



CITY OF CUPERTINO

AGENDA

AUDIT COMMITTEE

10185 North Stelling Road, Quinlan Conference Room and via Teleconference

Monday, January 26, 2026

4:00 PM

Regular Meeting

IN-PERSON AND TELECONFERENCE / PUBLIC PARTICIPATION INFORMATION OPTIONS TO OBSERVE:

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, Conference Room, 10185 N. Stelling Road.
- 2) Watch a live stream online at <https://youtube.com/@cupertinocitycommission>.
- 3) Attend in person at a remote Teleconference Location noticed pursuant to Gov. Code 54953(b)(2), which location, if noticed, would be stated on the cover page of this agenda.

OPTIONS TO PARTICIPATE AND COMMENT:

Members of the public wishing to address the Audit Committee may do so in the following ways:

- 1) Appear in person at Quinlan Community Center, Conference Room, 10185 N. Stelling Road:
 - A. During "Oral Communications", the public may comment on matters not on the agenda, and for agendized matters, the public may comment during the public comment period for each agendized item.
 - B. Speakers are requested to complete a Speaker Card. While completion of Speaker Cards is voluntary and not required to attend the meeting or provide comments, it is helpful for the purposes of ensuring that all speakers are called upon.
 - C. Speakers must wait to be called and may begin speaking when recognized by the Chair.
 - D. Speakers are limited to three (3) minutes each. However, the Chair may reduce the speaking time depending on the number of people who wish to speak on an item. A speaker representing a group of 2 to 5 or more people who are present may have up to 2 minutes per group member, up to 10 minutes maximum.
 - E. Please note that due to cyber security concerns, speakers are not allowed to connect any personal devices to any City equipment. However, speakers that wish to share a document (e.g. presentations, photographs or other documents) during oral comments may do so by:
 - a. E-mailing the document to auditcommittee@cupertino.gov by 1:00 p.m. and staff will

advance the slides/share the documents during your oral comment.

2) Written communications as follows:

A. E-mail comments to AuditCommittee@cupertino.gov.

B. Regular mail or hand delivered addressed to the: Cupertino Audit Committee, City Hall, 10300 Torre Avenue, Cupertino, CA 95014

C. Comments addressed to the Audit Committee received by 2:00 p.m. on the day of the meeting will be included in written communications published and distributed before the beginning of the meeting.

D. Comments addressed to the Audit Committee received after the 2:00 p.m. deadline, but through the end of the Commission meeting, will be posted to the City's website by the end of the following business day.

3) Teleconference in one of the following ways:

A. Online via Zoom on an electronic device (Audio and Video): Speakers must register in advance by clicking on the link below to access the meeting:

https://cityofcupertino.zoom.us/webinar/register/WN_nLVPjacMTVGXJZqpC298vA

a. Registrants will receive a confirmation email containing information about joining the webinar.

b. Speakers will be recognized by the name they use for registration. Once recognized, speakers must click 'unmute' when prompted to speak.

c. Please read the following instructions about technical compatibility carefully: One can directly download the teleconference (Zoom) software or connect to the meeting in their internet browser. If a browser is used, make sure the most current and up-to-date browser, such as the following, is used: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers, including Internet Explorer.

B. By Phone (Audio only): No registration is required in advance and speakers may join the meeting as follows:

a. Dial 669-900-6833 and enter WEBINAR ID: 824 7963 8591

b. To "raise hand" to speak: Dial *9; When asked to unmute: Dial *6

c. Speakers will be recognized to speak by the last four digits of their phone number.

C. Via an H.323/SIP room system:

H.323 Information:

144.195.19.161 (US West)

206.247.11.121 (US East)

Meeting ID: 824 7963 8591

SIP: 82479638591@zoomcrc.com

D. Online via the teleconferencing device (Audio and Video) being used to provide access to the meeting from a remote Teleconference Location noticed pursuant to Gov. Code 54953(b)(2), which location, if noticed, would be stated on the cover page of this agenda.

- a) Speakers are required to notify the City Clerk via email to cityclerk@cupertino.gov prior to noon on the date of the meeting during which they plan to participate and comment from the remote location noticed to ensure the City Clerk is prepared to accept their comment.**
- b) If the teleconferencing device malfunctions impeding access to the meeting from the remote location, the speaker may alternatively participate via the other options for remote participation provided above.**

ROLL CALL

POSTPONEMENTS AND ORDERS OF THE DAY

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.

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine Audit Committee business and may be approved by one motion. Typical items may include meeting minutes and investment reports. Any member of the Committee may request to have an item removed from the Consent Calendar. Members of the public may provide input on one or more consent calendar items when the Chair asks for public comments on the Consent Calendar.

- 1. Subject: Approval of December 1, 2025 Audit Committee meeting minutes**
Recommended Action: Approval of December 1, 2025 Audit Committee meeting minutes
[A - Draft Minutes](#)
- 2. Subject: Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending December 30, 2025 and forward to City Council**
Recommended Action: Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending December 30, 2025 and forward to City Council
Presenter: PARS and US Bank
[A - OPEB Pension Section 115 Trust Performance Report for Quarter Ending December 31, 2025](#)
[B - City of Cupertino Investment Review](#)

3. Subject: Receive the Treasurer's Investment Report for the Quarter Ending December 31, 2025

Recommended Action: Receive the Treasurer's Investment Report for the Quarter Ending December 31, 2025 and forward to City Council

Presenter: Jonathan Orozco, Acting Director of Administrative Services and City Treasurer, and Chandler Asset Management

Staff Report

[A – Chandler Investment Report December 2025](#)

[B – Chandler Custodial Statement December 2025](#)

[C – PARS Pension and OPEB Account Statement December 2025](#)

[D – LAIF Account Statement December 2025](#)

OLD BUSINESS - NONE

NEW BUSINESS

4. Subject: ACTION ITEM Appointment of Chair and Vice Chair

Recommended Action: Appoint Chair and Vice Chair

Presenter: Jonathan Orozco, Acting Director of Administrative Services and City Treasurer

4:10(10)

5. Subject: ACTION ITEM Receive OPEB & Pension Section 115 Trust Investment Policy

Recommended Action: Receive OPEB & Pension Section 115 Trust Investment Policy and forward to City Council

Presenter: PARS and US Bank

4:20(40)

Staff Report

[A - OPEB Trust Investment Policy](#)

[B - Pension Trust Investment Policy](#)

6. 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: Baker Tilly

5:00(15)

[A - Internal Audit Status Report 01-16-26](#)

[B - Cupertino Audit Validation Report - January 2026](#)

8. Subject: INFORMATIONAL ITEM Receive the proposed Audit Committee 2026 Schedule and Workplan

Recommended Action: Receive the proposed Audit Committee 2026 Schedule and Workplan

Presenter: Jonathan Orozco, Acting Director of Administrative Services and City Treasurer

5:15(5)

[A - Proposed Audit Committee 2026 Schedule and Work Plan](#)

STAFF AND COMMITTEE REPORTS

COMMITTEEMEMBER ATTENDANCE AT UPCOMING MEETINGS AND EVENTS

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 agendized 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

26-14795

Agenda Date: 1/26/2026
Agenda #: 1.

Subject: Approval of December 1, 2025 Audit Committee meeting minutes

Approval of December 1, 2025 Audit Committee meeting minutes



DRAFT MINUTES
AUDIT COMMITTEE
Monday, December 1, 2025

At 1:00 p.m. Chair Eno Schmidt called the special Audit Committee meeting to order at the Quinlan Conference Room, 10185 North Stelling Road and via teleconference.

ROLL CALL

Present: Chair Eno Schmidt, Vice Mayor Kitty Moore, Council Member Sheila Mohan (arrived at the meeting at 1:01 p.m.), and Committee Member William Wong. Absent: Vice Chair Hanyan Wu.

ORDERS OF THE DAY – None.

APPROVAL OF MINUTES

1. Subject: Approve Minutes of Regular Meeting on October 27, 2025
Recommended Action: Approve Minutes of Regular Meeting on October 27, 2025

Chair Schmidt opened the public comment period and, seeing no one, closed the public comment period.

MOTION: Moore moved and Schmidt seconded to approve the minutes of the regular meeting on October 27, 2025. The motion carried with the following vote: Ayes: Moore, Schmidt, Wong. Noes: None. Abstain: None. Absent: Mohan, Wu.

POSTPONEMENTS – None.

ORAL COMMUNICATIONS – None.

OLD BUSINESS – None.

NEW BUSINESS

2. Subject: ACTION ITEM Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending September 30, 2025 and forward to City Council
Recommended Action: Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending September 30, 2025 and forward to City Council
Presenter: PARS and US Bank
PARS and US Bank gave a presentation.

US Bank representative Dennis Mullins gave a presentation.

Committee members asked questions which staff and the presenters responded to.

Item was deferred due to incorrect noticing for the item.

Chair Schmidt opened the public comment period and, seeing no one, closed the public comment period.

3. Subject: ACTION ITEM Receive the FY 2024-25 Annual Comprehensive Financial Report (ACFR) and Supplemental Reports and forward to City Council
Recommended Action: Receive the FY 2024-25 Annual Comprehensive Financial Report (ACFR) and Supplemental Reports and forward to City Council
Presenter: Jonathan Orozco, Finance Manager and The Pun Group
1:45(30)

Finance Manager Jonathan Orozco introduced Pun Group representative Frances Kuo, who gave a presentation.

Committee members asked questions which staff and the presenter responded to.

Chair Schmidt opened the public comment period and, seeing no one, closed the public comment period.

Committee Members made comments.

4. Subject: INFORMATIONAL ITEM Receive the proposed Audit Committee 2026 Schedule and Workplan
Recommended Action: Receive the proposed Audit Committee 2026 Schedule and Workplan
Presenter: Jonathan Orozco, Finance Manager
2:15(10)

Finance Manager Jonathan Orozco gave a presentation.

Committee Members asked questions which staff responded to.

Committee Members made the following recommendations:

- Determine if the Quinlan Conference room is available to extend the length of the Audit Committee Meeting for the Municipal Code Updates.

- Add the OPEB and Pension Trust Performance Report to the Consent Calendar.
- Include the Quarterly Treasurer's Investment Report on the Consent Calendar, with meeting discussion focused on key items rather than a full review of the report.
- Prioritize additional meeting time for the Audit Work Program and Internal Audit Program.
- Streamline Audit Committee meetings to focus on core Audit Committee responsibilities.
- Direct staff to consult with the City Attorney regarding the Audit Committee's role in reviewing reserve-related policies, including whether amendments to the Municipal Code would be required, and report back to the Committee.
- Obtain an independent, third-party review as part of the Annual Review of the City Investment Policy.

Chair Schmidt opened the public comment period and, seeing no one, closed the public comment period.

STAFF AND COMMITTEE REPORTS – None.

COMMITTEEMEMBER ATTENDANCE AT UPCOMING MEETINGS AND EVENTS – None.

FUTURE AGENDA SETTING – None.

ADJOURNMENT

At 2:52 p.m. Chair Schmidt adjourned the regular Audit Committee Meeting. Minutes prepared by:

Lindsay Nelson, Administrative Assistant



CITY OF CUPERTINO

Agenda Item

26-14796

Agenda Date: 1/26/2026

Agenda #: 2.

Subject: Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending December 30, 2025 and forward to City Council

Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending December 30, 2025 and forward to City Council

Presenter: PARS and US Bank



CITY OF CUPERTINO

PARS 115 Trust – OPEB Prefunding Program &
Pension Rate Stabilization Program Plan Client Review
January 26, 2026

PARS 115 TRUST TEAM

As of September 30, 2025

Trust Administrator & Consultant*



PUBLIC AGENCY
RETIREMENT SERVICES

- Serves as record-keeper, consultant, and central point of contact
- Sub-trust accounting
- Coordinates all agency services
- Monitors plan compliance (IRS/GASB/State Government Code)
- Processes contributions/disbursements
- Hands-on, dedicated support teams

40+

Years of Experience
(1984-2025)

2,300+

Plans under
Administration

1,100+

Public Agency
Clients

550+

115 Trust Clients

750k+

Plan Participants

\$10.7B+

Assets under
Administration

* See important information regarding PARS in the Disclaimer page at the end of the presentation.

Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

162

Years of Experience
(1863-2025)

\$11.0T

Assets under
Administration

Investment Manager



- A division of U.S. Bancorp Asset Management, Inc.
- Fixed income and multi asset portfolios
- Strategic Blend and Index platform options
- Customized portfolios (with minimum asset level)

41

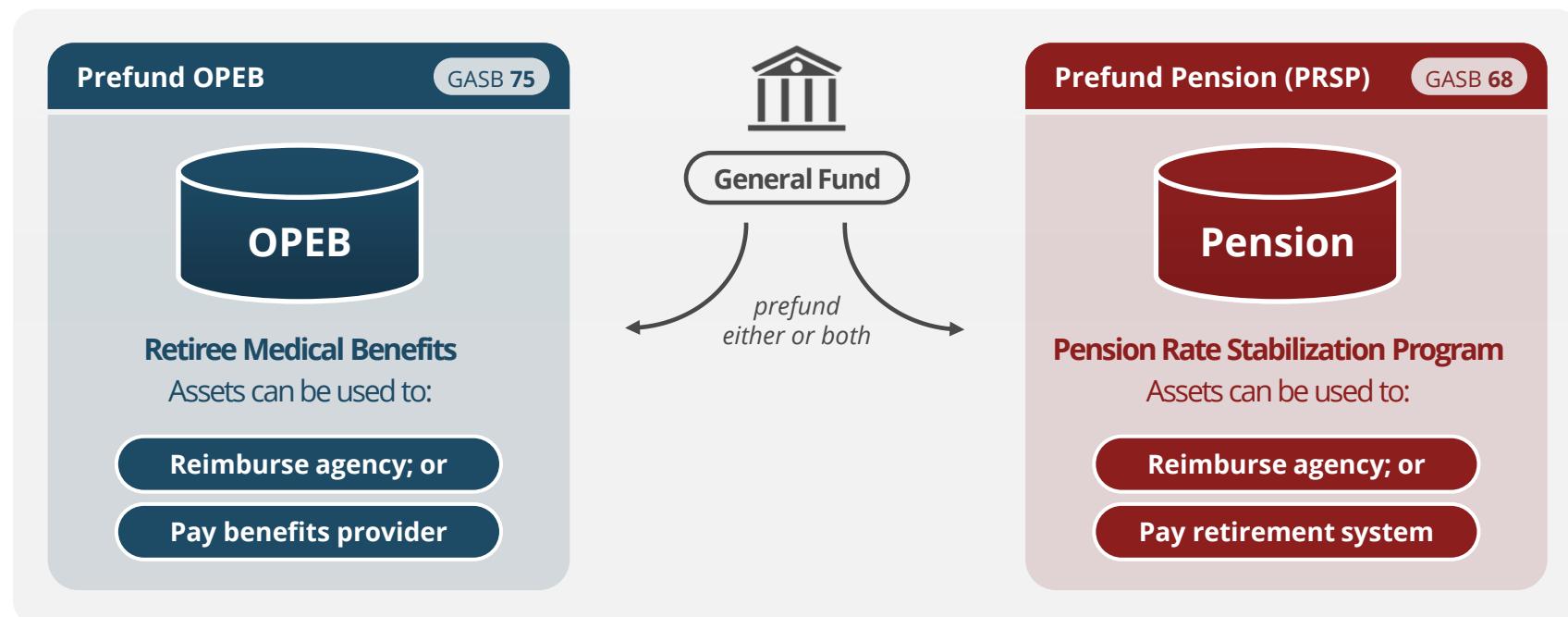
Years of Investment
Experience
(As of 9/30/2025)

\$247.5B*

Assets under Management
& Advisement

*Please see disclosures at the end of this presentation

PARS IRS-APPROVED SECTION 115 TRUST



Subaccounts

OPEB and pension assets are individually sub-accounted, and can be divided by dept., bargaining group, or cost center.



Financial Stability

Assets in the PARS Section 115 Combination Trust can be used to address unfunded liabilities.



Flexible Investing

Allows separate investment strategies for OPEB and pension subaccounts.



Anytime Access

Trust funds are available anytime; OPEB for OPEB and pension for pension.



Economies-of-Scale

OPEB and pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!



No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.



PARS/CITY OF CUPERTINO 115P

OPEB & PENSION ACCOUNTS

December 31, 2025 Investment Review

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



Client CONFIDENTIAL

Your Team

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www.pars.org

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For more information regarding PFMAM’s services please visit www.pfmam.com.

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 - Performance (AGG460596)
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Portfolio Review - OPEB

Provided by U.S Bank



Account: XXXXXX9600

Holdings Method: Direct

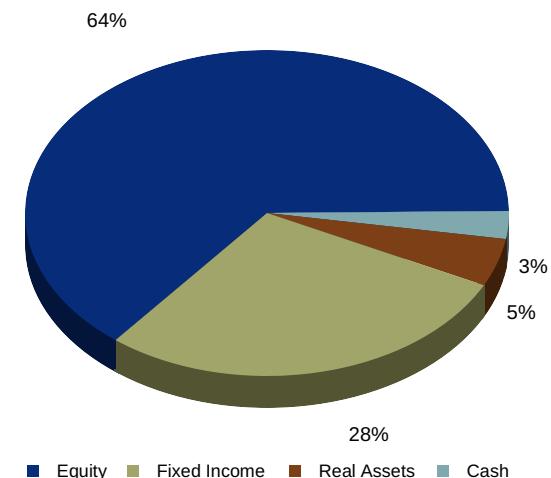
Report Date: 12/31/2025

Portfolio Summary

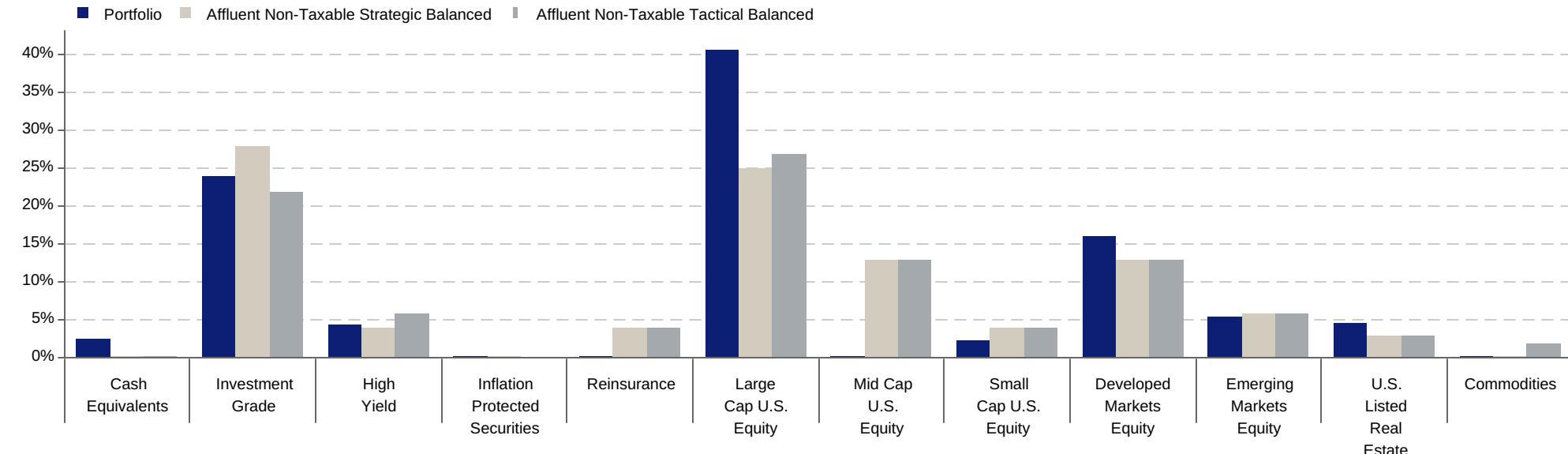
Inv. Objective	Balanced/Nontaxable-1
Total Portfolio Value	\$46,047,723
Net Realized Cap Gains YTD	\$144,666
Annual Income Projected	\$1,378,474
Current Yield	2.99%
Number of Securities	8
Portfolio Mgr.	Dennis S. Mullins, CFA

Portfolio Asset Allocation

Equity	\$29,630,185	64.35%
Fixed Income	\$13,032,926	28.30%
Real Assets	\$2,182,878	4.74%
Cash	\$1,201,734	2.61%
Invested Total	\$46,047,723	100.00%



Portfolio Model Allocation



Account: XXXXXX9600

Holdings Method: Direct

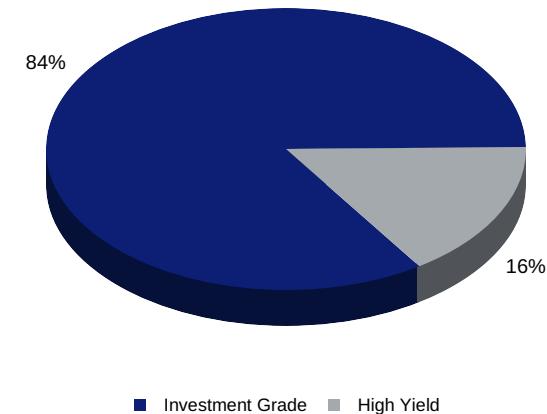
Report Date: 12/31/2025

Fixed Income Summary

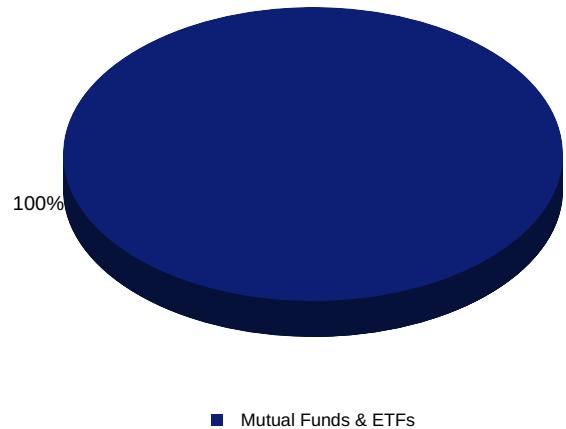
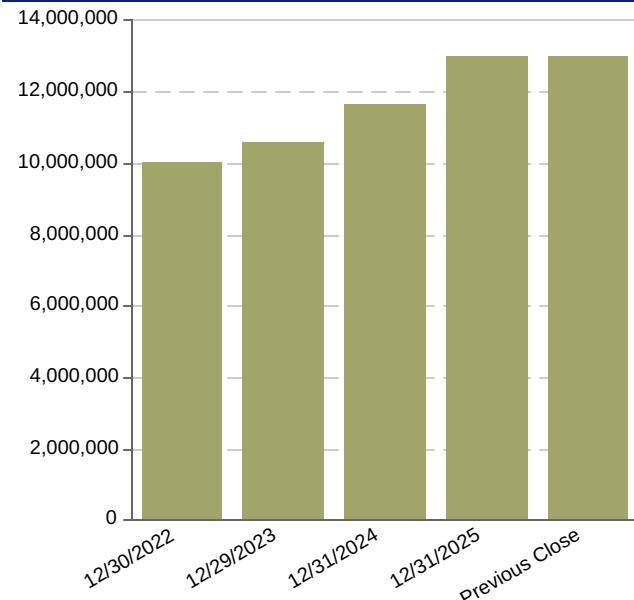
Inv. Objective	Balanced/Nontaxable-1
Total Fixed Income Value	\$13,032,926
Current Yield	4.09%
Annual Income Projected	\$532,798
Number of Securities	2
Portfolio Mgr.	Dennis S. Mullins, CFA

Fixed Income Asset Allocation

Investment Grade	\$11,002,024	84.42%
High Yield	\$2,030,901	15.58%


Fixed Income Sector Exposures

Mutual Funds & ETFs	\$13,032,926	100.00%
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Fixed Income Market Value


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

Holdings Date: 12/31/2025

CITY OF CUPERTINO

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Account: XXXXXX9600

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

Report Date: 12/31/2025

Equity Summary

Inv. Objective Balanced/Nontaxable-1

Total Equity Value \$29,630,185

Current Yield 2.48%

Annual Income Projected \$735,227

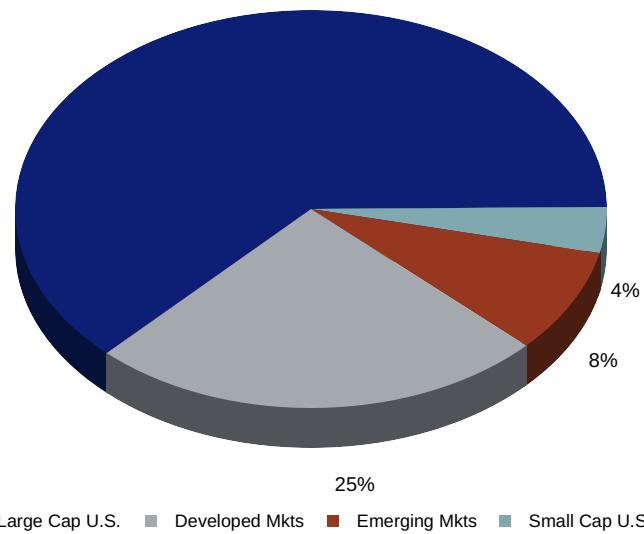
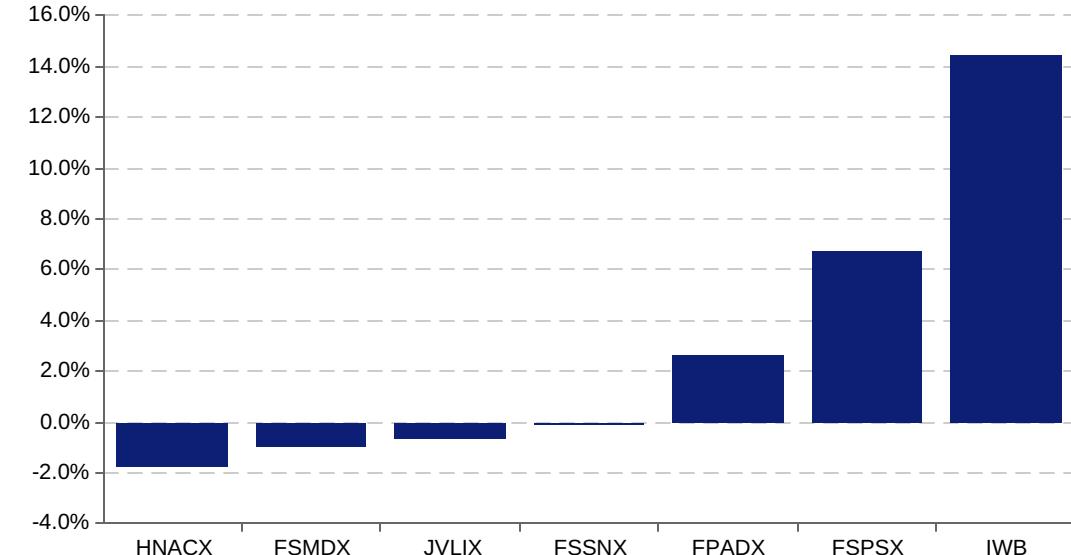
Number of Securities 4

Portfolio Mgr. Dennis S. Mullins, CFA

Equity Asset Allocation

Large Cap U.S.	\$18,659,676	62.98%
Developed Mkts	\$7,415,397	25.03%
Emerging Mkts	\$2,494,763	8.42%
Small Cap U.S.	\$1,060,348	3.58%

63%


Bottom 5/ Top 5 Contributors (Trailing 12 Months)

Equity Global Distribution

Equity Country Distribution

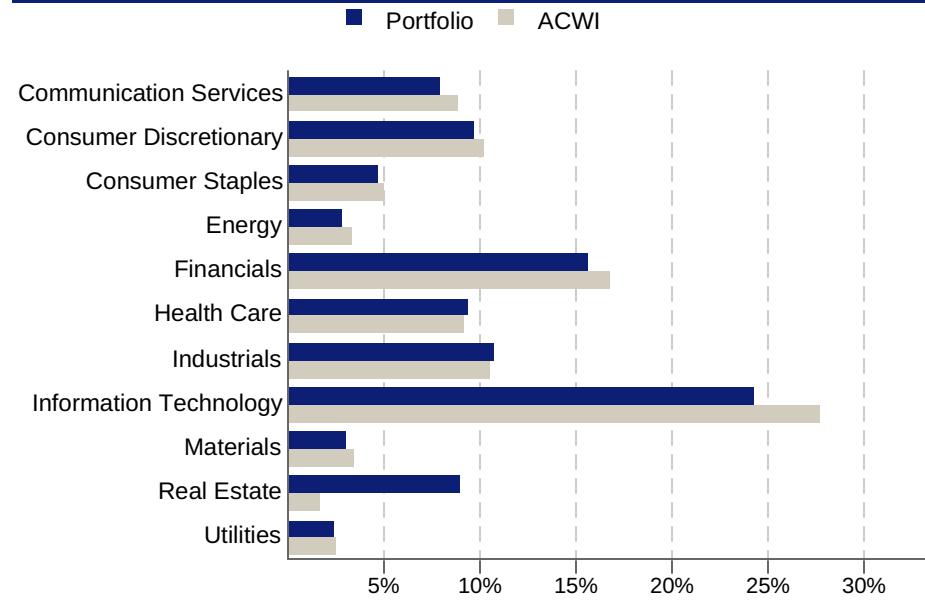
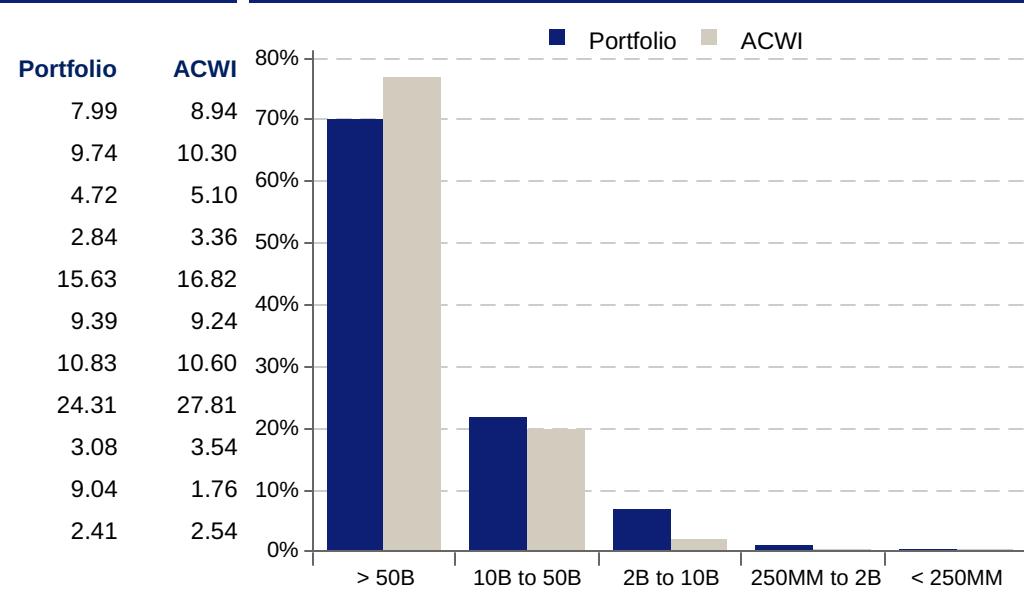

Account: XXXXXX9600

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

Report Date: 12/31/2025

Top 10 Common Stock Holdings

	Stock Wt. (%)	Full Port Wt. (%)	Yield (%)	YTD Return* (%)	52 Wk Return* (%)		Portfolio	ACWI
NVIDIA Corporation	4.22	2.82	0.02	38.9	38.9	Market Cap - Wtd Avg	\$826.5B	\$945.4B
Apple Inc.	3.83	2.56	0.40	9.0	9.0	Market Cap - Median	\$6.9B	\$19.8B
Microsoft Corporation	3.47	2.32	0.76	15.6	15.6	Dividend Yield	1.75	1.58
Amazon.com, Inc.	2.14	1.43	0.00	5.2	5.2	P/E NTM	18.9	18.5
Alphabet Inc. Class A	1.76	1.18	0.26	66.0	66.0	P/E LTM	22.5	22.4
Broadcom Inc.	1.55	1.03	0.78	50.6	50.6	ROE (%)	20.1	21.9
Alphabet Inc. Class C	1.44	0.96	0.26	65.4	65.4	1 Yr Beta vs. S&P Composite	.84	.84
Meta Platforms Inc Class A	1.39	0.93	0.33	13.1	13.1	Est 3-5 Yr EPS Growth (%)	11.6	12.2
Tesla, Inc.	1.23	0.82	0.00	11.4	11.4	Hist 3 Yr EPS Growth (%)	16.4	17.6
Taiwan Semiconductor Manufa...	0.94	0.63	1.22	46.5	46.5	Number of Securities	4872	2260

Common Stock Sector Exposures

Common Stock Market Cap Distribution


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

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Holdings Date: 12/31/2025

CITY OF CUPERTINO 1 21

Custom Benchmark

CITY OF CUPERTINO OPEB

Asset Class	Benchmark	Range	Target	Actual
Equities	MSCI ACWI Index (net)	50%-70%	63%	64.4%
Fixed Income	BBARC US Aggregate Bond Index	20%-40%	29%	28.3%
Real Estate	S&P Global REIT TR USD	0%-15%	5%	4.7%
Commodities	S&P GSCI Commodity Index	0%-10%	2%	0%
Cash	FTSE 3-Mo US T-Bill Index	0%-10%	1%	2.6%

Selected Period Performance

	Market Value	Year to Date (1 Year)	3 Months	1 Year	3 Years	5 Years	139 Months	Inception to Date 07/01/2010
Total Portfolio Gross of Fees	46,097,294	16.39	2.28	16.39	15.11	6.76	6.94	7.40
Total Portfolio Net of Fees	46,097,294	16.20	2.24	16.20	14.91	6.58	6.73	
City of Cupertino		16.73	2.40	16.73	14.79	7.58	7.14	8.21
Total Equity	29,630,185	21.90	3.16	21.90	20.26	9.52	10.46	12.15
MSCI ACWI (Net)		22.34	3.29	22.34	20.65	11.19	9.81	11.03
Russell 3000 Index		17.15	2.40	17.15	22.25	13.15	13.00	14.72
S&P 500 Index (Total Return)		17.88	2.66	17.88	23.01	14.42	13.59	15.12
S&P MidCap 400 Index		7.50	1.64	7.50	12.56	9.12	9.56	12.14
S&P SmallCap 600 Index		6.02	1.70	6.02	10.17	7.31	8.89	11.75
MSCI EAFE Index (Net)		31.22	4.86	31.22	17.22	8.92	6.15	7.91
MSCI Emerging Markets Index (Net)		33.57	4.73	33.57	16.40	4.20	5.24	5.29
Total Fixed Income	13,079,279	7.34	1.03	7.34	5.54	.81	1.29	2.06
BBARC US Aggregate Bond Index		7.30	1.10	7.30	4.66	-.36	1.95	2.42
BBARC Global Aggregate Index		8.17	.24	8.17	3.98	-2.15	.51	1.48
Total Real Assets	2,182,878	2.67	-1.81	2.67	8.25	5.98		
S&P Global REIT Index (Gross)		8.88	-.55	8.88	8.06	5.02	4.94	7.87
S&P GSCI Index		7.12	.97	7.12	3.86	14.65	-2.09	-.18
Total Cash Equivalents	1,204,952	4.21	.98	4.21	4.79	3.16	1.79	1.34
FTSE 3 Month Treasury Bill Index		4.40	1.02	4.40	5.03	3.31	1.92	1.45
Pending Cash	0	.00	.00	.00	.00	.00	.00	.00



Account: XXXXXX9600

Holdings Method: Direct

Report Date: 12/31/2025

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
Total		100.0			46,047,723	39,760,252	6,287,471	2.99	1,378,474
Cash		2.61			1,201,734	1,201,734	0	3.68	44,265
Cash Equivalents		2.61			1,201,734	1,201,734	0	3.68	44,265
FIRST AM GOVT OB FD CL X	31846V336	2.61	1.00	1,201,734	1,201,734	1,201,734	0	3.68	44,265
Fixed Income		28.30			13,032,926	12,793,667	239,258	4.09	532,798
Investment Grade		23.89			11,002,024	10,684,603	317,421	3.56	391,739
Mutual Funds & ETFs		23.89			11,002,024	10,684,603	317,421	3.56	391,739
Fidelity U.S. Bond Index Fund	FXNAX	23.89	10.56	1,041,858	11,002,024	10,684,603	317,421	3.56	391,739
High Yield		4.41			2,030,901	2,109,065	-78,163	6.95	141,059
Mutual Funds & ETFs		4.41			2,030,901	2,109,065	-78,163	6.95	141,059
Artisan High Income Fund - Institutional Sh...	APHFX	4.41	9.20	220,750	2,030,901	2,109,065	-78,163	6.95	141,059
Equity		64.35			29,630,185	23,575,927	6,054,259	2.48	735,227
Large Cap U.S. Equity		40.52			18,659,676	15,058,800	3,600,877	1.00	185,927
Mutual Funds & ETFs		40.52			18,659,676	15,058,800	3,600,877	1.00	185,927
iShares Russell 1000 ETF	IWB	40.52	373.44	49,967	18,659,676	15,058,800	3,600,877	1.00	185,927
Small Cap U.S. Equity		2.30			1,060,348	836,017	224,331	2.17	22,969
Mutual Funds & ETFs		2.30			1,060,348	836,017	224,331	2.17	22,969
Fidelity Small Cap Index Fund	FSSNX	2.30	30.93	34,282	1,060,348	836,017	224,331	2.17	22,969
Developed Markets Equity		16.10			7,415,397	5,879,818	1,535,579	6.31	467,609
Mutual Funds & ETFs		16.10			7,415,397	5,879,818	1,535,579	6.31	467,609
Fidelity International Index Fund	FSPSX	16.10	60.80	121,964	7,415,397	5,879,818	1,535,579	6.31	467,609
Emerging Markets Equity		5.42			2,494,763	1,801,292	693,471	2.35	58,722
Mutual Funds & ETFs		5.42			2,494,763	1,801,292	693,471	2.35	58,722
Fidelity Emerging Markets Index Fund	FPADX	5.42	13.68	182,366	2,494,763	1,801,292	693,471	2.35	58,722
Real Assets		4.74			2,182,878	2,188,924	-6,046	3.03	66,184
U.S. Listed Real Estate		4.74			2,182,878	2,188,924	-6,046	3.03	66,184
iShares Core U.S. REIT ETF	USRT	4.74	56.96	38,323	2,182,878	2,188,924	-6,046	3.03	66,184

Portfolio Review - Pension

Provided by U.S Bank

Account: XXXXXX9601

Holdings Method: Direct

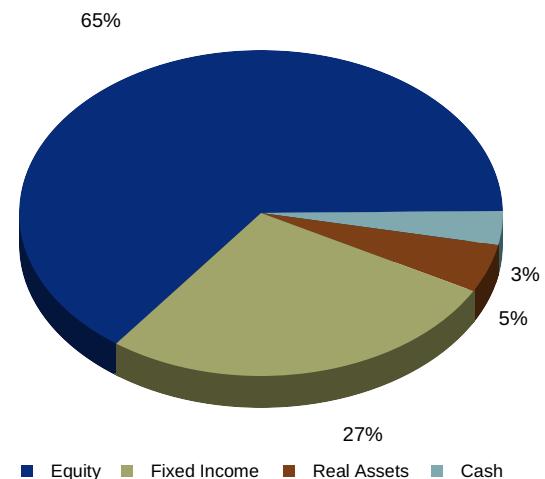
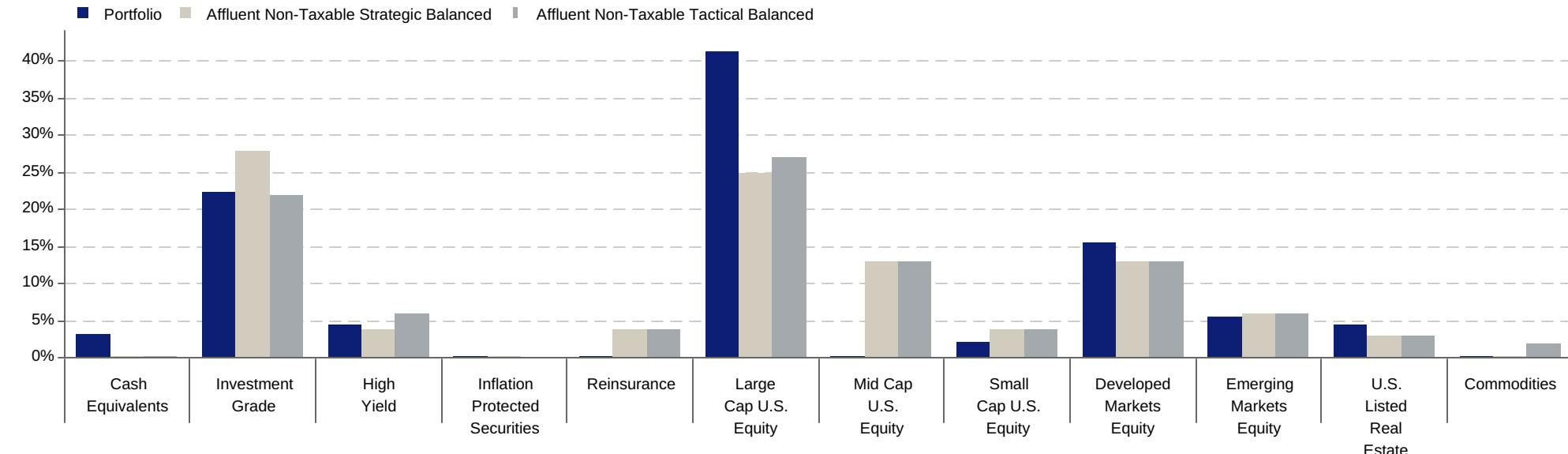
Report Date: 12/31/2025

Portfolio Summary

Inv. Objective	Balanced/Nontaxable-1
Total Portfolio Value	\$26,200,150
Net Realized Cap Gains YTD	\$67,598
Annual Income Projected	\$777,645
Current Yield	2.97%
Number of Securities	8
Portfolio Mgr.	Dennis S. Mullins, CFA

Portfolio Asset Allocation

Equity	\$17,009,654	64.92%
Fixed Income	\$7,106,344	27.12%
Real Assets	\$1,224,697	4.67%
Cash	\$859,455	3.28%
Invested Total	\$26,200,150	100.00%


Portfolio Model Allocation


Account: XXXXXX9601

Holdings Method: Direct

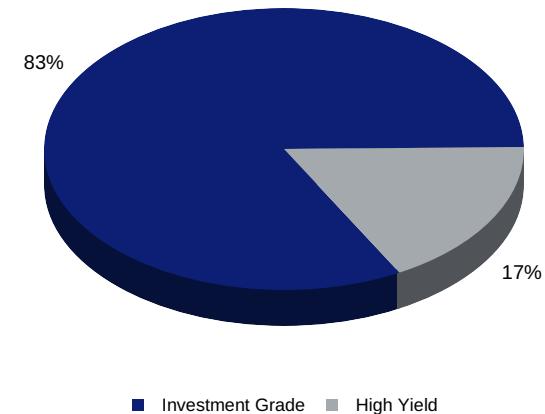
Report Date: 12/31/2025

Fixed Income Summary

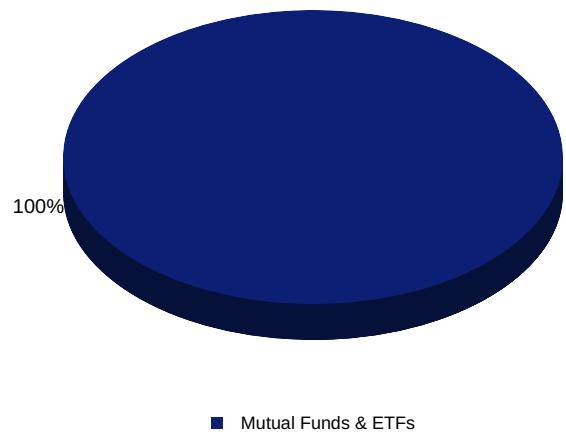
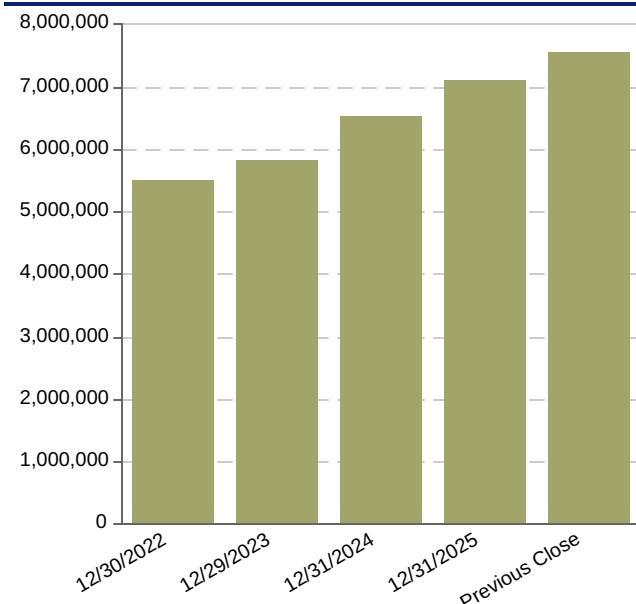
Inv. Objective	Balanced/Nontaxable-1
Total Fixed Income Value	\$7,106,344
Current Yield	4.14%
Annual Income Projected	\$294,002
Number of Securities	2
Portfolio Mgr.	Dennis S. Mullins, CFA

Fixed Income Asset Allocation

Investment Grade	\$5,895,929	82.97%
High Yield	\$1,210,415	17.03%


Fixed Income Sector Exposures

Mutual Funds & ETFs	\$7,106,344	100.00%
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Fixed Income Market Value


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

Holdings Date: 12/31/2025

CITY OF CUPERTINO

1727

Account: XXXXXX9601

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

Report Date: 12/31/2025

Equity Summary

Inv. Objective Balanced/Nontaxable-1

Total Equity Value \$17,009,654

Current Yield 2.44%

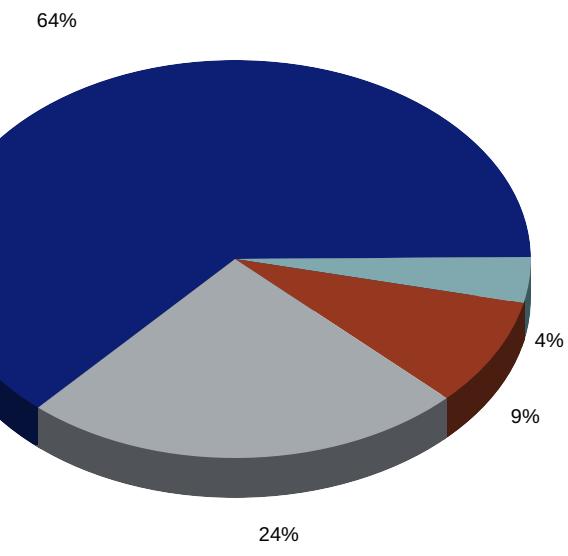
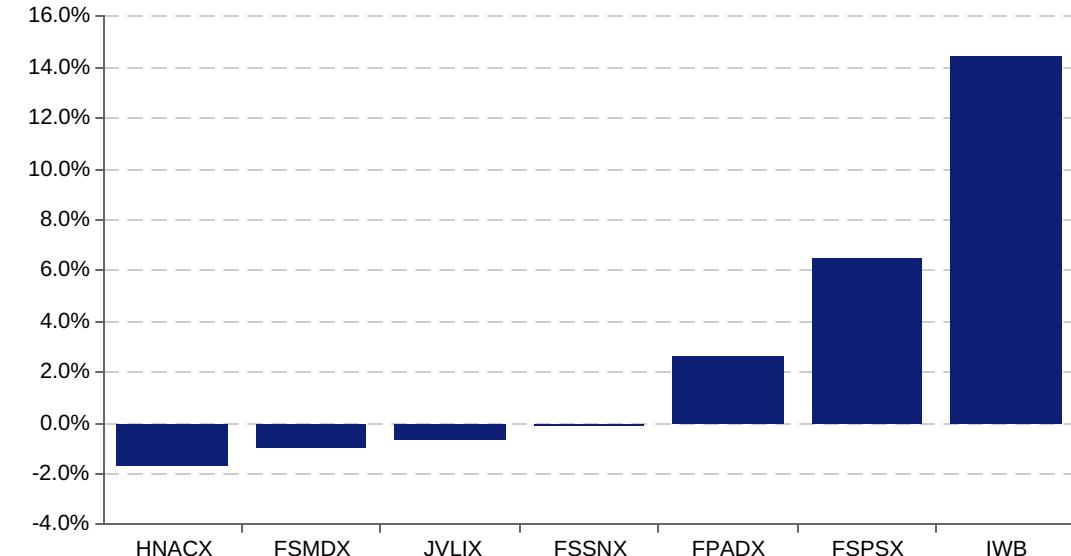
Annual Income Projected \$414,853

Number of Securities 4

Portfolio Mgr. Dennis S. Mullins, CFA

Equity Asset Allocation

Large Cap U.S.	\$10,806,980	63.53%
Developed Mkts	\$4,106,775	24.14%
Emerging Mkts	\$1,492,572	8.77%
Small Cap U.S.	\$603,327	3.55%


Bottom 5/ Top 5 Contributors (Trailing 12 Months)

Equity Global Distribution

Equity Country Distribution

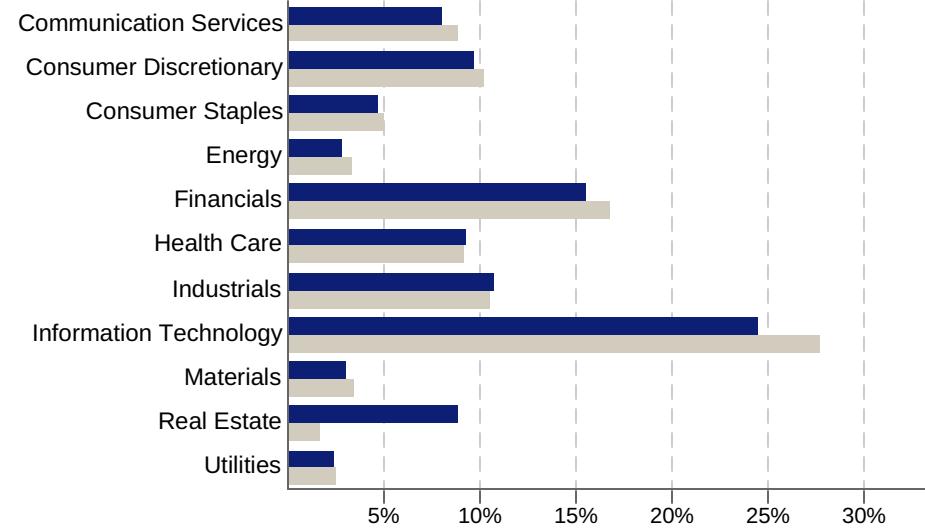
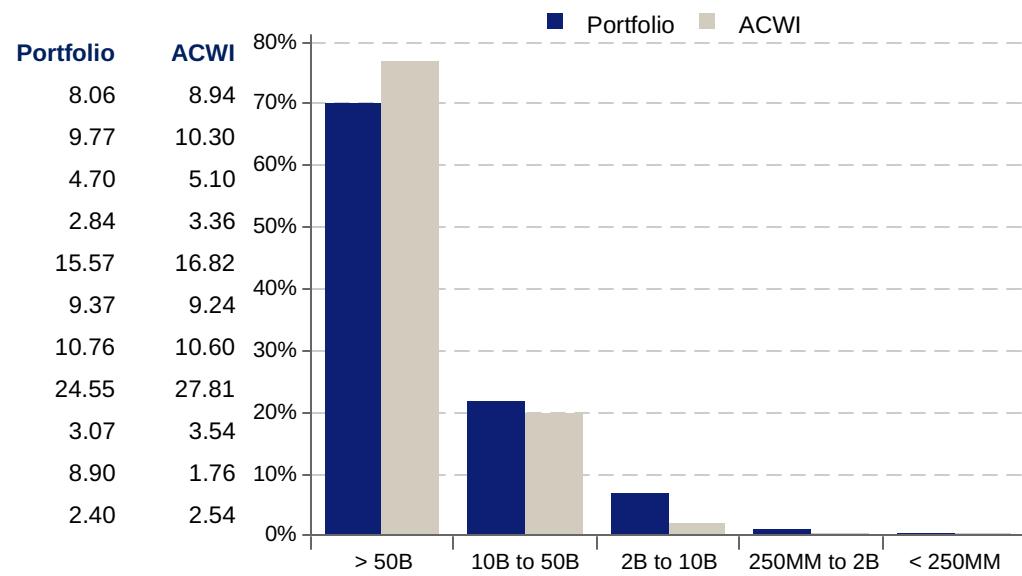

Account: XXXXXX9601

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

Report Date: 12/31/2025

Top 10 Common Stock Holdings

	Stock Wt. (%)	Full Port Wt. (%)	Yield (%)	YTD Return* (%)	52 Wk Return* (%)		Portfolio	ACWI
NVIDIA Corporation	4.27	2.87	0.02	38.9	38.9	Market Cap - Wtd Avg	\$834.6B	\$945.4B
Apple Inc.	3.87	2.61	0.40	9.0	9.0	Market Cap - Median	\$6.9B	\$19.8B
Microsoft Corporation	3.51	2.36	0.76	15.6	15.6	Dividend Yield	1.74	1.58
Amazon.com, Inc.	2.16	1.46	0.00	5.2	5.2	P/E NTM	18.9	18.5
Alphabet Inc. Class A	1.78	1.20	0.26	66.0	66.0	P/E LTM	22.5	22.4
Broadcom Inc.	1.56	1.05	0.78	50.6	50.6	ROE (%)	20.2	21.9
Alphabet Inc. Class C	1.45	0.98	0.26	65.4	65.4	1 Yr Beta vs. S&P Composite	.84	.84
Meta Platforms Inc Class A	1.41	0.95	0.33	13.1	13.1	Est 3-5 Yr EPS Growth (%)	11.7	12.2
Tesla, Inc.	1.24	0.83	0.00	11.4	11.4	Hist 3 Yr EPS Growth (%)	16.4	17.6
Taiwan Semiconductor Manufa...	0.99	0.66	1.22	46.5	46.5	Number of Securities	4872	2260

Common Stock Sector Exposures
 Portfolio ACWI

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 ACWI Index (net)	50%-70%	63%	64.9%
Fixed Income	BBARC US Aggregate Bond Index	20%-40%	29%	27.1%
Real Estate	S&P Global REIT TR USD	0%-15%	5%	4.7%
Commodities	S&P GSCI Commodity Index	0%-10%	2%	0%
Cash	FTSE 3-Mo US T-Bill Index	0%-10%	1%	3.3%

Selected Period Performance

	Market Value	Year to Date (1 Year)	3 Months	1 Year	3 Years	5 Years	Inception to Date 05/01/2019
Total Portfolio Gross of Fees	26,228,208	16.36	2.27	16.36	15.04	6.68	8.66
Total Portfolio Net of Fees	26,228,208	16.17	2.23	16.17	14.84	6.50	8.47
City of Cupertino		16.73	2.40	16.73	14.79	7.58	8.73
Total Equity	17,009,654	21.85	3.15	21.85	20.21	9.49	12.19
MSCI ACWI (Net)		22.34	3.29	22.34	20.65	11.19	12.22
Russell 3000 Index		17.15	2.40	17.15	22.25	13.15	14.57
S&P 500 Index (Total Return)		17.88	2.66	17.88	23.01	14.42	15.29
S&P MidCap 400 Index		7.50	1.64	7.50	12.56	9.12	9.78
S&P SmallCap 600 Index		6.02	1.70	6.02	10.17	7.31	8.07
MSCI EAFE Index (Net)		31.22	4.86	31.22	17.22	8.92	9.07
MSCI Emerging Markets Index (Net)		33.57	4.73	33.57	16.40	4.20	6.62
Total Fixed Income	7,132,119	7.36	1.04	7.36	5.54	.80	1.09
BBARC US Aggregate Bond Index		7.30	1.10	7.30	4.66	-.36	1.64
BBARC Global Aggregate Index		8.17	.24	8.17	3.98	-2.15	.40
Total Real Assets	1,224,697	2.64	-1.81	2.64	8.24	6.02	4.70
S&P Global REIT Index (Gross)		8.88	-.55	8.88	8.06	5.02	3.80
S&P GSCI Index		7.12	.97	7.12	3.86	14.65	6.30
Total Cash Equivalents	861,738	4.21	.98	4.21	4.79	3.13	2.58
FTSE 3 Month Treasury Bill Index		4.40	1.02	4.40	5.03	3.31	2.78
Pending Cash	0	.00	.00	.00	.00	.00	.00



PARS/CITY OF CUPERTINO 115P- PENSION

Portfolio Holdings

Account: XXXXXX9601

Holdings Method: Direct

Report Date: 12/31/2025

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
Total		100.0			26,200,150	22,632,403	3,567,747	2.97	777,645
Cash		3.28			859,455	859,455	0	3.68	31,657
Cash Equivalents		3.28			859,455	859,455	0	3.68	31,657
FIRST AM GOVT OB FD CL X	31846V336	3.28	1.00	859,455	859,455	859,455	0	3.68	31,657
Fixed Income		27.12			7,106,344	7,131,376	-25,032	4.14	294,002
Investment Grade		22.50			5,895,929	5,880,755	15,175	3.56	209,931
Mutual Funds & ETFs		22.50			5,895,929	5,880,755	15,175	3.56	209,931
Fidelity U.S. Bond Index Fund	FXNAX	22.50	10.56	558,327	5,895,929	5,880,755	15,175	3.56	209,931
High Yield		4.62			1,210,415	1,250,622	-40,207	6.95	84,071
Mutual Funds & ETFs		4.62			1,210,415	1,250,622	-40,207	6.95	84,071
Artisan High Income Fund - Institutional Sh...	APHFX	4.62	9.20	131,567	1,210,415	1,250,622	-40,207	6.95	84,071
Equity		64.92			17,009,654	13,413,077	3,596,577	2.44	414,853
Large Cap U.S. Equity		41.25			10,806,980	8,721,488	2,085,492	1.00	107,682
Mutual Funds & ETFs		41.25			10,806,980	8,721,488	2,085,492	1.00	107,682
iShares Russell 1000 ETF	IWB	41.25	373.44	28,939	10,806,980	8,721,488	2,085,492	1.00	107,682
Small Cap U.S. Equity		2.30			603,327	453,131	150,195	2.17	13,069
Mutual Funds & ETFs		2.30			603,327	453,131	150,195	2.17	13,069
Fidelity Small Cap Index Fund	FSSNX	2.30	30.93	19,506	603,327	453,131	150,195	2.17	13,069
Developed Markets Equity		15.67			4,106,775	3,178,510	928,265	6.31	258,970
Mutual Funds & ETFs		15.67			4,106,775	3,178,510	928,265	6.31	258,970
Fidelity International Index Fund	FSPSX	15.67	60.80	67,546	4,106,775	3,178,510	928,265	6.31	258,970
Emerging Markets Equity		5.70			1,492,572	1,059,948	432,625	2.35	35,132
Mutual Funds & ETFs		5.70			1,492,572	1,059,948	432,625	2.35	35,132
Fidelity Emerging Markets Index Fund	FPADX	5.70	13.68	109,106	1,492,572	1,059,948	432,625	2.35	35,132
Real Assets		4.67			1,224,697	1,228,495	-3,798	3.03	37,132
U.S. Listed Real Estate		4.67			1,224,697	1,228,495	-3,798	3.03	37,132
iShares Core U.S. REIT ETF	USRT	4.67	56.96	21,501	1,224,697	1,228,495	-3,798	3.03	37,132

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Holdings Date: 12/31/2025

CITY OF CUPERTINO

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Investment Policies

Provided by U.S Bank

 <p>Other Post-Employment Benefits (OPEB) Investment Policy</p>	<p>Citywide Policy Manual</p> <p>Attachments: N/A</p>
<p>Effective Date: December 3, 2024</p>	<p>Responsible Department: Administrative Services</p>
<p>Related Policies & Notes: City Investment Policy, Pension Investment Policy</p>	

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 million (September 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
U.S. Bank Relationship Manager:	Ryan Maxey 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:

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

Rewrites: 6.5.2018, 11.19.2019, 11.17.2020, 12.7.2021, 12.06.2022, 12.05.2023, 12.03.2024

 <p>Pension Trust Investment Policy</p>		Citywide Policy Manual
Attachments: N/A		
Effective Date: December 3, 2024	Responsible Department: Administrative Services	
Related Policies & Notes: 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 Million (September 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:	Dennis Mullins Dennis.mullins@usbank.com 513-304-0398
U.S. Bank Relationship Manager:	Ryan Maxey 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.

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Real Estate	0-15%	5%
Commodities	0-10%	2%
Cash	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 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: 11.19.2019, 11.17.2020, 12.7.2021, 12.06.2022, 12.05.2023, 12.03.2024

Market Review

Provided by Sub-Advisor - PFM Asset Management

Monthly Market Review

Multi-Asset Class | January 2026

pfm Asset
management

U.S. Equity

- Domestic equity markets, as represented by the S&P 500 Index (S&P) and the Russell 3000 Index, returned 0.06% and -0.02% respectively in December.¹
- Five of the 11 sectors saw positive returns for the month. The Financials sector was the best performing sector, returning 3.07% for the month, followed by Materials at 2.22%. The Utilities sector was the worst performing sector, returning -5.12% in December.
- Mid-caps (Russell Mid Cap Index) and small-caps (Russell 2000 Index) saw marginally negative returns in December returning -0.28% and -0.58% respectively, while large caps (Russell 1000 Index) were flat, returning 0.00%. Value outperformed growth across all capitalizations during the month.
- According to FactSet Earnings Insight as of December 22, 2025, the estimated earnings growth rate for the S&P 500 for Q4 2025 is 8.3%, which would mark the tenth consecutive quarter of earnings growth and contribute to an estimated growth rate of 12.3% for calendar year 2025. For calendar year 2026, analysts currently expect a third consecutive year of double-digit earnings growth, at 15.0%.

Non-U.S. Equity

- Non-U.S. equity markets, represented by the MSCI ACWI ex-U.S. Index returned 3.0% in December. Developed markets, represented by the MSCI EAFE Index returned 3.0% as Europe (MSCI Europe) returned 3.90% and Japan (MSCI Japan) returned 0.54%. Emerging markets (EM), as represented by the MSCI Emerging Markets Index, returned 2.99% as negative returns in Chinese equities (MSCI China Index) of -1.24% were counterbalanced by strongly positive returns from Korea and Taiwan, at 12.70% and 5.81% respectively.
- Within the ACWI ex-U.S. Index, eight of the 11 sectors posted positive returns. Materials was the best performing sector for the month, returning 5.71%, while the Information Technology sector was the second-best performer, returning 5.62%. Communications Services was the worst performing sector, posting a return of -1.72%.

Fixed Income

- In December, the Treasury yield curve steepened as the Federal Reserve (Fed) cut rates, prompting short term rates to fall while longer term yields rose. The 2-year yield fell 1 basis point (bp) while the 5-year rose 13 bps. The yield on the 10-year and 30-year rose 15 bps and 19 bps respectively.

- The Bloomberg U.S. Aggregate Index returned -0.15% in December. Investment-grade (IG) credit returned -0.19%, AAA-rated bonds returned -0.14%, AA-rated bonds returned -0.50%, A-rated bonds returned -0.23% and BBB-rated bonds returned -0.09%. High-yield corporates, as represented by ICE BofA U.S. High Yield Index returned 0.65% during the month, while the Broad Treasury Index returned -0.51%. Spreads narrowed slightly across the corporate credit spectrum.

Listed Real Assets

- During December, real estate investment trusts (REITs), as represented by the MSCI U.S. REIT Index and the FTSE NAREIT Index returned -2.54% and -2.31% respectively. The Lodging/Resorts sector saw the strongest performance for the month while the Healthcare sector stood as the most challenged. Listed Infrastructure, represented by the MSCI World Core Infrastructure Index, returned -1.18% for the month.

Items to Watch

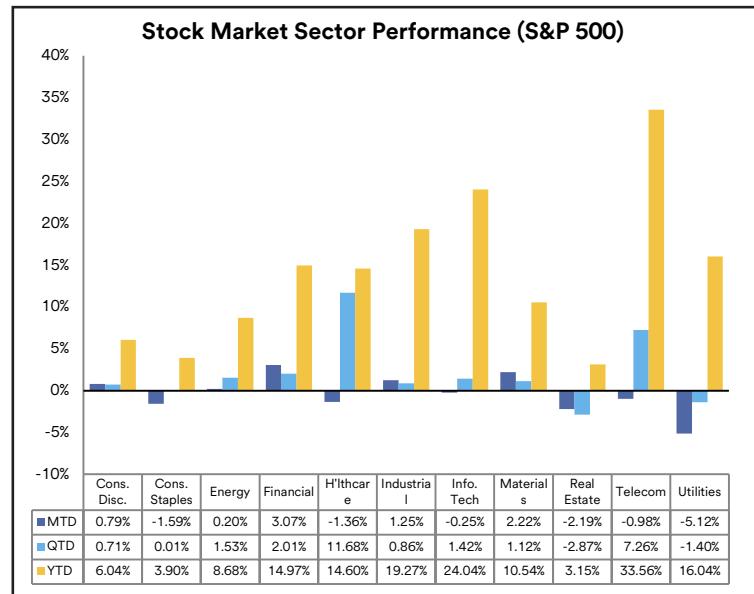
- The Fed cut rates as expected in December, bringing the new federal funds target range to 3.50%-3.75%, as labor data continued to soften. The December meeting also produced an updated summary of economic growth projections. Compared to the September projections, this estimate included an increase in projected economic growth, no change to unemployment rate expectations, and a decrease in projected inflation for 2026, pointing to increased optimism for the economy. The dot plot for 2026 reflects an expectation of one cut in 2026, though the timing of such a move is uncertain. The composition of the Fed is also about to change, with four new regional presidents rotating into voting roles in 2026.
- U.S. military action in Venezuela adds to the ongoing geopolitical risks, prompting increased uncertainty as the possible implications for the market are weighed. Venezuela's oil reserves, and their relationship to China, its primary oil buyer, are of particular interest. In the short term the impact on energy prices is expected to be relatively minimal, while the longer-term impacts depend on the future of Venezuela's energy infrastructure and who controls it.

Sources

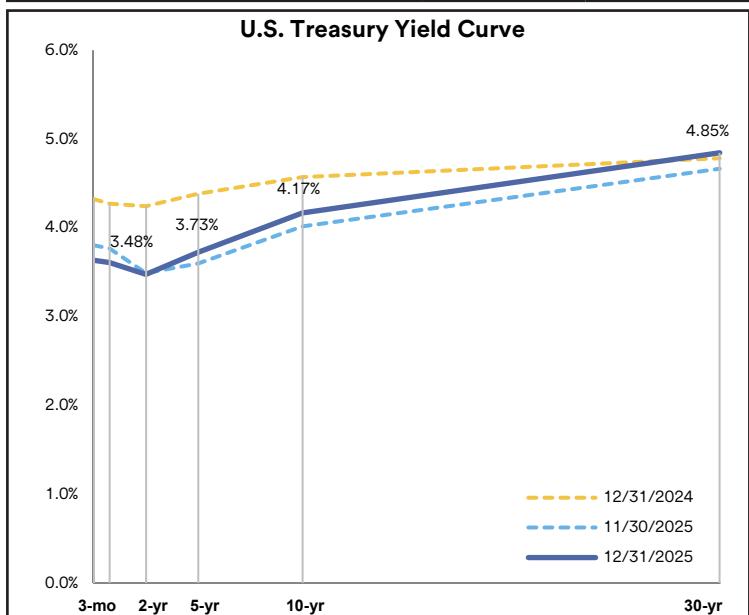
- Bloomberg
- FactSet

¹ - All returns are expressed as total returns (price returns net of dividends).

Total Return of Major Indices				
Domestic Equity	MTD	QTD	YTD	1 YR
S&P 500	0.06%	2.65%	17.86%	17.86%
Russell 3000	-0.02%	2.40%	17.13%	17.13%
Russell 2000	-0.58%	2.19%	12.79%	12.79%
Russell 1000	0.00%	2.41%	17.35%	17.35%
International Equity	MTD	QTD	YTD	1 YR
MSCI ACWI ex-U.S.	3.00%	5.05%	32.39%	32.39%
MSCI EAFE	3.00%	4.86%	31.22%	31.22%
MSCI Emerging Markets	2.99%	4.73%	33.57%	33.57%
Fixed Income	MTD	QTD	YTD	1 YR
Bloomberg U.S. Agg	-0.15%	1.10%	7.30%	7.30%
Bloomberg Global Agg	0.26%	0.24%	8.17%	8.17%
ICE BofA U.S. HY	0.65%	1.35%	8.50%	8.50%
Listed Real Assets	MTD	QTD	YTD	1 YR
MSCI U.S. REIT	-2.54%	-1.99%	1.68%	1.68%
FTSE NAREIT Index	-2.31%	-1.56%	2.88%	2.88%
MSCI World Core Infrastructure	-1.18%	0.32%	15.85%	15.85%



Economic Indicators		
Domestic	Current	Previous Month
Unemployment Rate (%)	4.6%	4.4%
Initial Jobless Claims (4 week avg)	218.8 K	217 K
CB Leading Economic Indicators	-0.3	-0.3
Capacity Utilization	75.9%	76.0%
GDP (annual growth rate)	4.3%	3.8%
University of Michigan Consumer Confidence	52.9	51.0
New Home Starts	800 K	664 K
Existing Home Sales	4.1 MM	4.1 MM
Retail Sales (YoY)	3.5%	4.2%
U.S. Durable Goods (MoM)	-2.2%	0.7%
Consumer Price Index (YoY)	2.7%	3.0%
Producer Price Index (MoM)	1.2%	0.1%
Developed International*	9/30/2025	6/30/2025
Market GDP (ann'l rate)	1.3%	1.6%
Market Unemployment	5.0%	4.8%



Source: Bloomberg. Data as of December 31, 2025, unless otherwise noted.

*Developed market data is calculated with respect to the weightings in the MSCI World ex-U.S. Index. Most current data is as of September 30, 2025 due to release dates of numerous countries.

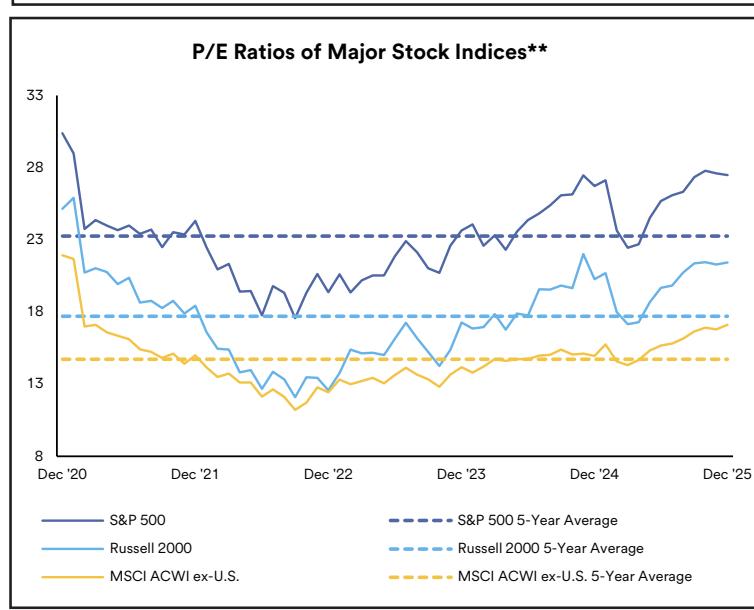
**P/E ratios are calculated based on one-year-forward estimates and adjusted to include only positive earning results for consistency.

Indices shown are not available for investment. The index data reference herein is the property of the index provider and/or its licensors. The index provider assumes no liability in connections with its use and does not sponsor, endorse or recommend the products or services contained herein. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE



Important disclosures, definitions of terms and index descriptions

Provided by U.S. Bank

If you have questions regarding this information or wish to receive definitions of any additional terms or indexes used in this report, please contact your team.

Important disclosures (page 1 of 4)

The information provided here is not intended to replace your account statement. Your account statement is the official record of your account.



Equal Housing Lender. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products offered by U.S. Bank National Association. Member FDIC.

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

This information represents the opinion of U.S. Bank. The views are subject to change at any time based on market or other conditions and are current as of the date indicated on the materials. This is not intended to be a forecast of future events or guarantee of future results. The factual information provided has been obtained from sources believed to be reliable but is not guaranteed as to accuracy or completeness.

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 provide 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 assets 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 counties 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 Country 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 Investment Review

December 17, 2025

Dennis Mullins

Emiline Jacobs

Agenda

Ex Fossil Fuel Historical Index Return

Current Lineup

Sample Passive ESG ETF Lineup

Sample Customized SMA Lineup

Carbon Risk Ratings in Current Equities Portfolio

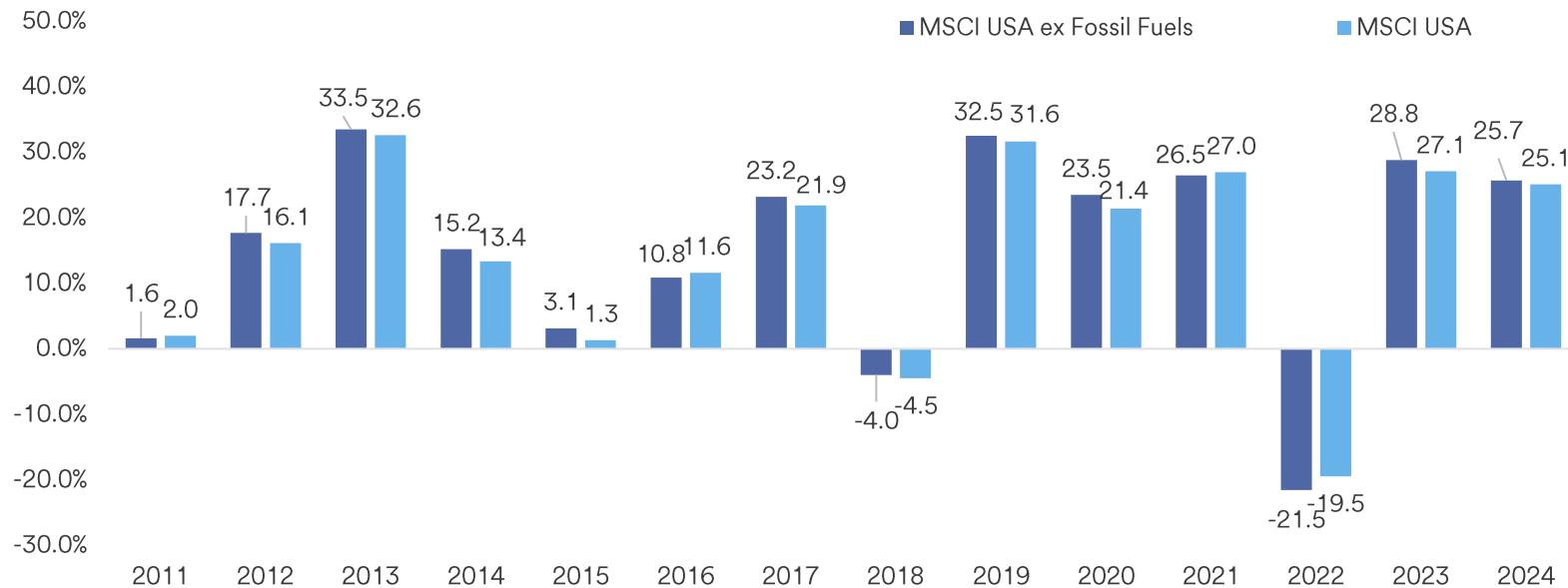
Carbon Risk Ratings in Sample Equities Portfolio

Customized SMA Introduction

MSCI USA ex Fossil Fuel Index

Historical ex Fossil Fuel Index Returns

Annual Performance



Gross Returns as of November 28, 2025

	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Nov 30, 2010
MSCI USA ex Fossil Fuels	-0.09	6.43	15.42	18.11	21.56	14.60	14.93	15.06
MSCI USA	0.03	6.16	14.74	17.74	20.77	14.79	14.6	14.52

Source: MSCI USA ex Fossil Fuels November 2025 Factsheet

Fossil Fuel Exclusion Risk: Concentration

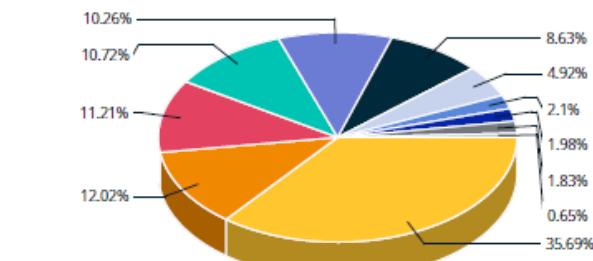
INDEX CHARACTERISTICS

	MSCI USA ex Fossil Fuels	MSCI USA
Number of Constituents	521	544
Weight (%)		
Largest	7.50	7.21
Smallest	0.01	0.01
Average	0.19	0.18
Median	0.06	0.06

TOP 10 CONSTITUENTS

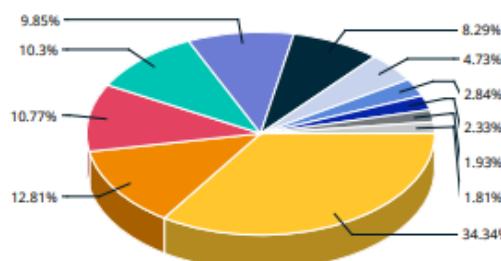
	Index Wt. (%)	Parent Index Wt. (%)	Sector
NVIDIA	7.50	7.21	Info Tech
APPLE	7.22	6.93	Info Tech
MICROSOFT CORP	6.06	5.82	Info Tech
AMAZON.COM	3.90	3.75	Cons Discr
ALPHABET A	3.25	3.12	Comm Svcs
BROADCOM	3.15	3.03	Info Tech
ALPHABET C	2.73	2.62	Comm Svcs
META PLATFORMS A	2.45	2.36	Comm Svcs
TESLA	2.12	2.04	Cons Discr
LILLY (ELI) & COMPANY	1.51	1.45	Health Care
Total	39.90	38.33	

MSCI USA EX FOSSIL FUELS SECTOR WEIGHTS



- Information Technology 35.69%
- Financials 12.02%
- Communication Services 11.21%
- Consumer Discretionary 10.72%
- Health Care 10.26%
- Industrials 8.63%
- Consumer Staples 4.92%
- Utilities 2.1%
- Real Estate 1.98%
- Materials 1.83%
- Energy 0.65%

MSCI USA SECTOR WEIGHTS



- Information Technology 34.34%
- Financials 12.81%
- Communication Services 10.77%
- Consumer Discretionary 10.3%
- Health Care 9.85%
- Industrials 8.29%
- Consumer Staples 4.73%
- Energy 2.84%
- Utilities 2.33%
- Real Estate 1.93%
- Materials 1.81%

Source: MSCI USA ex Fossil Fuels November 2025 Factsheet, Source: MSCI USA November 2025 Factsheet

Sample Lineups

Current Lineup

City of Cupertino 115P Pension

	Policy Targets	Tactical Weights	Expense Ratio
Domestic Equity	42.00%	43.58%	
iShares Russell 1000 ETF		41.25%	0.15%
Fidelity Small Cap Index Fund		2.33%	0.03%
International Equity	21.00%	21.50%	
Fidelity International Index Fund		15.80%	0.04%
Fidelity Emerging Markets Index Fund		5.70%	0.08%
Listed Real Assets	5.00%	4.92%	
iShares Core U.S. REIT ETF		4.92%	0.08%
Commodities	2.00%	0.00%	
Fixed Income	29.00%	27.72%	
Fidelity U.S. Bond Index Fund		22.97%	0.03%
Aristan High Income Fund		4.75%	0.71%
Cash Equivalents	1.00%	2.27%	
First American Government Obligations Fund Class X		2.27%	0.14%
			0.12%

Manager lineup and expense ratios are as of December 12, 2025 and are subject to change.

Sample Passive ESG Lineup ETFs

	Policy Targets	Current Weight	Expense Ratio	
Domestic Equity	42.00%	43.58%		
iShares ESG Optimized MSCI USA ETF		21.79%	0.25%	+10 bps
Xtrackers MSCI USA ESG Leaders Eq ETF		21.79%	0.10%	+8 bps
International Equity	21.00%	21.50%		
iShares ESG Aware MSCI EAFE ETF		15.05%	0.20%	+17 bps
iShares ESG Aware MSCI EM ETF		6.45%	0.25%	+ 18 bps
Listed Real Assets	5.00%	4.92%		
iShares Core U.S. REIT ETF		4.92%	0.08%	
Commodities	2.00%	0.00%		
Fixed Income	29.00%	27.72%		
Fidelity U.S. Bond Index Fund		22.97%	0.03%	
Aristan High Income Fund		4.75%	0.71%	
Cash Equivalents	1.00%	2.27%		
First American Government Obligations Fund Class X		2.27%	0.14%	
			0.17%	

Manager lineup and expense ratios are as of December 12, 2025 and are subject to change.

Customized Equity SMAs

	Policy Targets	Current Weight	Expense Ratio	
Domestic Equity	42.00%	43.58%		
Parametric Custom US Equity SMA		41.25%	0.18%	+3 bps
Parametric Custom US Equity SMA		2.33%	0.18%	+16 bps
International Equity	21.00%	21.50%		
Parametric Custom IE Equity SMA		15.80%	0.18%	+15 bps
Parametric Custom IE Equity SMA		5.70%	0.18%	+ 11 bps
Listed Real Assets	5.00%	4.92%		
iShares Core U.S. REIT ETF		4.92%	0.08%	
Commodities	2.00%	0.00%		
Fixed Income	29.00%	27.72%		
Fidelity U.S. Bond Index Fund		22.97%	0.03%	
Aristan High Income Fund		4.75%	0.71%	
Cash Equivalents	1.00%	2.27%		
First American Government Obligations Fund Class X		2.27%	0.14%	
			0.14%	

Manager lineup and expense ratios are as of December 12, 2025 and are subject to change.

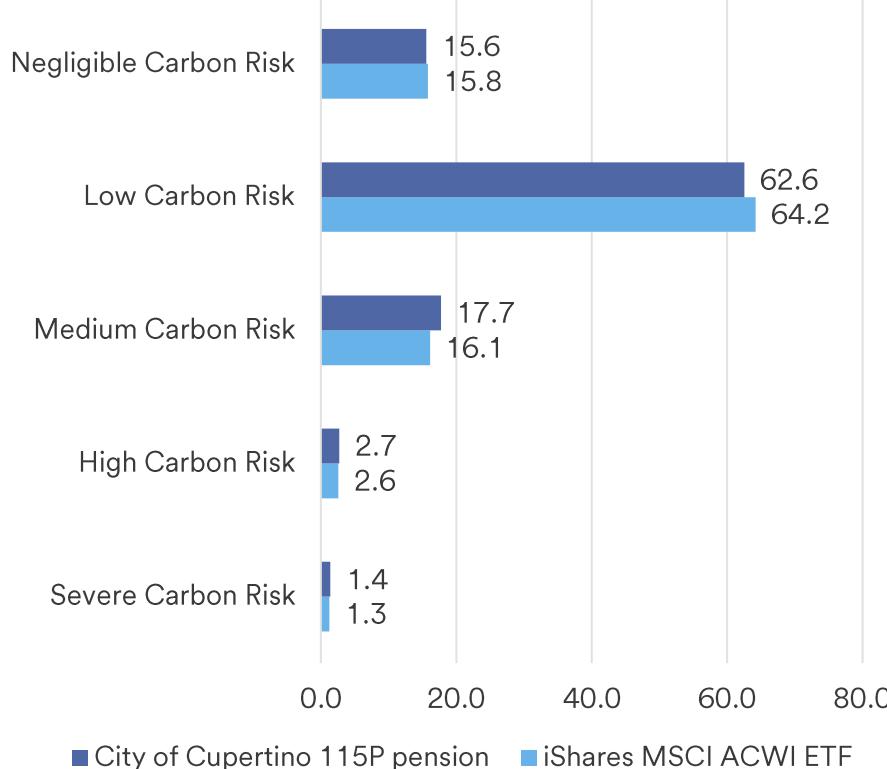
Current Equities Ratings

Current Equities Carbon Risk Overview

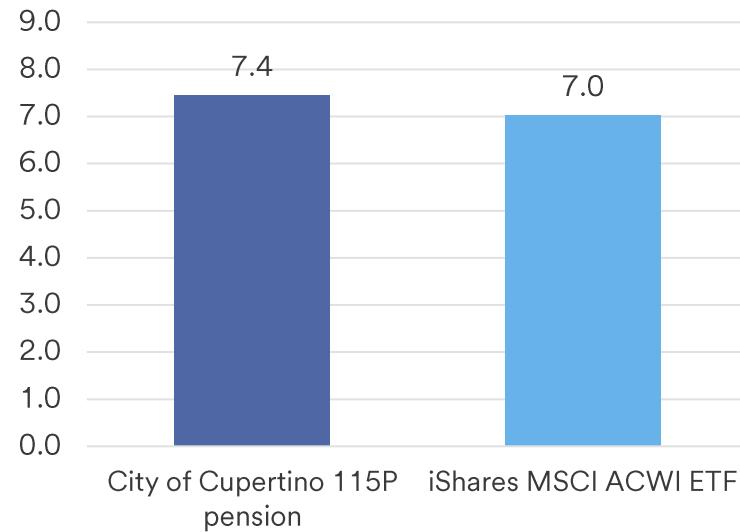
City of Cupertino 115P Pension

Carbon Coverage (% of AUM) 97.94

Distribution of Carbon Risk



Portfolio Carbon Risk Score



Portfolio Carbon Risk Core: the asset-weighted average of the carbon risk scores for the portfolio's covered, corporate holdings. The carbon risk score indicates the overall material risk a company faces from the transition to a low-carbon economy. The carbon risk core is measured on an open-ended scale starting at zero (no risk) and a maximum score that is typically below 100. A lower score is better. At least 67% of the portfolio's eligible assets must have carbon risk scores available in order for a score to be calculated.

Benchmark : iShares MSCI ACWI ETF

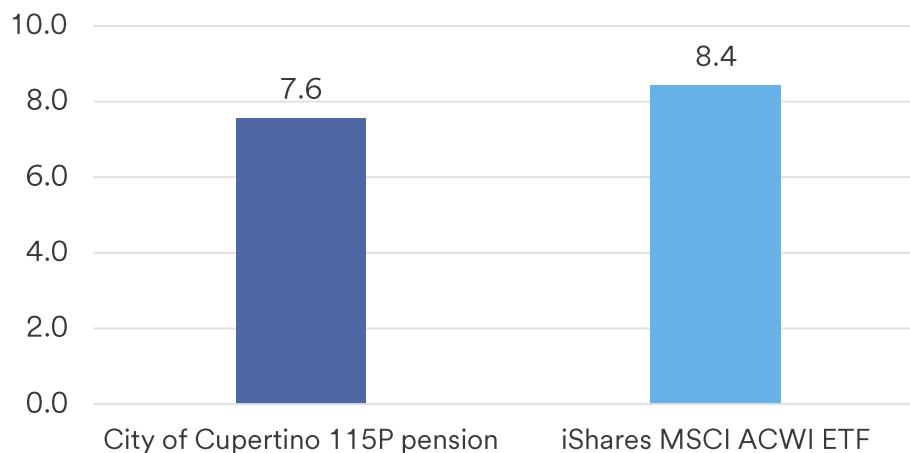
Source: Morningstar Direct

Carbon Involvement

City of Cupertino 115P Pension

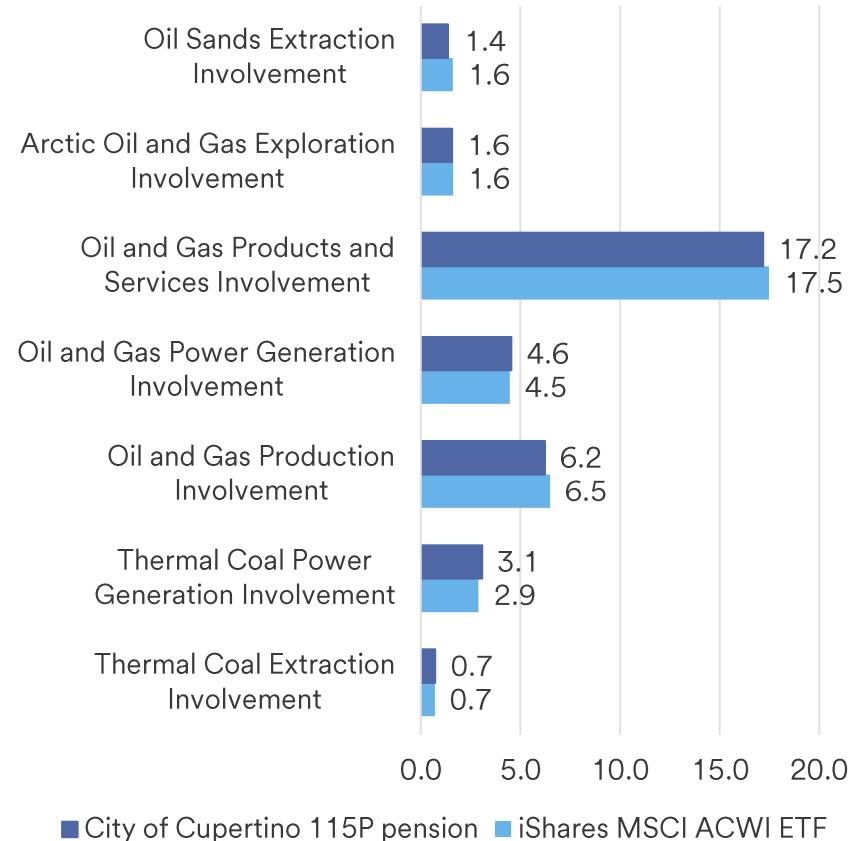
Morningstar® Portfolio Fossil Fuel Involvement™

% of Covered Portfolio Involved



Companies are considered involved in fossil fuels if they derive at least an aggregate 5% share of total revenue from the activities listed in the Fossil Fuel Related Activities table. Companies involved in Arctic Oil & Gas Exploration and Oil Sands Extraction will be included only if there is no involvement in Oil & Gas Production.

Fossil Fuel Related Activities



Benchmark : iShares MSCI ACWI ETF

Source: Morningstar Direct

Morningstar's Portfolio Fossil Fuel Involvement™ measures the percentage of the portfolio's corporate assets that are involved in fossil fuels based on revenues.

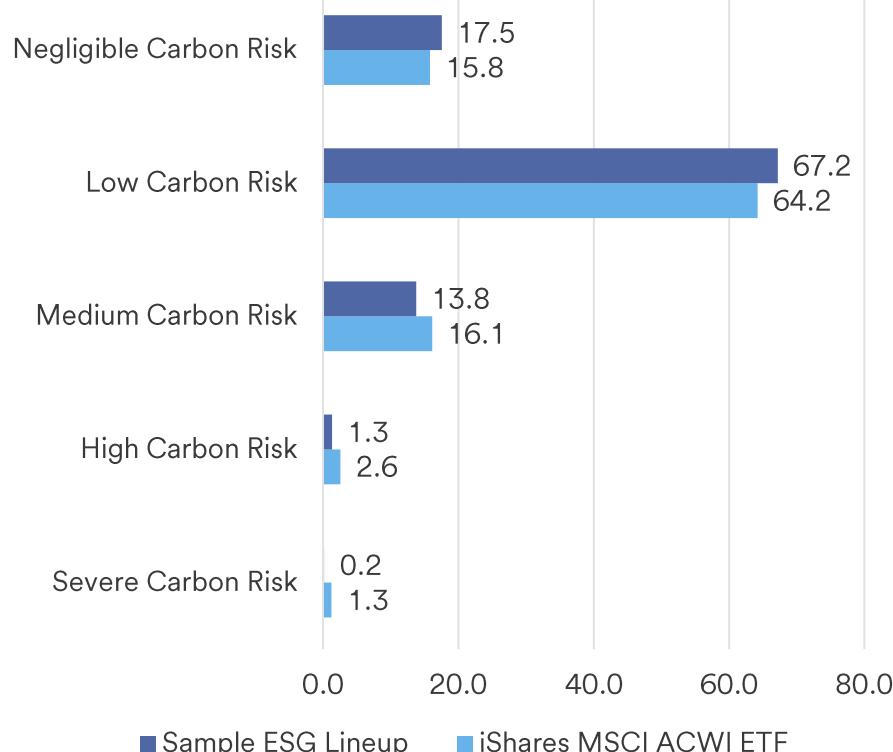
Sample ESG ETF Lineup Equities Ratings

Carbon Risk Overview

Sample Passive ESG ETF Lineup

Carbon Coverage (% of AUM) 98.66

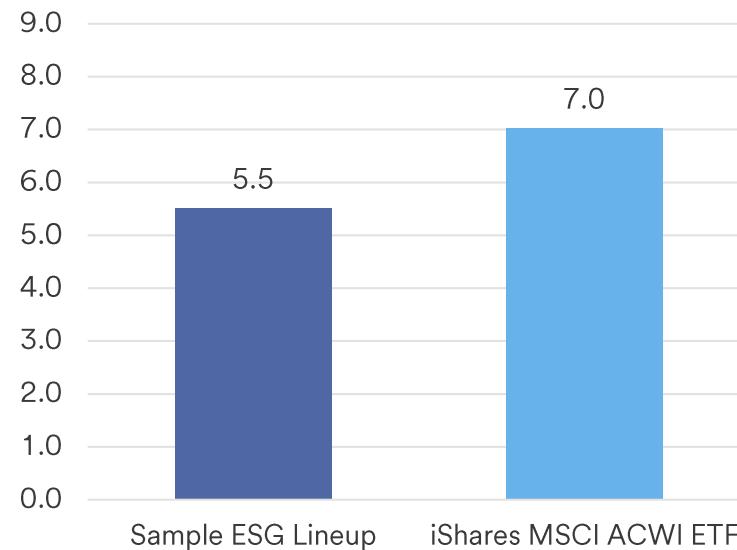
Distribution of Carbon Risk



Benchmark : iShares MSCI ACWI ETF

Source: Morningstar Direct

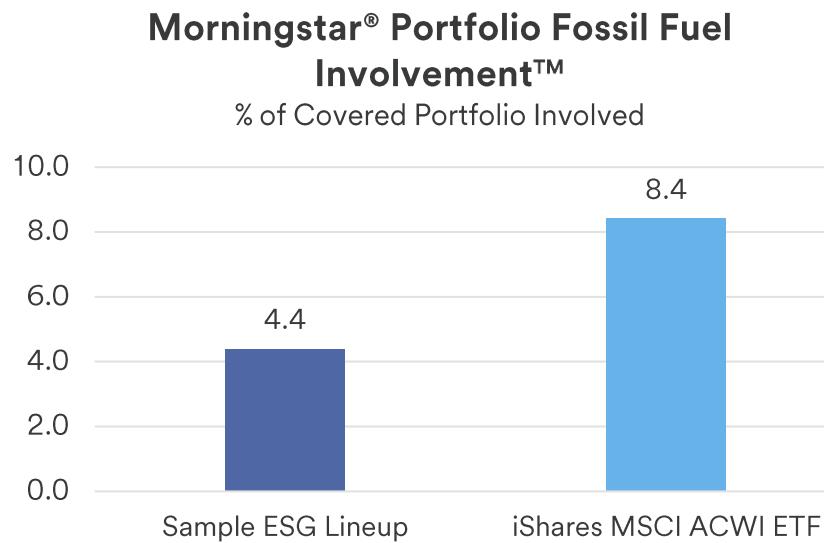
Portfolio Carbon Risk Score



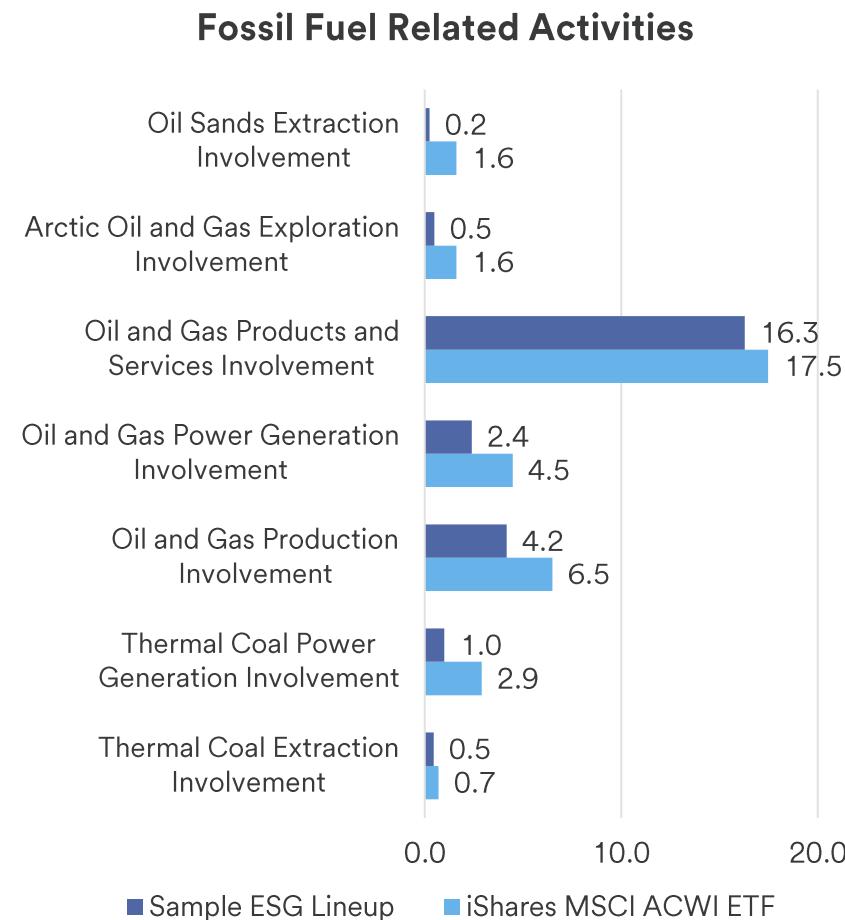
Portfolio Carbon Risk Core: the asset-weighted average of the carbon risk scores for the portfolio's covered, corporate holdings. The carbon risk score indicates the overall material risk a company faces from the transition to a low-carbon economy. The carbon risk core is measured on an open-ended scale starting at zero (no risk) and a maximum score that is typically below 100. A lower score is better. At least 67% of the portfolio's eligible assets must have carbon risk scores available in order for a score to be calculated.

Carbon Involvement

Sample Passive ESG ETF Lineup



Companies are considered involved in fossil fuels if they derive at least an aggregate 5% share of total revenue from the activities listed in the Fossil Fuel Related Activities table. Companies involved in Arctic Oil & Gas Exploration and Oil Sands Extraction will be included only if there is no involvement in Oil & Gas Production.



Benchmark : iShares MSCI ACWI ETF

Source: Morningstar Direct

Morningstar's Portfolio Fossil Fuel Involvement™ measures the percentage of the portfolio's corporate assets that are involved in fossil fuels based on revenues.

Customized Separately Managed Account

Intro to Parametric Process for Customized SMA

Design the Exposure:

Provide exposure to selected benchmark (e.g. Russell 1000)

Determine the screen:

Complete the responsible investing menu and decide screening approach (e.g. Fossil Fuel Free)

Customized SMA (e.g. Russell 1000 ex Fossil Fuel)

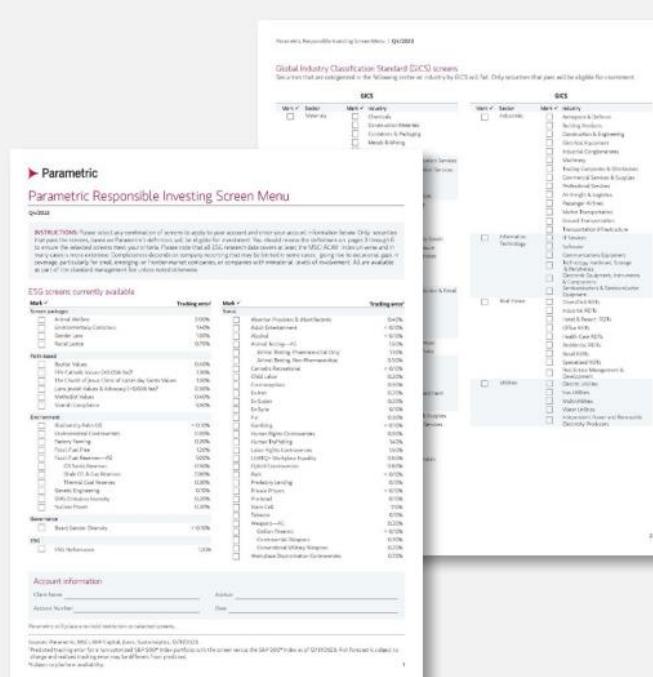
For illustrative purposes only

Parametric Screens Available

Customized core equity sub-advised SMA with Parametric Portfolio Associates® LLC (“Parametric”)

Comprehensive screen menu

- SOCIAL**
 - Human Trafficking
 - Racial Justice
- ENVIRONMENTAL**
 - GHG Emissions
 - Fossil Fuel Free
- FAITH-BASED SCREENS**
 - Catholic Values
 - Shariah Compliant
- GOVERNANCE**
 - Board Gender Diversity
- GICS INDUSTRY**
 - Oil and Gas
 - Pharmaceuticals
- SUB-INDUSTRY**
 - Tobacco
 - Casinos and Gaming



The image shows a screenshot of the Parametric Responsible Investing Screen Menu. The menu is organized into several sections:

- Parametric Responsible Investing Screen Menu**
- Global Industry Classification Standard (GICS) screens**: A table showing GICS categories and sub-categories with checkboxes for 'Mark' and 'Sector'.
- ESG**: A table showing ESG categories and sub-categories with checkboxes for 'Mark' and 'Sector'.
- ESG screens currently available**: A list of ESG screens with their respective weights and descriptions.
- Account information**: Fields for Client Name, Address, Account Number, and Date.

At the bottom of the menu, there is a note: "Parametric, the Parametric logo, Parametric Portfolio Associates, and Parametric Portfolio Associates LLC are trademarks of Parametric Portfolio Associates, LLC. © 2013 Parametric Portfolio Associates, LLC. All rights reserved. Parametric is a registered trademark of Parametric Portfolio Associates, LLC. All rights reserved. Parametric is a registered trademark of Parametric Portfolio Associates, LLC. All rights reserved." and "Parametric is a registered trademark of Parametric Portfolio Associates, LLC. All rights reserved.".

We partner with recognized leaders in ESG-focused research to offer an industry-leading responsible investing screen menu across equities and corporate bonds.

Source: Parametric Responsible Investing Overview

18
81

Parametric ESG Screen Definitions

The definitions below stipulate the criteria for failure. Only securities that pass will be eligible for investment

Fossil Fuel Free*	<p>Companies involved in the following:</p> <ul style="list-style-type: none">• Evidence of owning fossil fuel reserves• Deriving > 50% of revenue from activities related to oil, gas, or thermal coal• Generating > 50% of power from fossil fuels
Fossil Fuel Reserves—All*	<p>Companies with evidence of owning fossil fuel reserves regardless of their industries, including companies that own < 50% of a reserves field, regardless of revenue derived. Evidence of owning reserves includes companies providing the exact volume of reserves and companies making a statement about their ownership of reserves. Fossil reserves are defined as proved and probable reserves for coal and proved reserves for oil and natural gas.</p> <p>This screen does not capture non-reserve-owning companies with revenues related to fossil fuel production. If that is your goal, consider adding the Fossil Fuel Free screen or an Energy sector screen (see page 2).</p>
Oil Sands Reserves	<p>Companies that provide evidence of owning oil sands reserves, including those that own < 50% of a reserves field, regardless of revenue derived. This includes oil reserves explicitly reported as the following:</p> <ul style="list-style-type: none">• Oil shale• Kerogen• Oil sands• Tar sands• Synthetic crude oil• Extra heavy oil• Bitumen
Shale Oil & Gas Reserves	<p>Companies that provide evidence of owning shale gas and/or shale oil reserves, including those that own < 50% of a reserves field, regardless of revenue derived. This includes:</p> <ul style="list-style-type: none">• Oil reserves explicitly reported as "shale oil" reserves• Those in unconventional reservoirs or shale fields• Natural gas liquids (NGLs) and condensates from unconventional reservoirs or shale fields• Oil reserves extracted using unconventional extraction methods such as horizontal drilling and hydraulic fracking• Reserves reported as "tight oil"
Thermal Coal Reserves	<p>Companies that provide evidence of owning thermal coal, including those that own < 50% of a reserves field, regardless of revenue derived. Thermal coal is used to fire power plants that produce steam for electricity and industrial uses.</p>

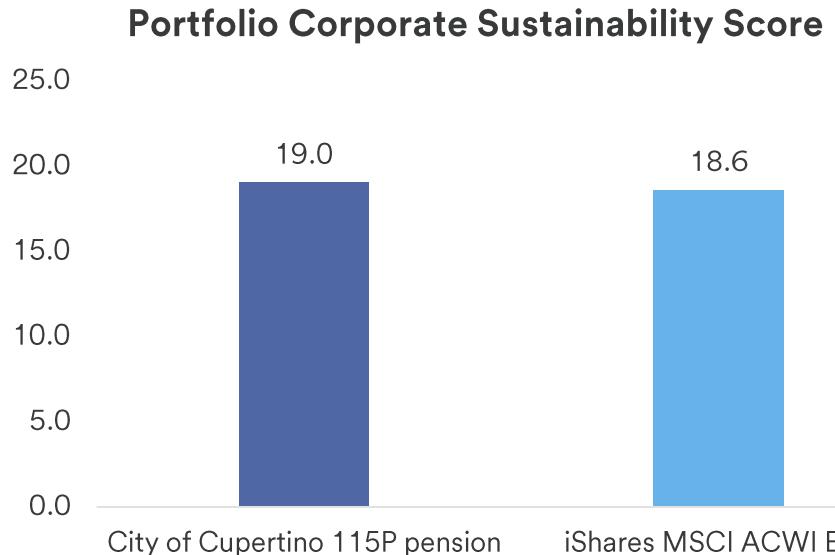
*Research coverage is at least the MSCI ACWI Investable Market Index universe.

Source: Parametric Responsible Investing Screen Menu

Appendix

ESG Risk Overview

City of Cupertino 115P Pension



Lower score => Less ESG risk

Portfolio Corporate Sustainability Score:

Asset-weighted average of Sustainalytics' company-level ESG Risk Score. The Sustainalytics' company-level ESG Risk Score measures the degree to which a company's economic value may be at risk driven by ESG factors. Like the ESG Risk Scores, the Portfolio Sustainability Score is rendered on a 0-100 scale, where lower scores are better, using an asset-weighted average of all covered securities.

	Portfolio Corporate ESG Risk Score	ESG Risk Date	Portfolio Weighting %	Prospectus Net Expense Ratio	Ticker
iShares Russell 1000 ETF	18.44	10/31/2025	63.38	0.15	IWB
Fidelity International Index	18.08	10/31/2025	24.28	0.04	FSPSX
Fidelity Emerging Markets Index	21.04	10/31/2025	8.76	0.08	FPADX
Fidelity Small Cap Index	26.37	10/31/2025	3.58	0.03	FSSNX

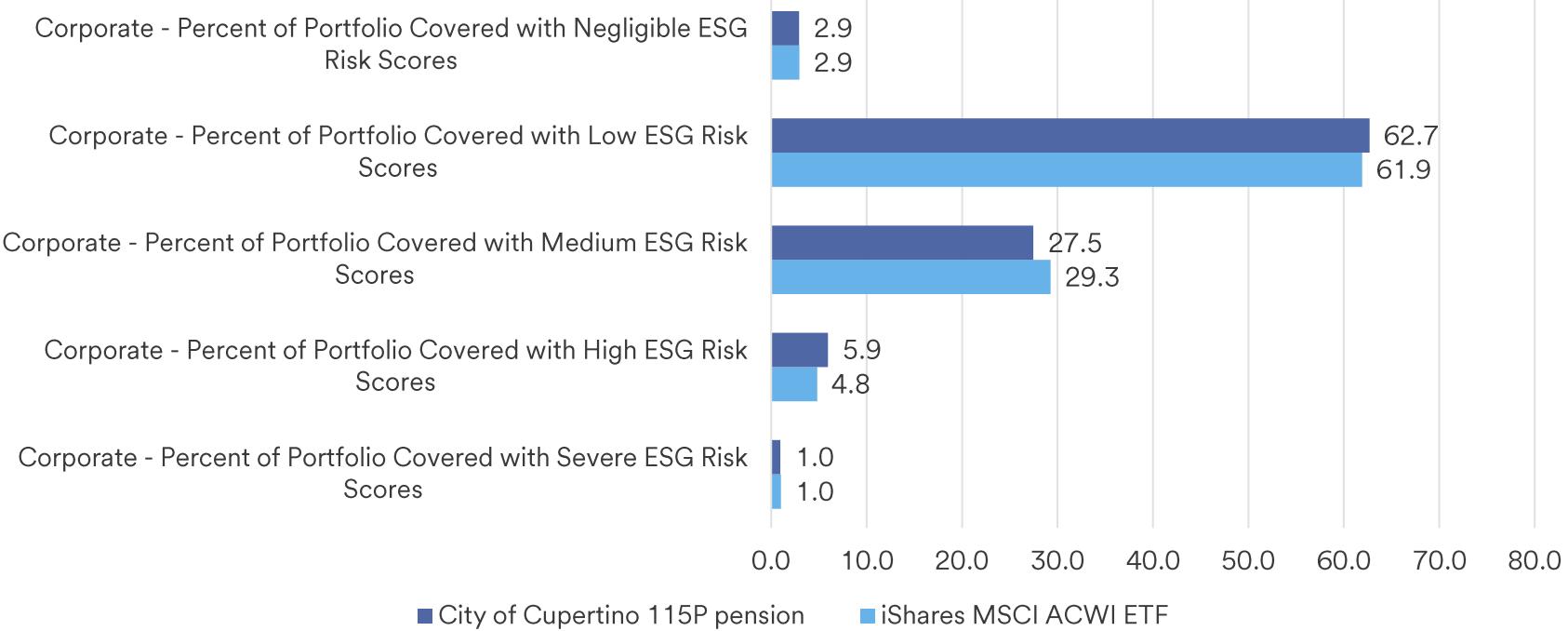
ESG Risk Score Breakdown

City of Cupertino 115P Pension

ESG Risk Score Coverage

Coverage (% of AUM)	99.3
Coverage (# of Securities Scored)	4,534

ESG Risk Scores

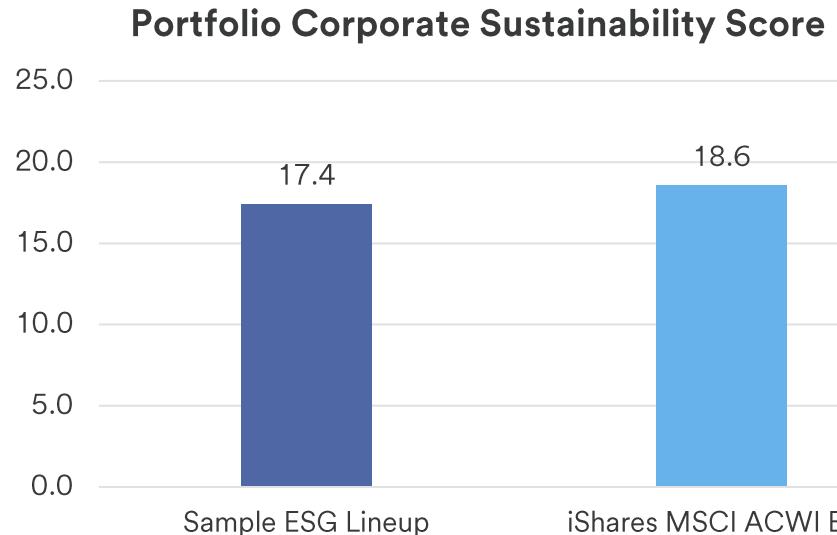


Benchmark : iShares MSCI ACWI ETF

Source: Morningstar Direct

ESG Risk Overview

Sample Passive ESG ETF Lineup



Lower score => Less ESG risk

Portfolio Corporate Sustainability Score:

Asset-weighted average of Sustainalytics' company-level ESG Risk Score. The Sustainalytics' company-level ESG Risk Score measures the degree to which a company's economic value may be at risk driven by ESG factors. Like the ESG Risk Scores, the Portfolio Sustainability Score is rendered on a 0-100 scale, where lower scores are better, using an asset-weighted average of all covered securities

	Portfolio Corporate ESG Risk Score	ESG Risk Date	Portfolio Weighting %	Prospectus Net Expense Ratio	Ticker
iShares ESG Optimized MSCI USA ETF	16.92	10/31/2025	33.33	0.25	SUSA
Xtrackers MSCI USA Selection Eq ETF	16.71	10/31/2025	33.33	0.09	USSG
iShares ESG Aware MSCI EAFE ETF	17.57	10/31/2025	23.33	0.21	ESGD
iShares ESG Aware MSCI EM ETF	19.27	10/31/2025	10.00	0.26	ESGE

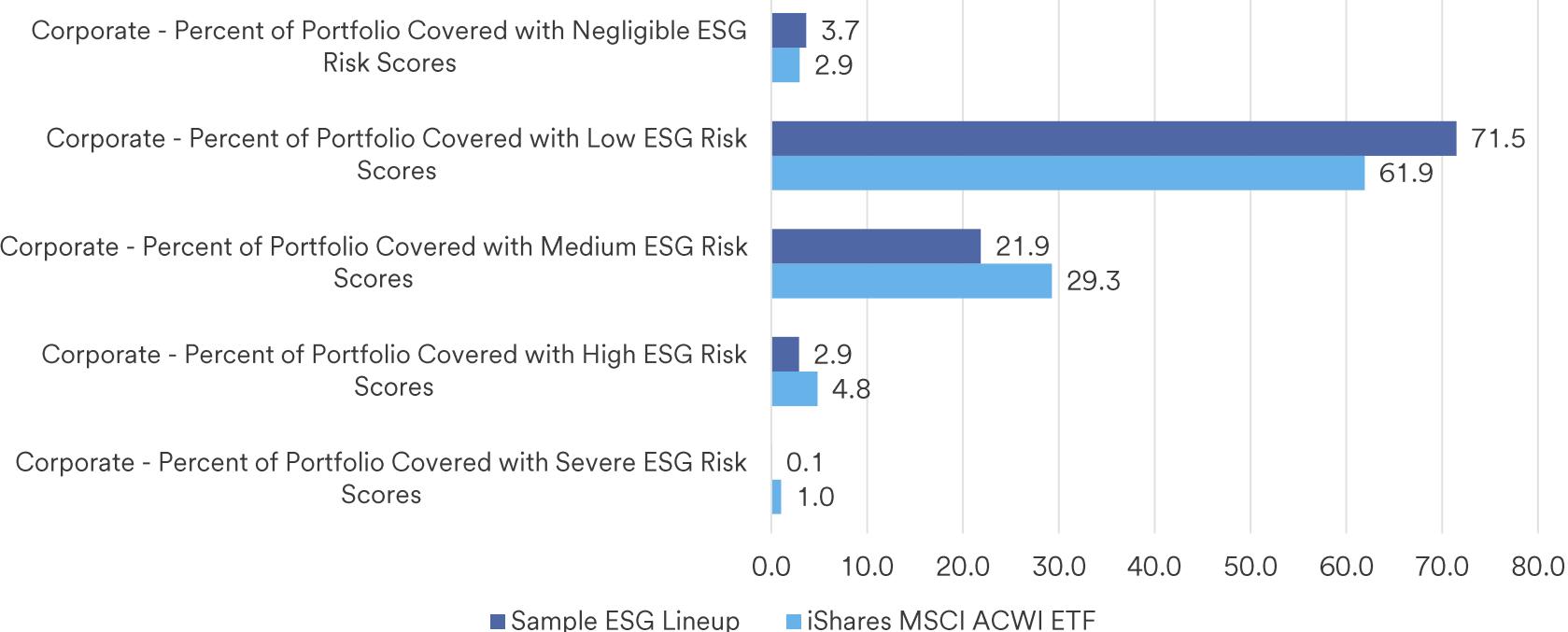
ESG Risk Score Breakdown

Sample Passive ESG ETF Lineup

ESG Risk Score Coverage

Coverage (% of AUM)	99.8
Coverage (# of Securities Scored)	1,406

ESG Risk Scores



Benchmark : iShares MSCI ACWI ETF

Source: Morningstar Direct

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CITY OF CUPERTINO

Agenda Item

26-14799

Agenda Date: 1/26/2026

Agenda #: 3.

Subject: Receive the Treasurer's Investment Report for the Quarter Ending December 31, 2025

Receive the Treasurer's Investment Report for the Quarter Ending December 31, 2025 and forward to City Council

Presenter: Jonathan Orozco, Acting Director of Administrative Services and City Treasurer, and Chandler Asset Management



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: January 26, 2026

Subject

Receive the Treasurer's Investment Report for the Quarter Ending December 31, 2025

Recommended Action

Receive the Treasurer's Investment Report for the Quarter Ending December 31, 2025

Reasons for Recommendation

Background

On May 20, 2025, 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 December 31, 2025. The report is as of January 22, 2026.

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 subcommittee.

The City's General Ledger cash and investments balance is \$309.0 million, a \$7.6 million increase from the prior quarter.

Cash and Investments – General Ledger Balance		
Fund Type	Quarter Ending September 30, 2025	Quarter Ending December 31, 2025
General Fund	189,088,236	199,397,467
Special Revenue	45,510,313	45,016,324
Debt Service	2,676,600	2,436,800
Capital Projects	42,460,112	41,770,662
Enterprise	11,059,635	10,455,113
Internal Service	10,592,591	9,930,897
Total	\$301,387,488	\$309,007,263

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, including Cost Allocation charges between departments and bank fees. Although these fees were recorded timely, due to a system glitch, they were not reflected in the prior 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.

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 September 30, 2025	Quarter Ending December 31, 2025	% of Portfolio
Cash in banks and on hand			
Operating Checking (Wells Fargo)	5,268,303	7,023,661	2%
Workers' Compensation Checking (Wells Fargo)	22,912	19,225	0%
Payroll Checking (Wells Fargo)	-	-	0%
Restricted for Bond Repayments ¹ (BNY Mellon)	-	-	0%
Cash Equivalents			
Local Agency Investment Fund	68,800,823	73,252,391	24%
Investments			
Investments (Chandler)	202,164,870	203,529,920	66%
Restricted for Pension ² (PARS)	25,665,064	26,228,208	8%
Total Cash and Investments³	\$301,921,972	\$310,053,405	100%

¹ Cash held by fiscal agent for bond repayments

² 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.

³ 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.

⁴ Beginning December 31, 2024, Investment amount reflect cost value.

Wells Fargo Accounts

The City, in collaboration with Chandler and Wells Fargo's relationship manager, continues to evaluate options to maximize investment opportunities for excess funds held in the City's operating account. As previously reported, the operating account was converted to a "Government Advantage Checking" account, which offers full FDIC insurance and an interest rate of 3% through March 31, 2025. As of the end of the December 2025 quarter, there has been no change to the interest rate.

To support the effective deployment of funds and minimize idle cash balances, the City has developed an internal cash flow model that projects monthly cash inflows and outflows. This model enables the City to maintain a lower balance in its operating account while still meeting operational needs. The model also incorporates expected seasonal fluctuations in major revenue sources (e.g., property and sales tax) and expenditure patterns (e.g., CalPERS UAL and insurance obligations).

To maintain daily liquidity, the City utilizes the Local Agency Investment Fund (LAIF) as a buffer for short-term needs. The combination of the Government Advantage Checking account and LAIF, along with the City's investment portfolio, provides a diversified and flexible approach to managing public funds in alignment with the City's Investment Policy objectives of safety, liquidity, and return.

Staff will continue refining the cash flow model and evaluating investment options to enhance returns while prioritizing that adequate liquidity is preserved for City operations.

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 \$73.3 million. The quarterly interest rate was 4.20%.

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 total market value was \$207.3 million, compared to \$205.1 million at the end of the previous quarter. 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 3, 2024, 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:

The Section 115 Pension Trust had a balance of \$26.2 million, an increase of \$0.6 million from the prior quarter due to investment gains. The Section 115 OPEB Trust had a balance of \$46.1 million, an increase of \$0.1 million from the prior quarter mainly due to investment gains. The quarterly investment return for OPEB Trust and Pension Trust was 2.27%.

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.

City Work Program Item/Description

None

City Council Goal

Fiscal Strategy

California Environmental Quality Act

Not applicable.

Prepared by:



Jonathan Orozco

Acting Director of Administrative Services and City Treasurer

Approved for Submission by: 

Tina Kapoor
City Manager

Attachments:

- A – Chandler Investment Report December 2025
- B – Chandler Custodial Statement December 2025
- C – PARS Pension and OPEB Account Statement December 2025
- D – LAIF Account Statement December 2025

INVESTMENT REPORT

City of Cupertino | As of December 31, 2025

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

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

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City of Cupertino | As of December 31, 2025



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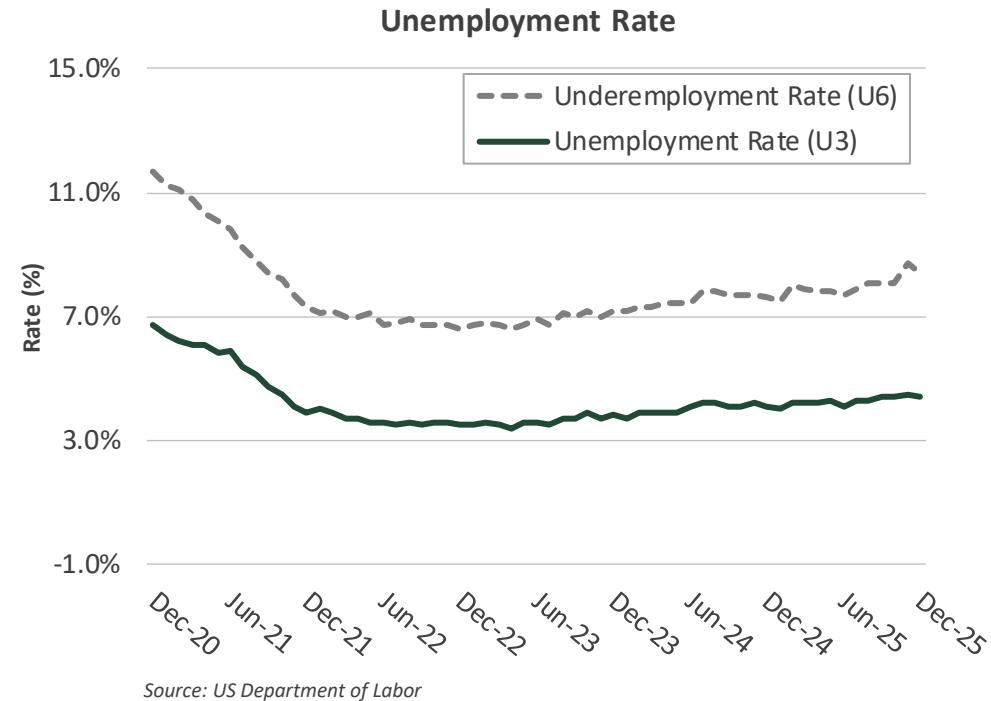
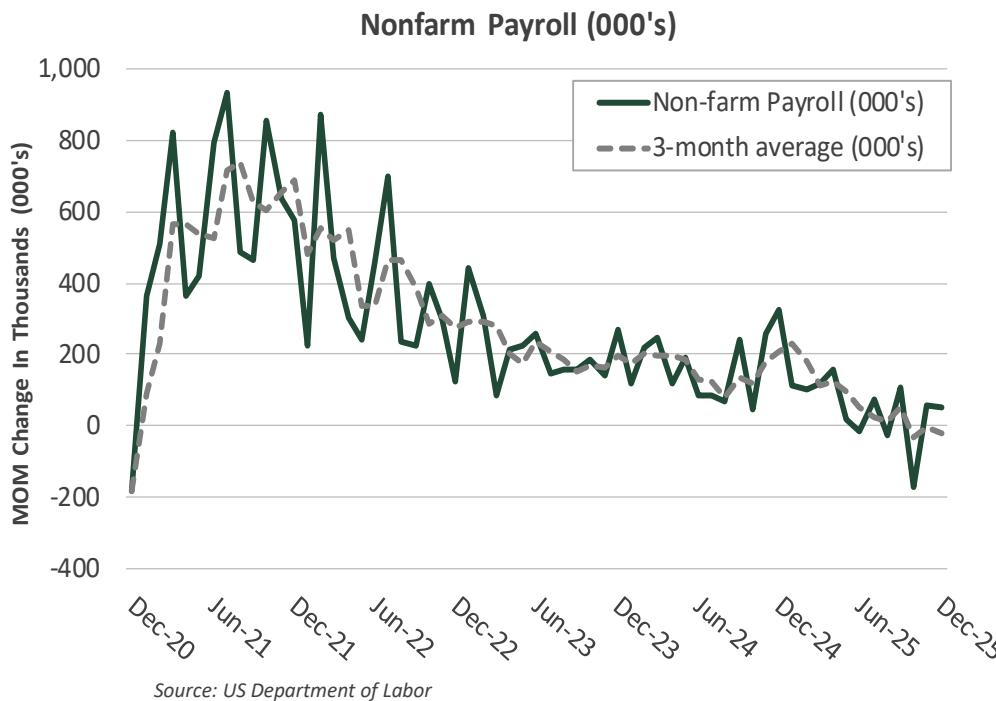
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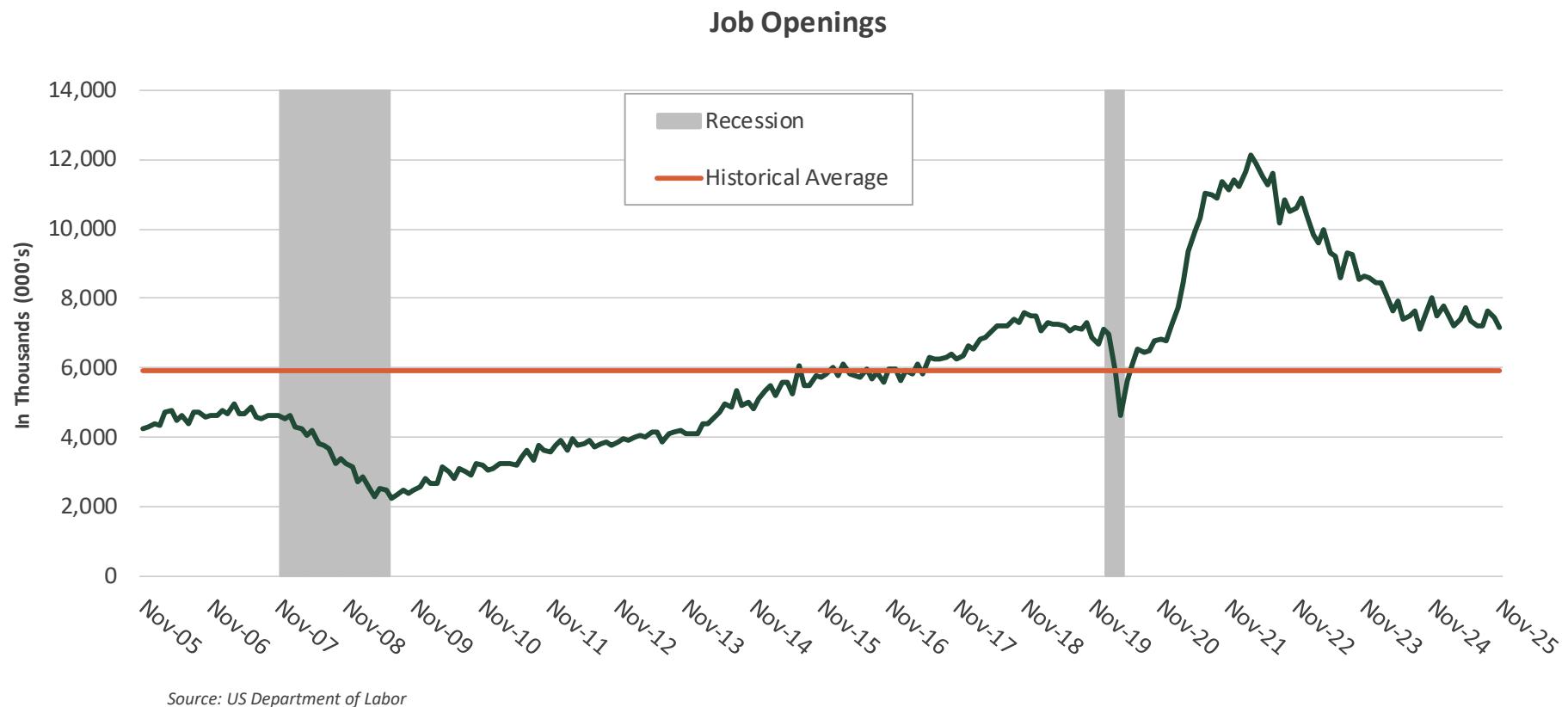
[TRANSACTIONS](#)

ECONOMIC UPDATE

- The near-term economic outlook continues to be distorted by the data delays from the government shutdown. Recently released government data—reflecting conditions from two to three months ago—indicate inflation remains moderately above the Federal Reserve's target, while labor market conditions have continued to soften. As the flow of economic data normalizes, the Chandler team expects further yield curve steepening as the Federal Reserve moves the policy rate toward a more neutral range. U.S. trade and fiscal policy also remain sources of elevated market uncertainty.
- The Federal Reserve's December Federal Open Market Committee meeting concluded with the third consecutive 25-basis-point rate cut in 2025, lowering the target range to 3.50%–3.75%. However, policymakers remain divided on the path forward. Four Fed governors project one additional 25-basis-point cut in 2026, another four anticipate no further easing, eight expect multiple cuts, and three call for a potential rate hike. Chair Jerome Powell noted that the Fed is now “well placed to wait and see” how labor market conditions and inflation evolve in the near term.
- The US Treasury yield curve steepened in December, as the 2-year Treasury yield dropped 2 basis points to 3.48%, the 5-year Treasury was up 13 basis points to 3.73%, and the 10-year Treasury yield was 15 basis points higher at 4.17%. The spread between the 2-year and 10-year Treasury yield points on the curve was 17 basis points wider from November at +69 basis points at December month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was +33 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve was +54 basis points in December versus +21 basis points in November.

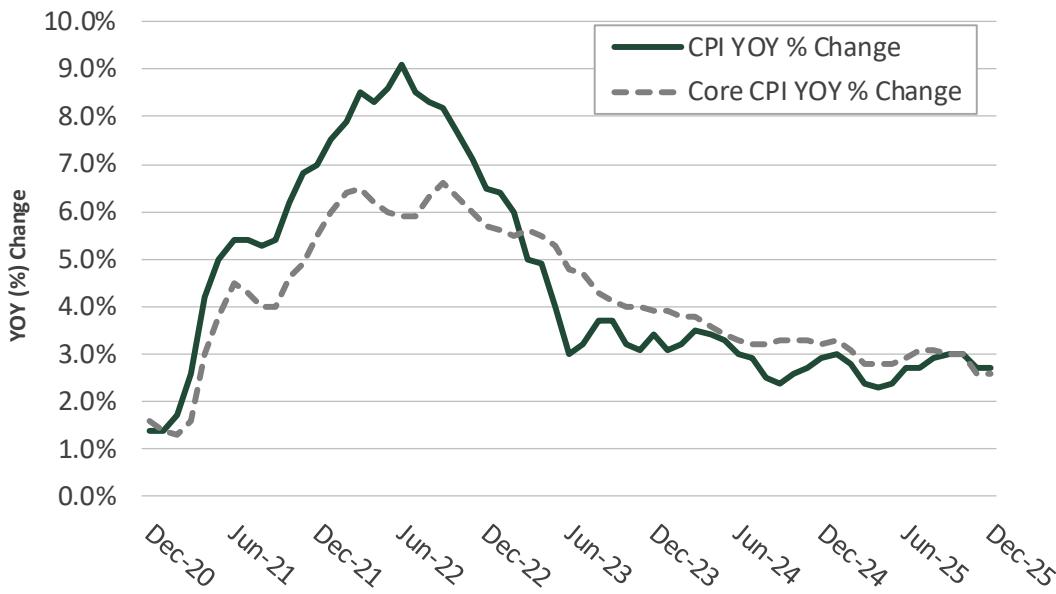


The December Nonfarm Payrolls report showed weaker-than-expected job growth, with payrolls rising by 50,000 compared with the consensus estimate of 70,000. This follows a downwardly revised gain of 56,000 in November. Employment declines were most pronounced in retail trade and construction, while leisure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



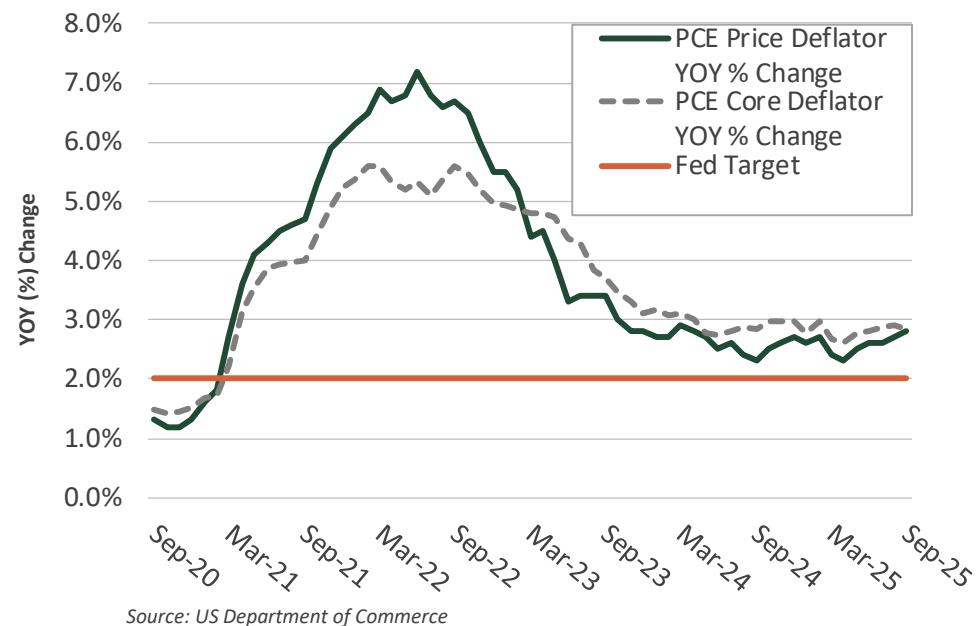
The Labor Department's Job Openings and Labor Turnover Survey (JOLTS) reported that job openings fell to 7.1 million in November from a downwardly revised 7.4 million in October. The drop in vacancies, alongside slower hiring, suggests the labor market continues to soften, though employers remain cautious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

Consumer Price Index (CPI)



Source: US Department of Labor

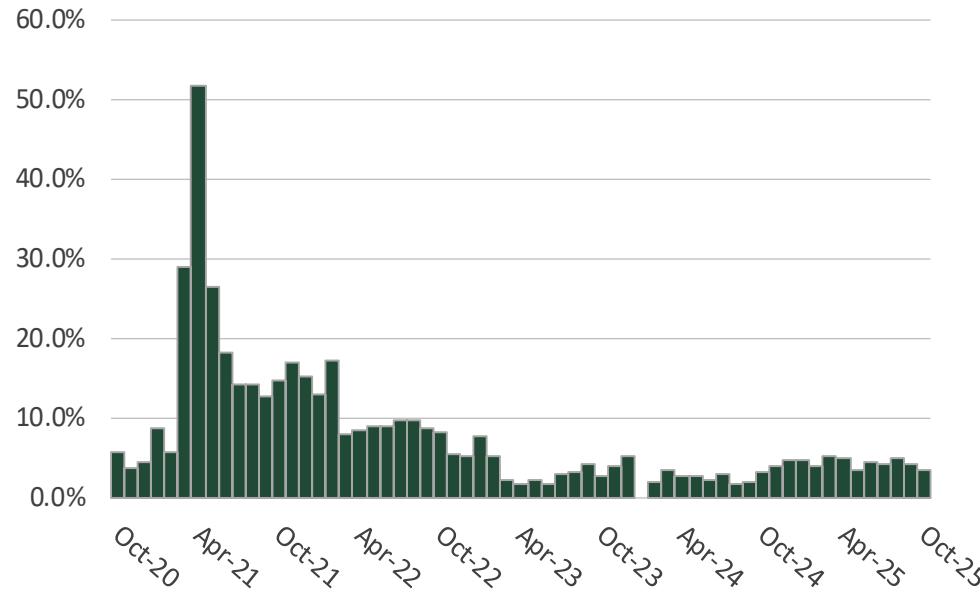
Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

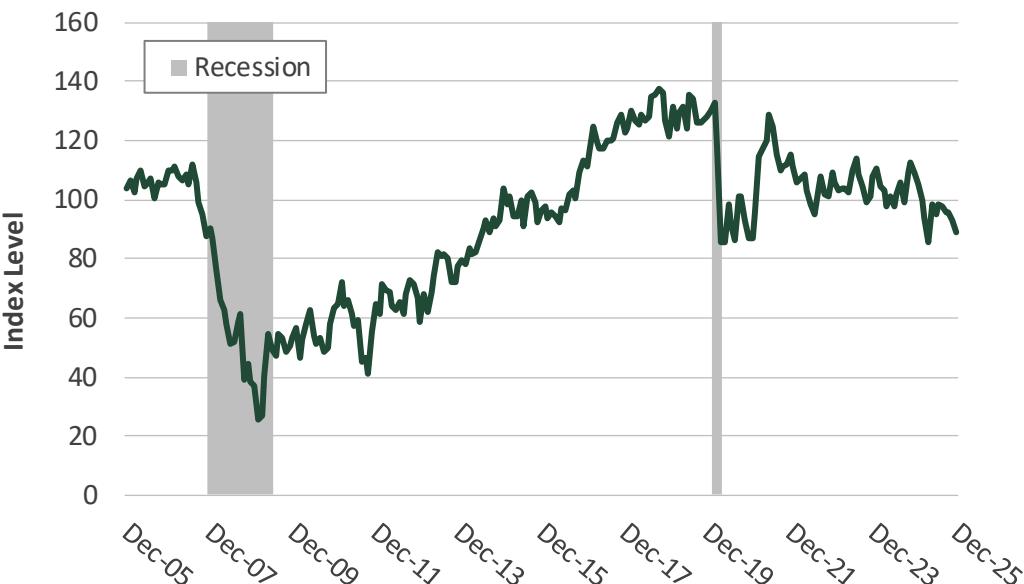
Inflation came in lower than expected in November, with the Consumer Price Index (CPI) rising 2.7% year over year and core CPI easing to 2.6%. Notably, both Owners' Equivalent Rent and Rent of Primary Residence contributed to the slowdown in services inflation. Shelter costs typically lag broader market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

Retail Sales YOY % Change



Source: US Department of Commerce

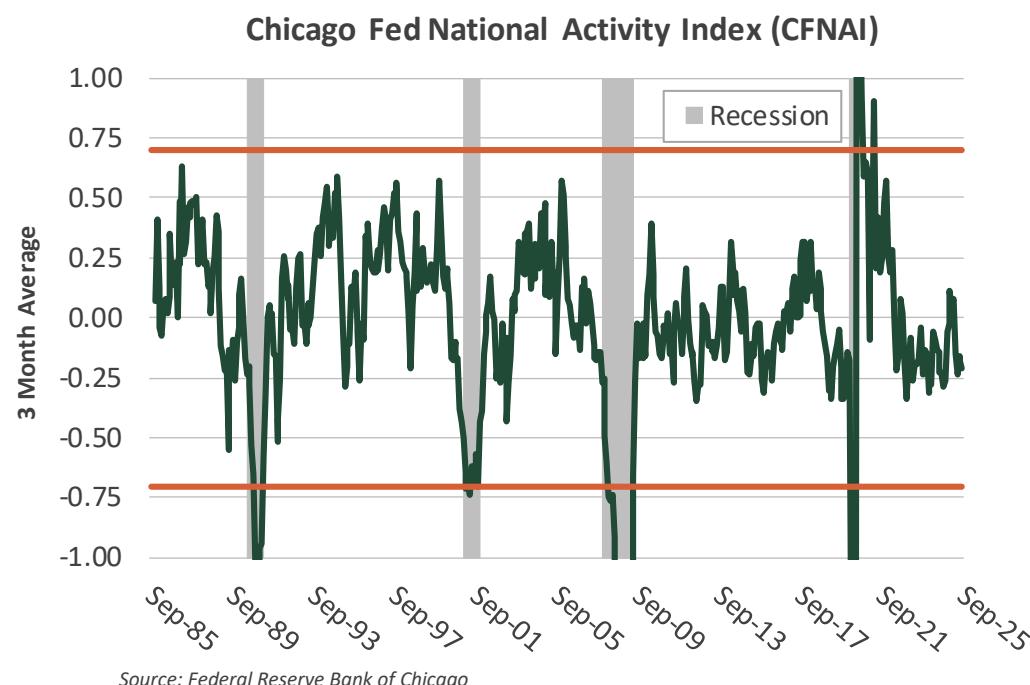
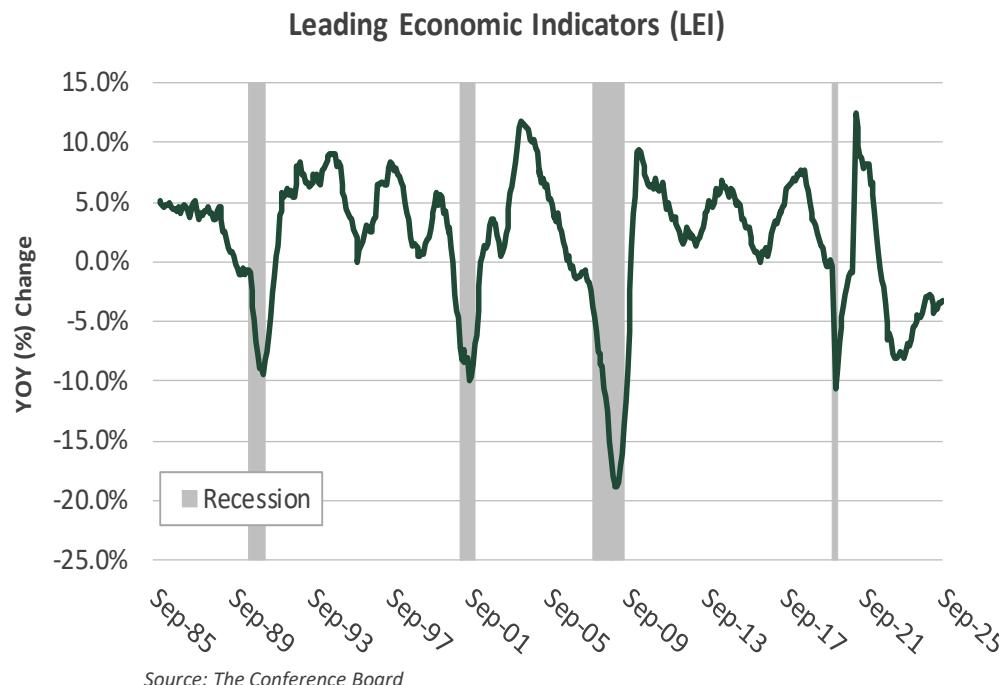
Consumer Confidence



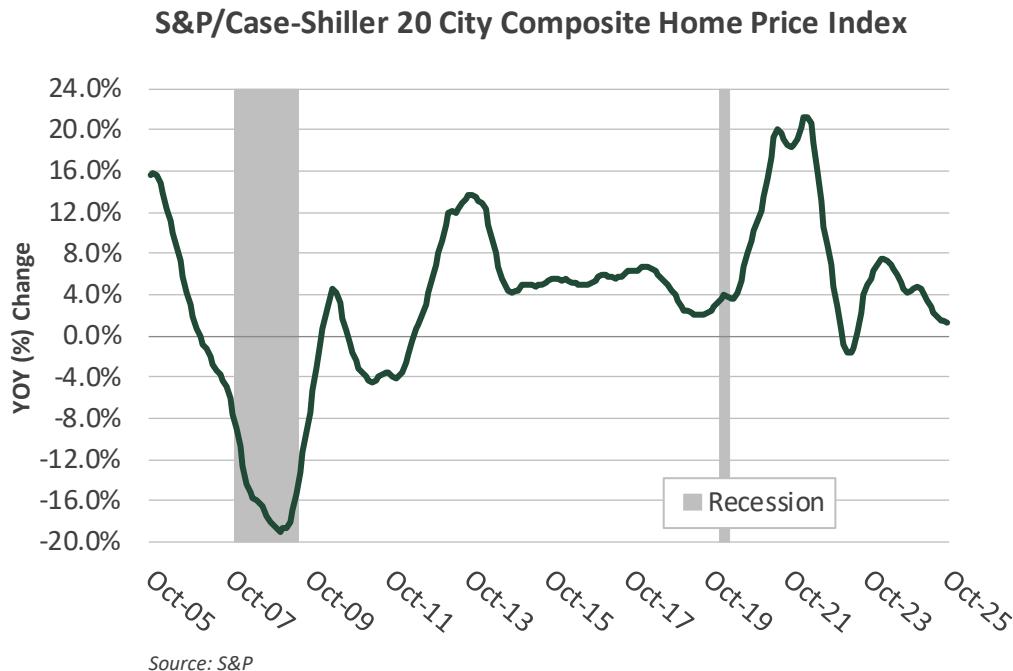
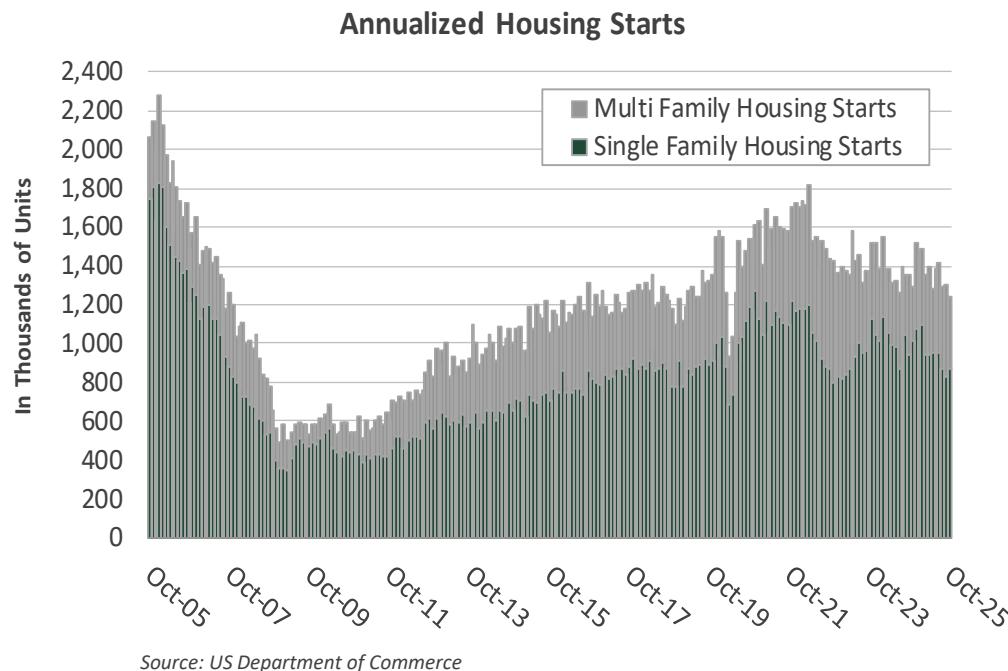
Source: The Conference Board

All time high is 144.70 (1/31/00); All time low is 25.30 (2/28/09)

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

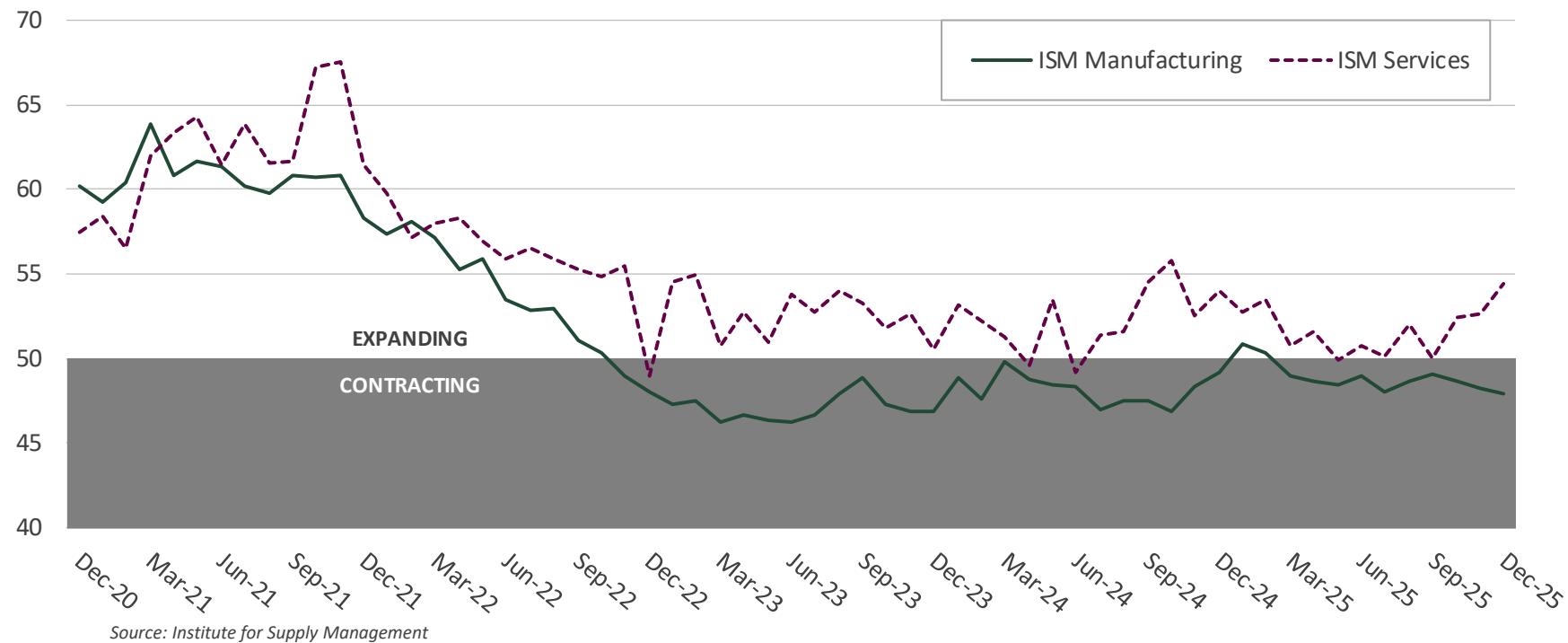


The Conference Board's Leading Economic Index (LEI) declined 0.3% in September, marking its second consecutive monthly decrease after a revised 0.3% drop in August. On a year-over-year basis, the index fell 3.3%. According to the Conference Board, weakening expectations among consumers and businesses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



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

Institute of Supply Management (ISM) Surveys

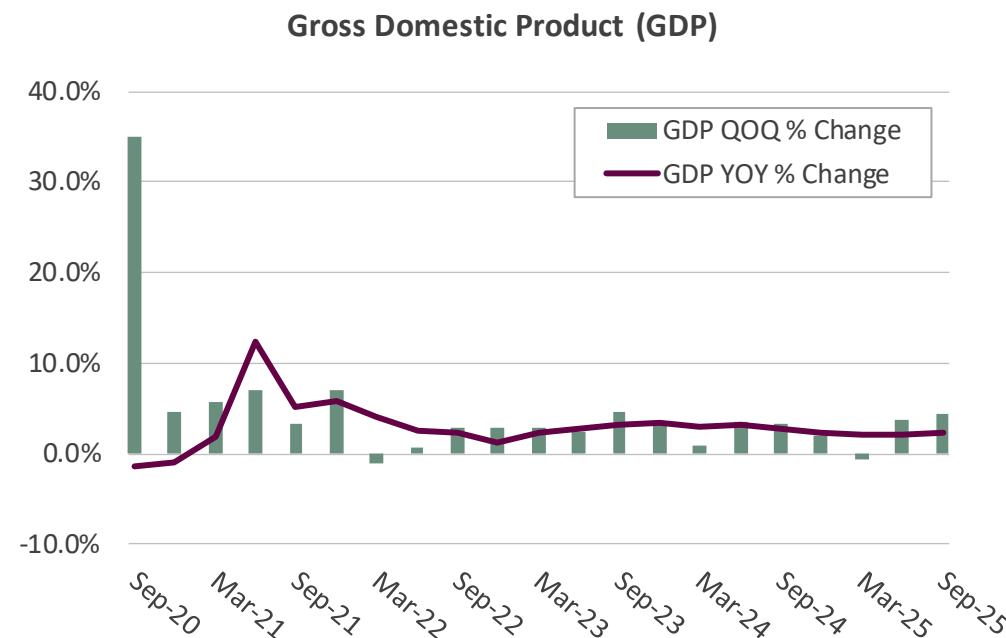


Source: Institute for Supply Management

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

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

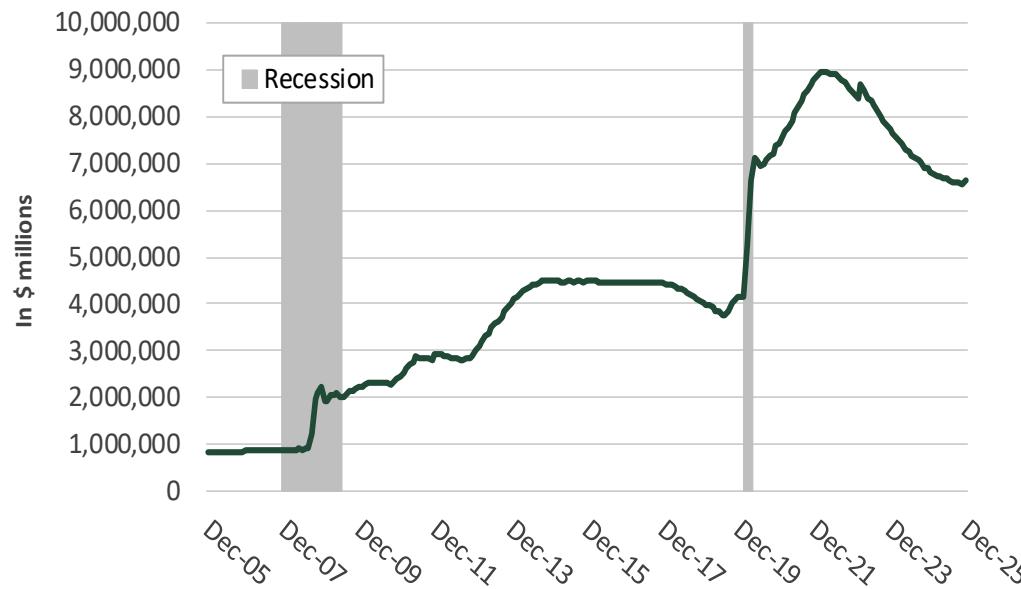
Source: US Department of Commerce



Source: US Department of Commerce

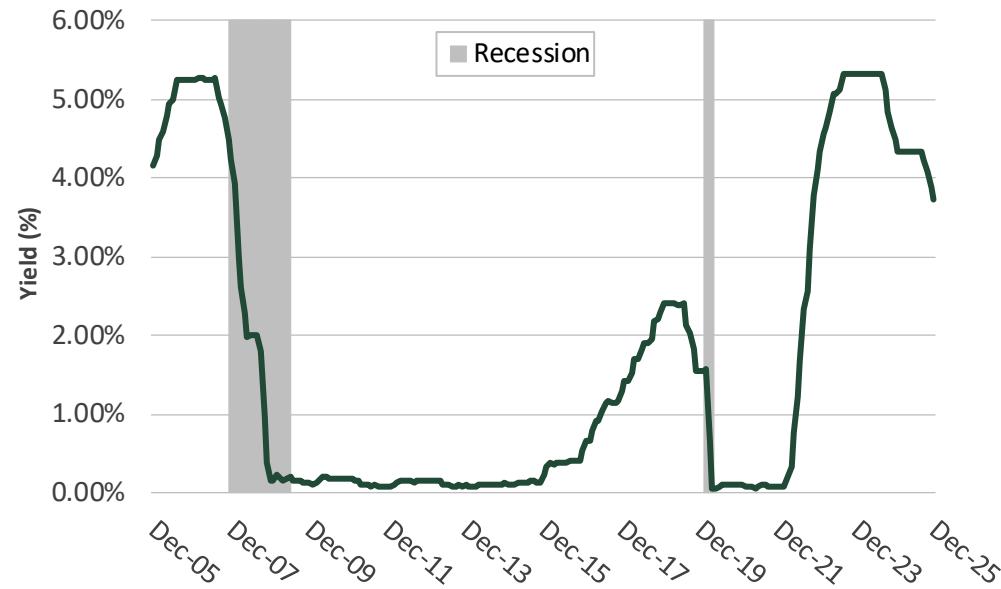
The U.S. inflation adjusted gross domestic product (GDP) report demonstrated continued strength in the third quarter, with the first estimate showing a 4.3% annualized quarter-over-quarter increase, up from 3.8% in the second quarter. Consumer spending accelerated, while exports contributed 1.6 percentage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

Federal Reserve Balance Sheet Assets



Source: Federal Reserve

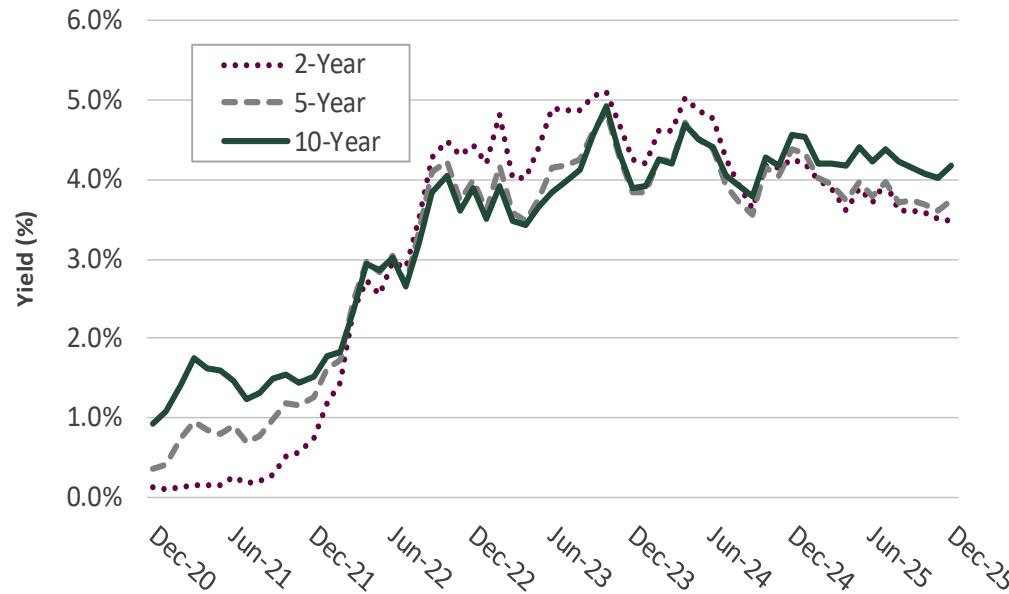
Effective Federal Funds Rate



Source: Bloomberg

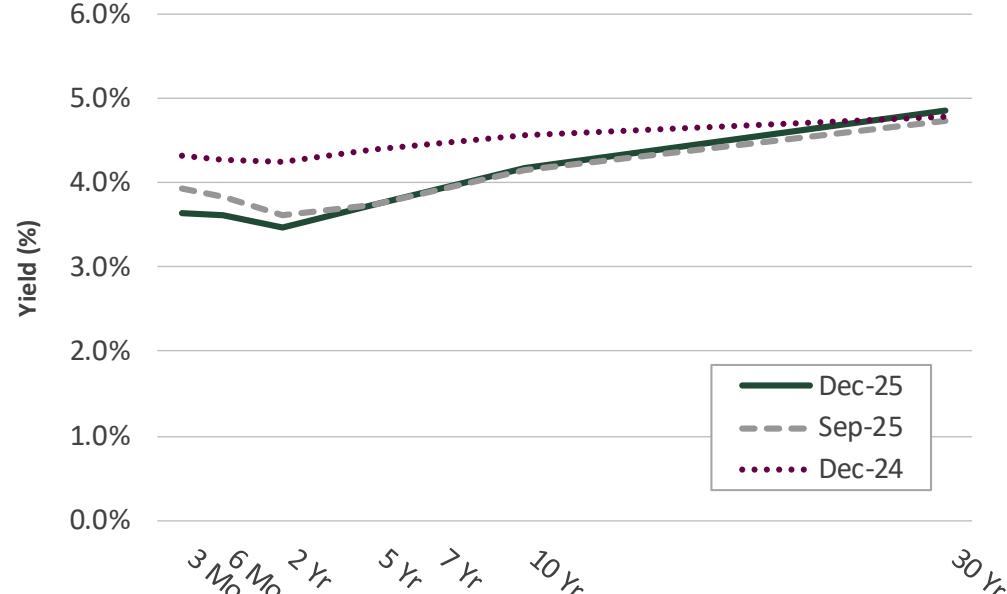
The Federal Reserve lowered its benchmark interest rate by a quarter point to a target range of 3.50% to 3.75% at its December meeting, citing concerns about emerging weakness in the labor market. A few policymakers dissented, arguing that tighter monetary policy may still be warranted to ensure progress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

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

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

ACCOUNT PROFILE

City of Cupertino | As of December 31, 2025

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 December 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES				
Max % (MV)	100.0	11.6	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	25.0	2.6	Compliant	
Max Maturity (Years)	5.0	4.5	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV; Non Agency ABS & MBS)	20.0	7.6	Compliant	
Max % Issuer (MV)	5.0	0.8	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
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	
CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV; FDIC & Collateralized CD/TD)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				

STATEMENT OF COMPLIANCE



City of Cupertino | Account #10659 | As of December 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	30.0	27.5	Compliant	
Max % Issuer (MV)	5.0	1.4	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV; FDIC & Collateralized CD/TD)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	3.5	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	25.0	2.6	Compliant	
Max Callables (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	1	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.6	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES (NON-AGENCY)				
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	
MUNICIPAL SECURITIES (CA, LOCAL AGENCY)				
Max % (MV)	30.0	0.9	Compliant	
Max % Issuer (MV)	5.0	0.9	Compliant	
Max Maturity (Years)	5	3	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, OTHER STATES)				

STATEMENT OF COMPLIANCE



City of Cupertino | Account #10659 | As of December 31, 2025

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	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
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	
REPURCHASE AGREEMENTS				
Max % (MV)	10.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	1.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	2.9	Compliant	
Max % Issuer (MV)	10.0	1.7	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	45.5	Compliant	
Max Maturity (Years)	5	4	Compliant	

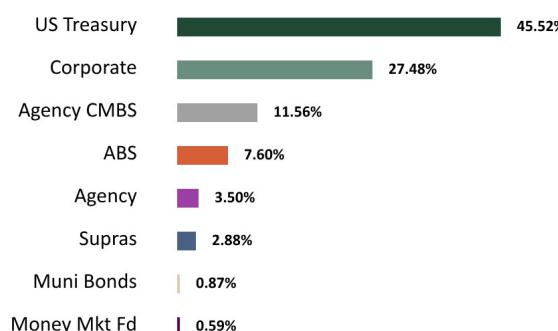
PORTFOLIO SUMMARY

City of Cupertino | Account #10659 | As of December 31, 2025

Portfolio Characteristics

Average Modified Duration	2.63
Average Coupon	3.71%
Average Purchase YTM	3.95%
Average Market YTM	3.78%
Average Credit Quality*	AA
Average Final Maturity	3.05
Average Life	2.87

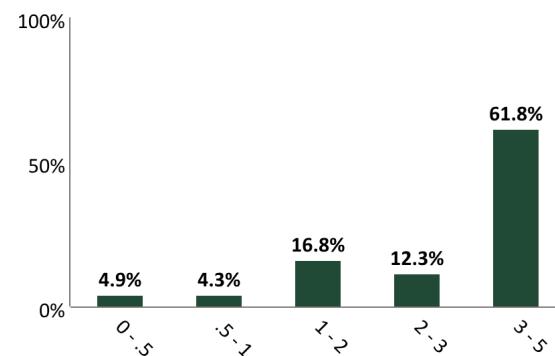
Sector Allocation



Account Summary

	End Values as of 09/30/2025	End Values as of 12/31/2025
Market Value	204,001,801.31	205,668,734.88
Accrued Interest	1,106,379.00	1,621,951.12
Total Market Value	205,108,180.31	207,290,686.00
Income Earned	1,646,763.62	1,975,161.43
Cont/WD	27,800,000.00	0.00
Par	204,299,921.15	205,673,731.74
Book Value	202,688,318.55	204,078,590.52
Cost Value	202,164,869.60	203,529,920.42

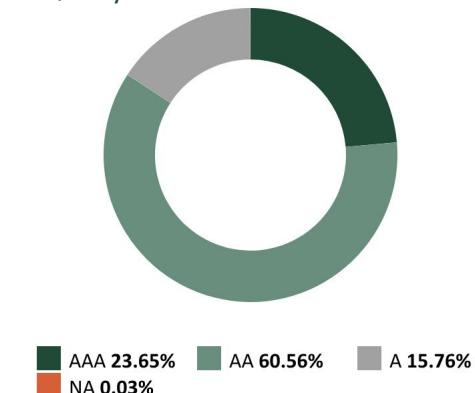
Maturity Distribution



Top Issuers

United States	45.52%
FHLMC	11.56%
Farm Credit System	2.57%
International Bank for Recon and Dev	1.70%
Morgan Stanley	1.68%
Toyota Motor Corporation	1.39%
Guardian Life Global Funding	1.32%
The Home Depot, Inc.	1.28%

Credit Quality*



Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (02/01/19)
City of Cupertino	0.19%	1.08%	6.06%	6.06%	5.09%	4.94%	1.70%	--	2.40%
Benchmark Return	0.19%	1.11%	5.73%	5.73%	4.53%	4.52%	1.37%	--	2.15%

*The average credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

**Periods over 1 year are annualized.

Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

PORTFOLIO CHARACTERISTICS

City of Cupertino | Account #10659 | As of December 31, 2025



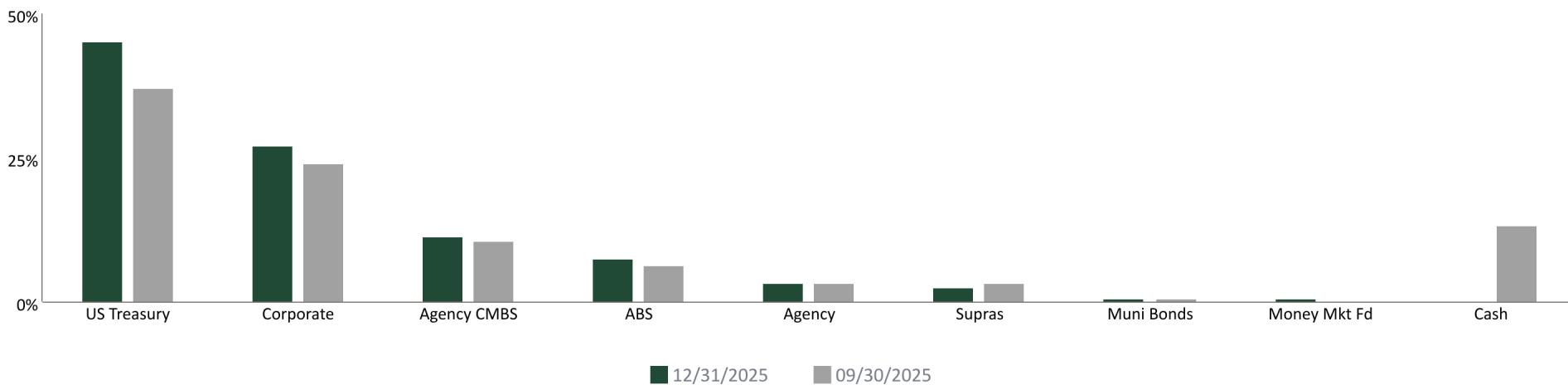
	Benchmark*	12/31/2025 Portfolio	9/30/2025 Portfolio
Average Maturity (yrs)	2.64	3.05	2.56
Average Modified Duration	2.47	2.63	2.21
Average Purchase Yield		3.95%	3.32%
Average Market Yield	3.55%	3.78%	3.35%
Average Quality**	AA+	AA	AA+
Total Market Value		207,290,686	205,108,180

*Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

City of Cupertino | Account #10659 | As of December 31, 2025

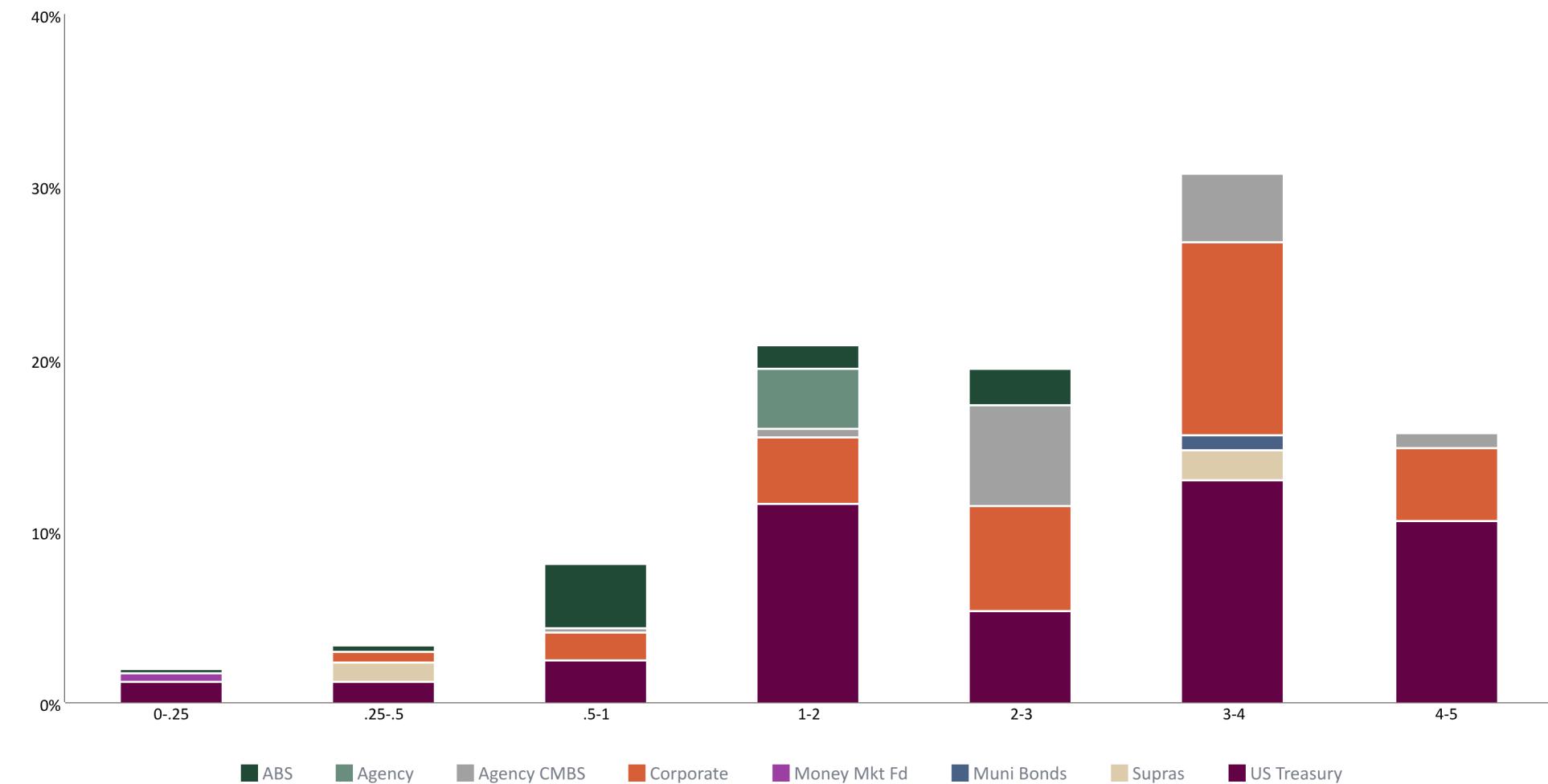


Sector as a Percentage of Market Value

Sector	12/31/2025	09/30/2025
US Treasury	45.52%	37.16%
Corporate	27.48%	24.11%
Agency CMBS	11.56%	10.69%
ABS	7.60%	6.36%
Agency	3.50%	3.50%
Supras	2.88%	3.55%
Muni Bonds	0.87%	0.87%
Money Mkt Fd	0.59%	0.24%
Cash	--	13.53%

DURATION ALLOCATION

City of Cupertino | Account #10659 | As of December 31, 2025



	0-25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
12/31/2025	1.9%	3.3%	8.0%	20.8%	19.4%	30.7%	15.7%	0.0%	0.0%

ISSUERS



City of Cupertino | Account #10659 | As of December 31, 2025

Issuer	Investment Type	% Portfolio
United States	US Treasury	45.52%
FHLMC	Agency CMBS	11.56%
Farm Credit System	Agency	2.57%
International Bank for Recon and Dev	Supras	1.70%
Morgan Stanley	Corporate	1.68%
Toyota Motor Corporation	Corporate	1.39%
Guardian Life Global Funding	Corporate	1.32%
The Home Depot, Inc.	Corporate	1.28%
Deere & Company	Corporate	1.20%
Inter-American Development Bank	Supras	1.19%
Meta Platforms, Inc.	Corporate	1.18%
New York Life Insurance Company	Corporate	1.17%
Caterpillar Inc.	Corporate	1.09%
Royal Bank of Canada	Corporate	1.00%
Massachusetts Mutual Life Insurance	Corporate	0.97%
UnitedHealth Group Incorporated	Corporate	0.93%
Federal Home Loan Banks	Agency	0.93%
PACCAR Inc	Corporate	0.91%
Simon Property Group, Inc.	Corporate	0.91%
Chubb Limited	Corporate	0.87%
State of California	Muni Bonds	0.87%
American Honda Finance Corporation	Corporate	0.86%
Pricoa Global Funding I	Corporate	0.85%
Chase Issuance Trust	ABS	0.83%
Bank of America Credit Card Trust	ABS	0.81%
Berkshire Hathaway Inc.	Corporate	0.77%
PepsiCo, Inc.	Corporate	0.74%
Citigroup Inc	ABS	0.74%
Prologis, Inc.	Corporate	0.74%
Bank of America Corporation	Corporate	0.73%

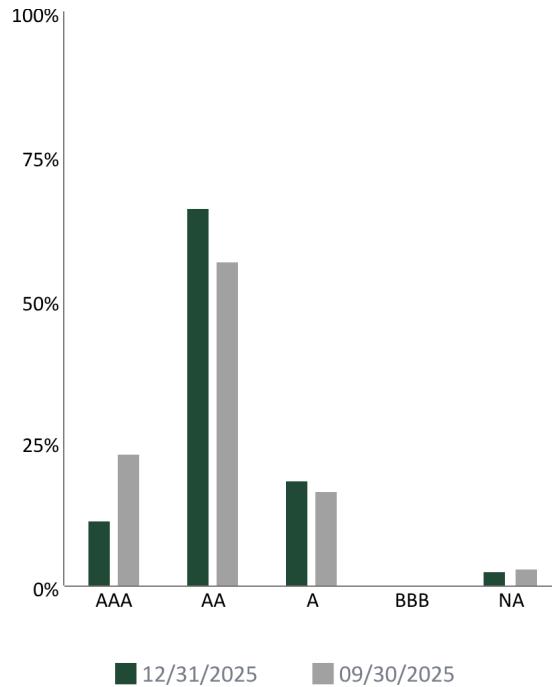
City of Cupertino | Account #10659 | As of December 31, 2025

Issuer	Investment Type	% Portfolio
JPMorgan Chase & Co.	Corporate	0.73%
The Progressive Corporation	Corporate	0.73%
Realty Income Corporation	Corporate	0.71%
American Express Credit Master Trust	ABS	0.70%
Marsh & McLennan Companies, Inc.	Corporate	0.69%
WF Card Issuance Trust	ABS	0.67%
Wells Fargo & Company	Money Mkt Fd	0.57%
Honda Auto Receivables Owner Trust	ABS	0.54%
Cargill, Incorporated	Corporate	0.53%
Metropolitan Life Global Funding I	Corporate	0.53%
GM Financial Securitized Term	ABS	0.53%
BMW Vehicle Lease Trust	ABS	0.51%
Mercedes-Benz Auto Lease Trust	ABS	0.51%
National Rural Utilities Cooperative	Corporate	0.50%
The Goldman Sachs Group, Inc.	Corporate	0.50%
Northwestern Mutual Global Funding	Corporate	0.49%
Mastercard Incorporated	Corporate	0.47%
The Charles Schwab Corporation	Corporate	0.46%
Toyota Auto Receivables Owner Trust	ABS	0.40%
John Deere Owner Trust	ABS	0.39%
Met Tower Global Funding	Corporate	0.37%
Mercedes-Benz Auto Receivables Trust	ABS	0.37%
BMW Vehicle Owner Trust	ABS	0.34%
Hyundai Auto Lease Securitization Tr	ABS	0.27%
Walmart Inc.	Corporate	0.17%
WC MMF Sweep	Money Mkt Fd	0.03%
Cash	Cash	0.00%
TOTAL		100.00%

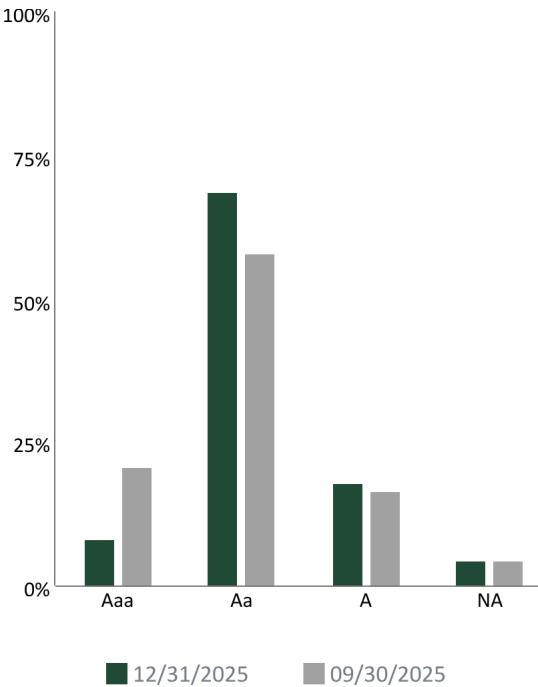
QUALITY DISTRIBUTION

City of Cupertino | Account #10659 | As of December 31, 2025

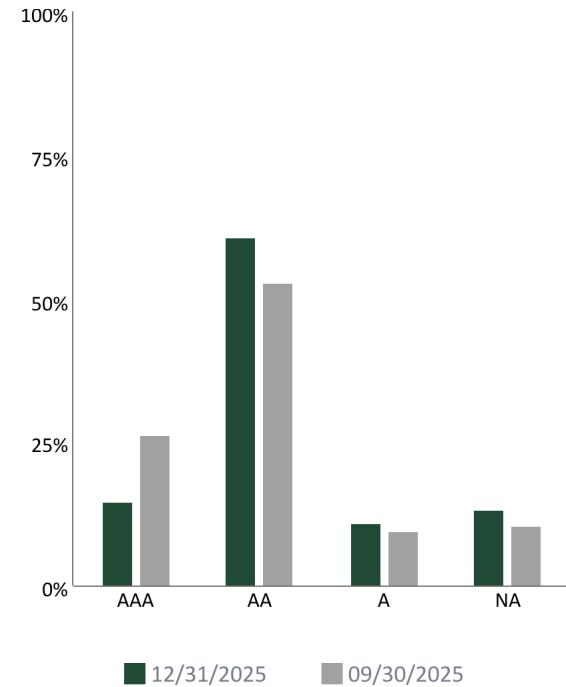
S&P Rating



Moody's Rating



Fitch Rating



Rating	12/31/2025	09/30/2025
AAA	11.52%	23.28%
AA	66.23%	56.92%
A	18.76%	16.64%
BBB	0.50%	--
NA	3.00%	3.16%

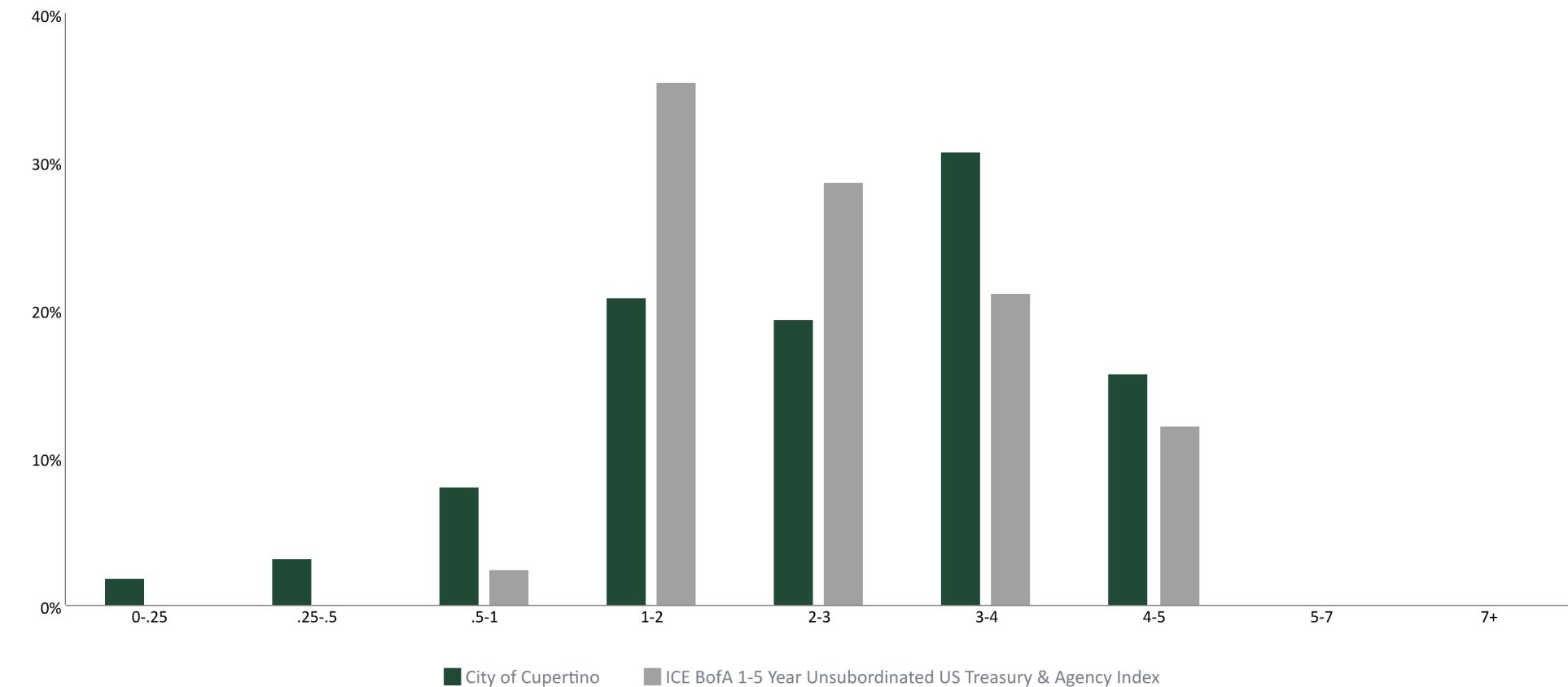
Rating	12/31/2025	09/30/2025
Aaa	8.21%	20.99%
Aa	68.96%	57.92%
A	18.32%	16.60%
NA	4.51%	4.49%

Rating	12/31/2025	09/30/2025
AAA	14.80%	26.36%
AA	60.71%	52.84%
A	11.16%	10.00%
NA	13.33%	10.80%

DURATION DISTRIBUTION

City of Cupertino | Account #10659 | As of December 31, 2025

Portfolio Compared to the Benchmark



	0-.25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
Portfolio	1.9%	3.3%	8.0%	20.8%	19.4%	30.7%	15.7%	0.0%	0.0%
ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index	0.0%	0.0%	2.5%	35.4%	28.7%	21.2%	12.3%	0.0%	0.0%

INVESTMENT PERFORMANCE



City of Cupertino | Account #10659 | As of December 31, 2025

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



	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
TOTAL RATE OF RETURN*							
City of Cupertino Gross of Fees	1.08%	6.06%	5.09%	4.94%	1.70%		2.40%
City of Cupertino Net of Fees	1.07%	5.99%	5.02%	4.87%	1.63%		2.33%
Benchmark	1.11%	5.73%	4.53%	4.52%	1.37%		2.15%
REALIZED RATE OF RETURN							
City of Cupertino	0.96%	3.54%	3.01%				

*Periods over 1 year are annualized.

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

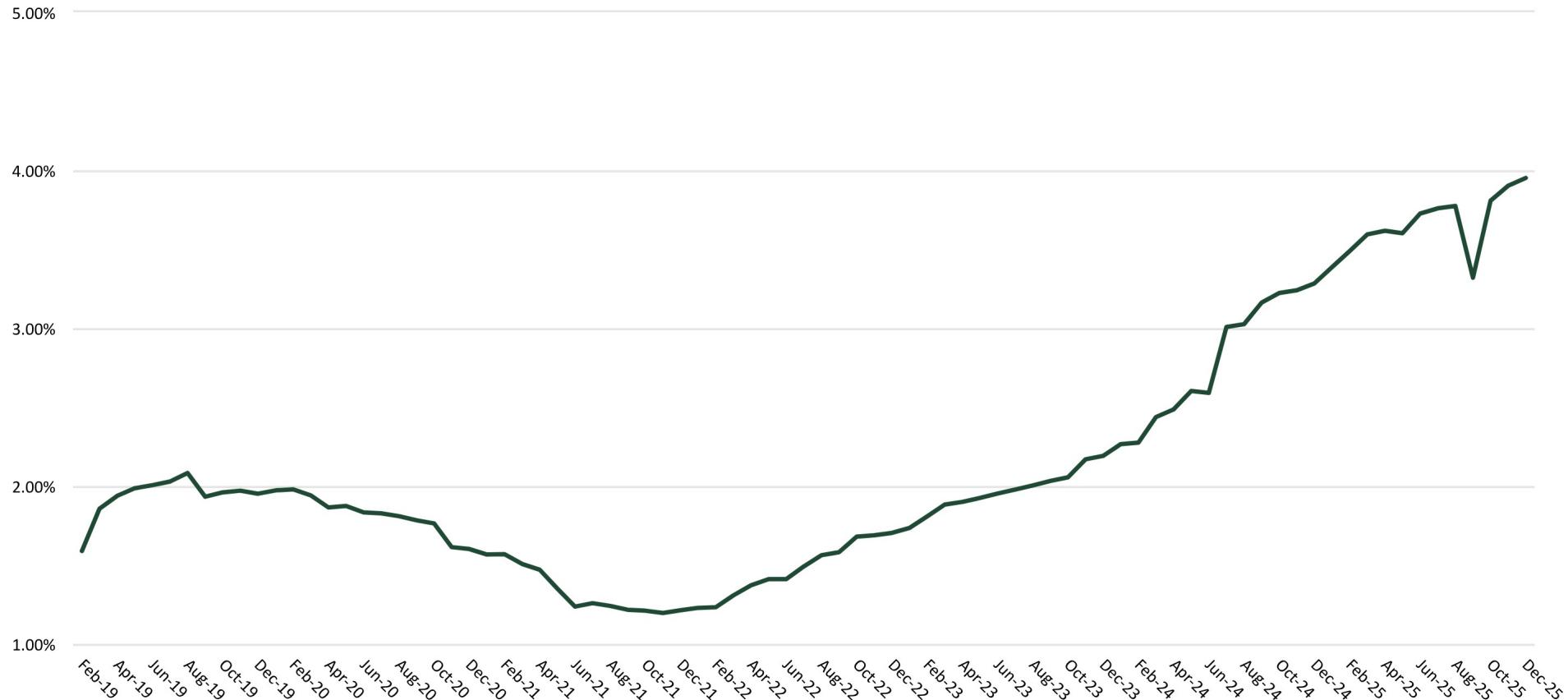
Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

HISTORICAL AVERAGE PURCHASE YIELD



City of Cupertino | Account #10659 | As of December 31, 2025

Purchase Yield as of 12/31/25 = 3.95%



PORTFOLIO CHARACTERISTICS



City of Cupertino Reporting | Account #10663 | As of December 31, 2025

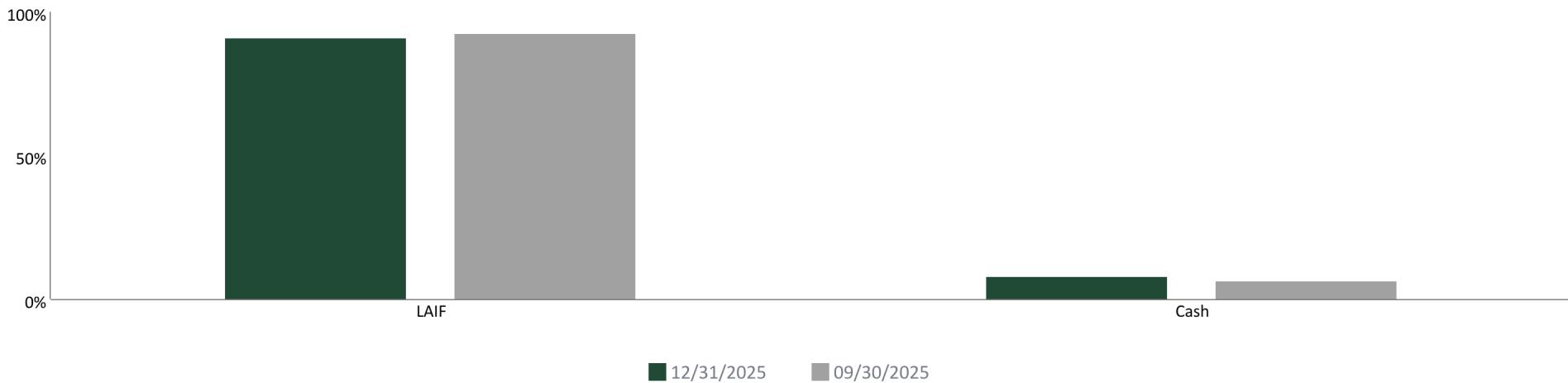
	12/31/2025 Portfolio	9/30/2025 Portfolio
Average Maturity (yrs)	0.00	0.00
Average Modified Duration	0.00	0.00
Average Purchase Yield	3.63%	3.90%
Average Market Yield	3.63%	3.90%
Average Quality**	AAA	AAA
Total Market Value	81,009,098	74,825,162

*Benchmark: NO BENCHMARK REQUIRED

**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

City of Cupertino Reporting | Account #10663 | As of December 31, 2025



Sector as a Percentage of Market Value

Sector	12/31/2025	09/30/2025
LAIF	91.23%	92.86%
Cash	8.77%	7.14%

CONSOLIDATED INFORMATION

PORTFOLIO CHARACTERISTICS

City of Cupertino Cons | Account #10664 | As of December 31, 2025



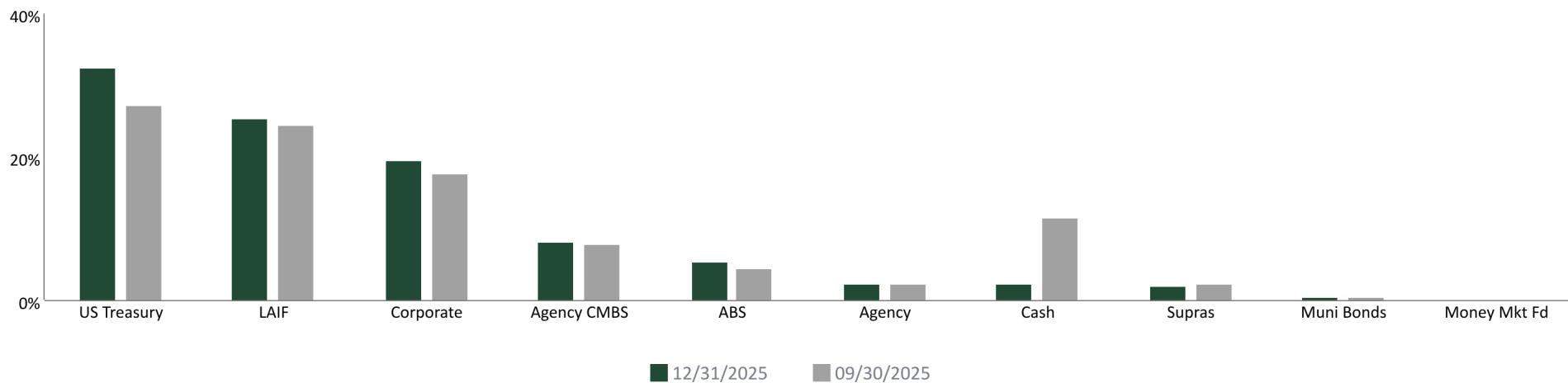
	12/31/2025 Portfolio	9/30/2025 Portfolio
Average Maturity (yrs)	2.19	1.87
Average Modified Duration	1.89	1.62
Average Purchase Yield	3.86%	3.47%
Average Market Yield	3.74%	3.50%
Average Quality**	AA+	AA+
Total Market Value	288,299,784	279,933,343

*Benchmark: NO BENCHMARK REQUIRED

**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

City of Cupertino Cons | Account #10664 | As of December 31, 2025



Sector as a Percentage of Market Value

Sector	12/31/2025	09/30/2025
US Treasury	32.74%	27.31%
LAIF	25.62%	24.61%
Corporate	19.77%	17.72%
Agency CMBS	8.31%	7.85%
ABS	5.47%	4.67%
Agency	2.52%	2.57%
Cash	2.46%	11.84%
Supras	2.07%	2.61%
Muni Bonds	0.62%	0.64%
Money Mkt Fd	0.43%	0.18%

PORTFOLIO HOLDINGS

HOLDINGS REPORT



City of Cupertino | Account #10659 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
47800AAC4	JDOT 2022-B A3 3.74 02/16/2027	73,664.30	07/12/2022 3.77%	73,657.26 73,662.62	99.96 4.07%	73,637.04 122.45	0.04% (25.58)	Aaa/NA AAA	1.13 0.12
44934FAD7	HALST 2024-B A3 5.41 05/17/2027	560,116.93	05/14/2024 5.41%	560,101.36 560,109.77	100.51 4.11%	562,972.97 1,346.77	0.27% 2,863.20	NA/AAA AAA	1.38 0.37
47800BAC2	JDOT 2022-C A3 5.09 06/15/2027	231,161.92	10/12/2022 5.15%	231,143.98 231,156.39	100.24 4.16%	231,724.80 522.94	0.11% 568.40	Aaa/NA AAA	1.45 0.24
89231FAD2	TAOT 2023-C A3 5.16 04/17/2028	817,404.32	11/21/2023 5.65%	814,083.62 815,673.67	100.59 4.05%	822,250.71 1,874.58	0.40% 6,577.04	NA/AAA AAA	2.30 0.51
438123AC5	HAROT 2023-4 A3 5.67 06/21/2028	570,497.05	-- 5.64%	571,909.24 571,122.23	101.09 4.09%	576,722.88 898.53	0.28% 5,600.66	Aaa/NA AAA	2.47 0.64
05594HAD5	BMWLT 2025-2 A3 3.97 09/25/2028	1,050,000.00	10/08/2025 4.32%	1,049,997.06 1,049,997.27	100.27 3.82%	1,052,808.75 694.75	0.51% 2,811.48	NA/AAA AAA	2.74 1.47
58769FAC9	MBART 2023-2 A3 5.95 11/15/2028	741,090.54	11/29/2023 3.88%	756,780.81 748,557.41	101.34 4.13%	751,006.33 1,959.77	0.37% 2,448.92	NA/AAA AAA	2.88 0.70
47800RAD5	JDOT 2024 A3 4.96 11/15/2028	500,000.00	03/25/2024 5.13%	499,765.63 499,854.87	100.88 3.98%	504,381.50 1,102.22	0.25% 4,526.63	Aaa/NA AAA	2.88 0.85
05522RDH8	BACCT 2023-2 A 4.98 11/16/2026	850,000.00	01/24/2024 4.58%	858,798.83 852,738.19	101.04 3.79%	858,823.00 1,881.33	0.42% 6,084.81	Aaa/NA AAA	0.88 0.84
437930AC4	HAROT 2024-2 A3 5.27 11/20/2028	519,127.49	05/14/2024 5.27%	519,064.41 519,087.05	101.21 3.84%	525,406.33 987.93	0.26% 6,319.28	NA/AAA AAA	2.89 0.81
36268GAD7	GMCAR 2024-1 A3 4.85 12/18/2028	1,085,959.77	-- 4.97%	1,084,237.70 1,084,862.93	100.61 4.00%	1,092,586.29 2,194.54	0.53% 7,723.37	Aaa/NA AAA	2.97 0.68
161571HV9	CHAIT 241 A 4.6 01/16/2029	1,690,000.00	01/24/2024 4.61%	1,689,742.61 1,689,842.18	100.90 3.75%	1,705,140.71 3,455.11	0.83% 15,298.53	NA/AAA AAA	3.04 0.99
096919AD7	BMWWT 2024-A A3 5.18 02/26/2029	685,001.19	06/04/2024 5.18%	684,897.14 684,931.54	100.91 3.98%	691,253.20 591.38	0.34% 6,321.66	Aaa/AAA NA	3.16 0.73
58770XAD5	MBALT 2025-B A3 3.88 04/16/2029	1,045,000.00	10/16/2025 4.57%	1,044,828.52 1,044,838.09	100.09 3.86%	1,045,976.03 1,802.04	0.51% 1,137.94	NA/AAA AAA	3.29 1.94
05522RDJ4	BACCT 2024-1 A 4.93 05/15/2029	785,000.00	06/06/2024 4.93%	784,955.96 784,969.97	101.57 3.78%	797,297.81 1,720.02	0.39% 12,327.84	Aaa/AAA NA	3.37 1.30
02582JKP4	AMXCA 2025-2 A 4.28 04/15/2030	1,420,000.00	05/06/2025 4.28%	1,419,974.30 1,419,977.63	101.14 3.79%	1,436,207.88 2,701.16	0.70% 16,230.25	NA/AAA AAA	4.29 2.14

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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
92970QAJ4	WFCIT 2025-1 A 4.34 05/15/2030	1,365,000.00	06/03/2025 4.33%	1,364,977.34 1,364,979.92	101.33 3.78%	1,383,120.38 2,632.93	0.67% 18,140.45	NA/AAA AAA	4.37 2.21
17305EHA6	CCCIT 2025-A1 A1 4.3 06/21/2030	1,500,000.00	10/09/2025 3.90%	1,515,000.00 1,513,736.04	101.16 3.80%	1,517,418.00 1,791.67	0.74% 3,681.96	Aaa/AAA NA	4.47 2.32
Total ABS		15,489,023.50	4.66%	15,523,915.77	100.90	15,628,734.61	7.60%	118,636.83	3.14
AGENCY									
3130B0TY5	FEDERAL HOME LOAN BANKS 4.75 04/09/2027	1,875,000.00	04/10/2024 4.85%	1,870,050.00 1,872,903.16	101.68 3.38%	1,906,554.38 20,286.46	0.93% 33,651.22	Aa1/AA+ AA+	1.27 1.21
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 2,405,863.18	101.63 3.49%	2,439,168.00 17,416.67	1.19% 33,304.82	Aa1/AA+ AA+	1.34 1.29
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 2,795,143.73	101.99 3.51%	2,855,658.40 16,547.22	1.39% 60,514.67	Aa1/AA+ AA+	1.87 1.77
Total Agency		7,075,000.00	4.70%	7,072,214.00	101.79	7,201,380.78	3.50%	127,470.70	1.53
AGENCY CMBS									
3137BSP72	FHMS K-058 A2 2.653 08/25/2026	650,000.00	11/12/2021 1.36%	687,451.17 654,621.45	99.14 3.82%	644,432.75 1,437.04	0.31% (10,188.70)	Aa1/AA+ AAA	0.65 0.59
3137FBBX3	FHMS K-068 A2 3.244 08/25/2027	1,000,000.00	09/28/2022 4.36%	950,664.06 983,853.18	99.12 3.71%	991,219.00 2,703.33	0.48% 7,365.82	Aaa/AA+ AA+	1.65 1.51
3137FKUP9	FHMS K-087 A2 3.771 12/25/2028	1,943,312.76	07/01/2024 4.86%	1,859,127.85 1,887,625.23	99.74 3.81%	1,938,188.24 6,106.86	0.94% 50,563.02	Aa1/AAA AA+	2.99 2.65
3137FL6P4	FHMS K-089 A2 3.563 01/25/2029	1,288,000.00	07/03/2024 4.70%	1,228,178.44 1,247,948.42	99.09 3.83%	1,276,325.57 3,824.29	0.62% 28,377.14	Aa1/AA+ AA+	3.07 2.82
3137H5YC5	FHMS K-748 A2 2.26 01/25/2029	2,000,000.00	07/03/2024 4.74%	1,801,718.75 1,867,247.25	95.51 3.84%	1,910,230.00 3,766.67	0.93% 42,982.75	Aa1/AA+ AAA	3.07 2.83
3137FKZZ2	FHMS K-088 A2 3.69 01/25/2029	2,550,000.00	07/17/2024 4.50%	2,465,830.08 2,493,195.67	99.49 3.81%	2,536,938.90 7,841.25	1.23% 43,743.23	Aaa/AA+ AA+	3.07 2.78
3137FLN91	FHMS K-091 A2 3.505 03/25/2029	2,500,000.00	03/20/2025 4.25%	2,431,738.28 2,445,134.11	98.88 3.84%	2,472,087.50 7,302.08	1.20% 26,953.39	Aa1/AAA AA+	3.23 2.90

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3137FMCR1	FHMS K-093 A2 2.982 05/25/2029	1,971,885.56	09/19/2024 3.82%	1,902,407.40 1,921,596.61	97.33 3.84%	1,919,194.81 4,900.14	0.93% (2,401.80)	Aa1/AA+ AAA	3.40 2.98
3137FNAE0	FHMS K-095 A2 2.785 06/25/2029	2,200,000.00	07/17/2024 4.47%	2,039,382.82 2,087,414.49	96.49 3.87%	2,122,879.00 5,105.83	1.03% 35,464.51	Aa1/AA+ AAA	3.48 3.15
3137FPHK4	FHMS K-098 A2 2.425 08/25/2029	1,600,000.00	09/03/2024 4.00%	1,488,375.00 1,518,432.68	95.07 3.90%	1,521,092.80 3,233.33	0.74% 2,660.12	Aa1/AA+ AAA	3.65 3.34
3137FPJG1	FHMS K-099 A2 2.595 09/25/2029	1,500,000.00	06/05/2025 4.21%	1,407,011.72 1,419,357.96	95.51 3.91%	1,432,642.50 3,243.75	0.70% 13,284.54	Aa1/AA+ AAA	3.73 3.40
3137FRUT6	FHMS K-106 A2 2.069 01/25/2030	2,000,000.00	06/06/2025 4.37%	1,810,078.13 1,833,347.84	92.97 3.95%	1,859,444.00 3,448.33	0.90% 26,096.16	Aa1/AA+ AAA	4.07 3.79
3137FTZQ3	FHMS K-110 A2 1.477 04/25/2030	1,500,000.00	09/03/2025 3.96%	1,348,652.34 1,359,099.51	90.51 3.97%	1,357,692.00 1,846.25	0.66% (1,407.51)	Aa1/AA+ AAA	4.31 3.95
3137FWG79	FHMS K-115 A2 1.383 06/25/2030	2,000,000.00	12/10/2025 3.99%	1,787,343.75 1,789,563.00	89.45 3.99%	1,788,922.00 2,305.00	0.87% (641.00)	Aa1/AA+ AAA	4.48 4.21
Total Agency CMBS		24,703,198.32	4.25%	23,207,959.79 23,508,437.40	96.34 3.87%	23,771,289.07 57,064.16	11.56% 262,851.67		3.35 3.05

CASH									
CCYUSD	Receivable	6,962.94	--	6,962.94 6,962.94	1.00	6,962.94 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		6,962.94		6,962.94 6,962.94	1.00	6,962.94 0.00	0.00% 0.00		0.00 0.00

CORPORATE									
89236TJK2	TOYOTA MOTOR CREDIT CORP 1.125 06/18/2026	1,385,000.00	06/15/2021 1.13%	1,384,390.60 1,384,943.93	98.79 3.80%	1,368,184.72 562.66	0.67% (16,759.22)	A1/A+ A+	0.46 0.45
57629WDE7	MASSMUTUAL GLOBAL FUNDING II 1.2 07/16/2026	1,000,000.00	08/19/2021 1.15%	1,002,230.00 1,000,244.45	98.54 3.96%	985,425.00 5,500.00	0.48% (14,819.45)	Aa3/AA+ AA+	0.54 0.53
58989V2D5	MET TOWER GLOBAL FUNDING 1.25 09/14/2026	770,000.00	09/07/2021 1.27%	769,291.60 769,900.68	98.18 3.90%	756,019.88 2,860.76	0.37% (13,880.80)	Aa3/AA- AA-	0.70 0.68
931142ERO	WALMART INC 1.05 09/17/2026	350,000.00	09/08/2021 1.09%	349,338.50 349,906.17	98.21 3.63%	343,738.50 1,061.67	0.17% (6,167.67)	Aa2/AA AA	0.71 0.69

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59217GER6	METROPOLITAN LIFE GLOBAL FUNDING I 1.875 01/11/2027	1,115,000.00	01/03/2022 1.90%	1,113,728.90 1,114,738.96	97.99 3.89%	1,092,633.10 9,872.40	0.53% (22,105.86)	Aa3/AA- AA-	1.03 0.99
808513BY0	CHARLES SCHWAB CORP 2.45 03/03/2027	960,000.00	03/01/2022 2.46%	959,729.90 959,933.12	98.42 3.84%	944,854.08 7,709.33	0.46% (15,079.04)	A2/A- A	1.17 1.13
084664CZ2	BERKSHIRE HATHAWAY FINANCE CORP 2.3 03/15/2027	1,615,000.00	03/07/2022 2.30%	1,614,693.15 1,614,926.40	98.42 3.65%	1,589,560.52 10,937.14	0.77% (25,365.88)	Aa2/AA A+	1.20 1.16
14913UAL4	CATERPILLAR FINANCIAL SERVICES CORP 5.0 05/14/2027	1,000,000.00	05/10/2024 5.04%	998,930.00 999,512.93	101.66 3.74%	1,016,583.00 6,527.78	0.49% 17,070.08	A2/A A+	1.37 1.31
24422EXZ7	JOHN DEERE CAPITAL CORP 4.65 01/07/2028	1,430,000.00	01/06/2025 4.66%	1,429,571.00 1,429,711.12	101.72 3.75%	1,454,598.86 32,139.25	0.71% 24,887.74	A1/A A+	2.02 1.87
57636QAW4	MASTERCARD INC 4.875 03/09/2028	945,000.00	03/06/2023 4.90%	944,083.35 944,599.62	102.27 3.78%	966,493.08 14,332.50	0.47% 21,893.46	Aa3/A+ NA	2.19 1.96
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	101.39 4.27%	1,977,190.80 44,939.70	0.96% 27,190.80	Aa3/A+ AA-	2.54 1.43
69371RU20	PACCAR FINANCIAL CORP 4.0 11/07/2028	1,865,000.00	11/05/2025 4.02%	1,863,955.60 1,864,008.01	100.47 3.82%	1,873,718.88 11,190.00	0.91% 9,710.86	A1/A+ NA	2.85 2.65
74340XBL4	PROLOGIS LP 4.375 02/01/2029	1,500,000.00	07/18/2024 4.68%	1,481,235.00 1,487,244.78	100.96 4.04%	1,514,335.50 27,343.75	0.74% 27,090.72	A2/A NA	3.09 2.59
78016HZV5	ROYAL BANK OF CANADA 4.95 02/01/2029	2,000,000.00	10/31/2024 4.69%	2,019,920.00 2,014,455.79	102.65 4.03%	2,052,958.00 41,250.00	1.00% 38,502.21	A1/A AA-	3.09 2.79
743315AV5	PROGRESSIVE CORP 4.0 03/01/2029	1,500,000.00	07/16/2024 4.72%	1,455,495.00 1,469,547.82	100.18 3.94%	1,502,643.00 20,000.00	0.73% 33,095.18	A2/A A	3.16 2.69
64952WFG3	NEW YORK LIFE GLOBAL FUNDING 5.0 06/06/2029	1,000,000.00	07/01/2024 5.12%	994,880.00 996,438.76	102.62 4.17%	1,026,183.00 3,472.22	0.50% 29,744.24	Aa1/AA+ AAA	3.43 3.12
437076BY7	HOME DEPOT INC 2.95 06/15/2029	1,663,000.00	09/17/2024 3.93%	1,593,203.89 1,612,154.88	96.76 3.96%	1,609,157.05 2,180.38	0.78% (2,997.84)	A2/A A	3.45 3.24
437076DC3	HOME DEPOT INC 4.75 06/25/2029	1,000,000.00	07/01/2024 4.93%	992,260.00 994,591.79	102.52 3.97%	1,025,244.00 791.67	0.50% 30,652.21	A2/A A	3.48 3.12
756109CB8	REALTY INCOME CORP 4.0 07/15/2029	1,463,000.00	08/08/2024 4.69%	1,419,212.41 1,431,612.01	99.51 4.15%	1,455,891.28 26,984.22	0.71% 24,279.28	A3/A- NA	3.54 3.20
713448FX1	PEPSICO INC 4.5 07/17/2029	1,500,000.00	07/15/2024 4.53%	1,497,675.00 1,498,353.66	101.96 3.90%	1,529,364.00 30,750.00	0.74% 31,010.34	A1/A+ NA	3.54 3.12
46647PAV8	JPMORGAN CHASE & CO 4.203 07/23/2029	1,500,000.00	09/17/2024 4.27%	1,496,610.00 1,497,744.83	100.32 4.37%	1,504,864.50 27,669.75	0.73% 7,119.67	A1/A AA-	3.56 2.36

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06051GHM4	BANK OF AMERICA CORP 4.271 07/23/2029	1,500,000.00	09/17/2024 4.29%	1,498,710.00 1,499,141.84	100.46 4.39%	1,506,874.50 28,117.42	0.73% 7,732.66	A1/A- AA-	3.56 2.36
30303M8S4	META PLATFORMS INC 4.3 08/15/2029	912,000.00	08/12/2024 4.33%	910,584.09 910,974.90	101.20 3.94%	922,987.78 14,814.93	0.45% 12,012.88	Aa3/AA- NA	3.62 3.20
171239AL0	CHUBB INA HOLDINGS LLC 4.65 08/15/2029	1,750,000.00	-- 4.44%	1,765,746.34 1,761,599.83	102.21 3.99%	1,788,659.25 30,741.67	0.87% 27,059.42	A2/A A	3.62 3.19
91324PDS8	UNITEDHEALTH GROUP INC 2.875 08/15/2029	2,000,000.00	09/17/2024 3.94%	1,906,080.00 1,930,713.04	96.03 4.07%	1,920,526.00 21,722.22	0.93% (10,187.04)	A2/A+ A	3.62 3.35
02665WFQ9	AMERICAN HONDA FINANCE CORP 4.4 09/05/2029	1,750,000.00	10/02/2024 4.29%	1,758,102.50 1,756,052.09	101.01 4.10%	1,767,669.75 24,811.11	0.86% 11,617.66	A3/A- NA	3.68 3.32
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	99.93 4.20%	1,204,202.29 13,288.64	0.59% (797.71)	Aa1/AA+ NA	3.74 3.39
61748UAK8	MORGAN STANLEY 4.133 10/18/2029	1,470,000.00	10/17/2025 4.25%	1,470,184.60 1,470,172.60	99.97 4.27%	1,469,526.66 11,644.73	0.71% (645.94)	A1/A- A+	3.80 2.59
38141GD27	GOLDMAN SACHS GROUP INC 4.153 10/21/2029	1,025,000.00	10/14/2025 4.37%	1,025,000.00 1,025,000.00	99.98 4.27%	1,024,770.40 8,277.16	0.50% (229.60)	A2/BBB+ A	3.80 2.60
14913UAU4	CATERPILLAR FINANCIAL SERVICES CORP 4.7 11/15/2029	1,200,000.00	11/14/2024 4.74%	1,198,092.00 1,198,522.50	102.60 3.97%	1,231,172.40 7,206.67	0.60% 32,649.90	A2/A A+	3.87 3.50
64952WFK4	NEW YORK LIFE GLOBAL FUNDING 4.6 12/05/2029	1,365,000.00	12/02/2024 4.61%	1,364,221.95 1,364,388.98	101.57 4.16%	1,386,435.96 4,534.83	0.67% 22,046.98	Aa1/AA+ AAA	3.93 3.55
89236TNA9	TOYOTA MOTOR CREDIT CORP 4.95 01/09/2030	1,445,000.00	01/06/2025 5.00%	1,441,907.70 1,442,512.27	102.97 4.14%	1,487,865.93 34,174.25	0.72% 45,353.65	A1/A+ A+	4.02 3.54
63743HFX5	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.95 02/07/2030	1,000,000.00	02/05/2025 4.88%	1,002,873.61 1,002,348.52	102.92 4.17%	1,029,175.00 19,800.00	0.50% 26,826.48	A2/NA A	4.10 3.55
571748CA8	MARSH & MCLENNAN COMPANIES INC 4.65 03/15/2030	1,400,000.00	03/11/2025 4.69%	1,397,340.00 1,397,762.92	102.00 4.12%	1,428,065.80 19,168.33	0.69% 30,302.88	A3/A- A-	4.20 3.67
57629TBX4	MASSMUTUAL GLOBAL FUNDING II 4.55 05/07/2030	1,000,000.00	05/01/2025 4.58%	998,670.00 998,844.08	100.94 4.31%	1,009,392.00 6,825.00	0.49% 10,547.92	Aa3/AA+ AA+	4.35 3.89
66815L2W8	NORTHWESTERN MUTUAL GLOBAL FUNDING 4.6 06/03/2030	1,000,000.00	06/12/2025 4.51%	1,004,040.00 1,003,590.62	101.47 4.23%	1,014,740.00 3,577.78	0.49% 11,149.38	Aa1/AA+ AAA	4.42 3.96
828807DK0	SIMON PROPERTY GROUP LP 2.65 07/15/2030	2,000,000.00	08/19/2025 4.32%	1,853,380.00 1,864,356.02	93.64 4.21%	1,872,740.00 24,438.89	0.91% 8,383.98	A3/A NA	4.54 4.15

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40139LBN2	GUARDIAN LIFE GLOBAL FUNDING 4.327 10/06/2030	1,500,000.00	09/30/2025 4.33%	1,500,000.00 1,500,000.00	100.18 4.28%	1,502,752.50 15,324.79	0.73% 2,752.50	Aa1/AA+ NA	4.76 4.22
24422EYF0	JOHN DEERE CAPITAL CORP 4.375 10/15/2030	1,000,000.00	11/04/2025 4.22%	1,006,920.00 1,006,701.47	101.05 4.13%	1,010,534.00 9,236.11	0.49% 3,832.53	A1/A A+	4.79 4.25
141781CF9	CARGILL INC 4.125 10/23/2030	1,100,000.00	10/20/2025 4.14%	1,099,171.70 1,099,203.45	99.57 4.22%	1,095,233.70 8,570.83	0.53% (3,969.75)	A2/A NA	4.81 4.29
30303MAB8	META PLATFORMS INC 4.2 11/15/2030	1,500,000.00	11/13/2025 4.16%	1,502,895.00 1,502,822.34	100.21 4.15%	1,503,169.50 10,150.00	0.73% 347.16	Aa3/AA- NA	4.87 4.27
74153WCZ0	PRICOA GLOBAL FUNDING I 4.35 11/25/2030	1,750,000.00	12/08/2025 4.36%	1,749,440.00 1,749,447.11	100.25 4.29%	1,754,408.25 7,612.50	0.85% 4,961.14	Aa3/NA AA-	4.90 4.35
Total Corporate		56,383,000.00	4.14%	55,988,793.39	100.29	56,520,542.40	27.48%		3.31
				56,073,724.28	4.07%	652,113.03	446,818.12		2.86
MONEY MARKET FUND									
992995944	WC MMF SWEEP	52,773.62	-- 1.80%	52,773.62 52,773.62	1.00 1.80%	52,773.62 0.00	0.03% 0.00	NA/NA NA	0.00 0.00
VP4520004	WF ADV 100% TREAS MM FD-SVC CL #008	1,163,773.36	-- 3.30%	1,163,773.36 1,163,773.36	1.00 3.30%	1,163,773.36 0.00	0.57% 0.00	Aaa/AAAm NA	0.00 0.00
Total Money Market Fund		1,216,546.98	3.24%	1,216,546.98	1.00	1,216,546.98	0.59%		0.00
				1,216,546.98	3.24%	0.00	0.00		0.00
MUNICIPAL BONDS									
13063EGT7	CALIFORNIA STATE 4.5 08/01/2029	1,740,000.00	10/30/2024 4.38%	1,749,169.80 1,746,933.00	102.47 3.76%	1,782,978.00 32,625.00	0.87% 36,045.00	Aa2/AA- AA	3.58 3.23
Total Municipal Bonds		1,740,000.00	4.38%	1,749,169.80	102.47	1,782,978.00	0.87%		3.58
				1,746,933.00	3.76%	32,625.00	36,045.00		3.23
SUPRANATIONAL									
4581X0DV7	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026	2,460,000.00	04/13/2021 0.97%	2,448,733.20 2,459,327.45	99.14 3.77%	2,438,819.40 4,245.21	1.19% (20,508.05)	Aaa/AAA NA	0.30 0.30

City of Cupertino | Account #10659 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
459058LN1	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029	1,750,000.00	12/12/2024 4.25%	1,721,510.00 1,727,697.87	100.70 3.68%	1,762,246.50 14,122.50	0.86% 34,548.63	Aaa/AAA NA	3.79 3.47
459058LR2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.125 03/20/2030	1,700,000.00	03/14/2025 4.20%	1,694,220.00 1,695,128.47	101.49 3.74%	1,725,297.70 19,673.96	0.84% 30,169.23	Aaa/AAA NA	4.22 3.80
Total Supranational		5,910,000.00		5,864,463.20	100.29	5,926,363.60	2.88%		2.48
				5,882,153.79	3.73%	38,041.67	44,209.81		2.26

US TREASURY									
91282CBH3	UNITED STATES TREASURY 0.375 01/31/2026	2,500,000.00	05/27/2021 0.75%	2,456,445.31 2,499,235.44	99.74 3.68%	2,493,505.00 3,923.23	1.21% (5,730.44)	Aa1/AA+ AA+	0.08 0.08
91282CBW0	UNITED STATES TREASURY 0.75 04/30/2026	2,500,000.00	05/27/2021 0.80%	2,493,652.34 2,499,579.88	99.08 3.59%	2,477,082.50 3,211.33	1.20% (22,497.38)	Aa1/AA+ AA+	0.33 0.32
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	1,400,000.00	10/18/2021 1.19%	1,379,054.68 1,396,847.19	98.03 3.59%	1,372,375.20 3,129.81	0.67% (24,471.99)	Aa1/AA+ AA+	0.75 0.73
91282CDG3	UNITED STATES TREASURY 1.125 10/31/2026	1,400,000.00	11/15/2021 1.25%	1,391,468.75 1,398,571.05	97.99 3.62%	1,371,836.20 2,697.51	0.67% (26,734.85)	Aa1/AA+ AA+	0.83 0.81
91282CJP7	UNITED STATES TREASURY 4.375 12/15/2026	2,500,000.00	12/28/2023 4.01%	2,525,097.66 2,508,072.08	100.78 3.53%	2,519,610.00 5,108.17	1.23% 11,537.92	Aa1/AA+ AA+	0.96 0.92
91282CKJ9	UNITED STATES TREASURY 4.5 04/15/2027	2,300,000.00	04/17/2024 4.77%	2,283,109.38 2,292,745.70	101.23 3.51%	2,328,301.50 22,178.57	1.13% 35,555.80	Aa1/AA+ AA+	1.29 1.23
91282CKR1	UNITED STATES TREASURY 4.5 05/15/2027	3,200,000.00	05/08/2024 4.65%	3,186,500.00 3,193,847.95	101.33 3.49%	3,242,499.20 18,696.13	1.58% 48,651.25	Aa1/AA+ AA+	1.37 1.31
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	3,250,000.00	-- 3.18%	3,260,312.50 3,252,999.46	99.66 3.49%	3,238,829.75 291.78	1.57% (14,169.71)	Aa1/AA+ AA+	1.50 1.45
91282CFB2	UNITED STATES TREASURY 2.75 07/31/2027	400,000.00	08/22/2022 3.12%	393,218.75 397,833.61	98.87 3.49%	395,484.40 4,603.26	0.19% (2,349.21)	Aa1/AA+ AA+	1.58 1.51
91282CFH9	UNITED STATES TREASURY 3.125 08/31/2027	4,500,000.00	-- 3.28%	4,468,902.34 4,489,607.48	99.43 3.48%	4,474,161.00 47,781.42	2.18% (15,446.48)	Aa1/AA+ AA+	1.67 1.58
91282CFM8	UNITED STATES TREASURY 4.125 09/30/2027	3,450,000.00	-- 4.31%	3,421,152.34 3,439,772.57	101.07 3.48%	3,486,925.35 36,360.06	1.70% 47,152.78	Aa1/AA+ AA+	1.75 1.65
91282CFZ9	UNITED STATES TREASURY 3.875 11/30/2027	850,000.00	12/05/2022 3.81%	852,656.25 851,018.71	100.71 3.49%	856,042.65 2,895.60	0.42% 5,023.94	Aa1/AA+ AA+	1.91 1.82

HOLDINGS REPORT



City of Cupertino | Account #10659 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CGC9	UNITED STATES TREASURY 3.875 12/31/2027	2,750,000.00	-- 3.67%	2,775,107.42 2,760,179.85	100.75 3.48%	2,770,517.75 294.37	1.35% 10,337.90	Aa1/AA+ AA+	2.00 1.91
91282CGH8	UNITED STATES TREASURY 3.5 01/31/2028	3,000,000.00	02/07/2023 3.81%	2,957,929.69 2,982,412.85	100.02 3.49%	3,000,585.00 43,940.22	1.46% 18,172.15	Aa1/AA+ AA+	2.08 1.96
91282CGP0	UNITED STATES TREASURY 4.0 02/29/2028	3,700,000.00	-- 4.01%	3,699,113.28 3,699,674.36	101.04 3.49%	3,738,591.00 50,287.29	1.82% 38,916.64	Aa1/AA+ AA+	2.16 2.03
91282CNY3	UNITED STATES TREASURY 3.375 09/15/2028	5,000,000.00	10/28/2025 3.50%	4,982,812.50 4,983,858.13	99.59 3.53%	4,979,490.00 50,345.30	2.42% (4,368.13)	Aa1/AA+ AA+	2.71 2.53
91282CKG5	UNITED STATES TREASURY 4.125 03/31/2029	2,300,000.00	04/17/2024 4.62%	2,249,867.19 2,267,141.94	101.66 3.58%	2,338,094.90 24,240.04	1.14% 70,952.96	Aa1/AA+ AA+	3.25 2.99
91282CKX8	UNITED STATES TREASURY 4.25 06/30/2029	2,000,000.00	07/01/2024 4.41%	1,985,546.88 1,989,889.16	102.11 3.60%	2,042,266.00 234.81	0.99% 52,376.84	Aa1/AA+ AA+	3.50 3.23
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	3,500,000.00	09/11/2024 3.45%	3,527,480.47 3,520,280.68	99.98 3.63%	3,499,454.00 43,109.46	1.70% (20,826.68)	Aa1/AA+ AA+	3.67 3.36
91282CLN9	UNITED STATES TREASURY 3.5 09/30/2029	5,000,000.00	-- 3.83%	4,925,039.06 4,943,454.63	99.54 3.63%	4,976,760.00 44,711.54	2.42% 33,305.38	Aa1/AA+ AA+	3.75 3.45
91282CLR0	UNITED STATES TREASURY 4.125 10/31/2029	3,000,000.00	10/31/2024 4.17%	2,993,789.06 2,995,238.85	101.71 3.64%	3,051,327.00 21,194.75	1.48% 56,088.15	Aa1/AA+ AA+	3.83 3.49
91282CMD0	UNITED STATES TREASURY 4.375 12/31/2029	4,400,000.00	-- 4.53%	4,369,171.88 4,375,142.13	102.67 3.65%	4,517,563.60 531.77	2.20% 142,421.47	Aa1/AA+ AA+	4.00 3.65
91282CMG3	UNITED STATES TREASURY 4.25 01/31/2030	4,000,000.00	02/07/2025 4.34%	3,983,906.25 3,986,786.46	102.22 3.66%	4,088,908.00 71,141.30	1.99% 102,121.54	Aa1/AA+ AA+	4.08 3.66
91282CGQ8	UNITED STATES TREASURY 4.0 02/28/2030	4,500,000.00	-- 4.01%	4,496,958.99 4,497,406.61	101.27 3.67%	4,557,303.00 61,160.22	2.22% 59,896.39	Aa1/AA+ AA+	4.16 3.75
91282CNK3	UNITED STATES TREASURY 3.875 06/30/2030	5,000,000.00	-- 3.78%	5,020,507.81 5,020,243.58	100.75 3.69%	5,037,695.00 535.22	2.45% 17,451.42	Aa1/AA+ AA+	4.50 4.09
91282CHR5	UNITED STATES TREASURY 4.0 07/31/2030	5,000,000.00	10/23/2025 3.59%	5,089,062.50 5,085,532.74	101.27 3.70%	5,063,475.00 83,695.65	2.46% (22,057.74)	Aa1/AA+ AA+	4.58 4.09
91282CNX5	UNITED STATES TREASURY 3.625 08/31/2030	5,000,000.00	-- 3.66%	4,991,425.79 4,992,028.88	99.64 3.71%	4,982,225.00 61,584.94	2.42% (9,803.88)	Aa1/AA+ AA+	4.67 4.20
91282CPA3	UNITED STATES TREASURY 3.625 09/30/2030	5,000,000.00	-- 3.59%	5,008,789.06 5,008,445.18	99.61 3.71%	4,980,665.00 46,308.38	2.42% (27,780.18)	Aa1/AA+ AA+	4.75 4.28
91282CPN5	UNITED STATES TREASURY 3.5 11/30/2030	1,750,000.00	12/15/2025 3.73%	1,731,816.41 1,731,977.15	98.99 3.73%	1,732,363.50 5,384.62	0.84% 386.35	Aa1/AA+ AA+	4.91 4.45

HOLDINGS REPORT



City of Cupertino | Account #10659 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
Total US Treasury		93,150,000.00	3.65%	92,899,894.54 93,059,824.27	100.51 3.60%	93,613,936.50 759,576.78	45.52% 554,112.23		2.99 2.74
Total Portfolio		205,673,731.74	3.95%	203,529,920.42 204,078,590.52	99.46 3.78%	205,668,734.88 1,621,951.12	100.00% 1,590,144.36		3.05 2.63
Total Market Value + Accrued						207,290,686.00			

HOLDINGS REPORT



City of Cupertino Reporting | Account #10663 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
CASH									
90CASH\$00	Wells Fargo Government Advantage Checking	7,023,661.05	-- 0.00%	7,023,661.05 7,023,661.05	1.00 0.00%	7,023,661.05 0.00	8.67% 0.00	NA/NA NA	0.00 0.00
90CASH\$02	Wells Fargo WC Distribution Account	19,224.61	-- 0.00%	19,224.61 19,224.61	1.00 0.00%	19,224.61 0.00	0.02% 0.00	NA/NA NA	0.00 0.00
CCYUSD	Receivable	713,820.82	--	713,820.82 713,820.82	1.00	713,820.82 0.00	0.88% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		7,756,706.48	0.00%	7,756,706.48 7,756,706.48	1.00 0.00%	7,756,706.48 0.00	9.58% 0.00		0.00 0.00
LAIF									
90LAI\$00	Local Agency Investment Fund State Pool	73,252,391.03	-- 3.98%	73,252,391.03 73,252,391.03	1.00 3.98%	73,252,391.03 0.00	90.42% 0.00	NA/NA NA	0.00 0.00
Total LAIF		73,252,391.03	3.98%	73,252,391.03 73,252,391.03	1.00 3.98%	73,252,391.03 0.00	90.42% 0.00		0.00 0.00
Total Portfolio		81,009,097.51	3.63%	81,009,097.51 81,009,097.51	1.00 3.63%	81,009,097.51 0.00	100.00% 0.00		0.00 0.00
Total Market Value + Accrued									
						81,009,097.51			

TRANSACTIONS

TRANSACTION LEDGER



City of Cupertino | Account #10659 | 10/01/2025 Through 12/31/2025 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/10/2025	17305EHA6	1,500,000.00	CCCIT 2025-A1 A1 4.3 06/21/2030	101.000	3.90%	(1,515,000.00)	(18,633.33)	(1,533,633.33)	0.00
Purchase	10/15/2025	05594HAD5	1,050,000.00	BMWLT 2025-2 A3 3.97 09/25/2028	100.000	4.32%	(1,049,997.06)	0.00	(1,049,997.06)	0.00
Purchase	10/21/2025	38141GD27	1,025,000.00	GOLDMAN SACHS GROUP INC 4.153 10/21/2029	100.000	4.37%	(1,025,000.00)	0.00	(1,025,000.00)	0.00
Purchase	10/21/2025	91282CPA3	2,500,000.00	UNITED STATES TREASURY 3.625 09/30/2030	100.184	3.58%	(2,504,589.84)	(5,228.37)	(2,509,818.21)	0.00
Purchase	10/22/2025	58770XAD5	1,045,000.00	MBALT 2025-B A3 3.88 04/16/2029	99.984	4.57%	(1,044,828.52)	0.00	(1,044,828.52)	0.00
Purchase	10/22/2025	61748UAK8	710,000.00	MORGAN STANLEY 4.133 10/18/2029	100.026	4.12%	(710,184.60)	0.00	(710,184.60)	0.00
Purchase	10/22/2025	61748UAK8	760,000.00	MORGAN STANLEY 4.133 10/18/2029	100.000	4.36%	(760,000.00)	0.00	(760,000.00)	0.00
Purchase	10/23/2025	141781CF9	165,000.00	CARGILL INC 4.125 10/23/2030	99.741	4.18%	(164,572.65)	0.00	(164,572.65)	0.00
Purchase	10/23/2025	141781CF9	275,000.00	CARGILL INC 4.125 10/23/2030	99.982	4.13%	(274,950.50)	0.00	(274,950.50)	0.00
Purchase	10/23/2025	141781CF9	385,000.00	CARGILL INC 4.125 10/23/2030	99.928	4.14%	(384,722.80)	0.00	(384,722.80)	0.00
Purchase	10/23/2025	141781CF9	275,000.00	CARGILL INC 4.125 10/23/2030	99.973	4.13%	(274,925.75)	0.00	(274,925.75)	0.00
Purchase	10/24/2025	91282CNX5	2,000,000.00	UNITED STATES TREASURY 3.625 08/31/2030	100.160	3.59%	(2,003,203.13)	(10,814.92)	(2,014,018.05)	0.00
Purchase	10/24/2025	91282CHR5	5,000,000.00	UNITED STATES TREASURY 4.0 07/31/2030	101.781	3.59%	(5,089,062.50)	(46,195.65)	(5,135,258.15)	0.00
Purchase	10/24/2025	91282CPA3	2,500,000.00	UNITED STATES TREASURY 3.625 09/30/2030	100.168	3.59%	(2,504,199.22)	(5,975.27)	(2,510,174.49)	0.00

TRANSACTION LEDGER



City of Cupertino | Account #10659 | 10/01/2025 Through 12/31/2025 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	10/29/2025	91282CNK3	2,500,000.00	UNITED STATES TREASURY 3.875 06/30/2030	101.164	3.60%	(2,529,101.56)	(31,852.92)	(2,560,954.48)	0.00
Purchase	10/29/2025	91282CNY3	5,000,000.00	UNITED STATES TREASURY 3.375 09/15/2028	99.656	3.50%	(4,982,812.50)	(20,511.05)	(5,003,323.55)	0.00
Purchase	11/05/2025	24422EYF0	1,000,000.00	JOHN DEERE CAPITAL CORP 4.375 10/15/2030	100.692	4.22%	(1,006,920.00)	(2,430.56)	(1,009,350.56)	0.00
Purchase	11/07/2025	69371RU20	1,865,000.00	PACCAR FINANCIAL CORP 4.0 11/07/2028	99.944	4.02%	(1,863,955.60)	0.00	(1,863,955.60)	0.00
Purchase	11/17/2025	30303MAB8	1,500,000.00	META PLATFORMS INC 4.2 11/15/2030	100.193	4.16%	(1,502,895.00)	(2,450.00)	(1,505,345.00)	0.00
Purchase	12/09/2025	74153WCZ0	1,750,000.00	PRICOA GLOBAL FUNDING I 4.35 11/25/2030	99.968	4.36%	(1,749,440.00)	(2,960.42)	(1,752,400.42)	0.00
Purchase	12/15/2025	3137FWG79	2,000,000.00	FHMS K-115 A2 1.383 06/25/2030	89.367	3.99%	(1,787,343.75)	(1,075.67)	(1,788,419.42)	0.00
Purchase	12/16/2025	91282CPN5	1,750,000.00	UNITED STATES TREASURY 3.5 11/30/2030	98.961	3.73%	(1,731,816.41)	(2,692.31)	(1,734,508.72)	0.00
Total Purchase			36,555,000.00				(36,459,521.39)	(150,820.47)	(36,610,341.86)	0.00
TOTAL ACQUISITIONS			36,555,000.00				(36,459,521.39)	(150,820.47)	(36,610,341.86)	0.00

DISPOSITIONS

Maturity	10/28/2025	459058JL8	(1,400,000.00)	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 0.5 10/28/2025	100.000	0.60%	1,400,000.00	0.00	1,400,000.00	0.00
Maturity	10/31/2025	91282CAT8	(1,950,000.00)	UNITED STATES TREASURY 0.25 10/31/2025	100.000	0.49%	1,950,000.00	0.00	1,950,000.00	0.00
Maturity	11/30/2025	91282CAZ4	(2,250,000.00)	UNITED STATES TREASURY 0.375 11/30/2025	100.000	0.76%	2,250,000.00	0.00	2,250,000.00	0.00

TRANSACTION LEDGER



City of Cupertino | Account #10659 | 10/01/2025 Through 12/31/2025 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Total Maturity			(5,600,000.00)				5,600,000.00	0.00	5,600,000.00	0.00
Sale	11/14/2025	023135BX3	(1,875,000.00)	AMAZON.COM INC 1.0 05/12/2026	98.563	1.09%	1,848,056.25	104.17	1,848,160.42	(26,149.72)
Sale	12/16/2025	91324PEC2	(1,035,000.00)	UNITEDHEALTH GROUP INC 1.15 05/15/2026	98.876	1.37%	1,023,366.60	1,024.94	1,024,391.54	(10,689.40)
Total Sale			(2,910,000.00)				2,871,422.85	1,129.11	2,872,551.96	(36,839.12)
TOTAL DISPOSITIONS			(8,510,000.00)				8,471,422.85	1,129.11	8,472,551.96	(36,839.12)

TRANSACTION LEDGER



City of Cupertino Reporting | Account #10663 | 10/01/2025 Through 12/31/2025 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/15/2025	90LAIF\$00	751,567.92	Local Agency Investment Fund State Pool	1.000	4.15%	(751,567.92)	0.00	(751,567.92)	0.00
Purchase	11/30/2025	90LAIF\$00	10,500,000.00	Local Agency Investment Fund State Pool	1.000	4.09%	(10,500,000.00)	0.00	(10,500,000.00)	0.00
Total Purchase			11,251,567.92				(11,251,567.92)	0.00	(11,251,567.92)	0.00
TOTAL ACQUISITIONS			11,251,567.92				(11,251,567.92)	0.00	(11,251,567.92)	0.00
DISPOSITIONS										
Sale	10/31/2025	90LAIF\$00	(5,700,000.00)	Local Agency Investment Fund State Pool	1.000	4.13%	5,700,000.00	0.00	5,700,000.00	0.00
Sale	12/31/2025	90LAIF\$00	(1,100,000.00)	Local Agency Investment Fund State Pool	1.000	3.98%	1,100,000.00	0.00	1,100,000.00	0.00
Total Sale			(6,800,000.00)				6,800,000.00	0.00	6,800,000.00	0.00
TOTAL DISPOSITIONS			(6,800,000.00)				6,800,000.00	0.00	6,800,000.00	0.00

City of Cupertino | As of December 31, 2025

2025 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

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

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

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

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This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

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.

City of Cupertino | Account #10659 | As of December 31, 2025

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



PCS - SAN FRANCISCO CA
510 N VALLEY MILLS DRIVE, SUITE 400
WACO, TX 76710-6075

**CITY OF CUPERTINO -
CHANDLER ASSET MANAGEMENT**

ACCOUNT NUMBER [REDACTED]
MONTHLY STAT
DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

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

PFGEDD

INVESTMENT CONTACT: IMR/DEREK JOHNSON
TELEPHONE NUMBER:

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

00126 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 DECEMBER 31, 2025CITY OF CUPERTI
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	1,216,546.98	1,216,546.98	0.59	0.00	39,405	3.24	6,962.94
BONDS AND NOTES	202,306,410.52	204,445,216.25	99.41	2,138,805.73	7,562,917	3.70	1,622,304.59
TOTAL INVESTMENTS	203,522,957.50	205,661,763.23	100.00	2,138,805.73	7,602,323	3.70	1,629,267.53
TOTAL ACCRUALS	1,629,267.53	1,629,267.53					
TOTAL ACCRUALS AND INVESTMENTS	205,152,225.03	207,291,030.76		2,138,805.73	7,602,323	3.70	1,629,267.53

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
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						
1,163,773.36	ALLSPRING 100% TREASURY MONEY MARKET FUND - #008	1,163,773.36 1.0000	1,163,773.36 1.0000	0.57	0.00	6,878.80
52,773.62	PRINCIPAL PUBLIC DEPOSIT SWEEP PROGRAM	52,773.62 1.0000	52,773.62 1.0000	0.03	0.00	84.14
TOTAL CASH EQUIVALENTS		1,216,546.98	1,216,546.98	0.59	0.00	6,962.94
BOND & NOTES						
1,420,000	AMERICAN EXPRESS CREDIT ACCOUNT ASSET BCKD SEC SER 2025-2 CL A DTD 05/13/2025 4.280% 04/15/2030 NON CALLABLE CUSIP 02582JKP4	1,419,974.30 99.9982	1,436,202.20 101.1410	0.70	16,227.90	2,701.16
1,750,000	AMERICAN HONDA FINANCE MEDIUM TERM NOTE DTD 09/05/2024 4.400% 09/05/2029 NON CALLABLE MOODY'S RATING A3 CUSIP 02665WFQ9	1,758,102.50 100.4630	1,767,675.00 101.0100	0.86	9,572.50	24,811.11
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	1,506,870.00 100.4580	0.73	8,160.00	28,117.42
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	858,823.00 101.0380	0.42	24.17	1,881.33

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
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	797,300.95 101.5670	0.39	12,344.99	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	1,589,563.75 98.4250	0.77	25,129.40-	10,937.14
1,050,000	BMW VEHICLE LEASE TRUST ASSET BCKD SEC SER 2025-2 CL A3 DTD 10/15/2025 3.970% 09/25/2028 CALLABLE CUSIP 05594HAD5	1,049,997.06 99.9997	1,052,814.00 100.2680	0.51	2,816.94	694.75
685,001.19	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	684,897.14 99.9848	691,255.25 100.9130	0.34	6,358.11	591.38
1,740,000	CALIFORNIA STATE GENERAL OBLIGATION DTD 11/05/2024 4.500% 08/01/2029 NON CALLABLE MOODY'S RATING AA2 CUSIP 13063EGT7	1,749,169.80 100.5270	1,782,978.00 102.4700	0.87	33,808.20	32,625.00
1,100,000	CARGILL INC DTD 10/23/2025 4.125% 10/23/2030 CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING A2 CUSIP 141781CF9	1,099,171.70 99.9247	1,095,237.00 99.5670	0.53	3,934.70-	8,570.83

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST / UNIT COST	VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
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	1,016,580.00 101.6580	0.49	17,650.00	6,527.78
1,200,000	CATERPILLAR FINL SVCS DTD 11/15/2024 4.700% 11/15/2029 NON CALLABLE MOODY'S RATING A2 CUSIP 14913UAU4	1,198,092.00 99.8410	1,231,176.00 102.5980	0.60	33,084.00	7,206.67
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	944,851.20 98.4220	0.46	14,878.70-	7,709.33
1,690,000	CHASE ISSUANCE TRUST ASSET BCKD SEC SER 2024-A1I CL A DTD 01/31/2024 4.600% 01/16/2029 NON CALLABLE CUSIP 161571HV9	1,689,742.61 99.9848	1,705,142.40 100.8960	0.83	15,399.79	3,455.11
1,750,000	CHUBB INA HOLDINGS LLC DTD 07/31/2024 4.650% 08/15/2029 CALLABLE MOODY'S RATING A2 CUSIP 171239AL0	1,765,746.34 100.8998	1,788,657.50 102.2090	0.87	22,911.16	30,741.67
1,500,000	CITIBANK CREDIT CARD INSURANCE ASSET BCKD SEC SER 2025-A1 CL A DTD 06/26/2025 4.300% 06/21/2030 NON CALLABLE MOODY'S RATING AAA CUSIP 17305EHA6	1,515,000.00 101.0000	1,517,415.00 101.1610	0.74	2,415.00	1,791.67

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
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
1,288,000	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	1,276,330.72 99.0940	0.62	48,152.28	3,824.29
1,971,885.56	FED HOME LN MTG CORP SER K093 CL A2 *24 DAY DELAY* DTD 06/01/19 2.982 05/25/2029 CUSIP 3137FMCR1	1,902,407.41 96.4766	1,919,196.78 97.3280	0.93	16,789.37	4,900.14
1,500,000	FED HOME LN MTG CORP SER K099 CL A2 *24 DAY DELAY* DTD 10/01/19 2.595 09/25/2029 CUSIP 3137FPJG1	1,407,011.72 93.8008	1,432,650.00 95.5100	0.70	25,638.28	3,243.75
2,800,000	FEDERAL FARM CREDIT BANK DTD 11/15/2023 4.625% 11/15/2027 NON CALLABLE MOODY'S RATING AA1 CUSIP 3133EPC60	2,789,612.00 99.6290	2,855,664.00 101.9880	1.39	66,052.00	16,547.22
2,400,000	FEDERAL FARM CREDIT BANK DTD 05/06/2024 4.750% 05/06/2027 NON CALLABLE MOODY'S RATING AA1 CUSIP 3133ERDS7	2,412,552.00 100.5230	2,439,168.00 101.6320	1.19	26,616.00	17,416.67
1,875,000	FEDERAL HOME LOAN BANK DTD 04/11/2024 4.750% 04/09/2027 NON CALLABLE MOODY'S RATING AA1 CUSIP 3130B0TY5	1,870,050.00 99.7360	1,906,556.25 101.6830	0.93	36,506.25	20,286.46
1,500,000	FEDERAL HOME LOAN MORTGAGE CORP CMO SER 2020-K110 CL A2 DTD 06/01/2020 1.477% 04/25/2030 NON CALLABLE CUSIP 3137FTZQ3	1,348,652.34 89.9102	1,357,695.00 90.5130	0.66	9,042.66	1,846.25

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
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	FEDERAL HOME LOAN MORTGAGE CORP CMO SER 2020-K115 CL A2 DTD 09/01/2020 1.383% 06/25/2030 NON CALLABLE CUSIP 3137FWG79	1,787,343.75 89.3672	1,788,920.00 89.4460	0.87	1,576.25	2,305.00
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	1,910,220.00 95.5110	0.93	108,501.25	3,766.67
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	644,429.50 99.1430	0.31	43,021.67-	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	991,220.00 99.1220	0.48	40,555.94	2,703.33
1,943,312.76	FHLMC MULTIFAMILY STRUCTURED P SER K087 CL A2 *24 DAY DELAY* DTD 01/01/19 3.771 12/25/2028 CUSIP 3137FKUP9	1,859,127.85 95.6680	1,938,182.41 99.7360	0.94	79,054.56	6,106.86
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	2,536,944.00 99.4880	1.23	71,113.92	7,841.25
2,500,000	FHLMC MULTIFAMILY STRUCTURED P SER K091 CL A2 *24 DAY DELAY* DTD 04/01/19 3.505 03/25/2029 CUSIP 3137FLN91	2,431,738.28 97.2695	2,472,075.00 98.8830	1.20	40,336.72	7,302.08

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
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
2,200,000	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	2,122,890.00 96.4950	1.03	83,507.18	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	1,521,088.00 95.0680	0.74	32,713.00	3,233.33
2,000,000	FHLMC MULTIFAMILY STRUCTURED P SER K106 CL A2 *24 DAY DELAY* DTD 03/01/20 2.069 01/25/2030 CUSIP 3137FRUT6	1,810,078.13 90.5039	1,859,440.00 92.9720	0.90	49,361.87	3,448.33
1,085,959.77	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	1,084,237.70 99.8414	1,092,584.12 100.6100	0.53	8,346.42	2,194.54
1,025,000	GOLDMAN SACHS GROUP INC DTD 10/21/2025 VAR CPN 10/21/2029 CALLABLE MOODY'S RATING A2 CUSIP 38141GD27	1,025,000.00 100.0000	1,024,774.50 99.9780	0.50	225.50-	8,277.16
1,500,000	GUARDIAN LIFE DTD 10/06/2025 4.327% 10/06/2030 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA1 CUSIP 40139LBN2	1,500,000.00 100.0000	1,502,760.00 100.1840	0.73	2,760.00	15,324.79
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	1,204,204.70 99.9340	0.59	795.30-	13,288.64

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
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
1,663,000	HOME DEPOT INC DTD 06/17/19 2.950 06/15/2029 MOODY'S RATING A2 CUSIP 437076BY7	1,593,203.89 95.8030	1,609,152.06 96.7620	0.78	15,948.17	2,180.38
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	1,025,240.00 102.5240	0.50	32,980.00	791.67
519,127.49	HONDA AUTO RECEIVABLES OWNER ASSET BCKD SEC SER 2024-2 CL A3 DTD 05/21/2024 5.270% 11/20/2028 CALLABLE CUSIP 437930AC4	519,064.42 99.9879	525,403.74 101.2090	0.26	6,339.32	987.93
570,497.05	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	571,909.24 100.2476	576,721.17 101.0910	0.28	4,811.93	898.53
560,116.93	HYUNDAI AUTO LEASE SECURITIZAT ASSET BCKD SEC SER 2024-B CL A3 DTD 05/22/2024 5.410% 05/17/2027 CALLABLE 144A PRIVATE PLACEMENT CUSIP 44934FAD7	560,101.36 99.9972	562,973.53 100.5100	0.27	2,872.17	1,346.77
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	2,438,819.40 99.1390	1.19	9,913.80-	4,245.21
1,750,000	INTL BANK RECON & DEVELOPMENT DTD 10/16/2024 3.875% 10/16/2029 NON CALLABLE MOODY'S RATING AAA CUSIP 459058LN1	1,721,510.00 98.3720	1,762,250.00 100.7000	0.86	40,740.00	14,127.60

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST / UNIT COST	MARKET / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,700,000	INTL BK RECON & DEVELOP DTD 03/20/2025 4.125% 03/20/2030 NON CALLABLE MOODY'S RATING AAA CUSIP 459058LR2	1,694,220.00 99.6600	1,725,296.00 101.4880	0.84	31,076.00	19,673.96
1,000,000	JOHN DEERE CAPITAL CORP MEDIUM TERM NOTE DTD 07/24/2025 4.375% 10/15/2030 NON CALLABLE MOODY'S RATING A1 CUSIP 24422EYF0	1,006,920.00 100.6920	1,010,530.00 101.0530	0.49	3,610.00	9,236.11
1,430,000	JOHN DEERE CAPITAL CORPORATION DTD 01/09/2025 4.650% 01/07/2028 NON CALLABLE MOODY'S RATING A1 CUSIP 24422EXZ7	1,429,571.00 99.9700	1,454,596.00 101.7200	0.71	25,025.00	32,139.25
73,664.31	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	73,657.27 99.9905	73,637.05 99.9630	0.04	20.22-	122.45
231,161.91	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	231,143.97 99.9923	231,723.63 100.2430	0.11	579.66	522.94
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	504,380.00 100.8760	0.25	4,614.37	1,102.22

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST / UNIT COST	VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
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	1,504,860.00 100.3240	0.73	8,250.00	27,669.75
1,400,000	MARSH & MCLENNAN COS INC DTD 11/08/2024 4.650% 03/15/2030 CALLABLE MOODY'S RATING A3 CUSIP 571748CA8	1,397,340.00 99.8100	1,428,070.00 102.0050	0.69	30,730.00	19,168.33
1,000,000	MASSMUTUAL GLBL FDG II MEDIUM TERM NOTE DTD 05/07/2025 4.550% 05/07/2030 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA3 CUSIP 57629TBX4	998,670.00 99.8670	1,009,390.00 100.9390	0.49	10,720.00	6,825.00
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	985,430.00 98.5430	0.48	16,800.00-	5,500.00
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	966,489.30 102.2740	0.47	22,405.95	14,332.50
1,045,000	MERCEDES-BENZ AUTO LEASE TRUST ASSET BCKD SEC SER 2025-B CL A3 DTD 10/22/2025 4.520% 04/16/2029 CALLABLE CUSIP 58770XAD5	1,044,828.52 99.9836	1,045,971.85 100.0930	0.51	1,143.33	2,099.29
741,090.55	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	756,780.82 102.1172	751,006.34 101.3380	0.37	5,774.48-	1,959.77

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
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
1,115,000	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	1,092,633.10 97.9940	0.53	21,095.80-	9,872.40
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	756,016.80 98.1840	0.37	13,274.80-	2,860.76
1,500,000	META PLATFORMS INC DTD 11/03/2025 4.200% 11/15/2030 CALLABLE MOODY'S RATING AA3 CUSIP 30303MAB8	1,502,895.00 100.1930	1,503,165.00 100.2110	0.73	270.00	10,150.00
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	922,989.60 101.2050	0.45	12,405.51	14,814.93
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	1,977,183.00 101.3940	0.96	27,183.00	44,939.70
1,470,000	MORGAN STANLEY SR MEDIUM TERM NOTE DTD 10/22/2025 VAR CPN 10/18/2029 CALLABLE MOODY'S RATING A1 CUSIP 61748UAK8	1,470,184.60 100.0126	1,469,529.60 99.9680	0.71	655.00-	11,644.73
1,000,000	NATIONAL RURAL UTILS COOP MEDIUM TERM NOTE DTD 02/07/2025 4.950% 02/07/2030 CALLABLE MOODY'S RATING A2 CUSIP 63743HFX5	1,002,873.61 100.2874	1,029,180.00 102.9180	0.50	26,306.39	19,800.00

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
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 AA1 CUSIP 64952WFG3	994,880.00 99.4880	1,026,180.00 102.6180	0.50	31,300.00	3,472.22
1,365,000	NEW YORK LIFE GLOBAL FDG DTD 12/05/2024 4.600% 12/05/2029 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA1 CUSIP 64952WFK4	1,364,221.95 99.9430	1,386,430.50 101.5700	0.67	22,208.55	4,534.83
1,000,000	NORTHWESTERN MUTUAL GLBL MEDIUM TERM NOTE DTD 06/03/2025 4.600% 06/03/2030 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA1 CUSIP 66815L2W8	1,004,040.00 100.4040	1,014,740.00 101.4740	0.49	10,700.00	3,577.78
1,865,000	PACCAR FINANCIAL CORP MEDIUM TERM NOTE DTD 11/07/2025 4.000% 11/07/2028 NON CALLABLE MOODY'S RATING A1 CUSIP 69371RU20	1,863,955.60 99.9440	1,873,728.20 100.4680	0.91	9,772.60	11,190.00
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	1,529,370.00 101.9580	0.74	31,695.00	30,750.00
1,750,000	PRICOA GLOBAL FDG MEDIUM TERM NOTE DTD 11/25/2025 4.350% 11/25/2030 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA3 CUSIP 74153WCZ0	1,749,440.00 99.9680	1,754,410.00 100.2520	0.85	4,970.00	7,612.50

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
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
1,500,000	PROGRESSIVE CORP DTD 10/23/18 4.000 03/01/2029 MOODY'S RATING A2 CUSIP 743315AV5	1,455,495.00 97.0330	1,502,640.00 100.1760	0.73	47,145.00	20,000.00
1,500,000	PROLOGIS LP DTD 02/01/20 4.375 02/01/2029 MOODY'S RATING A2 CUSIP 74340XBL4	1,481,235.00 98.7490	1,514,340.00 100.9560	0.74	33,105.00	27,343.75
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	1,455,889.82 99.5140	0.71	36,677.41	26,984.22
2,000,000	ROYAL BANK OF CANADA MEDIUM TERM NOTE CONVERTIBLE DTD 01/19/2024 4.950% 02/01/2029 NON CALLABLE MOODY'S RATING A1 CUSIP 78016HZV5	2,019,920.00 100.9960	2,052,960.00 102.6480	1.00	33,040.00	41,250.00
2,000,000	SIMON PROPERTY GROUP LP DTD 07/09/20 2.650 07/15/2030 MOODY'S RATING A3 CUSIP 828807DK0	1,853,380.00 92.6690	1,872,740.00 93.6370	0.91	19,360.00	24,438.89
817,404.32	TOYOTA AUTO RECEIVABLES OWNER ASSET BCKD SEC SER 2023-C CL A3 DTD 08/15/2023 5.160% 04/17/2028 CALLABLE CUSIP 89231FAD2	814,083.62 99.5938	822,251.53 100.5930	0.40	8,167.91	1,874.58
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	1,368,186.10 98.7860	0.67	16,204.50-	562.66

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
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
1,445,000	TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE DTD 01/09/2025 4.950% 01/09/2030 NON CALLABLE MOODY'S RATING A1 CUSIP 89236TNA9	1,441,907.70 99.7860	1,487,873.15 102.9670	0.72	45,965.45	34,174.25
3,250,000	UNITED STATES TREASURY NOTES DTD 06/30/2022 3.250% 06/30/2027 MOODY'S RATING AA1 CUSIP 91282CEW7	3,260,312.50 100.3173	3,238,820.00 99.6560	1.57	21,492.50-	291.78
400,000	UNITED STATES TREASURY NOTES DTD 07/31/2022 2.750% 07/31/2027 MOODY'S RATING AA1 CUSIP 91282CFB2	393,218.75 98.3047	395,484.00 98.8710	0.19	2,265.25	4,603.26
4,500,000	UNITED STATES TREASURY NOTES DTD 08/31/2022 3.125% 08/31/2027 MOODY'S RATING AA1 CUSIP 91282CFH9	4,468,902.34 99.3090	4,474,170.00 99.4260	2.18	5,267.66	47,781.42
3,450,000	UNITED STATES TREASURY NOTES DTD 09/30/2022 4.125% 09/30/2027 MOODY'S RATING AA1 CUSIP 91282CFM8	3,421,152.34 99.1639	3,486,915.00 101.0700	1.70	65,762.66	36,360.06
850,000	UNITED STATES TREASURY NOTES DTD 11/30/2022 3.875% 11/30/2027 MOODY'S RATING AA1 CUSIP 91282CFZ9	852,656.25 100.3125	856,043.50 100.7110	0.42	3,387.25	2,895.60
2,750,000	UNITED STATES TREASURY NOTES DTD 12/31/2022 3.875% 12/31/2027 MOODY'S RATING AA1 CUSIP 91282CGC9	2,775,107.42 100.9130	2,770,515.00 100.7460	1.35	4,592.42-	294.37

STATEMENT OF ASSETS AND LIABILITIES
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CITY OF CUPERTI
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
3,000,000	UNITED STATES TREASURY NOTES DTD 01/31/2023 3.500% 01/31/2028 MOODY'S RATING AA1 CUSIP 91282CGH8	2,957,929.69 98.5977	3,000,600.00 100.0200	1.46	42,670.31	43,940.22
3,700,000	UNITED STATES TREASURY NOTES DTD 02/28/2023 4.000% 02/29/2028 MOODY'S RATING AA1 CUSIP 91282CGP0	3,699,113.28 99.9760	3,738,591.00 101.0430	1.82	39,477.72	50,287.29
4,500,000	UNITED STATES TREASURY NOTES DTD 02/28/2023 4.000% 02/28/2030 MOODY'S RATING AA1 CUSIP 91282CGQ8	4,496,958.99 99.9324	4,557,285.00 101.2730	2.22	60,326.01	61,160.22
5,000,000	UNITED STATES TREASURY NOTES DTD 07/31/2023 4.000% 07/31/2030 MOODY'S RATING AA1 CUSIP 91282CHR5	5,089,062.50 101.7813	5,063,500.00 101.2700	2.46	25,562.50-	83,695.65
2,500,000	UNITED STATES TREASURY NOTES DTD 12/15/2023 4.375% 12/15/2026 MOODY'S RATING AA1 CUSIP 91282CJP7	2,525,097.66 101.0039	2,519,600.00 100.7840	1.23	5,497.66-	5,108.17
2,300,000	UNITED STATES TREASURY NOTES DTD 03/31/2024 4.125% 03/31/2029 MOODY'S RATING AA1 CUSIP 91282CKG5	2,249,867.19 97.8203	2,338,088.00 101.6560	1.14	88,220.81	24,240.04
2,300,000	UNITED STATES TREASURY NOTES DTD 04/15/2024 4.500% 04/15/2027 MOODY'S RATING AA1 CUSIP 91282CKJ9	2,283,109.38 99.2656	2,328,313.00 101.2310	1.13	45,203.62	22,178.57
3,200,000	UNITED STATES TREASURY NOTES DTD 05/15/2024 4.500% 05/15/2027 MOODY'S RATING AA1 CUSIP 91282CKR1	3,186,500.00 99.5781	3,242,496.00 101.3280	1.58	55,996.00	18,696.13

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
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	UNITED STATES TREASURY NOTES DTD 06/30/2024 4.250% 06/30/2029 MOODY'S RATING AA1 CUSIP 91282CKX8	1,985,546.88 99.2774	2,042,260.00 102.1130	0.99	56,713.12	234.81
3,500,000	UNITED STATES TREASURY NOTES DTD 08/31/2024 3.625% 08/31/2029 MOODY'S RATING AA1 CUSIP 91282CLK5	3,527,480.47 100.7852	3,499,440.00 99.9840	1.70	28,040.47-	43,109.46
5,000,000	UNITED STATES TREASURY NOTES DTD 09/30/2024 3.500% 09/30/2029 MOODY'S RATING AA1 CUSIP 91282CLN9	4,925,039.06 98.5008	4,976,750.00 99.5350	2.42	51,710.94	44,711.54
3,000,000	UNITED STATES TREASURY NOTES DTD 10/31/2024 4.125% 10/31/2029 MOODY'S RATING AA1 CUSIP 91282CLR0	2,993,789.06 99.7930	3,051,330.00 101.7110	1.48	57,540.94	21,194.75
4,400,000	UNITED STATES TREASURY NOTES DTD 12/31/2024 4.375% 12/31/2029 MOODY'S RATING AA1 CUSIP 91282CMD0	4,369,171.88 99.2994	4,517,568.00 102.6720	2.20	148,396.12	531.77
4,000,000	UNITED STATES TREASURY NOTES DTD 01/31/2025 4.250% 01/31/2030 MOODY'S RATING AA1 CUSIP 91282CMG3	3,983,906.25 99.5977	4,088,920.00 102.2230	1.99	105,013.75	71,141.30
5,000,000	UNITED STATES TREASURY NOTES DTD 06/30/2025 3.875% 06/30/2030 CUSIP 91282CNK3	5,020,507.81 100.4102	5,037,700.00 100.7540	2.45	17,192.19	535.22
5,000,000	UNITED STATES TREASURY NOTES DTD 08/31/2025 3.625% 08/31/2030 MOODY'S RATING AA1 CUSIP 91282CNX5	4,991,425.79 99.8285	4,982,250.00 99.6450	2.42	9,175.79-	61,584.95

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
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
5,000,000	UNITED STATES TREASURY NOTES DTD 09/15/2025 3.375% 09/15/2028 CUSIP 91282CNY3	4,982,812.50 99.6563	4,979,500.00 99.5900	2.42	3,312.50-	50,345.30
5,000,000	UNITED STATES TREASURY NOTES DTD 09/30/2025 3.625% 09/30/2030 MOODY'S RATING AA1 CUSIP 91282CPA3	5,008,789.06 100.1758	4,980,650.00 99.6130	2.42	28,139.06-	46,308.38
1,750,000	UNITED STATES TREASURY NOTES DTD 11/30/2025 3.500% 11/30/2030 CUSIP 91282CPN5	1,731,816.41 98.9610	1,732,360.00 98.9920	0.84	543.59	5,384.62
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	1,920,520.00 96.0260	0.93	14,440.00	21,722.22
2,500,000	US TREASURY NOTE DTD 02/01/21 0.375 01/31/2026 MOODY'S RATING AA1 CUSIP 91282CBH3	2,456,445.31 98.2578	2,493,500.00 99.7400	1.21	37,054.69	3,923.23
2,500,000	US TREASURY NOTE DTD 04/30/21 0.750 04/30/2026 MOODY'S RATING AA1 CUSIP 91282CBW0	2,493,652.34 99.7461	2,477,075.00 99.0830	1.20	16,577.34-	3,245.19
1,400,000	US TREASURY NOTE DTD 09/30/21 0.875 09/30/2026 MOODY'S RATING AA1 CUSIP 91282CCZ2	1,379,054.68 98.5039	1,372,378.00 98.0270	0.67	6,676.68-	3,147.10
1,400,000	US TREASURY NOTE DTD 11/01/21 1.125 10/31/2026 CUSIP 91282CDG3	1,391,468.75 99.3906	1,371,832.00 97.9880	0.67	19,636.75-	2,697.51

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2025

CITY OF CUPERTI
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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 931142ERO	349,338.50 99.8110	343,738.50 98.2110	0.17	5,600.00-	1,061.67
1,365,000	WELLS FARGO CARD ISSUANCE TRUST ASSET BCKD SEC SER 2025-A1 CL A DTD 06/10/2025 4.340% 05/15/2030 NON CALLABLE CUSIP 92970QAJ4	1,364,977.34 99.9984	1,383,113.55 101.3270	0.67	18,136.21	2,632.93
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TOTAL BOND & NOTES		202,306,410.52	204,445,216.25	99.41	2,138,805.73	1,622,304.59
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TOTAL INVESTMENTS		203,522,957.50	205,661,763.23	100.00	2,138,805.73	1,629,267.53
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TOTAL ACCRUALS		1,629,267.53	1,629,267.53			
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TOTAL ACCRUALS AND INVESTMENTS		205,152,225.03	207,291,030.76			

CASH SUMMARY
 FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
 ACCOUNT NUMBER [REDACTED]

CASH SUMMARY

PRINCIPAL CASH

INCOME CASH

DESCRIPTION	PRINCIPAL CASH	INCOME CASH
BEGINNING BALANCE	0.00	0.00
RECEIPTS		
NET INTEREST COLLECTED	0.00	696,321.48
TRANSFER RECEIPTS	696,321.48	0.00
SALES	3,629,727.37	0.00
CASH MANAGEMENT SALES	3,841,555.32	0.00
TOTAL CASH RECEIPTS	8,167,604.17	696,321.48
DISBURSEMENTS		
INVESTMENT MANAGEMENT EXPENSES	11,982.53-	0.00
TRANSFER DISBURSEMENTS	0.00	696,321.48-
PURCHASES	5,268,600.16-	0.00
CASH MANAGEMENT PURCHASES	2,887,021.48-	0.00
TOTAL CASH DISBURSEMENTS	8,167,604.17-	696,321.48-
ENDING BALANCE	0.00	0.00

STATEMENT OF TRANSACTIONS
FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
		<u>BEGINNING BALANCE</u>	0.00	<u>202,748,545.41</u>	
		CASH EQUIVALENTS			
12/01/25		INTEREST RECEIVED AS 100% TREAS MM FD-SVC CL #008 INTEREST FROM 11/1/25 THROUGH 11/30/25	6,332.94		
12/01/25		INTEREST RECEIVED PRINCIPAL PUBLIC DEPOSIT SWEEP PRGRM INTEREST FROM 11.01.25 TO 11.30.25	85.08		
12/31/25	2,886,936.4	CASH SWEEP PURCHASES FOR STMT PERIOD AS 100% TREAS MM FD-SVC CL #008 8 TRANSACTIONS	2,886,936.40-	2,886,936.40	
12/31/25	85.08	CASH SWEEP PURCHASES FOR STMT PERIOD PRINCIPAL PUBLIC DEPOSIT SWEEP PRGRM 1 TRANSACTIONS	85.08-	85.08	
12/31/25	3,841,555.32-	CASH SWEEP SALES FOR STMT PERIOD AS 100% TREAS MM FD-SVC CL #008 4 TRANSACTIONS	3,841,555.32	3,841,555.32-	
		BONDS & NOTES			
12/15/25		INTEREST RECEIVED AMER EXPR CREDIT ABS 4.280% 4/15/30 CUSIP 02582JKP4 \$0.00357/PV ON 1,420,000.00 PV DUE 12/15/25	5,064.67		
12/15/25		INTEREST RECEIVED BANK OF AMERICA ABS 4.930% 5/15/29 CUSIP 05522RDJ4 \$0.00411/PV ON 785,000.00 PV DUE 12/15/25	3,225.04		

STATEMENT OF TRANSACTIONS
FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
12/15/25		INTEREST RECEIVED BK OF AMERICA ABS 4.980% 11/15/28 CUSIP 05522RDH8 \$0.00415/PV ON 850,000.00 PV DUE 12/15/25	3,527.50		
12/26/25		INTEREST RECEIVED BMW VEHICLE LEA ABS 3.970% 9/25/28 CUSIP 05594HAD5 \$0.00331/PV ON 1,050,000.00 PV DUE 12/25/25	3,473.75		
12/26/25		INTEREST RECEIVED BMW VEHICLE OWN ABS 5.180% 2/26/29 CUSIP 096919AD7 \$0.00432/PV ON 695,000.00 PV DUE 12/25/25	3,000.08		
12/26/25	9,998.81-	PAID DOWN BMW VEHICLE OWN ABS 5.180% 2/26/29 CUSIP 096919AD7	9,998.81	9,997.29-	1.52
12/15/25		INTEREST RECEIVED CHASE ISSUANCE ABS 4.600% 1/16/29 CUSIP 161571HV9 \$0.00383/PV ON 1,690,000.00 PV DUE 12/15/25	6,478.33		
12/22/25		INTEREST RECEIVED CITIBANK CREDIT ABS 4.300% 6/21/30 CUSIP 17305EHA6 \$0.02090/PV ON 1,500,000.00 PV DUE 12/21/25	31,354.17		
12/26/25		INTEREST RECEIVED FED HOME LN MTG CORP 2.595% 9/25/29 CUSIP 3137FPJG1 \$0.00216/PV ON 1,500,000.00 PV DUE 12/25/25	3,243.75		

STATEMENT OF TRANSACTIONS
FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
12/26/25		INTEREST RECEIVED FED HOME LN MTG CORP 2.982% 5/25/29 CUSIP 3137FMCR1 \$0.00245/PV ON 1,974,261.08 PV DUE 12/25/25	4,906.04		
12/26/25	2,375.52-	PAID DOWN FED HOME LN MTG CORP 2.982% 5/25/29 CUSIP 3137FMCR1 TO SETTLE ON 12/26/2025	2,375.52	2,291.82-	83.70
12/26/25		INTEREST RECEIVED FED HOME LN MTG CORP 3.563% 1/25/29 CUSIP 3137FL6P4 \$0.00297/PV ON 1,288,000.00 PV DUE 12/25/25	3,824.29		
12/26/25		INTEREST RECEIVED FHLMC MULTIFAMILY ST 2.069% 1/25/30 CUSIP 3137FRUT6 \$0.00172/PV ON 2,000,000.00 PV DUE 12/25/25	3,448.33		
12/26/25		INTEREST RECEIVED FHLMC MULTIFAMILY ST 2.425% 8/25/29 CUSIP 3137FPHK4 \$0.00202/PV ON 1,600,000.00 PV DUE 12/25/25	3,233.33		
12/26/25		INTEREST RECEIVED FHLMC MULTIFAMILY ST 2.653% 8/25/26 CUSIP 3137BSP72 \$0.00221/PV ON 650,000.00 PV DUE 12/25/25	1,437.04		

STATEMENT OF TRANSACTIONS
FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
12/26/25		INTEREST RECEIVED FHLMC MULTIFAMILY ST 2.785% 6/25/29 CUSIP 3137FNAE0 \$0.00232/PV ON 2,200,000.00 PV DUE 12/25/25	5,105.83		
12/26/25		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.244% 8/25/27 CUSIP 3137FBBX3 \$0.00270/PV ON 1,000,000.00 PV DUE 12/25/25	2,703.33		
12/26/25		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.505% 3/25/29 CUSIP 3137FLN91 \$0.00292/PV ON 2,500,000.00 PV DUE 12/25/25	7,302.08		
12/26/25		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.690% 1/25/29 CUSIP 3137FKZZ2 \$0.00308/PV ON 2,550,000.00 PV DUE 12/25/25	7,841.25		
12/02/25		REVERSAL COST ADJUSTMENT FHLMC MULTIFAMILY ST 3.771% 12/25/28 CUSIP 3137FKUP9 CU10 LATE ANNOUNCEMENT		51,984.42	
12/02/25	54,338.38	REVERSAL SHARE ADJUSTMENT FHLMC MULTIFAMILY ST 3.771% 12/25/28 CUSIP 3137FKUP9 CU10 LATE ANNOUNCEMENT			

STATEMENT OF TRANSACTIONS
FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
12/02/25		REVERSAL INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.771% 12/25/28 CUSIP 3137FKUP9 CU10 LATE ANNOUNCEMENT	6,403.45-		
12/02/25		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.771% 12/25/28 CUSIP 3137FKUP9 \$0.00320/PV ON 1,945,661.62 PV DUE 11/25/25	6,403.45		
12/26/25		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.771% 12/25/28 CUSIP 3137FKUP9 \$0.00306/PV ON 1,945,661.62 PV DUE 12/25/25	6,114.24		
12/26/25	2,348.86-	PAID DOWN FHLMC MULTIFAMILY ST 3.771% 12/25/28 CUSIP 3137FKUP9 TO SETTLE ON 12/26/2025	2,348.86	2,247.11-	101.75
12/26/25		INTEREST RECEIVED FHLMC SER K110 CMO 1.477% 4/25/30 CUSIP 3137FTZQ3 \$0.00123/PV ON 1,500,000.00 PV DUE 12/25/25	1,846.25		
12/15/25	2,000,000	PURCHASED FHLMC SER K115 CMO 1.383% 6/25/30 CUSIP 3137FWG79 AT \$89.3672 ON TRADE DATE 12/10/2025 TO SETTLE ON 12/15/2025 WACHOVIA CAPITAL MARKETS, LLC.	1,787,343.75-	1,787,343.75	

STATEMENT OF TRANSACTIONS
FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
12/15/25		ACCRUED INTEREST ON PURCHASE FHLMC SER K115 CMO 1.383% 6/25/30 CUSIP 3137FWG79	1,075.67-		
12/26/25		INTEREST RECEIVED FHLMC SER K748 CMO 2.260% 1/25/29 CUSIP 3137H5YC5 \$0.00188/PV ON 2,000,000.00 PV DUE 12/25/25	3,766.67		
12/16/25		INTEREST RECEIVED GM FINANCIAL ABS 3.100% 2/16/27 CUSIP 362585AC5 \$0.00005/PV ON 6,975.93 PV DUE 12/16/25	18.02		
12/16/25	6,975.93-	PAID DOWN GM FINANCIAL ABS 3.100% 2/16/27 CUSIP 362585AC5	6,975.93	6,974.47-	1.46
12/16/25		INTEREST RECEIVED GM FINANCIAL ABS 4.850% 12/18/28 CUSIP 36268GAD7 \$0.00358/PV ON 1,158,845.63 PV DUE 12/16/25	4,683.67		
12/16/25	72,885.86-	PAID DOWN GM FINANCIAL ABS 4.850% 12/18/28 CUSIP 36268GAD7	72,885.86	72,770.28-	115.58
12/15/25		INTEREST RECEIVED HOME DEPOT INC 2.950% 6/15/29 CUSIP 437076BY7 INTEREST ON 1,663,000.000 UNITS	24,529.25		

STATEMENT OF TRANSACTIONS
FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
12/26/25		INTEREST RECEIVED HOME DEPOT INC 4.750% 6/25/29 CUSIP 437076DC3 INTEREST ON 1,000,000.000 UNITS	23,750.00		
12/18/25		INTEREST RECEIVED HONDA AUTO RECE ABS 5.270% 11/20/28 CUSIP 437930AC4 \$0.00439/PV ON 535,000.00 PV DUE 12/18/25	2,349.54		
12/18/25	15,872.51-	PAID DOWN HONDA AUTO RECE ABS 5.270% 11/20/28 CUSIP 437930AC4	15,872.51	15,870.58-	1.93
12/22/25		INTEREST RECEIVED HONDA AUTO RECE ABS 5.670% 6/21/28 CUSIP 438123AC5 \$0.00359/PV ON 611,222.38 PV DUE 12/21/25	2,888.03		
12/22/25	40,725.33-	PAID DOWN HONDA AUTO RECE ABS 5.670% 6/21/28 CUSIP 438123AC5 TO SETTLE ON 12/22/2025	40,725.33	40,826.14-	100.81-
12/15/25		INTEREST RECEIVED HYUNDAI AUTO ABS 5.410% 5/17/27 CUSIP 44934FAD7 \$0.00451/PV ON 610,000.00 PV DUE 12/15/25	2,750.08		
12/15/25	49,883.07-	PAID DOWN HYUNDAI AUTO ABS 5.410% 5/17/27 CUSIP 44934FAD7	49,883.07	49,881.68-	1.39

STATEMENT OF TRANSACTIONS
FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
12/15/25		INTEREST RECEIVED JOHN DEERE OWN ABS 5.090% 6/15/27 CUSIP 47800BAC2 \$0.00103/PV ON 255,548.59 PV DUE 12/15/25	1,083.95		
12/15/25	24,386.68-	PAID DOWN JOHN DEERE OWN ABS 5.090% 6/15/27 CUSIP 47800BAC2	24,386.68	24,384.79-	1.89
12/15/25		INTEREST RECEIVED JOHN DEERE OWNER ABS 3.740% 2/16/27 CUSIP 47800AAC4 \$0.00042/PV ON 88,635.55 PV DUE 12/15/25	276.25		
12/15/25	14,971.24-	PAID DOWN JOHN DEERE OWNER ABS 3.740% 2/16/27 CUSIP 47800AAC4	14,971.24	14,969.81-	1.43
12/15/25		INTEREST RECEIVED JOHN DEERE OWNER ABS 4.960% 11/15/28 CUSIP 47800RAD5 \$0.00413/PV ON 500,000.00 PV DUE 12/15/25	2,066.67		
12/15/25		INTEREST RECEIVED MERCEDES-BENZ ABS 4.520% 4/16/29 CUSIP 58770XAD5 \$0.00323/PV ON 1,045,000.00 PV DUE 12/15/25	3,378.83		
12/15/25		INTEREST RECEIVED MERCEDES-BENZ ABS 5.950% 11/15/28 CUSIP 58769FAC9 \$0.00356/PV ON 790,592.93 PV DUE 12/15/25	3,920.02		

STATEMENT OF TRANSACTIONS
FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
12/15/25	49,502.38-	PAID DOWN MERCEDES-BENZ ABS 5.950% 11/15/28 CUSIP 58769FAC9	49,502.38	50,550.44-	1,048.06-
12/05/25		INTEREST RECEIVED NEW YORK LIFE GL FDG 4.600% 12/05/29 CUSIP 64952WFK4 INTEREST ON 1,365,000.000 UNITS	31,395.00		
12/08/25		INTEREST RECEIVED NEW YORK LIFE MTN 5.000% 6/06/29 CUSIP 64952WFG3 INTEREST ON 1,000,000.000 UNITS	25,000.00		
12/03/25		INTEREST RECEIVED NW MUTUAL GLOBAL MTN 4.600% 6/03/30 CUSIP 66815L2W8 INTEREST ON 1,000,000.000 UNITS	23,000.00		
12/09/25	1,750,000	PURCHASED PRICOA GLOBAL MTN 4.350% 11/25/30 CUSIP 74153WCZ0 AT \$99.9680 ON TRADE DATE 12/08/2025 TO SETTLE ON 12/09/2025 BARCLAYS CAPITAL INC. FIXED IN	1,749,440.00-	1,749,440.00	
12/09/25		ACCRUED INTEREST ON PURCHASE PRICOA GLOBAL MTN 4.350% 11/25/30 CUSIP 74153WCZ0	2,960.42-		
12/15/25		INTEREST RECEIVED TOYOTA AUTO REC ABS 5.160% 4/17/28 CUSIP 89231FAD2 \$0.00292/PV ON 883,838.90 PV DUE 12/15/25	3,800.51		

STATEMENT OF TRANSACTIONS
FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
12/15/25	66,434.58-	PAID DOWN TOYOTA AUTO REC ABS 5.160% 4/17/28 CUSIP 89231FAD2	66,434.58	66,164.69-	269.89
12/18/25		INTEREST RECEIVED TOYOTA MOTOR CREDIT 1.125% 6/18/26 CUSIP 89236TJK2 INTEREST ON 1,385,000.000 UNITS	7,790.63		
12/31/25		INTEREST RECEIVED U.S. TREASURY NOTES 3.250% 6/30/27 CUSIP 91282CEW7 INTEREST ON 3,250,000.000 UNITS	52,812.50		
12/16/25	1,750,000	PURCHASED U.S. TREASURY NOTES 3.625% 11/30/30 CUSIP 91282CPN5 AT \$98.9609 ON TRADE DATE 12/15/2025 TO SETTLE ON 12/16/2025 CITIGROUP GBL MKTS/SALOMON BRO	1,731,816.41-	1,731,816.41	
12/16/25		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 3.625% 11/30/30 CUSIP 91282CPN5	2,692.31-		
12/31/25		INTEREST RECEIVED U.S. TREASURY NOTES 3.875% 6/30/30 CUSIP 91282CNK3 INTEREST ON 5,000,000.000 UNITS	96,875.00		
12/01/25		INTEREST RECEIVED U.S. TREASURY NOTES 3.875% 11/30/27 CUSIP 91282CFZ9 INTEREST ON 850,000.000 UNITS	16,468.75		

STATEMENT OF TRANSACTIONS
FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
12/31/25		INTEREST RECEIVED U.S. TREASURY NOTES 3.875% 12/31/27 CUSIP 91282CGC9 INTEREST ON 2,750,000.000 UNITS	53,281.25		
12/31/25		INTEREST RECEIVED U.S. TREASURY NOTES 4.250% 6/30/29 CUSIP 91282CKX8 INTEREST ON 2,000,000.000 UNITS	42,500.00		
12/15/25		INTEREST RECEIVED U.S. TREASURY NOTES 4.375% 12/15/26 CUSIP 91282CJP7 INTEREST ON 2,500,000.000 UNITS	54,687.50		
12/31/25		INTEREST RECEIVED U.S. TREASURY NOTES 4.375% 12/31/29 CUSIP 91282CMD0 INTEREST ON 4,400,000.000 UNITS	96,250.00		
12/16/25	1,035,000-	SOLD UNITEDHEALTH GROUP 1.150% 5/15/26 CUSIP 91324PEC2 AT \$98.8760 ON TRADE DATE 12/15/2025 TO SETTLE ON 12/16/2025 FTN FINANCIAL SECURITIES CORP	1,023,366.60	1,025,051.35-	1,684.75-
12/16/25		ACCRUED INTEREST ON SALE UNITEDHEALTH GROUP 1.150% 5/15/26 CUSIP 91324PEC2	1,024.94		
12/01/25		INTEREST RECEIVED US TREASURY NOTE 0.375% 11/30/25 CUSIP 91282CAZ4 INTEREST ON 2,250,000.000 UNITS	4,218.75		

STATEMENT OF TRANSACTIONS
FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
12/01/25	2,250,000-	MATURED US TREASURY NOTE 0.375% 11/30/25 CUSIP 91282CAZ4 AT \$100.0000 ON TRADE DATE 11/30/2025 TO SETTLE ON 12/01/2025	2,250,000.00	2,209,658.20-	40,341.80
12/15/25		INTEREST RECEIVED WELLS FARGO CARD ABS 4.340% 5/15/30 CUSIP 92970QAJ4 \$0.00362/PV ON 1,365,000.00 PV DUE 12/15/25	4,936.75		
		TRANSFER RECEIPTS			
12/01/25		ADDITION TO ACCOUNT TRANSFER FROM INCOME	27,105.52		
12/03/25		ADDITION TO ACCOUNT TRANSFER FROM INCOME	23,000.00		
12/05/25		ADDITION TO ACCOUNT TRANSFER FROM INCOME	31,395.00		
12/08/25		ADDITION TO ACCOUNT TRANSFER FROM INCOME	25,000.00		
12/15/25		ADDITION TO ACCOUNT TRANSFER FROM INCOME	115,689.26		
12/16/25		ADDITION TO ACCOUNT TRANSFER FROM INCOME	3,034.32		
12/18/25		ADDITION TO ACCOUNT TRANSFER FROM INCOME	10,140.17		

STATEMENT OF TRANSACTIONS
FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
12/22/25		ADDITION TO ACCOUNT TRANSFER FROM INCOME	34,242.20		
12/26/25		ADDITION TO ACCOUNT TRANSFER FROM INCOME	84,996.26		
12/31/25		ADDITION TO ACCOUNT TRANSFER FROM INCOME	341,718.75		
		INVESTMENT MANAGEMENT EXPENSES			
12/05/25		INVESTMENT MGMT FEE PAID TO CHANDLER ASSET MANAGEMENT INC INV 2511CUPERTIN CUPERTIN CITY OF CUPERTINO FOR PERIOD 11/1/2025 - 11/30/2025	11,982.53-		
		TRANSFER DISBURSEMENTS			
12/01/25		TRANSFER TO PRINCIPAL	27,105.52-		
12/03/25		TRANSFER TO PRINCIPAL	23,000.00-		
12/05/25		TRANSFER TO PRINCIPAL	31,395.00-		
12/08/25		TRANSFER TO PRINCIPAL	25,000.00-		
12/15/25		TRANSFER TO PRINCIPAL	115,689.26-		
12/16/25		TRANSFER TO PRINCIPAL	3,034.32-		
12/18/25		TRANSFER TO PRINCIPAL	10,140.17-		
12/22/25		TRANSFER TO PRINCIPAL	34,242.20-		

STATEMENT OF TRANSACTIONS
 FOR THE PERIOD DECEMBER 1, 2025 THROUGH DECEMBER 31, 2025

CITY OF CUPERTI
 ACCOUNT NUMBER [REDACTED]

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
12/26/25		TRANSFER TO PRINCIPAL	84,996.26-		
12/31/25		TRANSFER TO PRINCIPAL	341,718.75-		
	<u>ENDING BALANCE</u>		<u>0.00</u>	<u>203,522,957.50</u>	

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
12/1/2025 to 12/31/2025

Jonathan Orozco
Acting Director of Administrative Services
City of Cupertino
10300 Torre Ave.
Cupertino, CA 95014

Account Summary

Source	Balance as of 12/1/2025	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 12/31/2025
OPEB	\$45,888,106.03	\$0.00	\$220,996.16	\$11,807.74	\$0.00	\$0.00	\$46,097,294.45
PENSION	\$26,110,804.35	\$0.00	\$124,117.89	\$6,714.46	\$0.00	\$0.00	\$26,228,207.78
Totals	\$71,998,910.38	\$0.00	\$345,114.05	\$18,522.20	\$0.00	\$0.00	\$72,325,502.23

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	0.48%	2.27%	16.40%	15.13%	6.77%	8.31%	6/21/2010
PENSION	0.48%	2.27%	16.36%	15.05%	6.69%	-	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

January 05, 2026

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

CITY OF CUPERTINO

FINANCE MANAGER
 10300 TORRE AVENUE
 CUPERTINO, CA 95014

[Tran Type Definitions](#)

Account Number: [REDACTED]

December 2025 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
12/4/2025	12/4/2025	RW	1787558	N/A	JONATHAN OROZCO	-2,600,000.00
12/17/2025	12/16/2025	RD	1788010	N/A	JONATHAN OROZCO	1,500,000.00

Account Summary

Total Deposit:	1,500,000.00	Beginning Balance:	74,352,391.03
Total Withdrawal:	-2,600,000.00	Ending Balance:	73,252,391.03



CITY OF CUPERTINO

Agenda Item

26-14797

Agenda Date: 1/26/2026
Agenda #: 4.

Subject: ACTION ITEM Appointment of Chair and Vice Chair

Appoint Chair and Vice Chair

Presenter: Jonathan Orozco, Acting Director of Administrative Services and City Treasurer
4:10(10)



CITY OF CUPERTINO

Agenda Item

26-14798

Agenda Date: 1/26/2026

Agenda #: 5.

Subject: ACTION ITEM Receive OPEB & Pension Section 115 Trust Investment Policy

Receive OPEB & Pension Section 115 Trust Investment Policy and forward to City Council

Presenter: PARS and US Bank

4:20(40)



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: January 26, 2026

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, 2025, the City's OPEB Trust had a market value of \$42.7 million and had earned an annualized investment return of 7.68% gross of fees since inception.

Time Period	Annualized Investment Return
1 Year	12.80%
5 Year	8.93%
Since Inception	7.68%

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, 2025, measurement date, using a 6.5% discount rate, the City's OPEB plan had an accrued liability of \$41.5 million and a market value of assets of \$42.7 million, resulting in a net asset of \$1.3 million and a funded ratio of 103.0%. Compared to June 30, 2024, the unfunded accrued liability became a net asset, primarily due to favorable market conditions.

	June 30, 2023*	June 30, 2024*	June 30, 2025*
Accrued Liability	35,290,000	40,389,000	41,472,000
Market Value of Assets	34,708,000	38,013,000	42,734,000
Unfunded Accrued Liability	582,000	2,376,000	(1,262,000)
Funded Ratio	98.4%	94.1%	103.0%

*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, 2025, the City's Pension Trust had a market value of \$24.3 million, a year-over-year increase of \$2.7 million, and had earned an annualized investment return of 8.03% gross of fees since inception.

Time Period	Annualized Investment Return
1 Year	12.64%
5 Year	8.86%
Since Inception	8.03%

Driven by favorable market performance, the Trust achieved a 12.64% return over the past year. Five-year and since-inception returns remain strong at 8.86% and 8.03%, respectively, underscoring the City's long-term strategy to promote pension funding stability.

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 31, 2024, with City Council adopting the policies on December 3, 2024.

Public Agency Retirement Services (PARS) is the City's Trust Administrator and PFM Asset Management 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.

As part of ongoing efforts to align with evolving industry best practices and enhance portfolio diversification, Global Infrastructure has been formally incorporated into the strategic asset allocation. Similar to Real Estate and Commodities, Global Infrastructure is recognized for its inflation-hedging characteristics, stable cash flows, and historically low correlation to traditional equities and fixed income assets.

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

Asset Class	Range	Target
Fixed Income	20-40%	29%
Equities	50-70%	63%
Real Estate	0-10%	3.5%
Global Infrastructure	0-10%	3.5%
Commodities	0-10%	0%
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.

Prepared by: Jonathan Orozco, Acting Director of Administrative Services and City

Approved for Submission by: Tina Kapoor, City Manager

Attachments:

A – OPEB Trust Investment Policy

B – Pension Trust Investment Policy

 <p>Other Post-Employment Benefits (OPEB) Investment Policy</p>	<p>Citywide Policy Manual</p> <p>Attachments: N/A</p>
<p>Effective Date: January 26, 2026 <ins>November 19, 2024</ins></p>	<p>Responsible Department: Administrative Services</p>
<p>Related Policies & Notes: City Investment Policy, Pension Investment Policy</p>	

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:	\$ 45.1 <ins>40.7</ins> million (September 2025 <ins>2024</ins>)
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

U.S. Bank Relationship Manager: Ryan Maxey
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:

Asset Class	Range	Benchmark Target
Fixed Income	20-40%	29%
Equities	50-70%	63%
Real Estate	0-10% 15%	3.5% 2.5%
Global Infrastructure	0-10%	3.5%
Commodities	0-10%	0% 2%
Cash	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 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
- **Global Infrastructure Mutual Funds or Exchange Traded 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: _____

Rewrites: 6.5.2018, 11.19.2019, 11.17.2020, 12.7.2021, 12.06.2022, 12.05.2023, 12.03.2024

 <p>Pension Trust Investment Policy</p>	Citywide Policy Manual
	Attachments: N/A
Effective Date: January 26, 2026 November 19, 2024	Responsible Department: Administrative Services
Related Policies & Notes: 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:	\$25.6 23.0 Million (September 2025 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: Dennis Mullins
Dennis.mullins@usbank.com
 513-304-0398

U.S. Bank Relationship Manager: Ryan Maxey
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.

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 - 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.

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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: 11.19.2019, 11.17.2020, 12.7.2021, 12.06.2022, 12.05.2023, 12.03.2024



CITY OF CUPERTINO

Agenda Item

26-14800

Agenda Date: 1/26/2026

Agenda #: 6.

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: Baker Tilly

5:00(15)

January 16, 2026

To: City of Cupertino Audit Committee
 From: Baker Tilly
 Subject: Internal Audit Status Report October 22, 2025 through January 16, 2026

FY24-25 INTERNAL AUDIT PROGRAM		GRANTS MANAGEMENT INTERNAL CONTROLS REVIEW
Objective		Assess the internal controls in place over the City's grants management activities (including applications, review, administration, and reporting).
Schedule		April 2025 through January 2026
Activities for This Period		Provided draft report to the city, incorporated feedback and finalize report.
Activities for Next Period		Finalize report.
Issues		Waiting to receive feedback from City officials to finalize report

FY25-26 INTERNAL AUDIT PROGRAM		COUNCIL-WIDE POLICY REVIEW INVENTORY	INVESTMENT/CASH FLOW POLICY REVIEW/RECOMMENDATION	CITY-WIDE INTERNAL CONTROL REVIEW	ONGOING INTERNAL AUDIT SERVICES
Objective	Review and provide recommendations to align council policies with best practices.		Review and provide best practice recommendations over City's investment/cash flow policy.	Conduct a review of the City's internal controls framework in key areas that are deemed important to protecting City assets and resources.	Attend Audit Committee and Council meetings, prepare status reports, manage internal audit program, and monitor FWA hotline.
Schedule	November 2025 through March 2026		October 2025 through February 2026	December 2025 through April 2026	July 2025 through June 2026
Activities for This Period	Initiated project, held kickoff meeting, sent document request, and conducted interviews.		Reviewed policies and developed best practice recommendations.	Held kickoff meeting and sent document request.	Continue to monitor FWA hotline, perform validation continuation, and provide ongoing support to City.
Activities for Next Period	Finish final interviews and draft report.		Work with City on initial feedback and finalize policies.	Perform interviews, provide preliminary observations, test select high-risk controls, draft report, incorporate report feedback, and provide final report to the City.	Continue to monitor FWA hotline and provide ongoing support to City.
Issues	None		None	None	None

Complaint Type	Complaints Received This Quarter	Under Review	Referred to Appropriate City Official(s)	Closed	Open
Compliance & Ethics	1	1	1	0	1
Fraud	0	0	0	0	0
Employment Matters	0	0	0	0	0

HOTLINE STATISTICS: LIFETIME (OCTOBER 2022-PRESENT)	
Total Reports	39
Reports Closed	31
Reports Open	8

OUTSTANDING REPORTS – DAYS OPEN		
Open Reports	Days Outstanding	Last Day BT Follow-up
Report 2000302663	693	12/5/25
Report 2000309461	671	12/5/25
Report 2000311746	663	12/5/25
Report 2000320154	636	12/5/25
Report 2000320491	634	12/5/25
Report 2000435031	271	12/5/25
Report 2000465974	181	12/5/25
Report 2000520302	34	12/13/25

City of Cupertino- Audit Recommendations Tracking Report

1/16/2026

Reports	(A) Total Recommendations	(B) Open Recommendations (Not Yet Completed by City)	(C) Validated Recommendations (By Baker Tilly)	(D) Reportable Recommendations (Newly validated since last summary)
2022 Budget Process Review (BPR-22)	5	1	4	0
2022 Santa Clara County Civil Grand Jury - A House Divided (CGJ-AHD-2022)	8	4	4	0
2022 Santa Clara County Civil Grand Jury - Show me the Money (CGJ-SMTM-2022)	1	0	1	0
2022 Capital Program Effectiveness Study (CPES-22)	11	4	7	0
2023 Enterprise Leadership Assessment (ELA-23)	24	7	17	1
2022 Fraud, Waste, Abuse Program (FWA) (FWA-22)	3	0	3	0
2023 Library Expansion Construction Audit (LECA-23)	9	3	6	1
2022 Procurement Operational Review (POR-22)	16	7	9	0
2022 Single Audit (SA-22)	1	1	0	0
Total	78	27	51	2

Legend:

Total Recommendations = number of recommendations in the report

Open Recommendations = number of recommendations not yet completed by City

Validated Recommendations = number of recommendations validated by Baker Tilly as completed and adequately addresses the finding

Reportable Recommendations = number of recommendations validated since last summary report for Audit Committee

Item No.	Report Year	Report Code	Finding	Recommendation	Baker Tilly Determination Notes
51A	2023	ELA-23	The staff time used to support governance groups represents a significant investment of City resources.	Review the practice of requesting department directors attend commission and committee meetings.	The City reported they reviewed the practice of requesting department directors attend commission and committee meetings and determined department heads are not required at meetings and will be requested on a case by case basis, as determined by the City Manager.
60	2023	LECA-23	Contract Compliance – Drawing Rights Secured Confirmation	The City should consider including more specific contract language regarding the right of use and ensuring that all parties involved in the Project's design understand their responsibilities regarding their design documents. If deemed necessary at this point in the Project, the City should request that the design build entity obtain the necessary documentation from its subcontractors and subconsultants to secure the rights of use for the City.	The updated DBE contract from 2025 provided by the City includes specific language around right of use for subcontractors. See Section 2.3 (D) that outlines the documents are the City's property and cannot be used without their written consent.



CITY OF CUPERTINO

Agenda Item

26-14802

Agenda Date: 1/26/2026

Agenda #: 8.

Subject: INFORMATIONAL ITEM Receive the proposed Audit Committee 2026 Schedule and Workplan

Receive the proposed Audit Committee 2026 Schedule and Workplan

Presenter: Jonathan Orozco, Acting Director of Administrative Services and City Treasurer
5:15(5)

CITY OF CUPERTINO - AUDIT COMMITTEE 2026 SCHEDULE AND WORK PLAN

January 26, 2026 Regular Meeting	April 27, 2026 Regular Meeting	July 27, 2026 Regular Meeting	October 26, 2026 Regular Meeting	November/December 2026 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	OPEB & Pension Trust Performance Report for Quarter Ending March 31, 2026	OPEB & Pension Trust Performance Report for Quarter Ending June 30, 2026	OPEB & Pension Trust Performance Report for Quarter Ending September 30, 2026	Review of FY 2025/26 ACFR
OPEB & Pension Trust Performance Report for Quarter Ending December 31, 2025	Quarterly Treasurer's Investment Report for Quarter Ending March 31, 2026	Quarterly Treasurer's Investment Report for Quarter Ending June 30, 2026	Quarterly Treasurer's Investment Report for Quarter Ending September 30, 2026	
OPEB & Pension Trust Policy Review	Internal Audit and Fraud, Waste, and Abuse Programs Update	Internal Audit and Fraud, Waste, and Abuse Program Update	Internal Audit and Fraud, Waste, and Abuse Program Update	
Quarterly Treasurer's Investment Report for Quarter Ending December 31, 2025	Annual Review of City Investment Policy	Fiscal Year 2025-26 ACFR Interim Testing Update	Annual Review of OPEB and Pension Trust Investment Policies	
Internal Audit and Fraud, Waste, and Abuse Programs Update	Internal Audit Program		Fiscal Year 2025-26 ACFR Update	
	FY 24-25 Agreed Upon Procedures (AUP) Review - GANN Limit, Investment Policy, Storm Drain			
	Audit Committee Roles and Responsibilities			

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:

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