.3910	1.37	52,756.63-	16.57



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2,450,000	US TREASURY NOTE DTD 10/31/20 0.250 10/31/2025 MOODY'S RATING AAA CUSIP 91282CAT8	2,422,492.19 98.8772	2,355,160.50 96.1290	1.39	67,331.69-	2,563.18
2,250,000	US TREASURY NOTE DTD 11/30/20 0.375 11/30/2025 MOODY'S RATING AAA CUSIP 91282CAZ4	2,209,658.20 98.2070	2,161,147.50 96.0510	1.28	48,510.70-	2,835.55
2,500,000	US TREASURY NOTE DTD 02/01/21 0.375 01/31/2026 MOODY'S RATING AAA CUSIP 91282CBH3	2,456,445.31 98.2578	2,389,150.00 95.5660	1.41	67,295.31-	1,579.48
2,500,000	US TREASURY NOTE DTD 04/30/21 0.750 04/30/2026 MOODY'S RATING AAA CUSIP 91282CBW0	2,493,652.34 99.7461	2,385,950.00 95.4380	1.41	107,702.34-	7,846.47
1,400,000	US TREASURY NOTE DTD 09/30/21 0.875 09/30/2026 MOODY'S RATING AAA CUSIP 91282CCZ2	1,379,054.68 98.5039	1,326,178.00 94.7270	0.78	52,876.68-	33.65
1,400,000	US TREASURY NOTE DTD 11/01/21 1.125 10/31/2026 CUSIP 91282CDG3	1,391,468.75 99.3906	1,329,734.00 94.9810	0.79	61,734.75-	6,591.03
1,495,000	US TREASURY NOTE DTD 03/02/20 1.125 02/28/2025 MOODY'S RATING AAA CUSIP 912828ZC7	1,518,067.38 101.5430	1,474,772.65 98.6470	0.87	43,294.73-	1,553.91
2,500,000	US TREASURY NOTE DTD 04/30/20 0.375 04/30/2025 MOODY'S RATING AAA CUSIP 912828ZL7	2,360,839.85 94.4336	2,443,925.00 97.7570	1.45	83,085.15	3,944.67

STATEMENT OF ASSETS AND LIABILITIES  
AS OF SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

**STATEMENT OF ASSETS AND LIABILITIES**

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
350,000	WALMART INC DTD 09/17/21 1.050 09/17/2026 MOODY'S RATING AA2 CUSIP 931142ER0	349,338.50 99.8110	332,381.00 94.9660	0.20	16,957.50-	142.92
=====						
TOTAL BOND & NOTES		168,846,995.07	168,761,320.03	99.82	85,675.04-	883,775.71
=====						
TOTAL INVESTMENTS		169,147,087.73	169,061,412.69	100.00	85,675.04-	887,529.24
=====						
TOTAL ACCRUALS		887,529.24	887,529.24			
=====						
TOTAL ACCRUALS AND INVESTMENTS		170,034,616.97	169,948,941.93			

CASH SUMMARY  
 FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
 ACCOUNT NUMBER [REDACTED]

DESCRIPTION	CASH SUMMARY PRINCIPAL CASH	INCOME CASH
<b>BEGINNING BALANCE</b>	<b>0.00</b>	<b>0.00</b>
RECEIPTS		
NET INTEREST COLLECTED	0.00	643,506.28
TRANSFER RECEIPTS	643,506.28	0.00
SALES	12,746,403.14	0.00
CASH MANAGEMENT SALES	5,974,464.48	0.00
TOTAL CASH RECEIPTS	19,364,373.90	643,506.28
DISBURSEMENTS		
INVESTMENT MANAGEMENT EXPENSES	10,056.99-	0.00
TRANSFER DISBURSEMENTS	0.00	643,506.28-
PURCHASES	14,644,990.61-	0.00
CASH MANAGEMENT PURCHASES	4,709,326.30-	0.00
TOTAL CASH DISBURSEMENTS	19,364,373.90-	643,506.28-
=====		
<b>ENDING BALANCE</b>	<b>0.00</b>	<b>0.00</b>

STATEMENT OF TRANSACTIONS  
 FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
 ACCOUNT NUMBER [REDACTED]

**STATEMENT OF TRANSACTIONS**

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
		<u>BEGINNING BALANCE</u>	<u>0.00</u>	<u>168,710,087.47</u>	
		CASH EQUIVALENTS			
09/03/24		INTEREST RECEIVED AS 100% TREAS MM FD-SVC CL #008 INTEREST FROM 8/1/24 TO 8/31/24	3,474.34		
09/03/24		INTEREST RECEIVED PRINCIPAL PUBLIC DEPOSIT SWEEP PRGRM INTEREST FROM 8/1/24 TO 8/31/24	128.32		
09/30/24	4,709,197.98	CASH SWEEP PURCHASES FOR STMT PERIOD AS 100% TREAS MM FD-SVC CL #008 13 TRANSACTIONS	4,709,197.98-	4,709,197.98	
09/30/24	128.32	CASH SWEEP PURCHASES FOR STMT PERIOD PRINCIPAL PUBLIC DEPOSIT SWEEP PRGRM 1 TRANSACTIONS	128.32-	128.32	
09/30/24	5,974,464.48-	CASH SWEEP SALES FOR STMT PERIOD AS 100% TREAS MM FD-SVC CL #008 6 TRANSACTIONS	5,974,464.48	5,974,464.48-	
		BONDS & NOTES			
09/16/24		INTEREST RECEIVED AMERICAN EXPRES ABS 2.210% 3/15/27 CUSIP 02589BAA8 \$0.00184/PV ON 1,545,000.00 PV DUE 9/15/24	2,845.38		
09/16/24		INTEREST RECEIVED AMERICAN EXPRESS ABS 3.390% 5/17/27 CUSIP 02582JJT8 \$0.00283/PV ON 1,375,000.00 PV DUE 9/15/24	3,884.38		

STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/16/24		INTEREST RECEIVED BANK OF AMERICA ABS 4.930% 5/15/29 CUSIP 05522RDJ4 \$0.00411/PV ON 785,000.00 PV DUE 9/15/24	3,225.04		
09/18/24	1,240,000-	SOLD BANK OF MONTREAL 1.850% 5/01/25 CUSIP 06367WB85 AT \$98.2740 ON TRADE DATE 09/17/2024 TO SETTLE ON 09/18/2024 TORONTO DOMINION SECURITIES (U)	1,218,597.60	1,285,656.80-	67,059.20-
09/18/24		ACCRUED INTEREST ON SALE BANK OF MONTREAL 1.850% 5/01/25 CUSIP 06367WB85	8,729.94		
09/20/24	1,000,000-	SOLD BANK OF NEW YORK MEL 3.950% 11/18/25 CUSIP 06406HCQ0 AT \$99.6280 ON TRADE DATE 09/19/2024 TO SETTLE ON 09/20/2024 BANC OF AMERICA SECURITIES LLC	996,280.00	1,024,910.00-	28,630.00-
09/20/24		ACCRUED INTEREST ON SALE BANK OF NEW YORK MEL 3.950% 11/18/25 CUSIP 06406HCQ0	13,386.11		
09/16/24		INTEREST RECEIVED BERKSHIRE HATH 2.300% 3/15/27 CUSIP 084664CZ2 INTEREST ON 1,615,000.000 UNITS	18,572.50		
09/16/24		INTEREST RECEIVED BK OF AMERICA ABS 4.980% 11/15/28 CUSIP 05522RDH8 \$0.00415/PV ON 850,000.00 PV DUE 9/15/24	3,527.50		

STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/25/24		INTEREST RECEIVED BMW VEHICLE OWN ABS 3.210% 8/25/26 CUSIP 05602RAD3 \$0.00139/PV ON 274,957.21 PV DUE 9/25/24	735.51		
09/25/24	27,205.66-	PAID DOWN BMW VEHICLE OWN ABS 3.210% 8/25/26 CUSIP 05602RAD3	27,205.66	27,204.25-	1.41
09/25/24		INTEREST RECEIVED BMW VEHICLE OWN ABS 5.180% 2/26/29 CUSIP 096919AD7 \$0.00432/PV ON 695,000.00 PV DUE 9/25/24	3,000.08		
09/03/24		INTEREST RECEIVED CHARLES SCHWAB CORP 2.450% 3/03/27 CUSIP 808513BY0 INTEREST ON 960,000.000 UNITS	11,760.00		
09/16/24		INTEREST RECEIVED CHASE ISSUANCE ABS 4.600% 1/16/29 CUSIP 161571HV9 \$0.00383/PV ON 1,690,000.00 PV DUE 9/15/24	6,478.33		
09/23/24		INTEREST RECEIVED FED HOME LN MTG CORP 0.375% 9/23/25 CUSIP 3137EAEX3 INTEREST ON 2,500,000.000 UNITS	4,687.50		
09/24/24	2,000,000	PURCHASED FED HOME LN MTG CORP 2.982% 5/25/29 CUSIP 3137FMCR1 AT \$96.4766 ON TRADE DATE 09/19/2024 TO SETTLE ON 09/24/2024 GOLDMAN SACHS	1,929,531.25-	1,929,531.25	

STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

**STATEMENT OF TRANSACTIONS**

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/24/24		ACCRUED INTEREST ON PURCHASE FED HOME LN MTG CORP 2.982% 5/25/29 CUSIP 3137FMCR1	3,810.33-		
09/04/24	0.01	SHARE ADJUSTMENT FED HOME LN MTG CORP 3.171% 10/25/24 CUSIP 3137BFE98			
09/25/24		INTEREST RECEIVED FED HOME LN MTG CORP 3.171% 10/25/24 CUSIP 3137BFE98	2,336.95		
09/25/24	461,110.52-	\$0.00264/PV ON 461,110.52 PV DUE 9/25/24			
09/25/24	461,110.52-	PAID DOWN FED HOME LN MTG CORP 3.171% 10/25/24 CUSIP 3137BFE98	461,110.52	496,018.03-	34,907.51-
09/25/24	423,258.55-	SOLD FED HOME LN MTG CORP 3.171% 10/25/24 CUSIP 3137BFE98 AT \$99.4844 ON TRADE DATE 09/03/2024 TO SETTLE ON 09/25/2024 TORONTO DOMINION SECURITIES (U	421,076.12	455,300.54-	34,224.42-
09/25/24		ACCRUED INTEREST ON SALE FED HOME LN MTG CORP 3.171% 10/25/24 CUSIP 3137BFE98	186.41		
09/25/24		INTEREST RECEIVED FED HOME LN MTG CORP 3.563% 1/25/29 CUSIP 3137FL6P4 \$0.00297/PV ON 1,288,000.00 PV DUE 9/25/24	3,824.29		

STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/06/24	1,600,000	PURCHASED FHLMC MULTIFAMILY ST 2.425% 8/25/29 CUSIP 3137FPHK4 AT \$93.0234 ON TRADE DATE 09/03/2024 TO SETTLE ON 09/06/2024 TORONTO DOMINION SECURITIES (U	1,488,375.00-	1,488,375.00	
09/06/24		ACCRUED INTEREST ON PURCHASE FHLMC MULTIFAMILY ST 2.425% 8/25/29 CUSIP 3137FPHK4	538.89-		
09/25/24		INTEREST RECEIVED FHLMC MULTIFAMILY ST 2.653% 8/25/26 CUSIP 3137BSP72 \$0.00221/PV ON 650,000.00 PV DUE 9/25/24	1,437.04		
09/25/24		INTEREST RECEIVED FHLMC MULTIFAMILY ST 2.785% 6/25/29 CUSIP 3137FNAE0 \$0.00232/PV ON 2,200,000.00 PV DUE 9/25/24	5,105.83		
09/24/24	570,000-	SOLD FHLMC MULTIFAMILY ST 2.995% 12/25/25 CUSIP 3137BN6G4 AT \$98.5156 ON TRADE DATE 09/19/2024 TO SETTLE ON 09/24/2024 TORONTO DOMINION SECURITIES (U	561,539.06	582,001.17-	20,462.11-
09/24/24		ACCRUED INTEREST ON SALE FHLMC MULTIFAMILY ST 2.995% 12/25/25 CUSIP 3137BN6G4	1,090.68		
09/25/24		INTEREST RECEIVED FHLMC MULTIFAMILY ST 2.995% 12/25/25 CUSIP 3137BN6G4 \$0.00250/PV ON 0.00 PV DUE 9/25/24	1,422.62		



STATEMENT OF TRANSACTIONS  
 FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
 ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/25/24		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.010% 8/25/25 CUSIP 3137BLMZ8 \$0.00249/PV ON 991,693.37 PV DUE 9/25/24	2,487.50		
09/25/24	1,963.03-	PAID DOWN FHLMC MULTIFAMILY ST 3.010% 8/25/25 CUSIP 3137BLMZ8	1,963.03	2,119.46-	156.43-
09/25/24		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.244% 8/25/27 CUSIP 3137FBBX3 \$0.00270/PV ON 1,000,000.00 PV DUE 9/25/24	2,703.33		
09/25/24	428,233.28-	SOLD FHLMC MULTIFAMILY ST 3.308% 9/25/25 CUSIP 3137BM7C4 AT \$98.9102 ON TRADE DATE 09/19/2024 TO SETTLE ON 09/25/2024 TORONTO DOMINION SECURITIES (U	423,566.21	440,963.19-	17,396.98-
09/25/24		ACCRUED INTEREST ON SALE FHLMC MULTIFAMILY ST 3.308% 9/25/25 CUSIP 3137BM7C4	905.05		
09/26/24		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.308% 9/25/25 CUSIP 3137BM7C4 \$0.00276/PV ON 871.44 PV DUE 9/25/24	1,182.90		
09/26/24	871.44-	PAID DOWN FHLMC MULTIFAMILY ST 3.308% 9/25/25 CUSIP 3137BM7C4 TO SETTLE ON 09/26/2024	871.44	897.34-	25.90-

STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

**STATEMENT OF TRANSACTIONS**

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/25/24		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.690% 1/25/29 CUSIP 3137FKZZ2 \$0.00308/PV ON 2,550,000.00 PV DUE 9/25/24	7,841.25		
09/25/24		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.771% 12/25/28 CUSIP 3137FKUP9 \$0.00314/PV ON 2,000,000.00 PV DUE 9/25/24	6,285.00		
09/25/24		INTEREST RECEIVED FHLMC SER K748 CMO 2.260% 1/25/29 CUSIP 3137H5YC5 \$0.00188/PV ON 2,000,000.00 PV DUE 9/25/24	3,766.67		
09/16/24		INTEREST RECEIVED GM FINANCIAL ABS 3.100% 2/16/27 CUSIP 362585AC5 \$0.00168/PV ON 253,297.12 PV DUE 9/16/24	654.35		
09/16/24	18,651.36-	PAID DOWN GM FINANCIAL ABS 3.100% 2/16/27 CUSIP 362585AC5	18,651.36	18,647.46-	3.90
09/16/24		INTEREST RECEIVED GM FINANCIAL ABS 4.850% 12/18/28 CUSIP 36268GAD7 \$0.00404/PV ON 1,310,000.00 PV DUE 9/16/24	5,294.58		
09/16/24		INTEREST RECEIVED GM FINANCIAL SECURIT 0.680% 9/16/26 CUSIP 362554AC1 \$0.00021/PV ON 127,934.78 PV DUE 9/16/24	72.50		

STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/16/24	13,817.46-	PAID DOWN GM FINANCIAL SECURIT 0.680% 9/16/26 CUSIP 362554AC1	13,817.46	13,817.11-	0.35
09/16/24		INTEREST RECEIVED GM FINANCIAL SECURIT 1.260% 11/16/26 CUSIP 380146AC4 \$0.00047/PV ON 130,896.31 PV DUE 9/16/24	137.44		
09/16/24	13,055.48-	PAID DOWN GM FINANCIAL SECURIT 1.260% 11/16/26 CUSIP 380146AC4	13,055.48	13,054.34-	1.14
09/26/24	1,205,000	PURCHASED GUARDIAN LIFE MTN 4.179% 9/26/29 CUSIP 40139LBJ1 AT \$100.0000 ON TRADE DATE 09/23/2024 TO SETTLE ON 09/26/2024 DEUTSCHE BANK SECURITIES INC.	1,205,000.00-	1,205,000.00	
09/18/24	1,663,000	PURCHASED HOME DEPOT INC 2.950% 6/15/29 CUSIP 437076BY7 AT \$95.8030 ON TRADE DATE 09/17/2024 TO SETTLE ON 09/18/2024 DAIWA SECURITIES AMER	1,593,203.89-	1,593,203.89	
09/18/24		ACCRUED INTEREST ON PURCHASE HOME DEPOT INC 2.950% 6/15/29 CUSIP 437076BY7	12,673.45-		
09/18/24	1,350,000-	SOLD HOME DEPOT INC 4.875% 6/25/27 CUSIP 437076DB5 AT \$102.7720 ON TRADE DATE 09/17/2024 TO SETTLE ON 09/18/2024 DEUTSCHE BANK SECURITIES INC.	1,387,422.00	1,346,913.30-	40,508.70

STATEMENT OF TRANSACTIONS  
 FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
 ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/18/24		ACCRUED INTEREST ON SALE HOME DEPOT INC 4.875% 6/25/27 CUSIP 437076DB5	15,173.44		
09/18/24		INTEREST RECEIVED HONDA AUTO RECE ABS 5.270% 11/20/28 CUSIP 437930AC4 \$0.00439/PV ON 535,000.00 PV DUE 9/18/24	2,349.54		
09/23/24		INTEREST RECEIVED HONDA AUTO RECE ABS 5.670% 6/21/28 CUSIP 438123AC5 \$0.00473/PV ON 805,000.00 PV DUE 9/21/24	3,803.63		
09/23/24		INTEREST RECEIVED HONDA AUTO RECEIVABL 0.880% 1/21/26 CUSIP 43815GAC3 \$0.00023/PV ON 144,189.73 PV DUE 9/21/24	105.74		
09/23/24	19,268.4-	PAID DOWN HONDA AUTO RECEIVABL 0.880% 1/21/26 CUSIP 43815GAC3 TO SETTLE ON 09/23/2024	19,268.40	19,264.34-	4.06
09/16/24		INTEREST RECEIVED HONDA AUTO RECEIVABL 1.000% 5/15/26 CUSIP 43815BAC4 \$0.00080/PV ON 378,728.67 PV DUE 9/15/24	593.34		
09/16/24	38,726.31-	PAID DOWN HONDA AUTO RECEIVABL 1.000% 5/15/26 CUSIP 43815BAC4 AT \$3,095.5713 ON TRADE DATE 09/15/2024 TO SETTLE ON 09/16/2024	38,726.31	38,720.48-	5.83

STATEMENT OF TRANSACTIONS  
 FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
 ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/16/24		INTEREST RECEIVED HYUNDAI AUTO ABS 5.410% 5/17/27 CUSIP 44934FAD7 \$0.00451/PV ON 610,000.00 PV DUE 9/15/24	2,750.08		
09/16/24		INTEREST RECEIVED HYUNDAI AUTO REC ABS 2.220% 10/15/26 CUSIP 448977AD0 \$0.00097/PV ON 528,989.09 PV DUE 9/15/24	978.63		
09/16/24	52,582.72-	PAID DOWN HYUNDAI AUTO REC ABS 2.220% 10/15/26 CUSIP 448977AD0 AT \$2,279.8374 ON TRADE DATE 09/15/2024 TO SETTLE ON 09/16/2024	52,582.72	52,580.70-	2.02
09/16/24		INTEREST RECEIVED HYUNDAI AUTO RECEIVA 0.740% 5/15/26 CUSIP 44935FAD6 \$0.00017/PV ON 376,555.82 PV DUE 9/15/24	232.21		
09/16/24	63,786.01-	PAID DOWN HYUNDAI AUTO RECEIVA 0.740% 5/15/26 CUSIP 44935FAD6 AT \$2,499.6149 ON TRADE DATE 09/15/2024 TO SETTLE ON 09/16/2024	63,786.01	62,173.22-	1,612.79
09/05/24		INTEREST RECEIVED JOHN DEERE CAP MTN 4.850% 3/05/27 CUSIP 24422EXM6 INTEREST ON 2,000,000.000 UNITS	47,961.11		

STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

**STATEMENT OF TRANSACTIONS**

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/16/24		INTEREST RECEIVED JOHN DEERE OWNE ABS 5.090% 6/15/27 CUSIP 47800BAC2 \$0.00404/PV ON 999,553.58 PV DUE 9/15/24	4,239.77		
09/16/24	56,257.9-	PAID DOWN JOHN DEERE OWNE ABS 5.090% 6/15/27 CUSIP 47800BAC2 AT \$2,130.9017 ON TRADE DATE 09/15/2024 TO SETTLE ON 09/16/2024	56,257.90	56,253.53-	4.37
09/16/24		INTEREST RECEIVED JOHN DEERE OWNER ABS 2.320% 9/16/26 CUSIP 47787JAC2 \$0.00090/PV ON 208,977.90 PV DUE 9/15/24	404.02		
09/16/24	17,141.51-	PAID DOWN JOHN DEERE OWNER ABS 2.320% 9/16/26 CUSIP 47787JAC2 AT \$6,993.5527 ON TRADE DATE 09/15/2024 TO SETTLE ON 09/16/2024	17,141.51	17,137.72-	3.79
09/16/24		INTEREST RECEIVED JOHN DEERE OWNER ABS 3.740% 2/16/27 CUSIP 47800AAC4 \$0.00246/PV ON 517,776.20 PV DUE 9/15/24	1,613.74		
09/16/24	27,757.49-	PAID DOWN JOHN DEERE OWNER ABS 3.740% 2/16/27 CUSIP 47800AAC4 AT \$4,318.8362 ON TRADE DATE 09/15/2024 TO SETTLE ON 09/16/2024	27,757.49	27,754.84-	2.65

STATEMENT OF TRANSACTIONS  
 FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
 ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/16/24		INTEREST RECEIVED JOHN DEERE OWNER ABS 4.960% 11/15/28 CUSIP 47800RAD5 \$0.00413/PV ON 500,000.00 PV DUE 9/15/24	2,066.67		
09/16/24		INTEREST RECEIVED JOHN DEERE OWNER TRU 0.520% 3/16/26 CUSIP 47789QAC4 \$0.00010/PV ON 137,647.92 PV DUE 9/15/24	59.65		
09/16/24	14,625.41-	PAID DOWN JOHN DEERE OWNER TRU 0.520% 3/16/26 CUSIP 47789QAC4 TO SETTLE ON 09/16/2024	14,625.41	14,624.11-	1.30
09/09/24		INTEREST RECEIVED MASTERCARD INC 4.875% 3/09/28 CUSIP 57636QAW4 INTEREST ON 945,000.000 UNITS	23,034.38		
09/16/24		INTEREST RECEIVED MERCEDES-BENZ ABS 5.950% 11/15/28 CUSIP 58769FAC9 \$0.00496/PV ON 1,100,000.00 PV DUE 9/15/24	5,454.17		
09/16/24		INTEREST RECEIVED P/P MET TOWER GLOBAL 1.250% 9/14/26 CUSIP 58989V2D5 INTEREST ON 770,000.000 UNITS	4,812.50		
09/12/24	1,680,000-	SOLD P/P NEW YORK LIF MTN 1.450% 1/14/25 CUSIP 64952WEK5 AT \$98.7770 ON TRADE DATE 09/11/2024 TO SETTLE ON 09/12/2024 MARKETAXESS CORPORATION	1,659,453.60	1,678,185.60-	18,732.00-

STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

**STATEMENT OF TRANSACTIONS**

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/12/24		ACCRUED INTEREST ON SALE P/P NEW YORK LIF MTN 1.450% 1/14/25 CUSIP 64952WEK5	3,924.67		
09/03/24		INTEREST RECEIVED P/P PRICOA GLOBAL FU 0.800% 9/01/25 CUSIP 74153WCM9 INTEREST ON 904,000.000 UNITS	3,616.00		
09/18/24	904,000-	SOLD P/P PRICOA GLOBAL FU 0.800% 9/01/25 CUSIP 74153WCM9 AT \$96.6950 ON TRADE DATE 09/17/2024 TO SETTLE ON 09/18/2024 PERSHING LLC	874,122.80	832,972.72-	41,150.08
09/18/24		ACCRUED INTEREST ON SALE P/P PRICOA GLOBAL FU 0.800% 9/01/25 CUSIP 74153WCM9	341.51		
09/12/24	885,000-	SOLD PACCAR FIN MTN 2.850% 4/07/25 CUSIP 69371RR73 AT \$98.9010 ON TRADE DATE 09/11/2024 TO SETTLE ON 09/12/2024 MARKETAXESS CORPORATION	875,273.85	884,769.90-	9,496.05-
09/12/24		ACCRUED INTEREST ON SALE PACCAR FIN MTN 2.850% 4/07/25 CUSIP 69371RR73	10,859.69		
09/03/24		INTEREST RECEIVED PROGRESSIVE CORP 4.000% 3/01/29 CUSIP 743315AV5 INTEREST ON 1,500,000.000 UNITS	30,000.00		



STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/18/24		INTEREST RECEIVED STATE STR CORP 4.993% 3/18/27 CUSIP 857477CL5 INTEREST ON 1,760,000.000 UNITS	43,938.40		
09/16/24		INTEREST RECEIVED TOYOTA AUTO REC ABS 5.160% 4/17/28 CUSIP 89231FAD2 \$0.00430/PV ON 1,300,000.00 PV DUE 9/15/24	5,590.00		
09/16/24		INTEREST RECEIVED TOYOTA AUTO RECEIVAB 0.710% 4/15/26 CUSIP 89238JAC9 \$0.00020/PV ON 141,811.73 PV DUE 9/15/24	83.91		
09/16/24	18,064.69-	PAID DOWN TOYOTA AUTO RECEIVAB 0.710% 4/15/26 CUSIP 89238JAC9 AT \$6,636.1534 ON TRADE DATE 09/15/2024 TO SETTLE ON 09/16/2024	18,064.69	18,064.30-	0.39
09/16/24		INTEREST RECEIVED U.S. TREASURY NOTES 1.750% 3/15/25 CUSIP 91282CED9 INTEREST ON 3,100,000.000 UNITS	27,125.00		
09/03/24		INTEREST RECEIVED U.S. TREASURY NOTES 3.125% 8/31/27 CUSIP 91282CFH9 INTEREST ON 4,500,000.000 UNITS	70,312.50		
09/13/24	3,500,000	PURCHASED U.S. TREASURY NOTES 3.625% 8/31/29 CUSIP 91282CLK5 AT \$100.7852 ON TRADE DATE 09/11/2024 TO SETTLE ON 09/13/2024 MERRILL LYNCH, PIERCE, FENNER	3,527,480.47-	3,527,480.47	

STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/13/24		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 3.625% 8/31/29 CUSIP 91282CLK5	4,556.28-		
09/03/24		INTEREST RECEIVED U.S. TREASURY NOTES 4.000% 2/29/28 CUSIP 91282CGP0 INTEREST ON 3,700,000.000 UNITS	74,000.00		
09/30/24		INTEREST RECEIVED U.S. TREASURY NOTES 4.125% 3/31/29 CUSIP 91282CKG5 INTEREST ON 2,300,000.000 UNITS	47,437.50		
09/30/24		INTEREST RECEIVED U.S. TREASURY NOTES 4.125% 9/30/27 CUSIP 91282CFM8 INTEREST ON 3,450,000.000 UNITS	71,156.25		
09/18/24	2,000,000	PURCHASED UNITEDHEALTH GROUP 2.875% 8/15/29 CUSIP 91324PDS8 AT \$95.3040 ON TRADE DATE 09/17/2024 TO SETTLE ON 09/18/2024 DEUTSCHE BANK SECURITIES INC.	1,906,080.00-	1,906,080.00	
09/18/24		ACCRUED INTEREST ON PURCHASE UNITEDHEALTH GROUP 2.875% 8/15/29 CUSIP 91324PDS8	5,270.83-		
09/18/24	675,000-	SOLD UNITEDHEALTH GRP INC 3.700% 5/15/27 CUSIP 91324PEG3 AT \$99.8180 ON TRADE DATE 09/17/2024 TO SETTLE ON 09/18/2024 CITIGROUP GBL MKTS/SALOMON BRO	673,771.50	675,316.70-	1,545.20-

STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

**STATEMENT OF TRANSACTIONS**

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/18/24		ACCRUED INTEREST ON SALE UNITEDHEALTH GRP INC 3.700% 5/15/27 CUSIP 91324PEG3	8,533.12		
09/30/24		INTEREST RECEIVED US TREASURY NOTE 0.250% 9/30/25 CUSIP 91282CAM3 INTEREST ON 2,400,000.000 UNITS	3,000.00		
09/30/24		INTEREST RECEIVED US TREASURY NOTE 0.875% 9/30/26 CUSIP 91282CCZ2 INTEREST ON 1,400,000.000 UNITS	6,125.00		
09/03/24		INTEREST RECEIVED US TREASURY NOTE 1.125% 2/28/25 CUSIP 912828ZC7 INTEREST ON 1,500,000.000 UNITS	8,437.50		
09/19/24	5,000-	SOLD US TREASURY NOTE 1.125% 2/28/25 CUSIP 912828ZC7 AT \$98.5312 ON TRADE DATE 09/19/2024 WACHOVIA CAPITAL MARKETS, LLC.	4,926.56	5,077.15-	150.59-
09/19/24		ACCRUED INTEREST ON SALE US TREASURY NOTE 1.125% 2/28/25 CUSIP 912828ZC7	2.95		
09/18/24	700,000-	SOLD VR BANK OF AMERICA 1.319% 6/19/26 CUSIP 06051GJD2 AT \$97.3640 ON TRADE DATE 09/17/2024 TO SETTLE ON 09/18/2024 BARCLAYS CAPITAL INC. FIXED IN	681,548.00	701,274.00-	19,726.00-

STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/18/24		ACCRUED INTEREST ON SALE VR BANK OF AMERICA 1.319% 6/19/26 CUSIP 06051GJD2	2,282.60		
09/18/24	600,000-	SOLD VR BANK OF AMERICA 2.015% 2/13/26 CUSIP 06051GHY8 AT \$98.7360 ON TRADE DATE 09/17/2024 TO SETTLE ON 09/18/2024 BARCLAYS CAPITAL INC. FIXED IN	592,416.00	620,988.00-	28,572.00-
09/18/24		ACCRUED INTEREST ON SALE VR BANK OF AMERICA 2.015% 2/13/26 CUSIP 06051GHY8	1,175.42		
09/24/24	1,150,000-	SOLD VR BANK OF AMERICA 3.559% 4/23/27 CUSIP 06051GHT9 AT \$98.9010 ON TRADE DATE 09/23/2024 TO SETTLE ON 09/24/2024 BANC OF AMERICA SECURITIES LLC	1,137,361.50	1,114,222.54-	23,138.96
09/24/24		ACCRUED INTEREST ON SALE VR BANK OF AMERICA 3.559% 4/23/27 CUSIP 06051GHT9	17,167.23		
09/18/24	1,500,000	PURCHASED VR BANK OF AMERICA 4.271% 7/23/29 CUSIP 06051GHM4 AT \$99.9140 ON TRADE DATE 09/17/2024 TO SETTLE ON 09/18/2024 BANC OF AMERICA SECURITIES LLC	1,498,710.00-	1,498,710.00	
09/18/24		ACCRUED INTEREST ON PURCHASE VR BANK OF AMERICA 4.271% 7/23/29 CUSIP 06051GHM4	9,787.71-		

STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

**STATEMENT OF TRANSACTIONS**

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/25/24		INTEREST RECEIVED VR FHLMC MULTIFAMI 3.334% 8/25/25 CUSIP 3137BLW95 \$0.00278/PV ON 950,000.00 PV DUE 9/25/24	2,639.42		
09/18/24	401,000-	SOLD VR JPMORGAN CHASE & 2.083% 4/22/26 CUSIP 46647PBK1 AT \$98.2950 ON TRADE DATE 09/17/2024 TO SETTLE ON 09/18/2024 BARCLAYS CAPITAL INC. FIXED IN	394,162.95	415,969.33-	21,806.38-
09/18/24		ACCRUED INTEREST ON SALE VR JPMORGAN CHASE & 2.083% 4/22/26 CUSIP 46647PBK1	3,387.54		
09/18/24	1,500,000	PURCHASED VR JPMORGAN CHASE & 4.203% 7/23/29 CUSIP 46647PAV8 AT \$99.7740 ON TRADE DATE 09/17/2024 TO SETTLE ON 09/18/2024 JEFFERIES & COMPANY, INC.	1,496,610.00-	1,496,610.00	
09/18/24		ACCRUED INTEREST ON PURCHASE VR JPMORGAN CHASE & 4.203% 7/23/29 CUSIP 46647PAV8	9,631.88-		
09/17/24		INTEREST RECEIVED WALMART INC 1.050% 9/17/26 CUSIP 931142ER0 INTEREST ON 350,000.000 UNITS	1,837.50		

STATEMENT OF TRANSACTIONS  
 FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
 ACCOUNT NUMBER [REDACTED]

**STATEMENT OF TRANSACTIONS**

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
		TRANSFER RECEIPTS			
09/03/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	201,728.66		
09/05/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	47,961.11		
09/09/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	22,884.98		
09/12/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	14,784.36		
09/16/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	92,255.03		
09/17/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	5,721.88		
09/18/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	48,547.64		
09/20/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	13,389.06		
09/23/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	8,596.87		
09/24/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	15,354.47		
09/25/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	41,248.54		

STATEMENT OF TRANSACTIONS  
 FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
 ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/26/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	2,132.03		
09/27/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	1,182.90		
09/30/24		ADDITION TO ACCOUNT TRANSFER FROM INCOME	127,718.75		
		INVESTMENT MANAGEMENT EXPENSES			
09/09/24		INVESTMENT MGMT FEE PAID TO CHANDLER ASSET MANAGEMENT INC CHANDLER ASSET MGMT FEE 2408CUPERTIN PERIOD 8.1.24-8.31.24	10,056.99-		
		TRANSFER DISBURSEMENTS			
09/03/24		TRANSFER TO PRINCIPAL	201,728.66-		
09/05/24		TRANSFER TO PRINCIPAL	47,961.11-		
09/09/24		TRANSFER TO PRINCIPAL	22,884.98-		
09/12/24		TRANSFER TO PRINCIPAL	14,784.36-		
09/16/24		TRANSFER TO PRINCIPAL	92,255.03-		
09/17/24		TRANSFER TO PRINCIPAL	5,721.88-		
09/18/24		TRANSFER TO PRINCIPAL	48,547.64-		
09/20/24		TRANSFER TO PRINCIPAL	13,389.06-		
09/23/24		TRANSFER TO PRINCIPAL	8,596.87-		

STATEMENT OF TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF CUPERTINO  
ACCOUNT NUMBER [REDACTED]

**STATEMENT OF TRANSACTIONS**

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/24/24		TRANSFER TO PRINCIPAL	15,354.47-		
09/25/24		TRANSFER TO PRINCIPAL	41,248.54-		
09/26/24		TRANSFER TO PRINCIPAL	2,132.03-		
09/27/24		TRANSFER TO PRINCIPAL	1,182.90-		
09/30/24		TRANSFER TO PRINCIPAL	127,718.75-		
<b>ENDING BALANCE</b>			<b>0.00</b>	<b>169,147,087.73</b>	

**INVESTMENT AND INSURANCE PRODUCTS ARE:**

- NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR ANY FEDERAL GOVERNMENT AGENCY
- NOT A DEPOSIT, OBLIGATION OF, OR GUARANTEED BY ANY BANK OR BANKING AFFILIATE
- SUBJECT TO INVESTMENT RISKS AND MAY LOSE VALUE, INCLUDING POSSIBLE LOSS OF PRINCIPAL AMOUNT INVESTED



CITY OF CUPERTINO  
PARS Post-Employment Benefits Trust

Account Report for the Period  
9/1/2024 to 9/30/2024

Kristina Alfaro  
Director of Administrative Services  
City of Cupertino  
10300 Torre Ave.  
Cupertino, CA 95014

### Account Summary

Source	Balance as of 9/1/2024	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 9/30/2024
OPEB	\$39,725,258.30	\$0.00	\$655,055.49	\$10,800.09	\$0.00	\$0.00	\$40,369,513.70
PENSION	\$22,599,082.20	\$0.00	\$374,060.92	\$6,142.80	\$0.00	\$0.00	\$22,967,000.32
Totals	\$62,324,340.50	\$0.00	\$1,029,116.41	\$16,942.89	\$0.00	\$0.00	\$63,336,514.02

### Investment Selection

Source	
OPEB	City of Cupertino - OPEB
PENSION	City of Cupertino - PEN

### Investment Objective

Source	
OPEB	Individual account based on US Bank Balanced MM. Dual goals are to provide a moderate amount of current income with moderate capital growth. Income production and longer term growth of capital.
PENSION	Individual account based on US Bank Balanced MM. Dual goals are to provide a moderate amount of current income with moderate capital growth. Income production and longer term growth of capital.

### Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	1.65%	6.29%	24.81%	4.03%	7.72%	6.73%	6/21/2010
PENSION	1.66%	6.11%	24.56%	3.96%	8.45%	-	3/26/2019

Information as provided by US Bank, Trustee for PARS: Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.  
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.  
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees.

# California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

October 02, 2024

[LAIF Home](#)  
[PMIA Average Monthly Yields](#)

CITY OF CUPERTINO

FINANCE MANAGER  
10300 TORRE AVENUE  
CUPERTINO, CA 95014

[Tran Type Definitions](#)



Account Number: XXXXXXXXXX

September 2024 Statement

### Account Summary

Total Deposit:	0.00	Beginning Balance:	65,759,753.90
Total Withdrawal:	0.00	Ending Balance:	65,759,753.90



# CITY OF CUPERTINO

## Agenda Item

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**24-13476**

**Agenda Date:**  
**10/31/2024 Agenda #: 8.**

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**Subject:** INFORMATIONAL ITEM Receive the proposed Audit Committee 2024 Schedule and Workplan

**Receive the proposed Audit Committee 2024 Schedule and Workplan**

**Presenter:** Jonathan Orozco, Finance Manager

**5:40(10)**

CITY OF CUPERTINO - AUDIT COMMITTEE 2024 SCHEDULE AND WORK PLAN							
January 29, 2024 Regular Meeting	March 21, 2024 Special Meeting	April 22, 2024 Regular Meeting	June 24, 2024 Special Meeting	July 22, 2024 Regular Meeting	October 28, 2024 Regular Meeting	October 31, 2024 Special Meeting	December 16, 2024 (Tentative) Special Meeting
	Appoint Audit Committee Chair and Vice Chair	Approve Prior Meeting Minutes	Approve Prior Meeting Minutes	Approve Prior Meeting Minutes		Approve Prior Meeting Minutes	Approve Prior Meeting Minutes
	Receive the committee's roles and responsibilities (CMC 2.88.100)	OPEB & Pension Trust Performance Report for Quarter Ending December 31, 2023 and March 31, 2024	FY 2022-23 ACFR and Supplemental Reports Review	OPEB & Pension Trust Performance Report for Quarter Ending June 30, 2024		OPEB & Pension Trust Performance Report for Quarter Ending September 30, 2024	Review of FY 2023-24 ACFR and Supplemental Reports (tentative)
CANCELLED	Receive PARS Presentation	Quarterly Treasurer's Investment Report for Quarter Ending December 31, 2023 and March 31, 2024	Moss Adams - Enterprise Risk Assessment Report	Quarterly Treasurer's Investment Report for Quarter Ending June 30, 2024		Quarterly Treasurer's Investment Report for Quarter Ending September 30, 2024	Budget Format Review
	Receive Chandler Investments Presentation	Internal Audit and Fraud, Waste, and Abuse Programs Update	Internal Audit Program	Internal Audit and Fraud, Waste, and Abuse Program Update		Internal Audit and Fraud, Waste, and Abuse Program Update	Agreed Upon Procedures (AUP) Review - GANN Limit, Investment Policy, Storm Drain
	Receive The Pun Group Presentation	Annual Review of City Investment Policy				Internal Audit - Citywide Policy Review	Discuss Agreed Upon Procedures (AUP) - Credit Card
	Receive Moss Adams Presentation	Review of FY 2022-23 ACFR and Supplemental Reports (tentative)				Annual Review of OPEB and Pension Trust Investment Policies	
	Receive Budget Feedback on the City's current recommended Service Level Reductions (SLRs)					<del>Agreed Upon Procedures (AUP) Review - GANN Limit, Investment Policy, Storm Drain</del>	
	Budget Format Review					<del>Discuss Agreed Upon Procedures (AUP) - Credit Card</del>	
	Receive the proposed Audit Committee 2024 Schedule and Workplan					Fiscal Year 2023-24 ACFR Update	

**Summary of Duties – Powers – Responsibilities of  
Cupertino Audit Committee**

Source: Cupertino, CA Municipal Code, Chapter 2.88.100: Audit Committee

The powers and functions of the Audit Committee shall be as follows:

- A. To review the annual audit report and management letter;
- B. To recommend appointment of auditors;
- C. To review the quarterly Treasurer's Investment report;
- D. To recommend a budget format;
- E. To review City investment policies and internal controls of such policies.
- F. To recommend appointment of internal auditors;
- G. To review internal audit reports.
- H. To review quarterly Fraud, Waste, and Abuse Program reports. (Ord. 22-2243 § 1, 2023; Ord. 20-2208, § 1, 2020; Ord. 1679, § 1 (part), 1995)