

AC 7-28-2025

Item No. 4  
OPEB & Pension  
Section 115 Trust  
Performance  
Report

Presentations



PUBLIC AGENCY  
RETIREMENT SERVICES



# CITY OF CUPERTINO

PARS 115 Trust – OPEB Prefunding Program &  
Pension Rate Stabilization Program Plan Client Review  
July 28, 2025

# PARS 115 TRUST TEAM

As of March 31, 2025

## Trust Administrator & Consultant\*

**PARS**

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

41

Years of Experience  
(1984-2025)

2,000+

Plans under  
Administration

1,000+

Public Agency  
Clients

500+

115 Trust Clients

500k+

Plan Participants

\$9.2B+

Assets under  
Administration

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

## Trustee

**usbank**

- 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

**pfm** asset  
management

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

40+

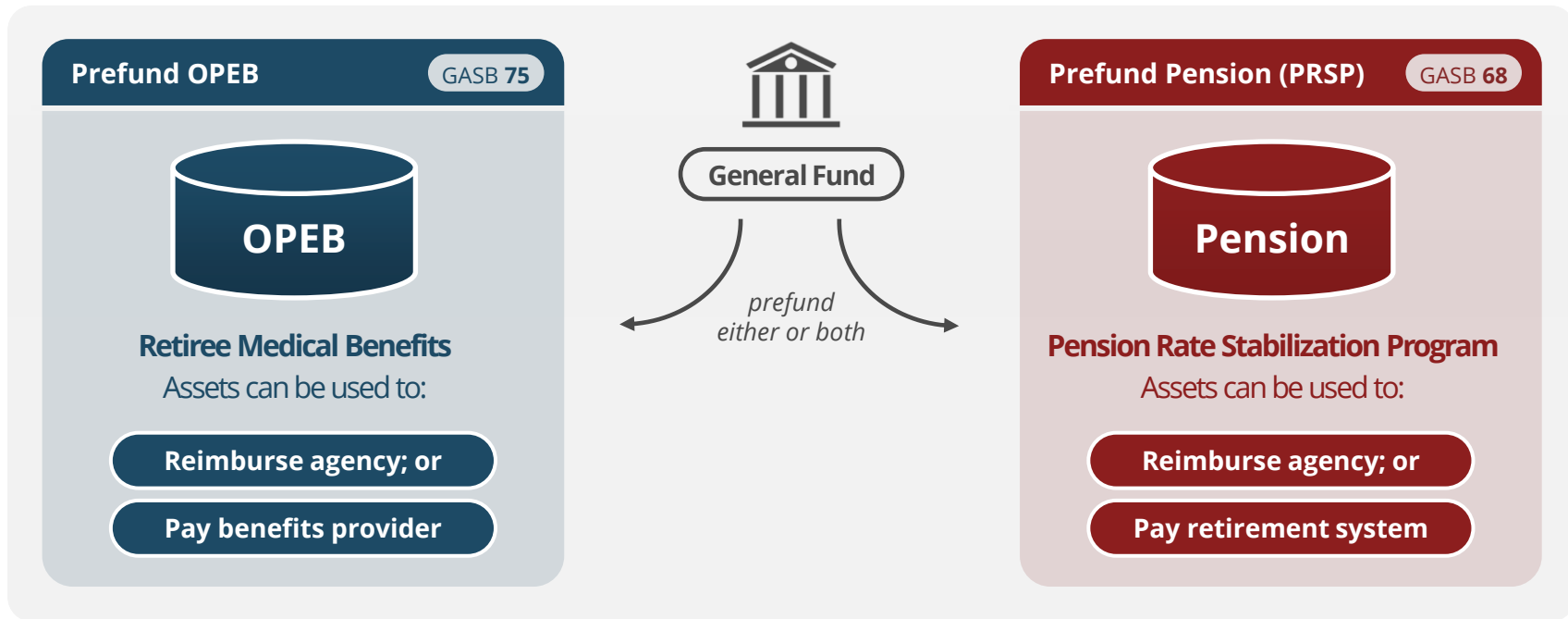
Years of Investment  
Experience  
(As of 12/31/2024)

\$256.5B+ \*

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

June 30, 2025 Review



# Your Team

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# Portfolio Review - OPEB

Provided by U.S Bank





Account: XXXXXX9600

Holdings Method: Direct

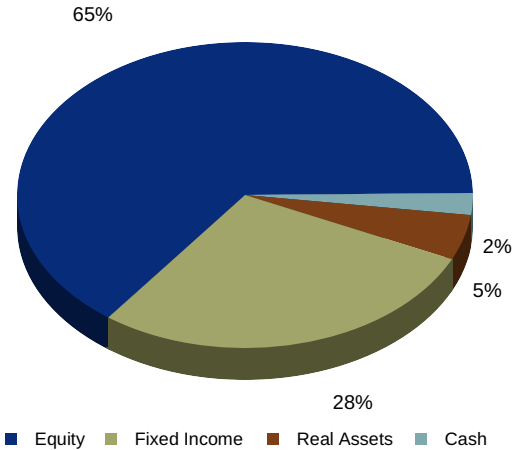
Report Date: 06/30/2025

Portfolio Summary

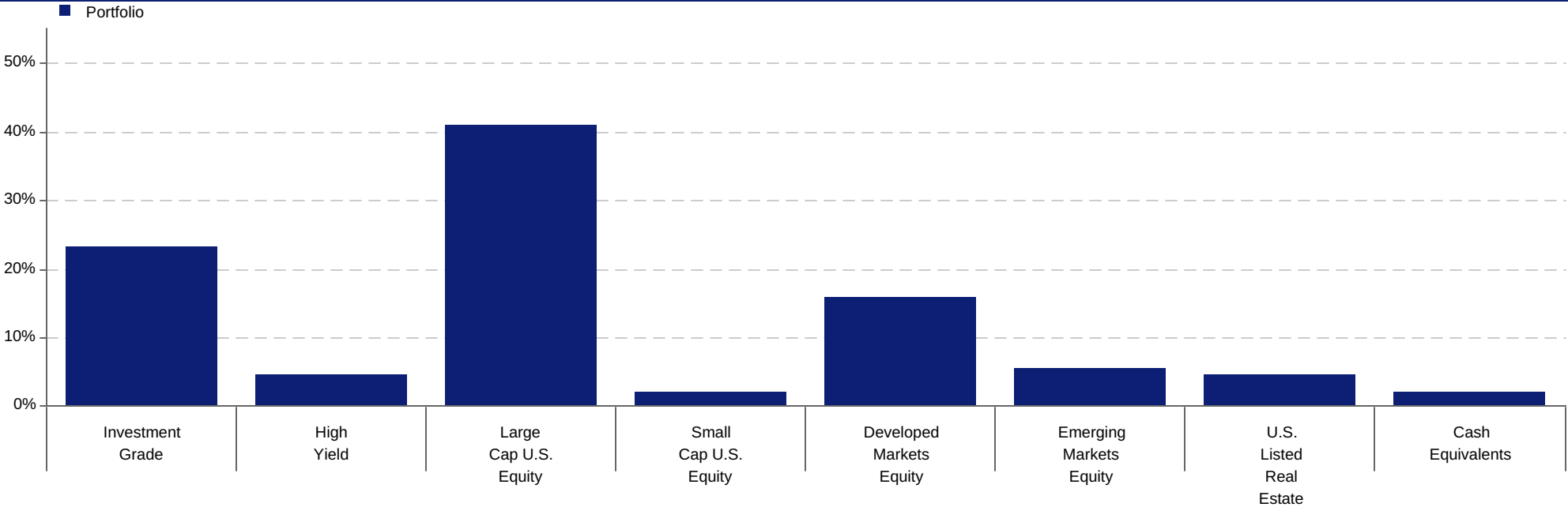
|                            |                        |
|----------------------------|------------------------|
| Inv. Objective             | Balanced/Nontaxable-1  |
| Total Portfolio Value      | \$42,689,285           |
| Net Realized Cap Gains YTD | \$5,844,596            |
| Annual Income Projected    | \$1,033,501            |
| Current Yield              | 2.42%                  |
| Number of Securities       | 8                      |
| Portfolio Mgr.             | Dennis S. Mullins, CFA |

Portfolio Asset Allocation

|                |              |         |
|----------------|--------------|---------|
| Equity         | \$27,686,935 | 64.86%  |
| Fixed Income   | \$12,025,680 | 28.17%  |
| Real Assets    | \$2,014,724  | 4.72%   |
| Cash           | \$961,947    | 2.25%   |
| Invested Total | \$42,689,285 | 100.00% |



Portfolio Model Allocation





Account: XXXXXX9600

Holdings Method: Direct

Report Date: 06/30/2025

Fixed Income Summary

|                          |                        |
|--------------------------|------------------------|
| Inv. Objective           | Balanced/Nontaxable-1  |
| Total Fixed Income Value | \$12,025,680           |
| Current Yield            | 4.05%                  |
| Annual Income Projected  | \$487,024              |
| Number of Securities     | 2                      |
| Portfolio Mgr.           | Dennis S. Mullins, CFA |

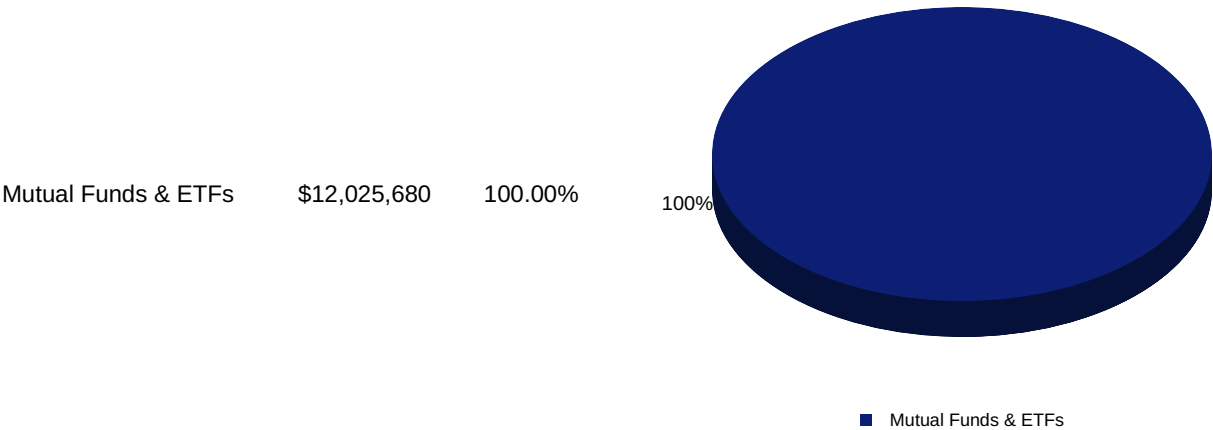
Fixed Income Asset Allocation

|                  |             |        |
|------------------|-------------|--------|
| Investment Grade | \$9,988,156 | 83.06% |
| High Yield       | \$2,037,524 | 16.94% |

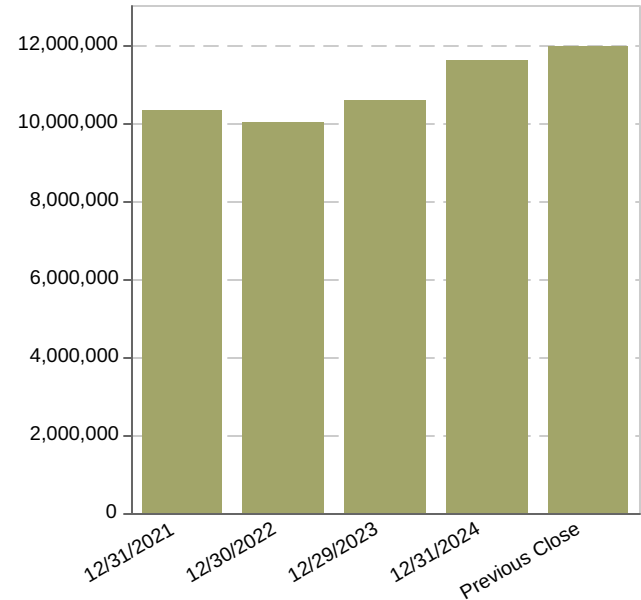
83% 17%

■ Investment Grade ■ High Yield

Fixed Income Sector Exposures



Fixed Income Market Value





Account: XXXXXX9600

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

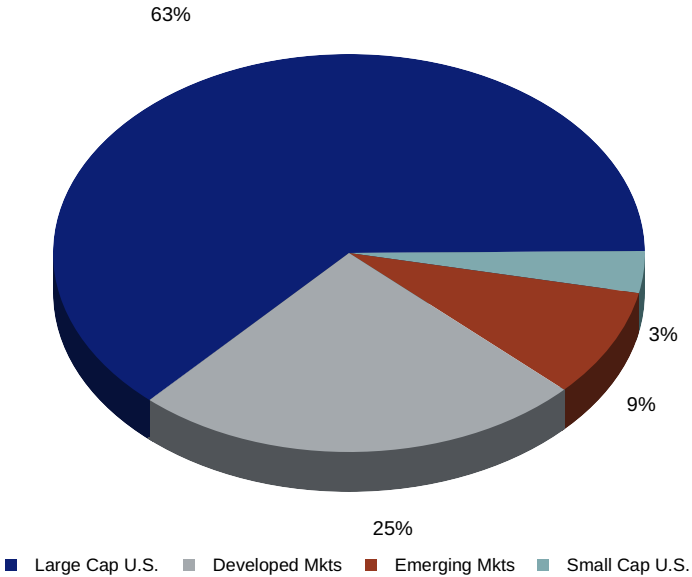
Report Date: 06/30/2025

Equity Summary

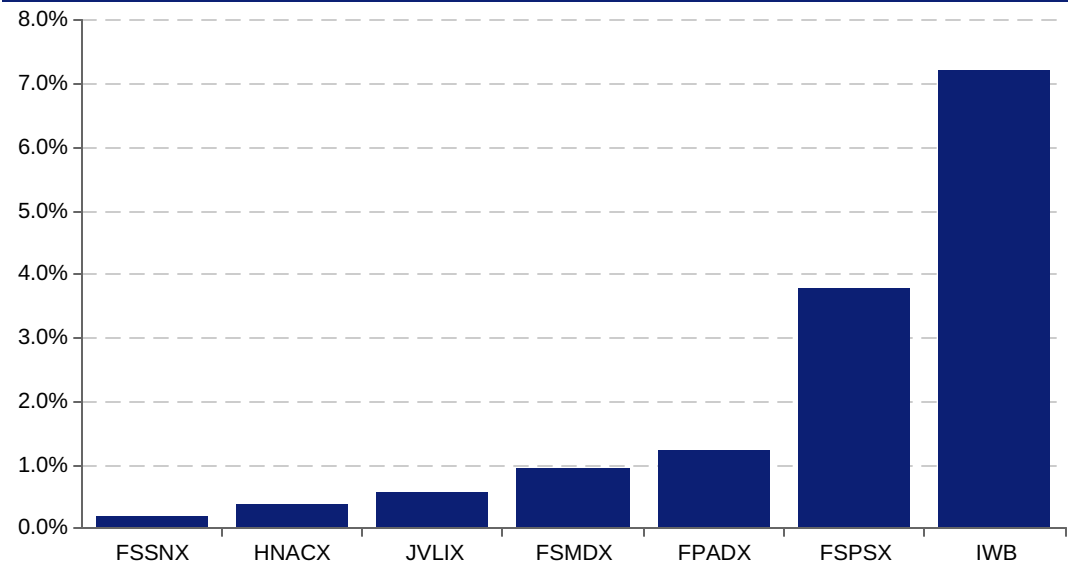
|                         |                        |
|-------------------------|------------------------|
| Inv. Objective          | Balanced/Nontaxable-1  |
| Total Equity Value      | \$27,686,935           |
| Current Yield           | 1.60%                  |
| Annual Income Projected | \$443,977              |
| Number of Securities    | 4                      |
| Portfolio Mgr.          | Dennis S. Mullins, CFA |

Equity Asset Allocation

|                |              |        |
|----------------|--------------|--------|
| Large Cap U.S. | \$17,532,678 | 63.32% |
| Developed Mkts | \$6,820,516  | 24.63% |
| Emerging Mkts  | \$2,401,265  | 8.67%  |
| Small Cap U.S. | \$932,476    | 3.37%  |



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 &amp; ETFs)

Report Date: 06/30/2025

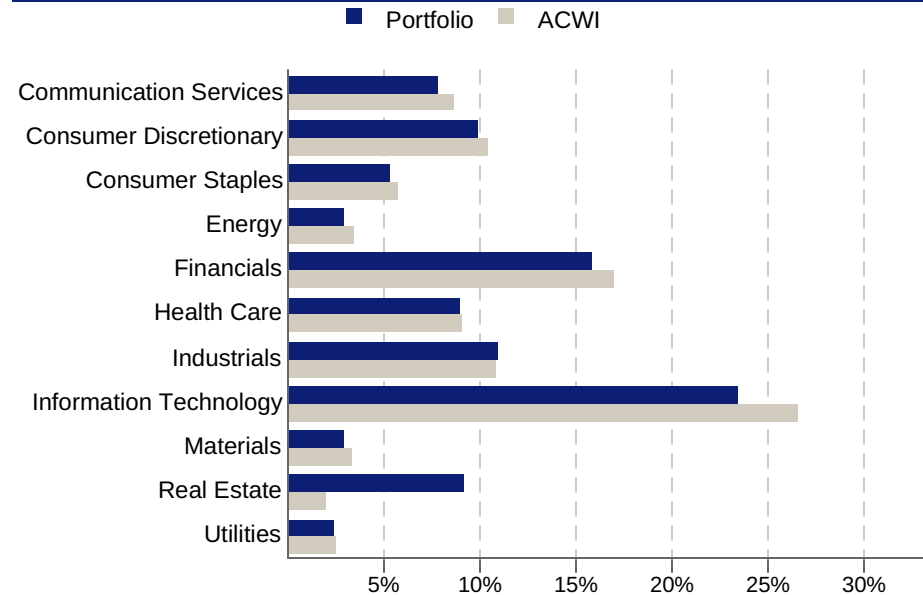
## Top 10 Common Stock Holdings

|                                  | Stock Wt. (%) | Full Port Wt. (%) | Yield (%) | YTD Return* (%) | 52 Wk Return* (%) |
|----------------------------------|---------------|-------------------|-----------|-----------------|-------------------|
| NVIDIA Corporation               | 3.96          | 2.65              | 0.03      | 17.7            | 27.9              |
| Microsoft Corporation            | 3.95          | 2.64              | 0.67      | 18.5            | 12.1              |
| Apple Inc.                       | 3.24          | 2.17              | 0.49      | -17.9           | -2.1              |
| Amazon.com, Inc.                 | 2.25          | 1.51              | 0.00      | 0.0             | 13.5              |
| Meta Platforms Inc Class A       | 1.73          | 1.15              | 0.29      | 26.3            | 46.9              |
| Broadcom Inc.                    | 1.36          | 0.91              | 0.86      | 19.5            | 73.6              |
| Alphabet Inc. Class A            | 1.10          | 0.73              | 0.45      | -6.7            | -2.8              |
| Berkshire Hathaway Inc. Class... | 0.96          | 0.64              | 0.00      | 7.2             | 19.4              |
| Tesla, Inc.                      | 0.96          | 0.64              | 0.00      | -21.3           | 60.5              |
| Alphabet Inc. Class C            | 0.90          | 0.60              | 0.45      | -6.6            | -2.8              |

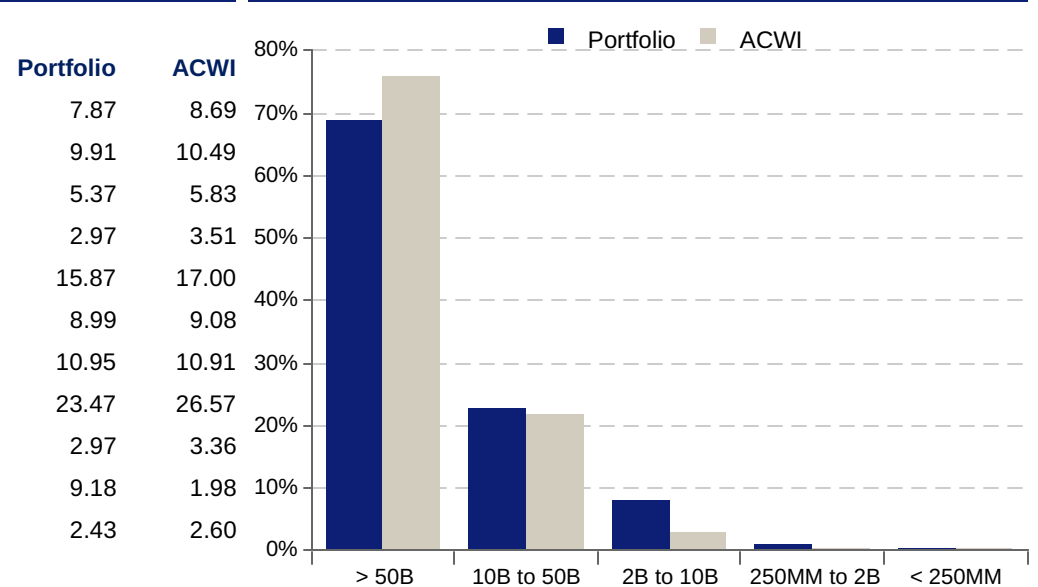
## Common Stock Characteristics

|                             | Portfolio | ACWI     |
|-----------------------------|-----------|----------|
| Market Cap - Wtd Avg        | \$659.0B  | \$750.9B |
| Market Cap - Median         | \$6.2B    | \$18.0B  |
| Dividend Yield              | 1.89      | 1.75     |
| P/E NTM                     | 18.8      | 18.4     |
| P/E LTM                     | 21.5      | 21.5     |
| ROE (%)                     | 20.5      | 22.2     |
| 1 Yr Beta vs. S&P Composite | .84       | .84      |
| Est 3-5 Yr EPS Growth (%)   | 10.8      | 11.1     |
| Hist 3 Yr EPS Growth (%)    | 16.6      | 18.0     |
| Number of Securities        | 4829      | 2234     |

## Common Stock Sector Exposures



## Common Stock Market Cap Distribution



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

# Custom Benchmark

## CITY OF CUPERTINO OPEB

| Asset Class  | Benchmark                    | Range   | Target | Actual |
|--------------|------------------------------|---------|--------|--------|
| Equities     | MSCI ACWI Index (net)        | 50%-70% | 63%    | 64.9%  |
| Fixed Income | BBARC Global Aggregate Index | 20%-40% | 29%    | 28.2%  |
| 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%     | 2.2%   |

**Selected Period Performance**

|                                   | Market Value      | Year<br>to Date<br>(6 Months) | 3 Months     | 1 Year       | 3 Years      | 5 Years      | Inception<br>to Date<br>03/01/2019 |
|-----------------------------------|-------------------|-------------------------------|--------------|--------------|--------------|--------------|------------------------------------|
| Total Portfolio Gross of Fees     | 42,734,042        | 7.73                          | 8.21         | 12.80        | 12.59        | 8.93         | 7.68                               |
| Total Portfolio Net of Fees       | 42,734,042        | 7.64                          | 8.17         | 12.61        | 12.40        | 8.74         | 7.49                               |
| City of Cupertino                 |                   | 8.83                          | 8.67         | 13.47        | 11.98        | 9.01         | 8.12                               |
| <b>Total Equity</b>               | <b>27,686,935</b> | <b>9.91</b>                   | <b>12.02</b> | <b>15.76</b> | <b>17.35</b> | <b>12.90</b> | <b>11.61</b>                       |
| MSCI ACWI (Net)                   |                   | 10.05                         | 11.53        | 16.17        | 17.35        | 13.65        | 11.84                              |
| Russell 3000 Index                |                   | 5.75                          | 10.99        | 15.30        | 19.08        | 15.96        | 14.51                              |
| S&P 500 Index (Total Return)      |                   | 6.20                          | 10.94        | 15.16        | 19.71        | 16.64        | 15.33                              |
| S&P MidCap 400 Index              |                   | .20                           | 6.71         | 7.53         | 12.83        | 13.44        | 9.69                               |
| S&P SmallCap 600 Index            |                   | -4.46                         | 4.90         | 4.60         | 7.65         | 11.68        | 6.81                               |
| MSCI EAFE Index (Net)             |                   | 19.45                         | 11.78        | 17.73        | 15.97        | 11.16        | 8.54                               |
| MSCI Emerging Markets Index (Net) |                   | 15.27                         | 11.99        | 15.29        | 9.70         | 6.81         | 5.00                               |
| <b>Total Fixed Income</b>         | <b>12,067,206</b> | <b>4.16</b>                   | <b>1.65</b>  | <b>6.82</b>  | <b>3.87</b>  | <b>.72</b>   | <b>.84</b>                         |
| BBARC US Aggregate Bond Index     |                   | 4.02                          | 1.21         | 6.08         | 2.55         | -.73         | 1.54                               |
| BBARC Global Aggregate Index      |                   | 7.27                          | 4.52         | 8.91         | 2.75         | -1.16        | .44                                |
| <b>Total Real Assets</b>          | <b>2,014,724</b>  | <b>.03</b>                    | <b>-.95</b>  | <b>8.95</b>  | <b>5.41</b>  | <b>7.50</b>  | <b>4.82</b>                        |
| S&P Global REIT Index (Gross)     |                   | 4.76                          | 3.06         | 11.18        | 5.06         | 7.31         | 3.80                               |
| S&P GSCI Index                    |                   | 1.94                          | -2.81        | .25          | -.37         | 17.69        | 6.55                               |
| <b>Total Cash Equivalents</b>     | <b>965,177</b>    | <b>2.12</b>                   | <b>1.06</b>  | <b>4.66</b>  | <b>4.55</b>  | <b>2.74</b>  | <b>2.46</b>                        |
| FTSE 3 Month Treasury Bill Index  |                   | 2.21                          | 1.09         | 4.88         | 4.75         | 2.88         | 2.65                               |
| Pending Cash                      | 0                 | .00                           | .00          | .00          | .00          | .00          | .00                                |

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

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



Account: XXXXXX9600

Holdings Method: Direct

Report Date: 06/30/2025

|  | Symbol    | % of Port.   | Price  | Shares/ Units | Portfolio Value   | Cost Basis        | Unrealized Gain/Loss | Current Yield | Projected Annual Income |
|--|-----------|--------------|--------|---------------|-------------------|-------------------|----------------------|---------------|-------------------------|
| <b>Total</b>                                   |           | <b>100.0</b> |        |               | <b>42,689,285</b> | <b>38,955,613</b> | <b>3,733,673</b>     | <b>2.42</b>   | <b>1,033,501</b>        |
| <b>Cash</b>                                    |           | <b>2.25</b>  |        |               | <b>961,947</b>    | <b>961,947</b>    | <b>0</b>             | <b>4.26</b>   | <b>40,983</b>           |
| <b>Cash Equivalents</b>                        |           | <b>2.25</b>  |        |               | <b>961,947</b>    | <b>961,947</b>    | <b>0</b>             | <b>4.26</b>   | <b>40,983</b>           |
| FIRST AM GOVT OB FD CL X                       | 31846V336 | 2.25         | 1.00   | 961,947       | 961,947           | 961,947           | 0                    | 4.26          | 40,983                  |
| <b>Fixed Income</b>                            |           | <b>28.17</b> |        |               | <b>12,025,680</b> | <b>11,897,311</b> | <b>128,369</b>       | <b>4.05</b>   | <b>487,024</b>          |
| <b>Investment Grade</b>                        |           | <b>23.40</b> |        |               | <b>9,988,156</b>  | <b>9,788,246</b>  | <b>199,910</b>       | <b>3.45</b>   | <b>344,419</b>          |
| Mutual Funds & ETFs                            |           | 23.40        |        |               | 9,988,156         | 9,788,246         | 199,910              | 3.45          | 344,419                 |
| Fidelity U.S. Bond Index Fund                  | FXNAX     | 23.40        | 10.44  | 956,720       | 9,988,156         | 9,788,246         | 199,910              | 3.45          | 344,419                 |
| <b>High Yield</b>                              |           | <b>4.77</b>  |        |               | <b>2,037,524</b>  | <b>2,109,065</b>  | <b>-71,541</b>       | <b>7.00</b>   | <b>142,605</b>          |
| Mutual Funds & ETFs                            |           | 4.77         |        |               | 2,037,524         | 2,109,065         | -71,541              | 7.00          | 142,605                 |
| Artisan High Income Fund - Institutional Sh... | APHFX     | 4.77         | 9.23   | 220,750       | 2,037,524         | 2,109,065         | -71,541              | 7.00          | 142,605                 |
| <b>Equity</b>                                  |           | <b>64.86</b> |        |               | <b>27,686,935</b> | <b>24,059,068</b> | <b>3,627,867</b>     | <b>1.60</b>   | <b>443,977</b>          |
| <b>Large Cap U.S. Equity</b>                   |           | <b>41.07</b> |        |               | <b>17,532,678</b> | <b>15,560,589</b> | <b>1,972,089</b>     | <b>1.10</b>   | <b>193,207</b>          |
| Mutual Funds & ETFs                            |           | 41.07        |        |               | 17,532,678        | 15,560,589        | 1,972,089            | 1.10          | 193,207                 |
| iShares Russell 1000 ETF                       | IWB       | 41.07        | 339.57 | 51,632        | 17,532,678        | 15,560,589        | 1,972,089            | 1.10          | 193,207                 |
| <b>Small Cap U.S. Equity</b>                   |           | <b>2.18</b>  |        |               | <b>932,476</b>    | <b>836,017</b>    | <b>96,458</b>        | <b>1.04</b>   | <b>9,736</b>            |
| Mutual Funds & ETFs                            |           | 2.18         |        |               | 932,476           | 836,017           | 96,458               | 1.04          | 9,736                   |
| Fidelity Small Cap Index Fund                  | FSSNX     | 2.18         | 27.20  | 34,282        | 932,476           | 836,017           | 96,458               | 1.04          | 9,736                   |
| <b>Developed Markets Equity</b>                |           | <b>15.98</b> |        |               | <b>6,820,516</b>  | <b>5,707,045</b>  | <b>1,113,471</b>     | <b>2.71</b>   | <b>185,116</b>          |
| Mutual Funds & ETFs                            |           | 15.98        |        |               | 6,820,516         | 5,707,045         | 1,113,471            | 2.71          | 185,116                 |
| Fidelity International Index Fund              | FSPSX     | 15.98        | 57.33  | 118,969       | 6,820,516         | 5,707,045         | 1,113,471            | 2.71          | 185,116                 |
| <b>Emerging Markets Equity</b>                 |           | <b>5.62</b>  |        |               | <b>2,401,265</b>  | <b>1,955,417</b>  | <b>445,848</b>       | <b>2.33</b>   | <b>55,917</b>           |
| Mutual Funds & ETFs                            |           | 5.62         |        |               | 2,401,265         | 1,955,417         | 445,848              | 2.33          | 55,917                  |
| Fidelity Emerging Markets Index Fund           | FPADX     | 5.62         | 12.11  | 198,288       | 2,401,265         | 1,955,417         | 445,848              | 2.33          | 55,917                  |
| <b>Real Assets</b>                             |           | <b>4.72</b>  |        |               | <b>2,014,724</b>  | <b>2,037,287</b>  | <b>-22,563</b>       | <b>3.05</b>   | <b>61,517</b>           |
| <b>U.S. Listed Real Estate</b>                 |           | <b>4.72</b>  |        |               | <b>2,014,724</b>  | <b>2,037,287</b>  | <b>-22,563</b>       | <b>3.05</b>   | <b>61,517</b>           |
| iShares Core U.S. REIT ETF                     | USRT      | 4.72         | 56.56  | 35,621        | 2,014,724         | 2,037,287         | -22,563              | 3.05          | 61,517                  |



# Portfolio Review - Pension

Provided by U.S Bank



Account: XXXXXX9601

Holdings Method: Direct

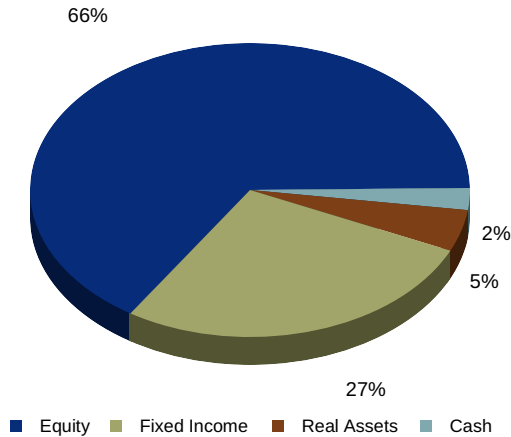
Report Date: 06/30/2025

Portfolio Summary

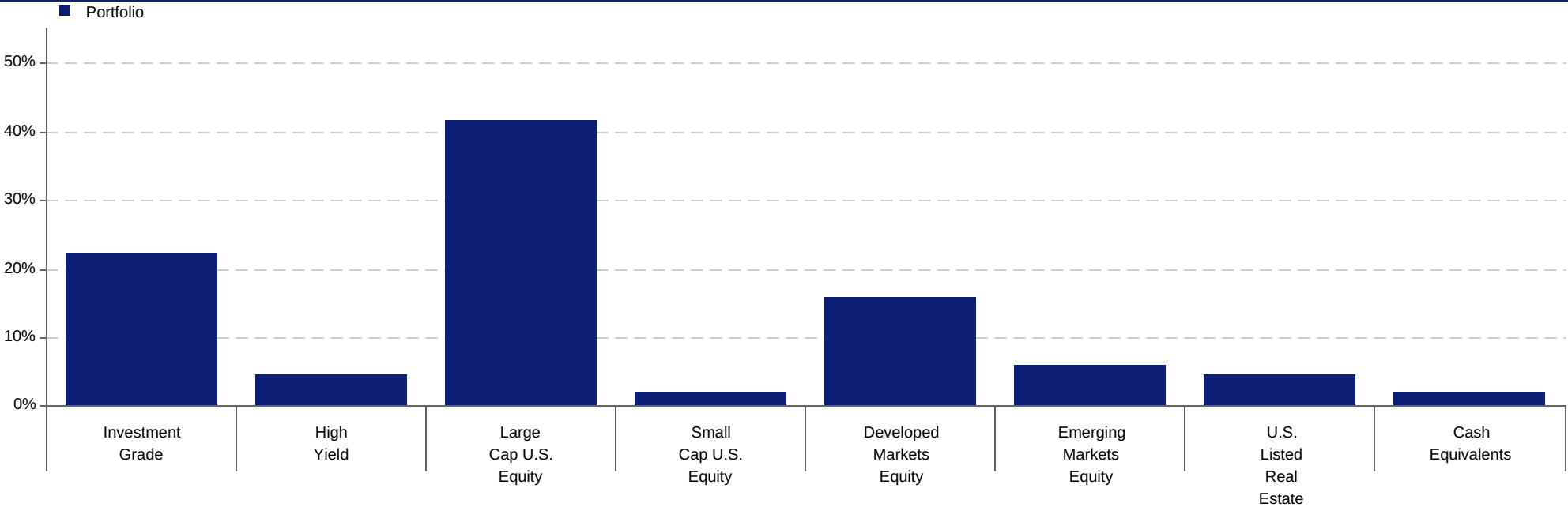
|                            |                        |
|----------------------------|------------------------|
| Inv. Objective             | Balanced/Nontaxable-1  |
| Total Portfolio Value      | \$24,296,317           |
| Net Realized Cap Gains YTD | \$2,490,860            |
| Annual Income Projected    | \$581,587              |
| Current Yield              | 2.39%                  |
| Number of Securities       | 8                      |
| Portfolio Mgr.             | Dennis S. Mullins, CFA |

Portfolio Asset Allocation

|                |              |         |
|----------------|--------------|---------|
| Equity         | \$16,039,389 | 66.02%  |
| Fixed Income   | \$6,576,020  | 27.07%  |
| Real Assets    | \$1,146,415  | 4.72%   |
| Cash           | \$534,493    | 2.20%   |
| Invested Total | \$24,296,317 | 100.00% |



Portfolio Model Allocation





Account: XXXXXX9601

Holdings Method: Direct

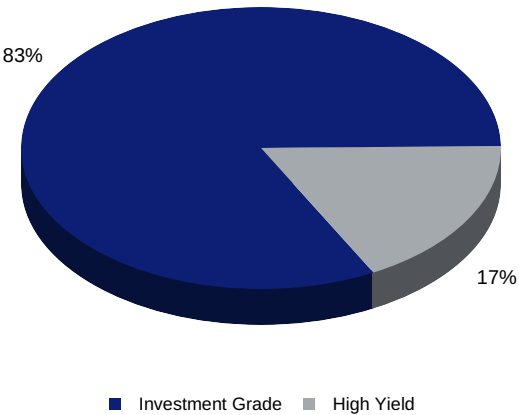
Report Date: 06/30/2025

Fixed Income Summary

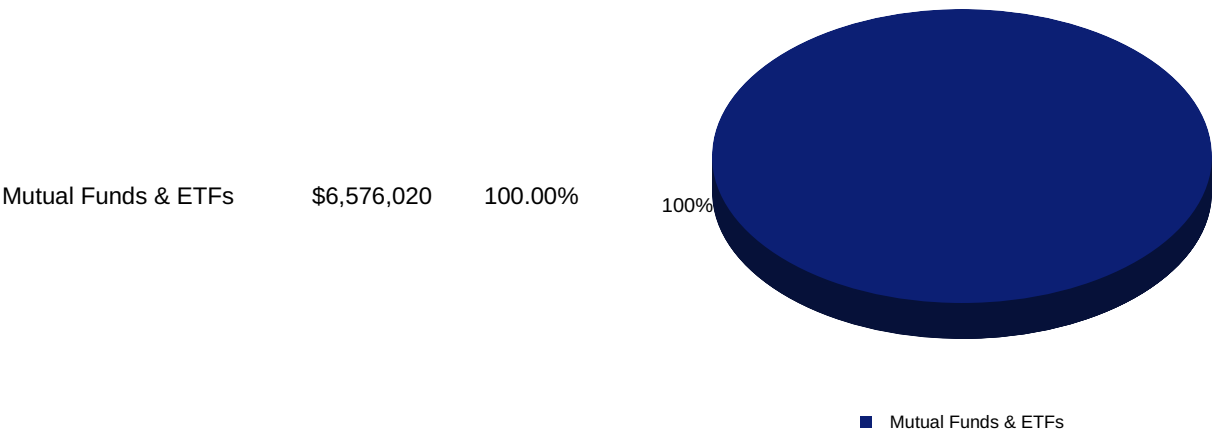
|                          |                        |
|--------------------------|------------------------|
| Inv. Objective           | Balanced/Nontaxable-1  |
| Total Fixed Income Value | \$6,576,020            |
| Current Yield            | 4.06%                  |
| Annual Income Projected  | \$266,868              |
| Number of Securities     | 2                      |
| Portfolio Mgr.           | Dennis S. Mullins, CFA |

Fixed Income Asset Allocation

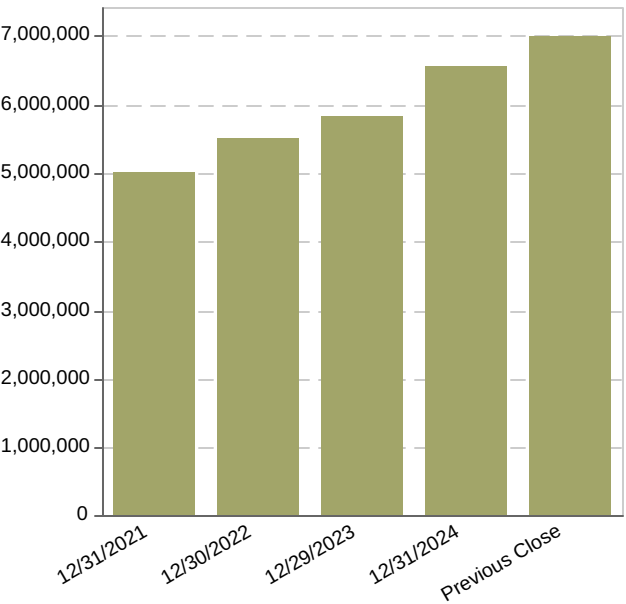
|                  |             |        |
|------------------|-------------|--------|
| Investment Grade | \$5,446,398 | 82.82% |
| High Yield       | \$1,129,621 | 17.18% |



Fixed Income Sector Exposures



Fixed Income Market Value





Account: XXXXXX9601

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

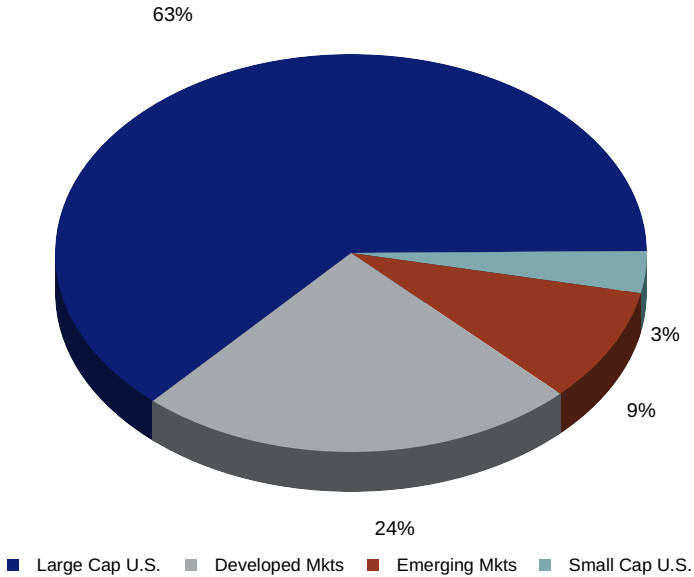
Report Date: 06/30/2025

Equity Summary

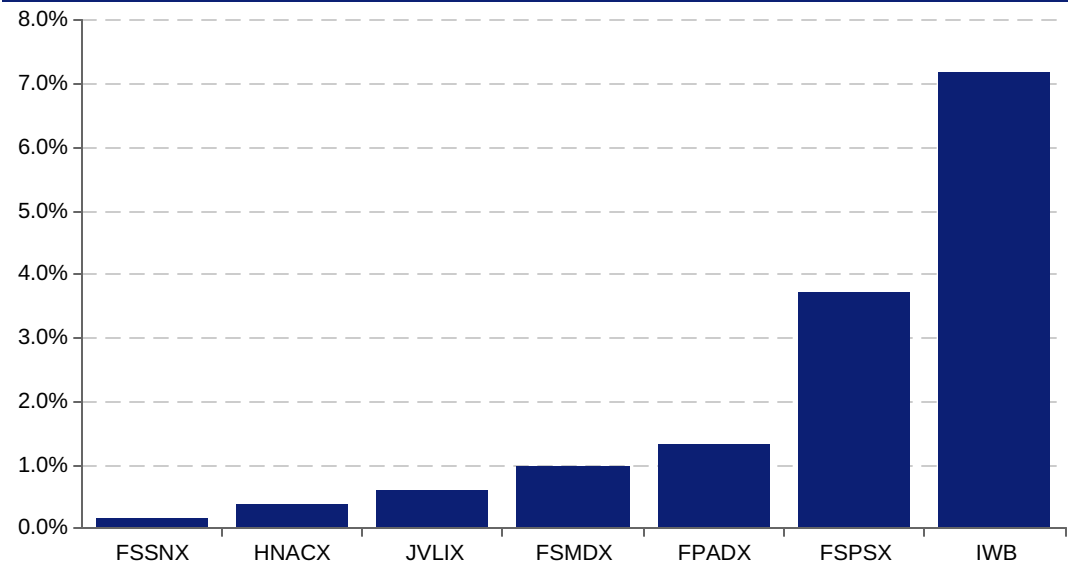
|                         |                        |
|-------------------------|------------------------|
| Inv. Objective          | Balanced/Nontaxable-1  |
| Total Equity Value      | \$16,039,389           |
| Current Yield           | 1.60%                  |
| Annual Income Projected | \$256,942              |
| Number of Securities    | 4                      |
| Portfolio Mgr.          | Dennis S. Mullins, CFA |

Equity Asset Allocation

|                |              |        |
|----------------|--------------|--------|
| Large Cap U.S. | \$10,163,330 | 63.36% |
| Developed Mkts | \$3,872,392  | 24.14% |
| Emerging Mkts  | \$1,473,099  | 9.18%  |
| Small Cap U.S. | \$530,568    | 3.31%  |



Bottom 5/ Top 5 Contributors (Trailing 12 Months)



Equity Global Distribution



Equity Country Distribution





Account: XXXXXX9601

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

Report Date: 06/30/2025

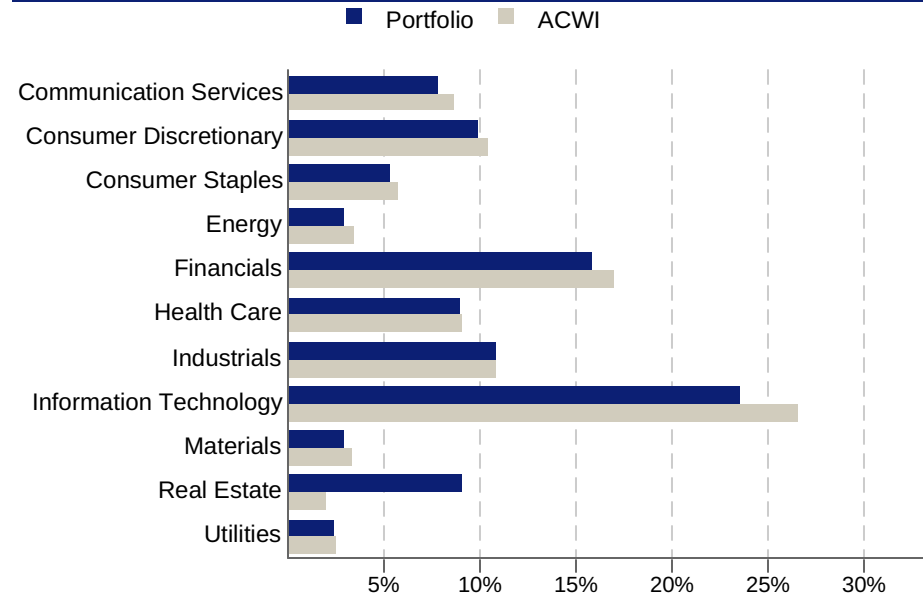
## Top 10 Common Stock Holdings

|                                  | Stock Wt. (%) | Full Port Wt. (%) | Yield (%) | YTD Return* (%) | 52 Wk Return* (%) |
|----------------------------------|---------------|-------------------|-----------|-----------------|-------------------|
| NVIDIA Corporation               | 3.97          | 2.70              | 0.03      | 17.7            | 27.9              |
| Microsoft Corporation            | 3.96          | 2.69              | 0.67      | 18.5            | 12.1              |
| Apple Inc.                       | 3.25          | 2.21              | 0.49      | -17.9           | -2.1              |
| Amazon.com, Inc.                 | 2.26          | 1.54              | 0.00      | 0.0             | 13.5              |
| Meta Platforms Inc Class A       | 1.73          | 1.18              | 0.29      | 26.3            | 46.9              |
| Broadcom Inc.                    | 1.37          | 0.93              | 0.86      | 19.5            | 73.6              |
| Alphabet Inc. Class A            | 1.10          | 0.75              | 0.45      | -6.7            | -2.8              |
| Berkshire Hathaway Inc. Class... | 0.96          | 0.65              | 0.00      | 7.2             | 19.4              |
| Tesla, Inc.                      | 0.96          | 0.65              | 0.00      | -21.3           | 60.5              |
| Alphabet Inc. Class C            | 0.90          | 0.61              | 0.45      | -6.6            | -2.8              |

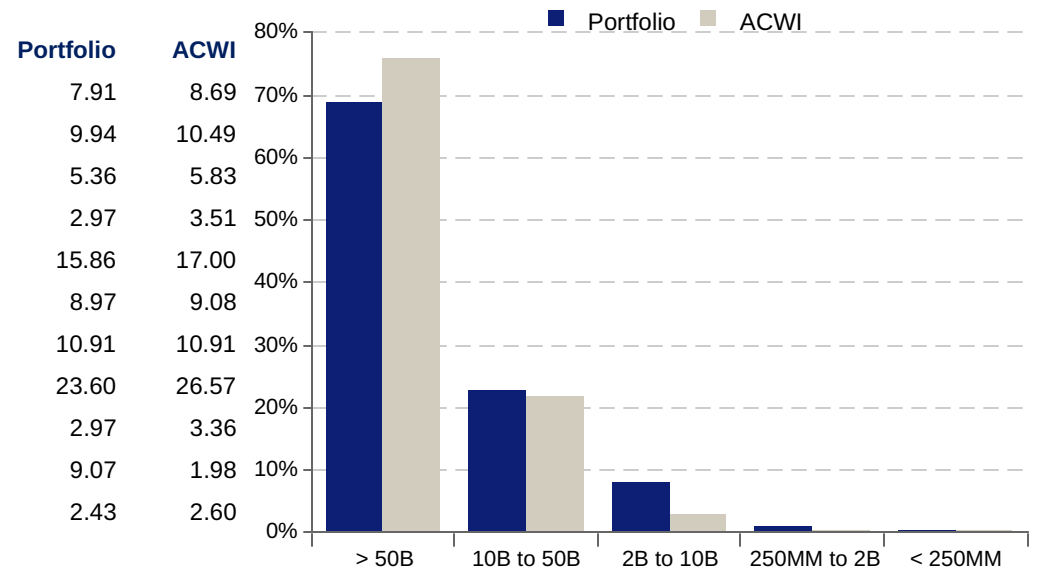
## Common Stock Characteristics

|                             | Portfolio | ACWI     |
|-----------------------------|-----------|----------|
| Market Cap - Wtd Avg        | \$660.6B  | \$750.9B |
| Market Cap - Median         | \$6.2B    | \$18.0B  |
| Dividend Yield              | 1.89      | 1.75     |
| P/E NTM                     | 18.8      | 18.4     |
| P/E LTM                     | 21.5      | 21.5     |
| ROE (%)                     | 20.6      | 22.2     |
| 1 Yr Beta vs. S&P Composite | .84       | .84      |
| Est 3-5 Yr EPS Growth (%)   | 10.8      | 11.1     |
| Hist 3 Yr EPS Growth (%)    | 16.6      | 18.0     |
| Number of Securities        | 4829      | 2234     |

## Common Stock Sector Exposures



## 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%    | 66.0%  |
| Fixed Income | BBARC Global Aggregate 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%     | 2.2%   |

**Selected Period Performance**

|                                   | Market Value | Year<br>to Date<br>(6 Months) | 3 Months | 1 Year | 3 Years | 5 Years | Inception<br>to Date<br>05/01/2019 |
|-----------------------------------|--------------|-------------------------------|----------|--------|---------|---------|------------------------------------|
| Total Portfolio Gross of Fees     | 24,320,860   | 7.73                          | 8.19     | 12.64  | 12.53   | 8.86    | 8.03                               |
| Total Portfolio Net of Fees       | 24,320,860   | 7.64                          | 8.15     | 12.46  | 12.33   | 8.67    | 7.84                               |
| City of Cupertino                 |              | 8.83                          | 8.67     | 13.47  | 11.98   | 9.01    | 7.74                               |
| Total Equity                      | 16,039,389   | 9.91                          | 12.00    | 15.68  | 17.33   | 12.88   | 11.36                              |
| MSCI ACWI (Net)                   |              | 10.05                         | 11.53    | 16.17  | 17.35   | 13.65   | 11.35                              |
| Russell 3000 Index                |              | 5.75                          | 10.99    | 15.30  | 19.08   | 15.96   | 13.94                              |
| S&P 500 Index (Total Return)      |              | 6.20                          | 10.94    | 15.16  | 19.71   | 16.64   | 14.68                              |
| S&P MidCap 400 Index              |              | .20                           | 6.71     | 7.53   | 12.83   | 13.44   | 9.36                               |
| S&P SmallCap 600 Index            |              | -4.46                         | 4.90     | 4.60   | 7.65    | 11.68   | 6.93                               |
| MSCI EAFE Index (Net)             |              | 19.45                         | 11.78    | 17.73  | 15.97   | 11.16   | 8.18                               |
| MSCI Emerging Markets Index (Net) |              | 15.27                         | 11.99    | 15.29  | 9.70    | 6.81    | 4.64                               |
| Total Fixed Income                | 6,598,771    | 4.17                          | 1.64     | 6.83   | 3.87    | .71     | .68                                |
| BBARC US Aggregate Bond Index     |              | 4.02                          | 1.21     | 6.08   | 2.55    | -.73    | 1.26                               |
| BBARC Global Aggregate Index      |              | 7.27                          | 4.52     | 8.91   | 2.75    | -1.16   | .30                                |
| Total Real Assets                 | 1,146,415    | -.03                          | -.97     | 8.90   | 5.43    | 7.53    | 4.65                               |
| S&P Global REIT Index (Gross)     |              | 4.76                          | 3.06     | 11.18  | 5.06    | 7.31    | 3.46                               |
| S&P GSCI Index                    |              | 1.94                          | -2.81    | .25    | -.37    | 17.69   | 5.98                               |
| Total Cash Equivalents            | 536,286      | 2.12                          | 1.05     | 4.66   | 4.52    | 2.71    | 2.46                               |
| FTSE 3 Month Treasury Bill Index  |              | 2.21                          | 1.09     | 4.88   | 4.75    | 2.88    | 2.65                               |
| Pending Cash                      | 0            | .00                           | .00      | .00    | .00     | .00     | .00                                |

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

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





## PARS/CITY OF CUPERTINO 115P- PENSION

## Portfolio Holdings

Account: XXXXXX9601


Holdings Method: Direct

Report Date: 06/30/2025

|  | Symbol    | % of Port.   | Price  | Shares/ Units | Portfolio Value   | Cost Basis        | Unrealized Gain/Loss | Current Yield | Projected Annual Income |
|--|-----------|--------------|--------|---------------|-------------------|-------------------|----------------------|---------------|-------------------------|
| <b>Total</b>                                   |           | <b>100.0</b> |        |               | <b>24,296,317</b> | <b>22,189,935</b> | <b>2,106,382</b>     | <b>2.39</b>   | <b>581,587</b>          |
| <b>Cash</b>                                    |           | <b>2.20</b>  |        |               | <b>534,493</b>    | <b>534,493</b>    | <b>0</b>             | <b>4.26</b>   | <b>22,772</b>           |
| <b>Cash Equivalents</b>                        |           | <b>2.20</b>  |        |               | <b>534,493</b>    | <b>534,493</b>    | <b>0</b>             | <b>4.26</b>   | <b>22,772</b>           |
| FIRST AM GOVT OB FD CL X                       | 31846V336 | 2.20         | 1.00   | 534,493       | 534,493           | 534,493           | 0                    | 4.26          | 22,772                  |
| <b>Fixed Income</b>                            |           | <b>27.07</b> |        |               | <b>6,576,020</b>  | <b>6,664,104</b>  | <b>-88,084</b>       | <b>4.06</b>   | <b>266,868</b>          |
| <b>Investment Grade</b>                        |           | <b>22.42</b> |        |               | <b>5,446,398</b>  | <b>5,498,223</b>  | <b>-51,824</b>       | <b>3.45</b>   | <b>187,807</b>          |
| Mutual Funds & ETFs                            |           | 22.42        |        |               | 5,446,398         | 5,498,223         | -51,824              | 3.45          | 187,807                 |
| Fidelity U.S. Bond Index Fund                  | FXNAX     | 22.42        | 10.44  | 521,686       | 5,446,398         | 5,498,223         | -51,824              | 3.45          | 187,807                 |
| <b>High Yield</b>                              |           | <b>4.65</b>  |        |               | <b>1,129,621</b>  | <b>1,165,881</b>  | <b>-36,259</b>       | <b>7.00</b>   | <b>79,061</b>           |
| Mutual Funds & ETFs                            |           | 4.65         |        |               | 1,129,621         | 1,165,881         | -36,259              | 7.00          | 79,061                  |
| Artisan High Income Fund - Institutional Sh... | APHFX     | 4.65         | 9.23   | 122,386       | 1,129,621         | 1,165,881         | -36,259              | 7.00          | 79,061                  |
| <b>Equity</b>                                  |           | <b>66.02</b> |        |               | <b>16,039,389</b> | <b>13,833,098</b> | <b>2,206,292</b>     | <b>1.60</b>   | <b>256,942</b>          |
| <b>Large Cap U.S. Equity</b>                   |           | <b>41.83</b> |        |               | <b>10,163,330</b> | <b>9,020,151</b>  | <b>1,143,179</b>     | <b>1.10</b>   | <b>111,998</b>          |
| Mutual Funds & ETFs                            |           | 41.83        |        |               | 10,163,330        | 9,020,151         | 1,143,179            | 1.10          | 111,998                 |
| iShares Russell 1000 ETF                       | IWB       | 41.83        | 339.57 | 29,930        | 10,163,330        | 9,020,151         | 1,143,179            | 1.10          | 111,998                 |
| <b>Small Cap U.S. Equity</b>                   |           | <b>2.18</b>  |        |               | <b>530,568</b>    | <b>453,131</b>    | <b>77,437</b>        | <b>1.04</b>   | <b>5,540</b>            |
| Mutual Funds & ETFs                            |           | 2.18         |        |               | 530,568           | 453,131           | 77,437               | 1.04          | 5,540                   |
| Fidelity Small Cap Index Fund                  | FSSNX     | 2.18         | 27.20  | 19,506        | 530,568           | 453,131           | 77,437               | 1.04          | 5,540                   |
| <b>Developed Markets Equity</b>                |           | <b>15.94</b> |        |               | <b>3,872,392</b>  | <b>3,178,510</b>  | <b>693,882</b>       | <b>2.71</b>   | <b>105,101</b>          |
| Mutual Funds & ETFs                            |           | 15.94        |        |               | 3,872,392         | 3,178,510         | 693,882              | 2.71          | 105,101                 |
| Fidelity International Index Fund              | FSPSX     | 15.94        | 57.33  | 67,546        | 3,872,392         | 3,178,510         | 693,882              | 2.71          | 105,101                 |
| <b>Emerging Markets Equity</b>                 |           | <b>6.06</b>  |        |               | <b>1,473,099</b>  | <b>1,181,306</b>  | <b>291,793</b>       | <b>2.33</b>   | <b>34,303</b>           |
| Mutual Funds & ETFs                            |           | 6.06         |        |               | 1,473,099         | 1,181,306         | 291,793              | 2.33          | 34,303                  |
| Fidelity Emerging Markets Index Fund           | FPADX     | 6.06         | 12.11  | 121,643       | 1,473,099         | 1,181,306         | 291,793              | 2.33          | 34,303                  |
| <b>Real Assets</b>                             |           | <b>4.72</b>  |        |               | <b>1,146,415</b>  | <b>1,158,241</b>  | <b>-11,826</b>       | <b>3.05</b>   | <b>35,005</b>           |
| <b>U.S. Listed Real Estate</b>                 |           | <b>4.72</b>  |        |               | <b>1,146,415</b>  | <b>1,158,241</b>  | <b>-11,826</b>       | <b>3.05</b>   | <b>35,005</b>           |
| iShares Core U.S. REIT ETF                     | USRT      | 4.72         | 56.56  | 20,269        | 1,146,415         | 1,158,241         | -11,826              | 3.05          | 35,005                  |

# Investment Policies

Provided by U.S. Bank

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

## Overview

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

## Executive Summary

Account Name: City of Cupertino OPEB Trust  
Account Number: 6746035000  
Investment Authority: Full Investment Authority  
Current Assets: \$40.7 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](mailto:ryan.maxey@usbank.com)  
503-464-3789

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

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

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

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

### **Investment Guidelines**

#### **Overview**

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

The purpose of this document is threefold.

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

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

## **Diversification**

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

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

### **Fixed Income Assets**

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

### **Equity & Growth Assets**

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

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

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

- Domestic Certificates of Deposit (rated A-1/P-1 or better)
- Domestic Commercial Paper (rated A-1/P-1 or better)
- Floating Rate Notes
- Money Market Mutual Funds
- U.S. Treasury Bonds, Bills and Notes
- U.S. Agency (and Instrumentality) Discount Notes, Notes, and Bonds
- Treasury Inflation-Protected Securities (TIPS)
- Municipal Bonds and Notes
- Corporate Bonds
- Mortgage-Backed Bonds (MBS)

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

Equity Investments:

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

Alternative Investments:

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

**Prohibited Asset Classes and Transactions**

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

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

**Duties and Responsibilities**

- 1) CITY OF CUPERTINO AUDIT COMMITTEE
  - a) Establish, approve, and maintain investment objectives, guidelines, and policies (including this Policy).
  - b) Appoint Investment Managers who can be reasonably expected to adhere to the investment guidelines and meet the investment objectives as established.
  - c) Monitor the investment performance of the Portfolio and compare actual investment performance relative to an appropriate benchmark index given the stated investment guidelines and objectives set forth in this Policy.
  - d) Conduct a formal review of the Portfolio's asset allocation, investment structure and performance annually or more frequently as the need arises.
  - e) Periodically review the Portfolio performance against objectives.

2) CITY OF CUPERTINO CITY COUNCIL

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

3) PORTFOLIO MANAGER

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

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

**Investment Policy Statement Review**

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

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

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


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



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

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

**Revisions: 6.5.2018, 11.19.2019, 11.17.2020, 12.7.2021, 12.06.2022, 12.05.2023, 12.03.2024**

|  |   |
|--|---|
|  <b>Pension Trust<br/>Investment Policy</b> | <b>Citywide Policy Manual</b>                             |
|  | <b>Attachments:</b> N/A                                   |
| <b>Effective Date:</b><br>December 3, 2024   | <b>Responsible Department:</b><br>Administrative Services |
| <b>Related Policies &amp; Notes:</b><br>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   |
|                                 | <a href="mailto:ryan.maxey@usbank.com">ryan.maxey@usbank.com</a> |
|                                 | 503-464-3789   |

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

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

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

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

### **Investment Guidelines**

#### **Overview**

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

The purpose of this document is threefold.

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

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

## **Diversification**

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

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

### **Fixed Income Assets**

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

### **Equity & Growth Assets**

- The domestic equity investments are expected to be diversified at all times by size, industry, sector, and style (Large Cap, Mid Cap, and Small Cap).
- At the time of purchase, no individual equity security shall exceed 2% of the total market value of the Portfolio.
- The 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 Depositary 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



## U.S. Equity

- Domestic equity markets, as represented by the S&P 500 Index (S&P) and the Russell 3000 Index, returned 6.29%<sup>1</sup> and 6.34% respectively in May. These strong returns were powered by the “Magnificent Seven” group of stocks (Microsoft, NVIDIA, Apple, Amazon, Alphabet, Meta and Tesla) which jumped 13.36% during the month (as measured by the Bloomberg Magnificent 7 ETF).
- This outperformance was reflected in the sector returns, as the Information Technology sector returned 10.89% for the month, followed closely by Telecom and Consumer Discretionary. The Healthcare sector was the only one of the 11 with negative returns for the month, returning -5.55% in May.
- Positive returns were seen across all capitalizations, with small-caps (Russell 2000 Index) returning 5.34%, mid-caps (Russell Midcap Index) returning 5.72% and large-caps (Russell 1000 Index) returning 6.38%. Growth stocks outperformed value stocks across all capitalizations during the month.
- According to FactSet Earnings Insight (as of May 30, 2025), the blended year-over-year (YoY) earnings growth for the S&P in Q1 was 13.3%, significantly outpacing analysts’ forecast of 7.2%. The Magnificent Seven companies reported robust earnings growth of 27.7%, though this is slightly lower than the average growth rate of the last three quarters. For Q2, analysts are projecting a more moderate earnings growth of 5.0%. For the calendar year 2025 overall, analysts are projecting YoY earnings growth of 9.1%.

## Non-U.S. Equity

- Non-U.S. equity markets, represented by the MSCI ACWI ex USA Index returned 4.58% in May. Developed markets, represented by the MSCI EAFE Index returned 4.58%. Emerging markets (EM), as represented by the MSCI Emerging Markets Index, returned 4.27% with Chinese equities (MSCI China Index) returning 2.47%.
- Within the MSCI ACWI ex USA Index, all 11 sectors posted positive returns. Information Technology was also the best performing sector for the month, returning 8.64%, while the Industrials sector was the second-best performer, returning 7.73%. Healthcare was the worst performing sector, posting a return of 0.26%.

## Fixed Income

- Tariff concerns eased somewhat during May while concerns over the U.S. fiscal deficit flared up following the House’s passage of the administration’s latest tax cut and spending bill. Treasury yields rose along the curve in May, with the 2- and 5-year yields rising 29 and 23 basis points (bps) respectively. The yield on the 10-year also rose 24 bps, while the 30-year U.S. Treasury rose 25 bps, leading to a slightly steeper curve on the long end.

- The Bloomberg U.S. Aggregate Bond Index returned -0.72% in May. Investment-grade (IG) credit returned -0.07%, AAA-rated bonds returned -0.61%, AA-rated bonds returned -0.59%, A-rated bonds returned -0.22%, while BBB-rated bonds saw a positive return of 0.26%. High-yield corporates, as represented by ICE BofA U.S. High Yield Index, returned 1.68% during the month, while the Ice BofA US Treasury Index returned -1.07%. Spreads compressed over the month across the ratings spectrum.

## Diversifying Assets

- During May, Real Estate Investment Trusts (REITs), as represented by the MSCI US REIT Index and the FTSE NAREIT All Equity REITs Index returned 2.05% and 2.12% respectively. The Lodging and Resorts sector saw the strongest performance for the month while the Healthcare sector was the most challenged. Listed Infrastructure, represented by the MSCI World Core Infrastructure Index, returned 1.19% for the month. This positive performance came despite rising rates, supported by strong equity market performance.

## Items to Watch

- We continue to watch the evolving tariff landscape and evaluate possible impacts on markets, both domestically and internationally. While the legal standing of the current tariffs imposed under the International Emergency Economic Powers Act remains under review by the courts, trade deal negotiations are slowly being made with various partners, including the UK.
- The health of the consumer remains top of mind as “soft data,” such as sentiment, continues to hover near a three-year low. In May, the University of Michigan’s consumer sentiment survey registered at 52.2 as consumers deal with uncertainty around tariffs and interest rates. Positive signs remain, however, as the YoY inflation rate eased to 2.3%, the lowest since February 2021, and the unemployment rate remained steady at 4.2% in April. Job openings rose 191,000 in April, above market expectations, and personal income rose 0.8% month over month, pointing to a slightly rosier picture for the consumer than surveys may convey.

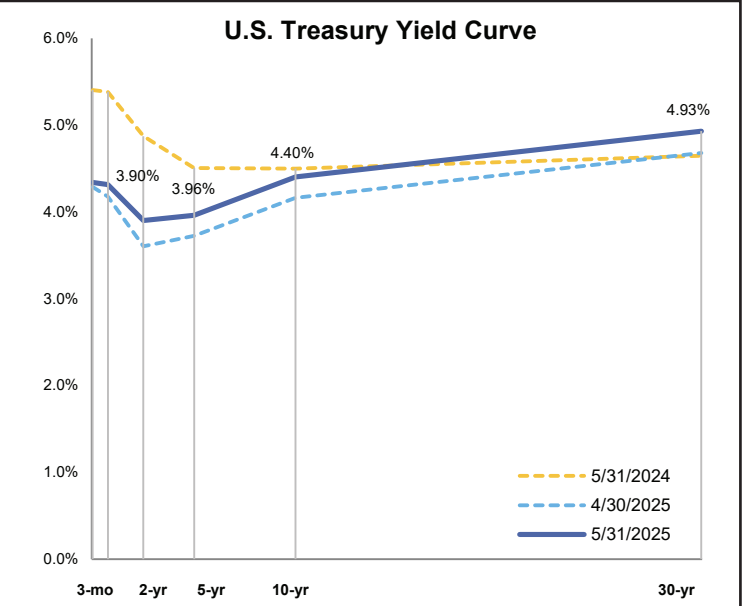
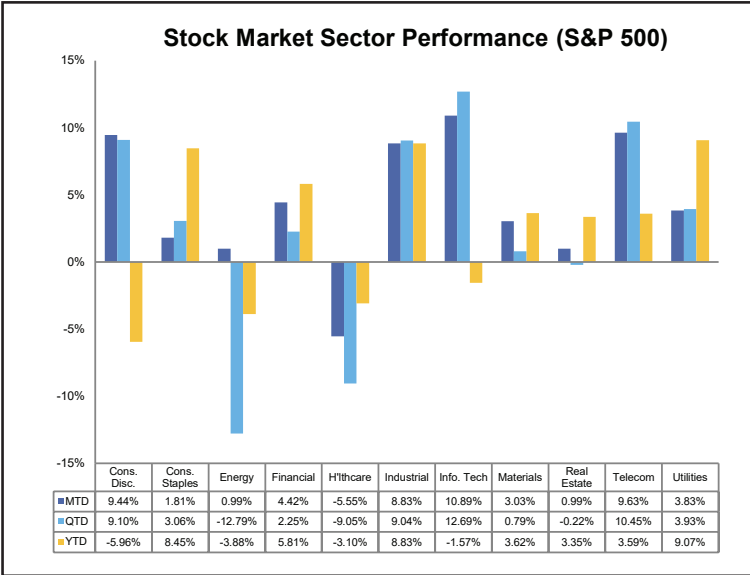
## Sources

- Bloomberg
- FactSet
- BEA [U.S. Bureau of Economic Analysis](#)
- [https://www.ca9.uscourts.gov/opinions-orders/25-1812-ORDER.5-29-2025\\_2522636.pdf](https://www.ca9.uscourts.gov/opinions-orders/25-1812-ORDER.5-29-2025_2522636.pdf)

*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                        | 6.29%  | 5.57%  | 1.06%  | 13.50% |
| Russell 3000                   | 6.34%  | 5.63%  | 0.63%  | 13.10% |
| Russell 2000                   | 5.34%  | 2.90%  | -6.85% | 1.17%  |
| Russell 1000                   | 6.38%  | 5.75%  | 1.00%  | 13.72% |
| International Equity           | MTD    | QTD    | YTD    | 1 YR   |
| MSCI ACWI ex-U.S.              | 4.58%  | 8.36%  | 14.03% | 13.75% |
| MSCI EAFE                      | 4.58%  | 9.37%  | 16.87% | 13.33% |
| MSCI Emerging Markets          | 4.27%  | 5.64%  | 8.73%  | 13.04% |
| Fixed Income                   | MTD    | QTD    | YTD    | 1 YR   |
| Bloomberg Barclays U.S. Agg    | -0.72% | -0.33% | 2.45%  | 5.46%  |
| Bloomberg Barclays Global Agg  | -0.36% | 2.57%  | 5.28%  | 7.03%  |
| Bloomberg Barclays U.S. HY     | 1.68%  | 1.68%  | 2.64%  | 9.28%  |
| Alternatives and Diversifying  | MTD    | QTD    | YTD    | 1 YR   |
| MSCI U.S. REIT                 | 2.05%  | -0.64% | 0.11%  | 11.41% |
| FTSE NAREIT Index              | 2.12%  | -0.62% | 0.29%  | 12.35% |
| MSCI World Core Infrastructure | 1.19%  | 4.10%  | 11.99% | 17.56% |
| Bloomberg Commodity            | -0.58% | -5.36% | 3.05%  | 1.69%  |

| Economic Indicators                        |           |                |
|--|-----------|----------------|
| Domestic                                   | Current   | Previous Month |
| Unemployment Rate (%)                      | 4.2%      | 4.2%           |
| Initial Jobless Claims (4 week average)    | 231 K     | 231 K          |
| CB Leading Economic Indicators             | -1.0      | -0.8           |
| Capacity Utilization                       | 77.7%     | 77.8%          |
| GDP (annual growth rate)                   | -0.2%     | 2.4%           |
| University of Michigan Consumer Confidence | 52.2      | 52.2           |
| New Home Starts                            | 743 K     | 670 K          |
| Existing Home Sales                        | 4 MM      | 4 MM           |
| Retail Sales (YoY)                         | 5.2%      | 5.2%           |
| U.S. Durable Goods (MoM)                   | -6.3%     | 7.6%           |
| Consumer Price Index (YoY)                 | 2.3%      | 2.4%           |
| Producer Price Index (MoM)                 | -0.1%     | -1.3%          |
| Developed International*                   | 3/31/2025 | 12/31/2024     |
| Market GDP (annual rate)                   | 1.6%      | 1.5%           |
| Market Unemployment                        | 4.6%      | 4.6%           |



Source: Bloomberg. Data as of May 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 March 31, 2025 due to release dates of numerous countries.

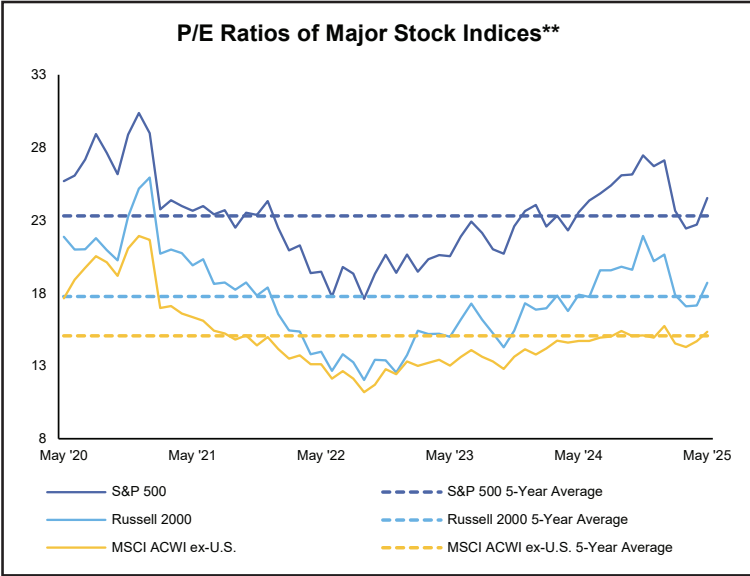
\*\*P/E ratios are calculated based on one-year-forward estimates and adjusted to include only positive earning results for consistency.

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 provided annualize only periods greater than one year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Frequently used indexes (page 1 of 5)

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

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

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

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

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

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

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

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

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

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

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

# Frequently used indexes (page 2 of 5)

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

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

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

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

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

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

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

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

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

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

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



# Frequently used indexes (page 3 of 5)

**HFR 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.

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

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

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

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

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

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

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

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

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

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



# Frequently used indexes (page 4 of 5)

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

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

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

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

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

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

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

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

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

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

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

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

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

# Frequently used indexes (page 5 of 5)

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

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

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

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

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

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

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

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

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

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

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

AC 7-28-2025

Item No. 5  
Treasure's  
Investment  
Report

Presentations

# INVESTMENT REPORT

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City of Cupertino | As of June 30, 2025

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

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

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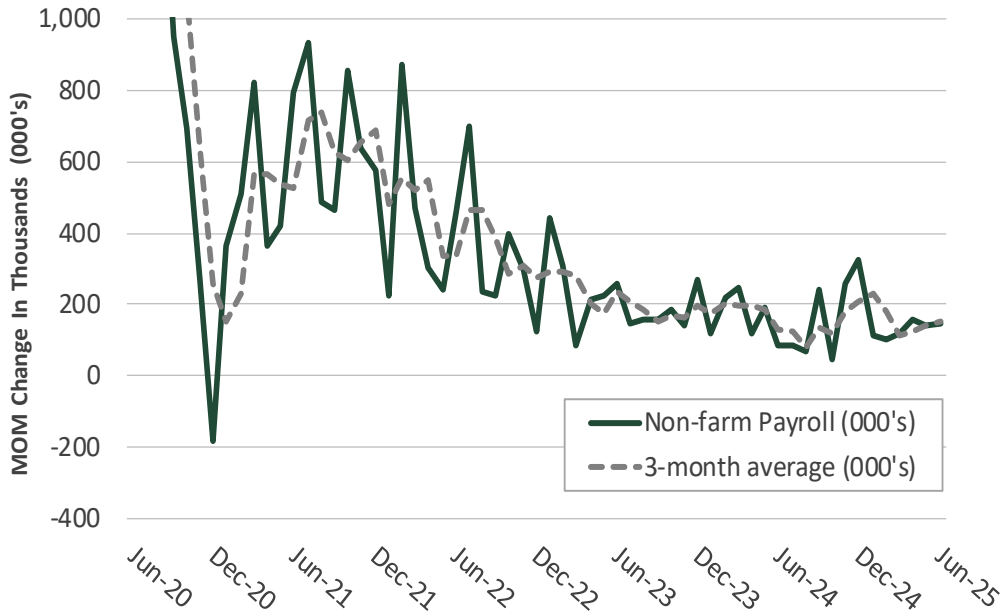
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## ECONOMIC UPDATE

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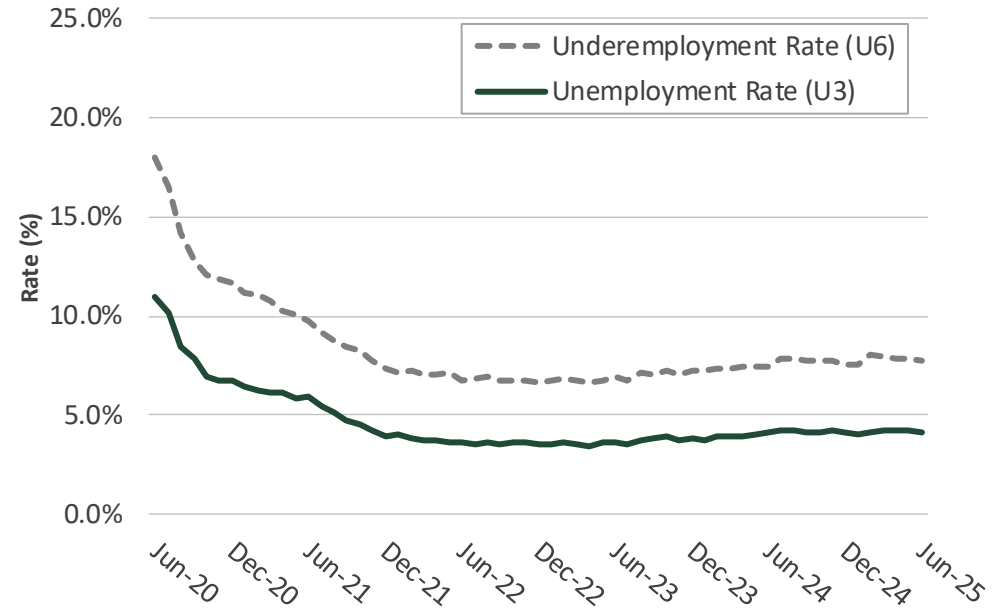
- Recent economic data suggest slower growth in 2025 and greater market uncertainty as the effects of fiscal policy unfold. Inflationary trends have subsided, but some components remain sticky, and core levels remain above the Fed's target. The labor market reflects improved balance between supply and demand for workers. While job creation has moderated, the unemployment rate remains low; however, continuing jobless claims remain elevated implying a less robust labor market. Given the economic outlook, we expect gradual normalization of monetary policy and a steepening yield curve.
  
- As broadly anticipated, the Federal Open Market Committee (FOMC) left the Federal Funds Rate unchanged at the range of 4.25 - 4.50% at the June meeting. Fed Chair Powell continued to emphasize the Committee's "wait and see" approach amidst economic uncertainty that remains elevated but diminished. Federal Reserve officials continued to pencil in two rate cuts in 2025.
  
- US Treasury yields declined in June. The 2-year Treasury yield fell 18 basis points to 3.72%, the 5-year Treasury dropped 17 basis points to 3.80%, and the 10-year Treasury yield also declined 17 basis points to 4.23%. The spread between the 2-year and 10-year Treasury yield points on the curve edged up to +51 basis points at June month-end versus +50 basis points at May month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was -36 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve was -7 basis points in June, versus -6 basis points in May.

Nonfarm Payroll (000's)



Source: US Department of Labor

Unemployment Rate

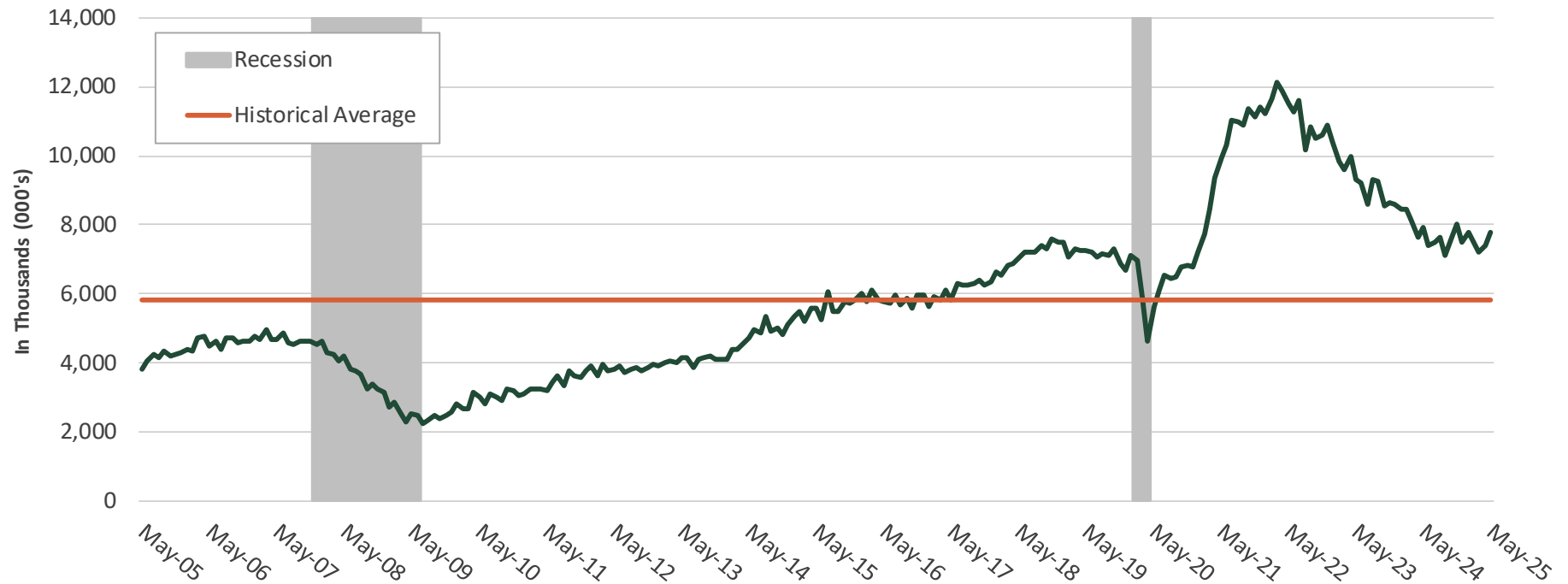


Source: US Department of Labor

The U.S. economy added 147,000 jobs in June, exceeding consensus expectations, and the last two months were revised up by 16,000. Gains were primarily driven by state and local government education, while job growth in service sectors languished. The three-month moving average and six-month moving average payrolls totaled 150,000 and 130,000 respectively. The unemployment rate declined to 4.1% in June from 4.2% in May, due to a shrinking labor force. The labor participation rate dipped to 62.3%, remaining below the pre-pandemic level of 63.3%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons dropped to 7.7% in June. Average hourly earnings fell slightly, marking a 3.7% year-over-year increase.



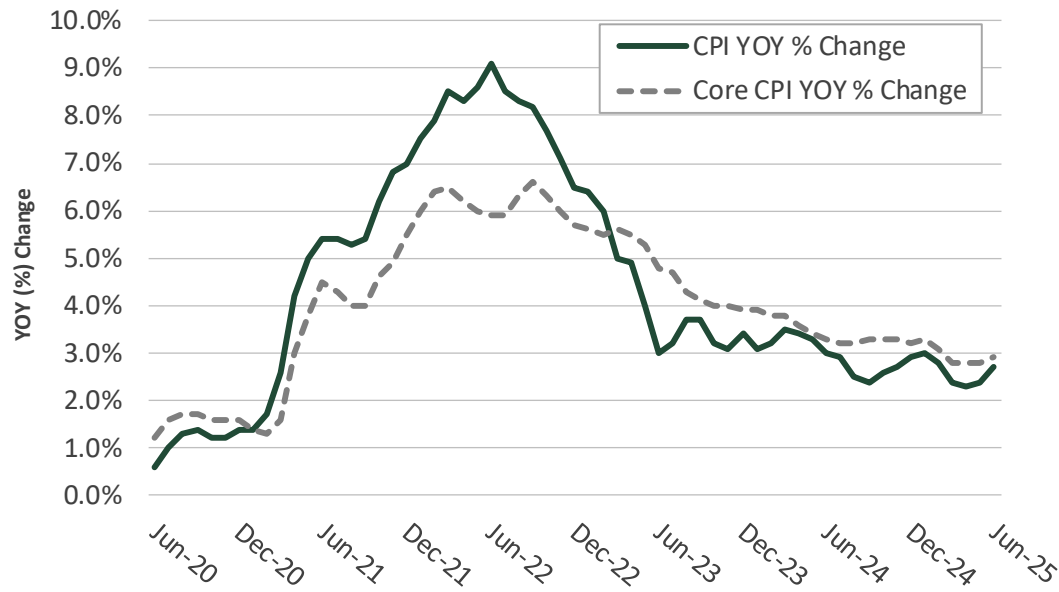
## Job Openings



Source: US Department of Labor

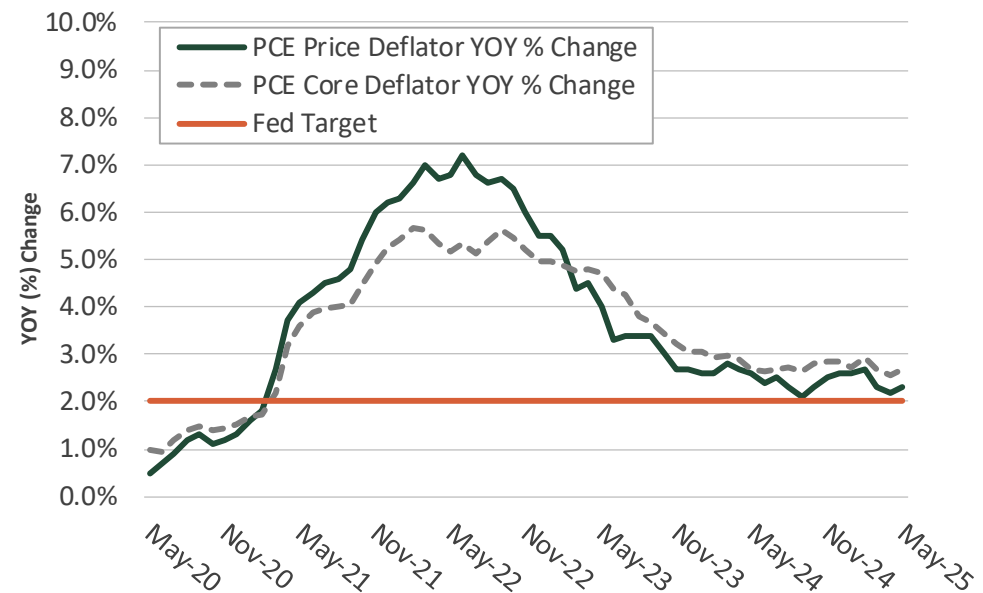
The Labor Department's Job Openings and Labor Turnover Survey (JOLTS) unexpectedly rose to 7.77 million new job openings in May from 7.40 million in April. Layoffs declined and the quits rate increased. Job openings indicate a ratio of approximately 1.1 jobs for each unemployed individual, representing a relatively balanced labor market.

Consumer Price Index (CPI)



Source: US Department of Labor

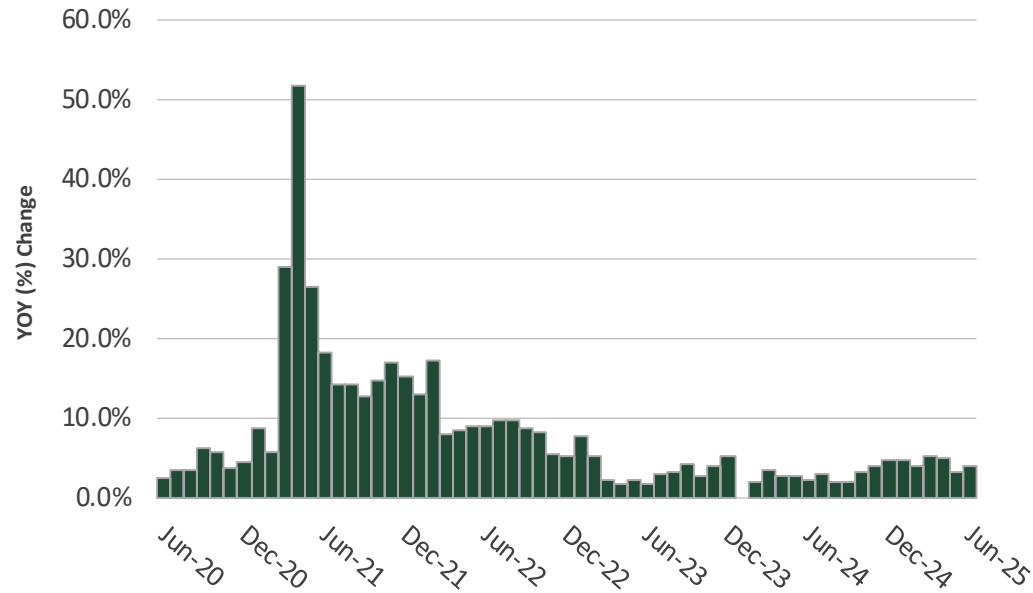
Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

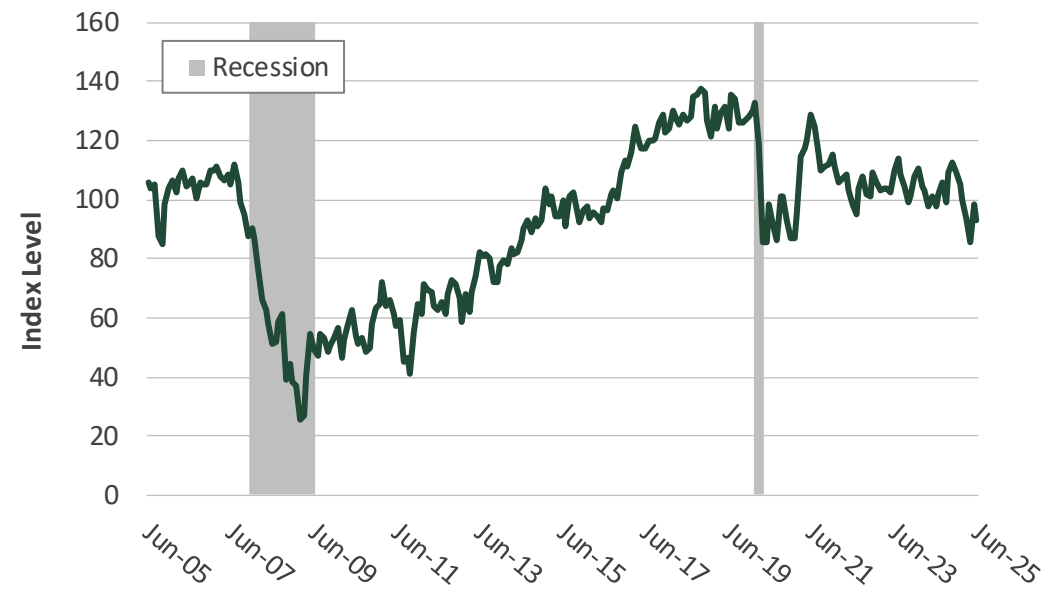
In June, the Consumer Price Index (CPI) increased 0.3% month-over-month and rose 2.7% year-over-year, while the Core CPI rose 0.2% month-over-month and 2.9% year-over-year. The Personal Consumption Expenditures (PCE) price index increased 0.1% month-over-month and rose 2.3% year-over-year in May. The Core PCE deflator, which excludes food and energy and is the Fed's preferred gauge, increased 0.2% month-over-month and 2.7% year-over-year, up from April's 2.6% year-over-year increase. Although inflation has trended toward the Federal Reserve's 2% target, the overall impact of tariff policy has not yet fully flowed through to the US economy.

Retail Sales YOY % Change



Source: US Department of Commerce

Consumer Confidence

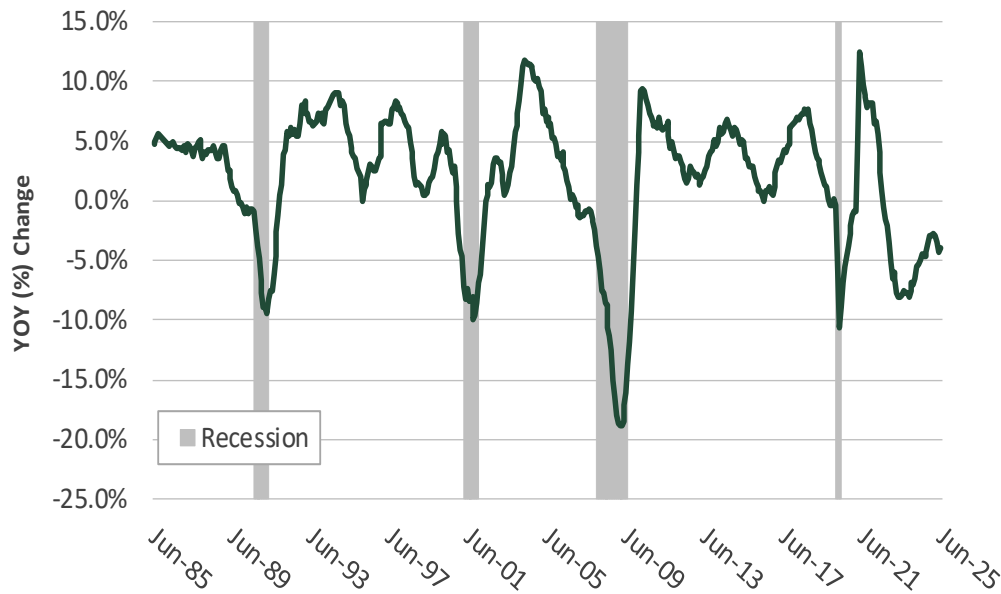


Source: The Conference Board

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

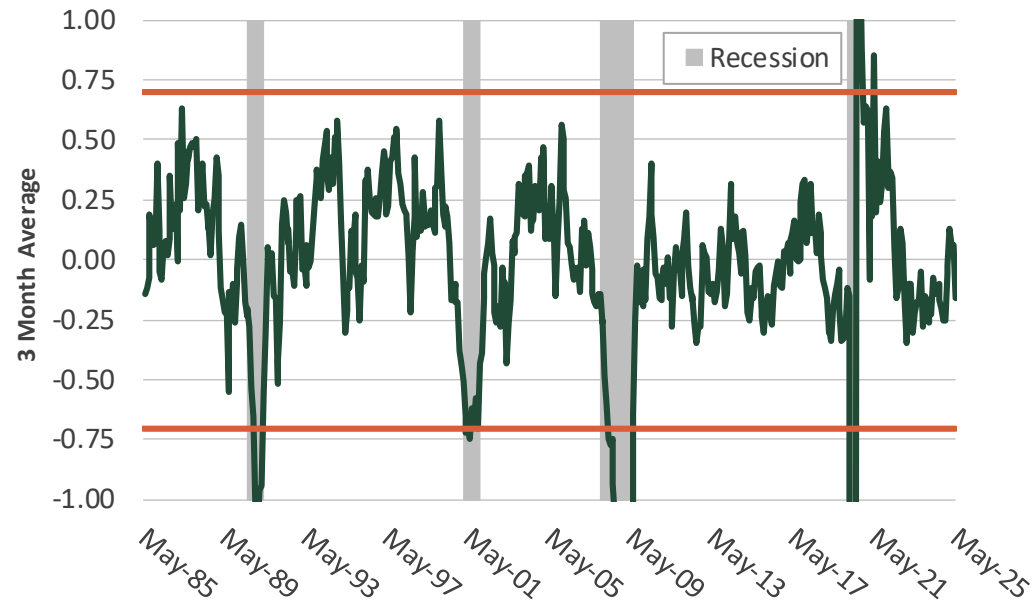
Advance Retail Sales were up 0.6% month-over-month in June, rebounding from a 0.9% decline in May and exceeding consensus forecasts. Auto sales led the increase. Control group sales, which feed into GDP, increased by 0.5%. On a year-over-year basis, Retail Sales grew 3.9% in June, following a 3.3% increase in May. The Conference Board's Consumer Confidence Index dropped to 93.0 in June from 98.4 in May, as consumers' assessment of both the current situation and future expectations for income and labor markets soured. While the consumer has been resilient, elevated inflation expectations, concerns about trade policies and tariffs, and general economic and policy uncertainty could pose potential risks to future spending.

## Leading Economic Indicators (LEI)



Source: The Conference Board

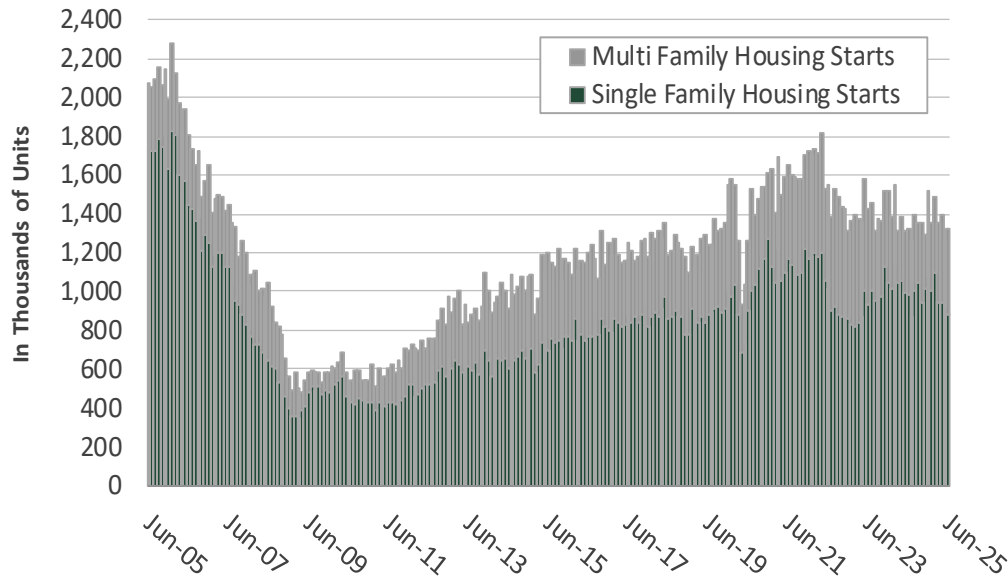
## Chicago Fed National Activity Index (CFNAI)



Source: Federal Reserve Bank of Chicago

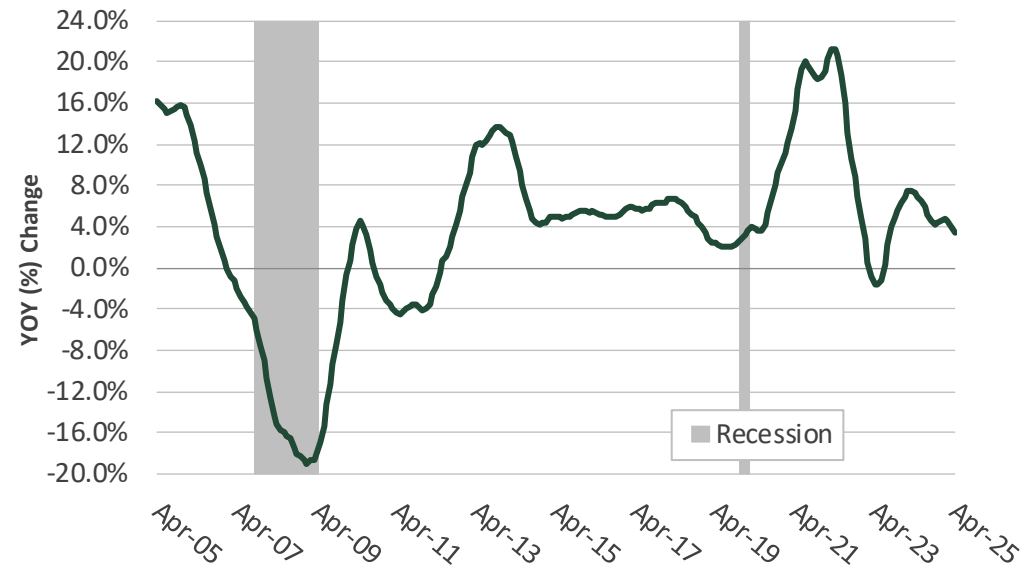
The Conference Board's Leading Economic Index (LEI) fell by 0.3% in June, following a flat reading in May. The LEI decreased by 4.0% year-over-year. The Conference Board is expecting economic growth to slow substantially in 2025 due to consumer pessimism, persistently soft manufacturing new orders, and rising first-time jobless claims. The Chicago Fed National Activity Index (CFNAI) improved to -0.28 in May from a downwardly revised -0.36 in April. The three-month moving average dropped to -0.16 in May from 0.06 in April, indicating slightly below trend growth.

Annualized Housing Starts



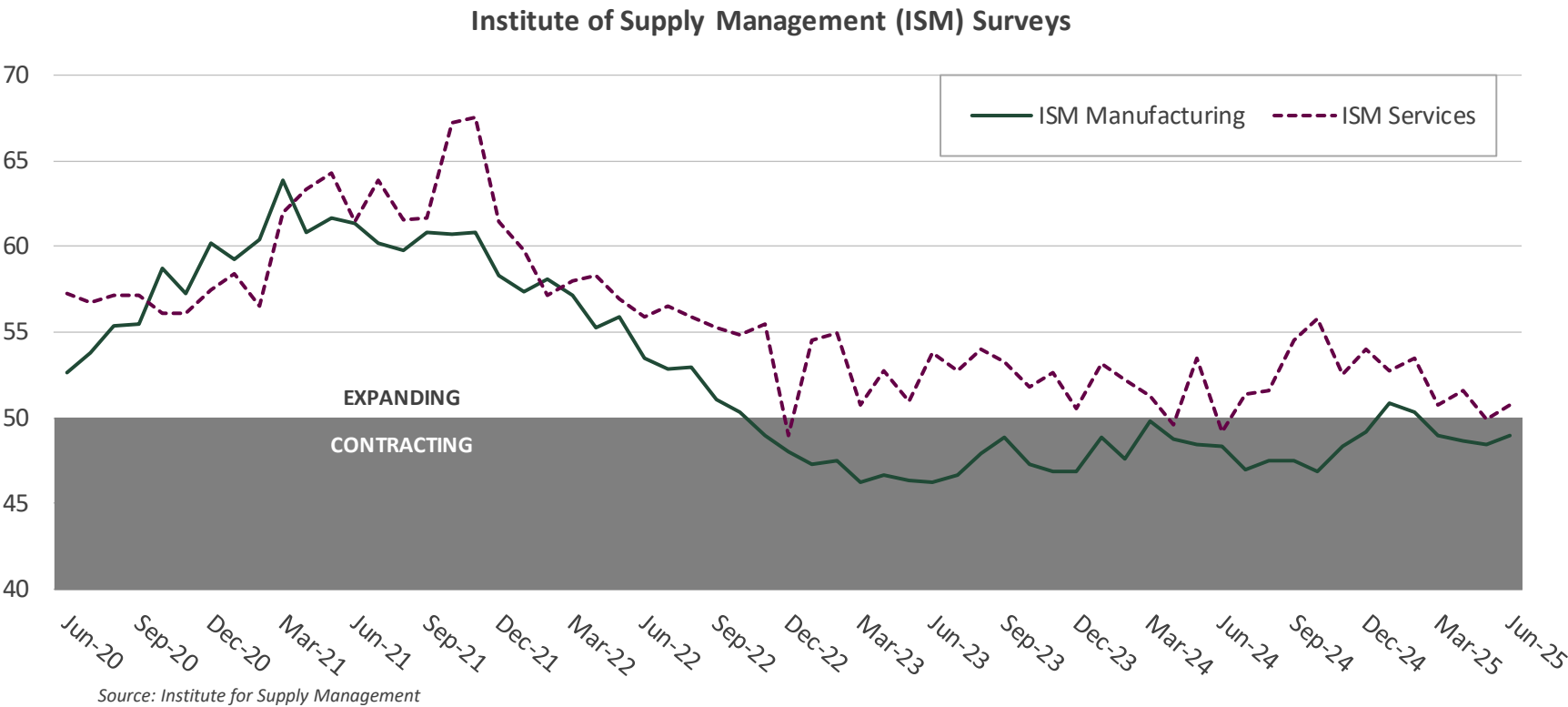
Source: US Department of Commerce

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



Source: S&amp;P

Housing starts increased 4.6% month-over-month in June to a seasonally adjusted annual rate of 1.321 million units. Multi-family starts drove the gain, while single-family starts fell on weak buyer demand. The Freddie Mac 30-year fixed rate mortgage averaged approximately 6.8% in June. According to the Case-Shiller 20-City Home Price Index, housing prices rose 3.4% year-over-year in April, compared to 4.1% in March. Limited inventory, elevated mortgage rates, and lack of affordability continue to weigh on the housing market.



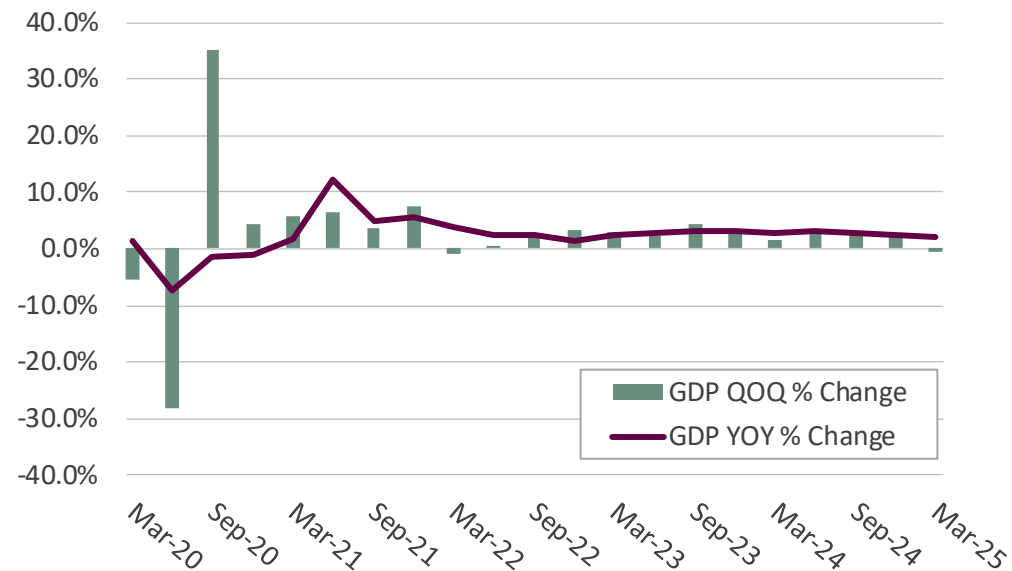
The Institute for Supply Management (ISM) Manufacturing index edged up to 49.0 in June from 48.5 in May, indicating a continuation of modest contraction in the sector. Inventories and production improved as companies worked through backlogs, while employment and new orders contracted. The ISM Services index increased to 50.8 in June from 49.9 in May, as new orders improved. However, ongoing concerns about the impact of tariffs remain. A reading over 50 indicates expansion, while a reading under 50 indicates contraction.

## GROSS DOMESTIC PRODUCT (GDP)

| Components of GDP                                  | 6/24        | 9/24        | 12/24       | 3/25         |
|--|-------------|-------------|-------------|--------------|
| Personal Consumption Expenditures                  | 1.9%        | 2.5%        | 2.7%        | 0.3%         |
| Gross Private Domestic Investment                  | 1.5%        | 0.2%        | -1.0%       | 3.9%         |
| Net Exports and Imports                            | -0.9%       | -0.4%       | 0.3%        | -4.6%        |
| Federal Government Expenditures                    | 0.3%        | 0.6%        | 0.3%        | -0.3%        |
| State and Local (Consumption and Gross Investment) | 0.3%        | 0.3%        | 0.3%        | 0.2%         |
| <b>Total</b>                                       | <b>3.0%</b> | <b>3.1%</b> | <b>2.5%</b> | <b>-0.5%</b> |

Source: US Department of Commerce

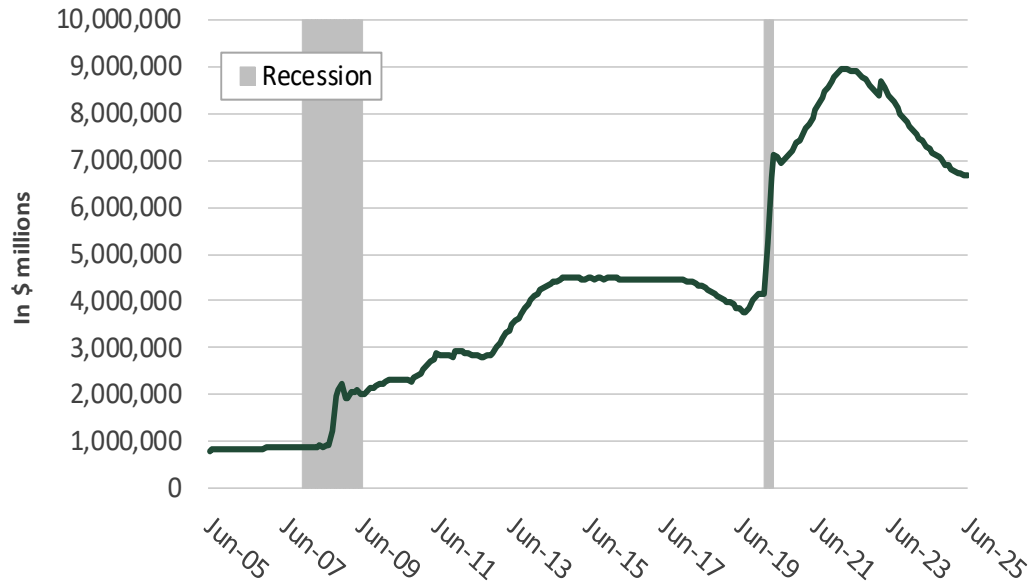
Gross Domestic Product (GDP)



Source: US Department of Commerce

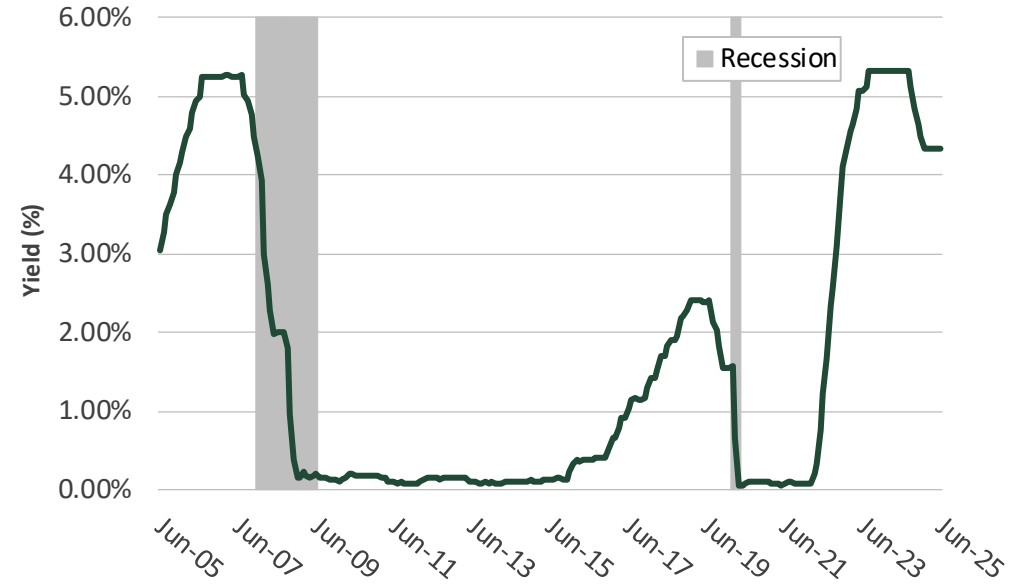
Real GDP decreased at an annualized rate of 0.5% in the first quarter of 2025, according to the third and final estimate from the Bureau of Economic Analysis, a downward revision from the previously estimated 0.2% decline. This marks the first negative quarter since 2022. The primary driver of the downward revision was weaker personal consumption expenditures. Net exports remained the primary drag on growth, as imports rose sharply in anticipation of higher tariffs. Gross investment contributed positively, powered by business decisions to get ahead of possible cost increases. The consensus projection calls for 2.1% growth for the second quarter and 1.5% for the full year 2025.

Federal Reserve Balance Sheet Assets



Source: Federal Reserve

Effective Federal Funds Rate

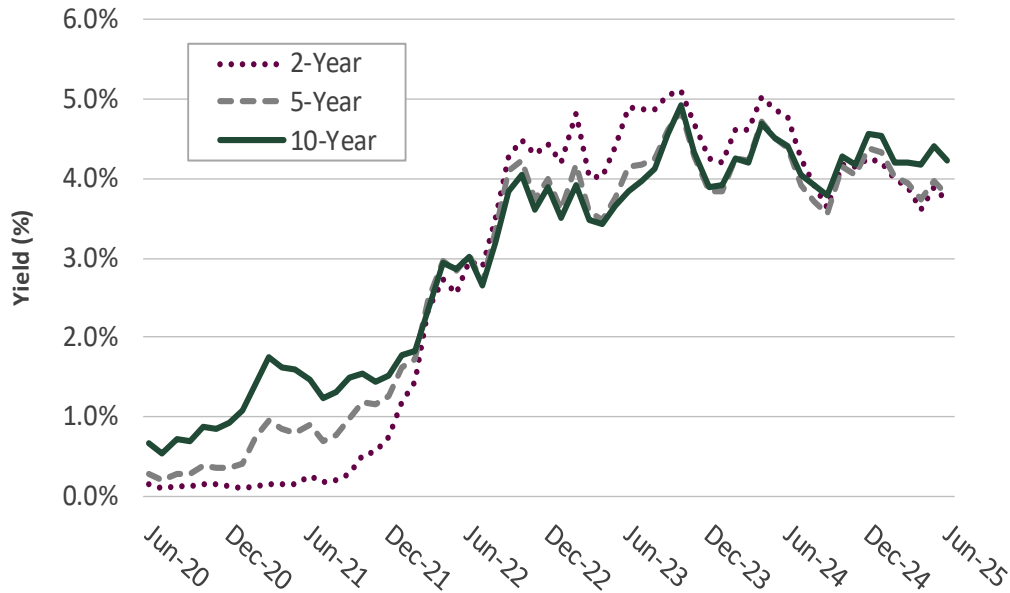


Source: Bloomberg

As broadly anticipated, the Federal Open Market Committee (FOMC) left the Federal Funds Rate unchanged at the range of 4.25 - 4.50% at the June meeting. In the Summary of Economic Projections (SEP), Federal Reserve officials continued to pencil in two rate cuts in 2025, while downgrading estimates for economic growth and raising forecasts for both unemployment and inflation this year. The statement indicated that uncertainty about the economic outlook remained elevated but had diminished. The monthly redemption cap on Treasuries will remain at \$5 billion, while the cap on agencies and mortgage-backed securities will be maintained at \$35 billion. Since the Fed began its Quantitative Tightening campaign in June 2022, securities holdings have declined by about \$2.2 trillion to approximately \$6.7 trillion.

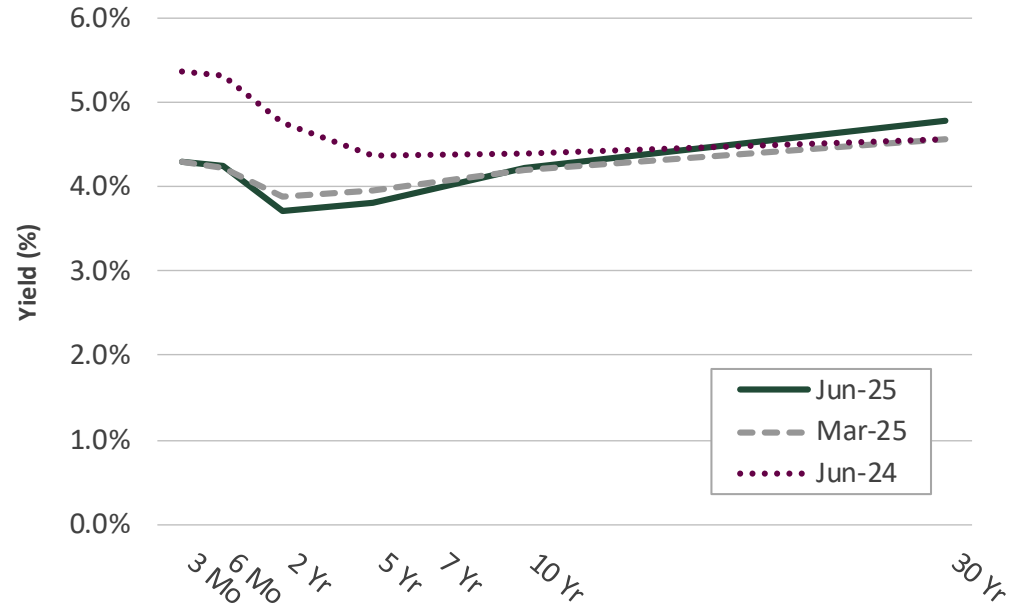


## US Treasury Note Yields



Source: Bloomberg

## US Treasury Yield Curve



Source: Bloomberg

At the end of June, the 2-year Treasury yield was 103 basis points lower, and the 10-Year Treasury yield was 17 basis points lower, year-over-year. The spread between the 2-year and 10-year Treasury yield points on the curve edged up to +51 basis points at June month-end versus +50 basis points at May month-end. The recent yield curve inversion which began in July 2022 was historically long. The average historical spread (since 2005) is about +99 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve was -7 basis points in June, versus -6 basis points in May.

## ACCOUNT PROFILE

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### Investment Objectives

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

### Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

### Strategy

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

## STATEMENT OF COMPLIANCE

City of Cupertino | Account #10659 | As of June 30, 2025

| Rules Name   | Limit | Actual | Compliance Status | Notes |
|--|-------|--------|-------------------|-------|
| <b>AGENCY MORTGAGE SECURITIES (CMOS)</b>                   |       |        |                   |       |
| Max % (MV)   | 100.0 | 11.8   | Compliant         |       |
| Max % Issuer (MV; Agencies & Agency CMOs)                  | 25.0  | 3.0    | Compliant         |       |
| Max Maturity (Years)                                       | 5.0   | 4.6    | Compliant         |       |
| <b>ASSET-BACKED SECURITIES (ABS)</b>                       |       |        |                   |       |
| Max % (MV; Non Agency ABS & MBS)                           | 20.0  | 8.1    | Compliant         |       |
| Max % Issuer (MV)  | 5.0   | 1.0    | Compliant         |       |
| Max Maturity (Years)                                       | 5     | 4      | Compliant         |       |
| Min Rating (AA- by 1)                                      | 0.0   | 0.0    | Compliant         |       |
| <b>BANKERS' ACCEPTANCES</b>                                |       |        |                   |       |
| Max % (MV)   | 40.0  | 0.0    | Compliant         |       |
| Max % Issuer (MV)  | 5.0   | 0.0    | Compliant         |       |
| Max Maturity (Days)  | 180   | 0.0    | Compliant         |       |
| Min Rating (A-1 by 1 or A- by 1)                           | 0.0   | 0.0    | Compliant         |       |
| <b>CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)</b>    |       |        |                   |       |
| Max % (MV)   | 30.0  | 0.0    | Compliant         |       |
| Max % Issuer (MV)  | 5.0   | 0.0    | Compliant         |       |
| Max Maturity (Years)                                       | 5.0   | 0.0    | Compliant         |       |
| <b>COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)</b> |       |        |                   |       |
| Max % (MV; FDIC & Collateralized CD)                       | 30.0  | 0.0    | Compliant         |       |
| Max % Issuer (MV)  | 5.0   | 0.0    | Compliant         |       |
| Max Maturity (Years)                                       | 5.0   | 0.0    | Compliant         |       |
| <b>COMMERCIAL PAPER</b>                                    |       |        |                   |       |
| Max % (MV)   | 25.0  | 0.0    | Compliant         |       |
| Max % Issuer (MV)  | 5.0   | 0.0    | Compliant         |       |
| Max Maturity (Days)  | 270   | 0.0    | Compliant         |       |
| Min Rating (A-1 by 1 or A- by 1)                           | 0.0   | 0.0    | Compliant         |       |
| <b>CORPORATE MEDIUM TERM NOTES</b>                         |       |        |                   |       |

## STATEMENT OF COMPLIANCE

City of Cupertino | Account #10659 | As of June 30, 2025

| Rules Name   | Limit | Actual | Compliance Status | Notes |
|--|-------|--------|-------------------|-------|
| Max % (MV)   | 30.0  | 26.4   | Compliant         |       |
| Max % Issuer (MV)  | 5.0   | 1.7    | Compliant         |       |
| Max Maturity (Years)                                     | 5     | 4      | Compliant         |       |
| Min Rating (A- by 1)                                     | 0.0   | 0.0    | Compliant         |       |
| <b>FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)</b> |       |        |                   |       |
| Max % (MV; FDIC & Collateralized CD)                     | 30.0  | 0.0    | Compliant         |       |
| Max % Issuer (MV)  | 5.0   | 0.0    | Compliant         |       |
| Max Maturity (Years)                                     | 5     | 0.0    | Compliant         |       |
| <b>FEDERAL AGENCIES</b>                                  |       |        |                   |       |
| Max % (MV)   | 100.0 | 5.9    | Compliant         |       |
| Max % Issuer (MV; Agencies & Agency CMOs)                | 25.0  | 3.0    | Compliant         |       |
| Max Callables (MV)                                       | 20.0  | 0.0    | Compliant         |       |
| Max Maturity (Years)                                     | 5     | 2      | Compliant         |       |
| <b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b>               |       |        |                   |       |
| Max Concentration (MV)                                   | 75.0  | 0.0    | Compliant         |       |
| <b>MONEY MARKET MUTUAL FUNDS</b>                         |       |        |                   |       |
| Max % (MV)   | 20.0  | 0.5    | Compliant         |       |
| Min Rating (AAA by 2)                                    | 0.0   | 0.0    | Compliant         |       |
| <b>MORTGAGE-BACKED SECURITIES (NON-AGENCY)</b>           |       |        |                   |       |
| Max % (MV)   | 20.0  | 0.0    | Compliant         |       |
| Max % Issuer (MV)  | 5.0   | 0.0    | Compliant         |       |
| Max Maturity (Years)                                     | 5.0   | 0.0    | Compliant         |       |
| Min Rating (AA- by 1)                                    | 0.0   | 0.0    | Compliant         |       |
| <b>MUNICIPAL SECURITIES (CA, LOCAL AGENCY)</b>           |       |        |                   |       |
| Max % (MV)   | 30.0  | 1.0    | Compliant         |       |
| Max % Issuer (MV)  | 5.0   | 1.0    | Compliant         |       |
| Max Maturity (Years)                                     | 5     | 4      | Compliant         |       |
| Min Rating (A- by 1)                                     | 0.0   | 0.0    | Compliant         |       |
| <b>MUNICIPAL SECURITIES (CA, OTHER STATES)</b>           |       |        |                   |       |

## STATEMENT OF COMPLIANCE



City of Cupertino | Account #10659 | As of June 30, 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         |       |
| <b>NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)</b>  |       |        |                   |       |
| Max % (MV)                                       | 30.0  | 0.0    | Compliant         |       |
| Max % Issuer (MV)                                | 5.0   | 0.0    | Compliant         |       |
| Max Maturity (Years)                             | 5     | 0.0    | Compliant         |       |
| Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit) | 0.0   | 0.0    | Compliant         |       |
| <b>REPURCHASE AGREEMENTS</b>                     |       |        |                   |       |
| Max % (MV)                                       | 10.0  | 0.0    | Compliant         |       |
| Max % Issuer (MV)                                | 5.0   | 0.0    | Compliant         |       |
| Max Maturity (Years)                             | 1.0   | 0.0    | Compliant         |       |
| <b>SUPRANATIONAL OBLIGATIONS</b>                 |       |        |                   |       |
| Max % (MV)                                       | 30.0  | 4.7    | Compliant         |       |
| Max % Issuer (MV)                                | 10.0  | 3.4    | Compliant         |       |
| Max Maturity (Years)                             | 5     | 4      | Compliant         |       |
| Min Rating (AA- by 1)                            | 0.0   | 0.0    | Compliant         |       |
| <b>U.S. TREASURIES</b>                           |       |        |                   |       |
| Max % (MV)                                       | 100.0 | 41.6   | Compliant         |       |
| Max Maturity (Years)                             | 5     | 4      | Compliant         |       |

## PORTFOLIO SUMMARY

City of Cupertino | Account #10659 | As of June 30, 2025

### Portfolio Characteristics

|                           |       |
|---------------------------|-------|
| Average Modified Duration | 2.54  |
| Average Coupon            | 3.47% |
| Average Purchase YTM      | 3.73% |
| Average Market YTM        | 4.03% |
| Average Credit Quality*   | AA+   |
| Average Final Maturity    | 2.98  |
| Average Life              | 2.62  |

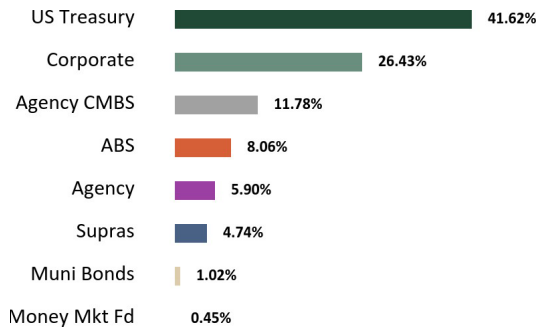
### Account Summary

|                           | End Values as of<br>03/31/2025 | End Values as of<br>06/30/2025 |
|---------------------------|--------------------------------|--------------------------------|
| Market Value              | 171,361,909.10                 | 173,784,957.99                 |
| Accrued Interest          | 1,079,026.09                   | 1,267,966.53                   |
| <b>Total Market Value</b> | <b>172,440,935.19</b>          | <b>175,052,924.52</b>          |
| Income Earned             | 1,469,440.75                   | 1,570,445.77                   |
| Cont/WD                   | 0.00                           | 0.00                           |
| Par                       | 173,051,310.32                 | 174,552,255.38                 |
| Book Value                | 171,853,033.61                 | 173,154,444.93                 |
| Cost Value                | 171,577,356.86                 | 172,701,432.17                 |

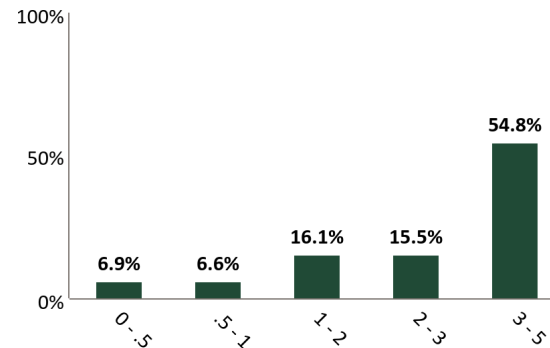
### Top Issuers

|                                      |        |
|--------------------------------------|--------|
| Government of The United States      | 41.62% |
| FHLMC                                | 11.78% |
| International Bank for Recon and Dev | 3.36%  |
| Farm Credit System                   | 3.04%  |
| UnitedHealth Group Incorporated      | 1.67%  |
| Toyota Motor Corporation             | 1.62%  |
| The Home Depot, Inc.                 | 1.50%  |
| FNMA                                 | 1.42%  |

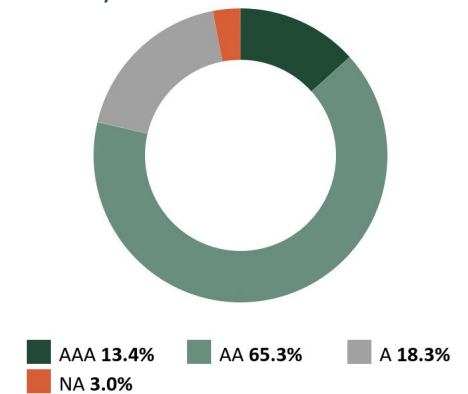
### Sector Allocation



### Maturity Distribution



### Credit Quality



### Performance Review

| Total Rate of Return** | 1M    | 3M    | YTD   | 1YR   | 2YRS  | 3YRS  | 5YRS  | 10YRS | Since Inception<br>(02/01/19) |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------------------------------|
| City of Cupertino      | 0.80% | 1.53% | 3.58% | 6.20% | 5.53% | 3.78% | 1.34% | --    | 2.21%                         |
| Benchmark Return       | 0.74% | 1.36% | 3.39% | 5.54% | 5.03% | 3.28% | 0.95% | --    | 1.96%                         |

\*\*Periods over 1 year are annualized.

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

## PORTFOLIO CHARACTERISTICS



City of Cupertino | Account #10659 | As of June 30, 2025

|                           | Benchmark* | 6/30/2025<br>Portfolio | 3/31/2025<br>Portfolio |
|---------------------------|------------|------------------------|------------------------|
| Average Maturity (yrs)    | 2.65       | 2.98                   | 2.97                   |
| Average Modified Duration | 2.48       | 2.54                   | 2.56                   |
| Average Purchase Yield    |            | 3.73%                  | 3.59%                  |
| Average Market Yield      | 3.78%      | 4.03%                  | 4.18%                  |
| Average Quality**         | AA+        | AA+                    | AA+                    |
| Total Market Value        |            | 175,052,925            | 172,440,935            |

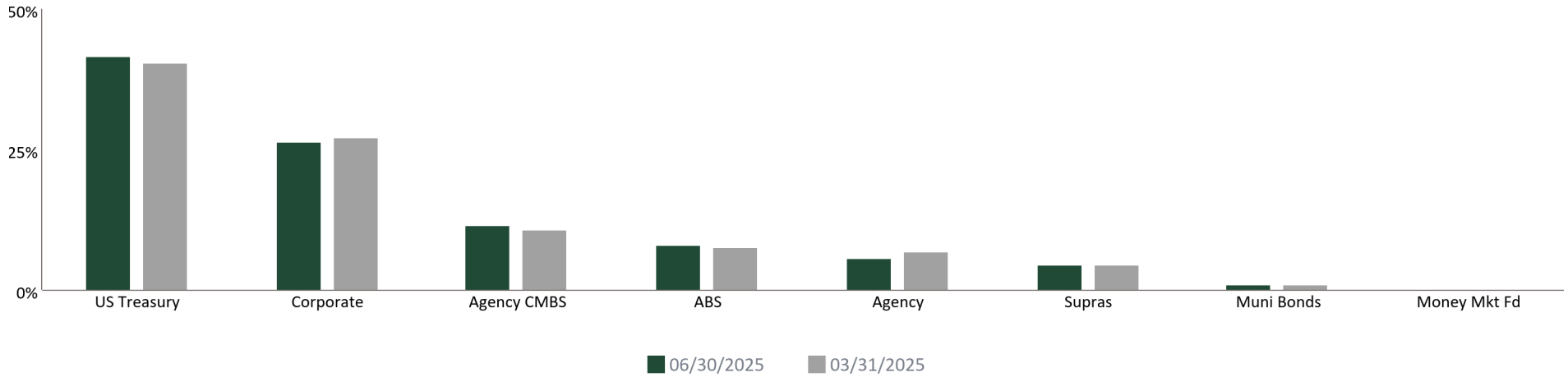
\*Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

\*\*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 June 30, 2025

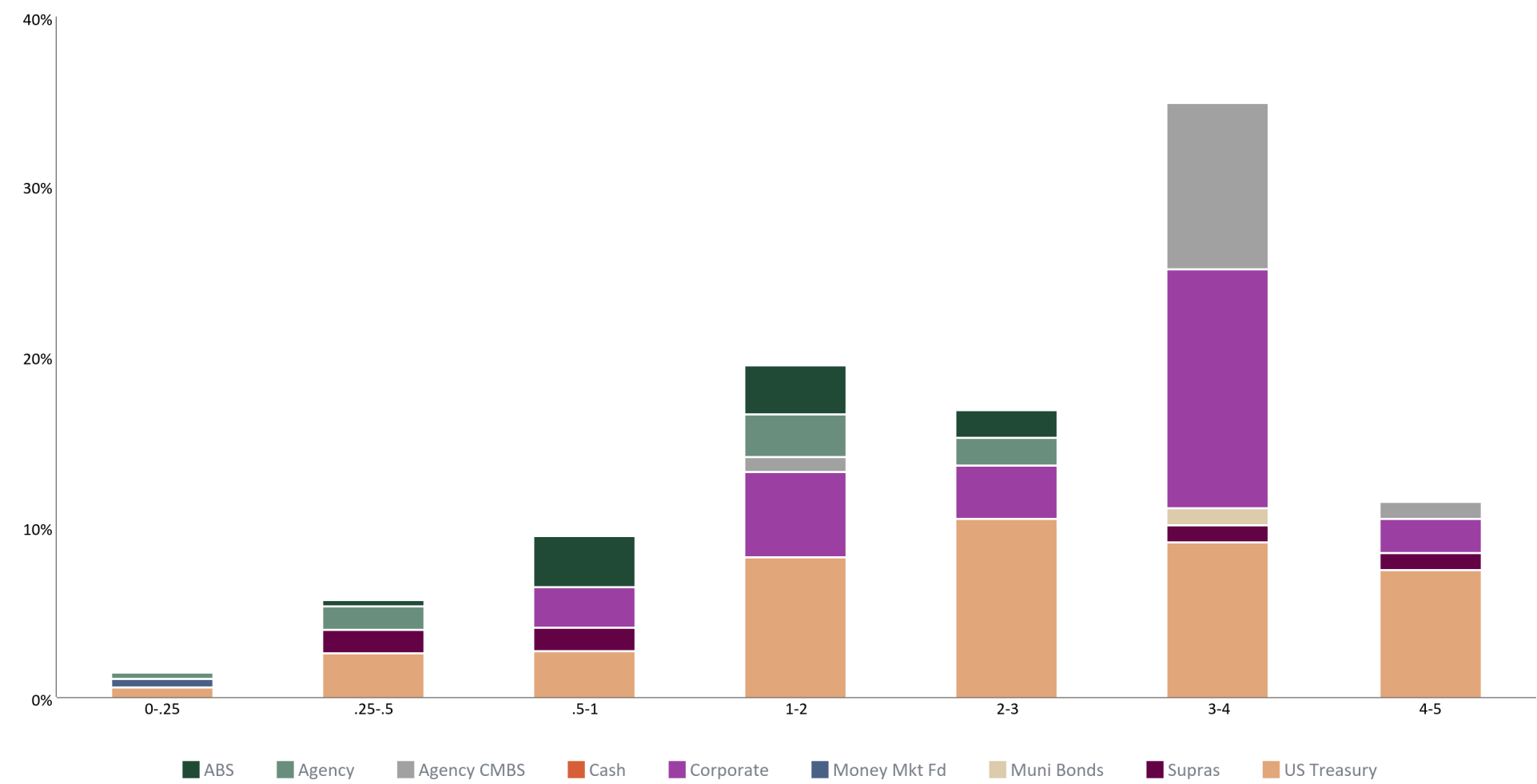


### Sector as a Percentage of Market Value

| Sector       | 06/30/2025 | 03/31/2025 |
|--------------|------------|------------|
| US Treasury  | 41.62%     | 40.45%     |
| Corporate    | 26.43%     | 27.47%     |
| Agency CMBS  | 11.78%     | 11.05%     |
| ABS          | 8.06%      | 7.80%      |
| Agency       | 5.90%      | 7.05%      |
| Supras       | 4.74%      | 4.77%      |
| Muni Bonds   | 1.02%      | 1.03%      |
| Money Mkt Fd | 0.45%      | 0.38%      |

DURATION ALLOCATION

City of Cupertino | Account #10659 | As of June 30, 2025



|            | 0-25 | .25-.5 | .5-1 | 1-2   | 2-3   | 3-4   | 4-5   | 5-7  | 7+   |
|------------|------|--------|------|-------|-------|-------|-------|------|------|
| 06/30/2025 | 1.6% | 5.8%   | 9.5% | 19.6% | 16.9% | 35.0% | 11.6% | 0.0% | 0.0% |

## ISSUERS

City of Cupertino | Account #10659 | As of June 30, 2025

| Issuer                               | Investment Type | % Portfolio |
|--------------------------------------|-----------------|-------------|
| Government of The United States      | US Treasury     | 41.62%      |
| FHLMC                                | Agency CMBS     | 11.78%      |
| International Bank for Recon and Dev | Supras          | 3.36%       |
| Farm Credit System                   | Agency          | 3.04%       |
| UnitedHealth Group Incorporated      | Corporate       | 1.67%       |
| Toyota Motor Corporation             | Corporate       | 1.62%       |
| The Home Depot, Inc.                 | Corporate       | 1.50%       |
| FNMA                                 | Agency          | 1.42%       |
| New York Life Insurance Company      | Corporate       | 1.38%       |
| Inter-American Development Bank      | Supras          | 1.38%       |
| Caterpillar Inc.                     | Corporate       | 1.29%       |
| Royal Bank of Canada                 | Corporate       | 1.18%       |
| Massachusetts Mutual Life Insurance  | Corporate       | 1.14%       |
| Morgan Stanley                       | Corporate       | 1.14%       |
| Federal Home Loan Banks              | Agency          | 1.10%       |
| Amazon.com, Inc.                     | Corporate       | 1.05%       |
| Chubb Limited                        | Corporate       | 1.02%       |
| State of California                  | Muni Bonds      | 1.02%       |
| Honda Motor Co., Ltd.                | Corporate       | 1.00%       |
| Chase Issuance Trust                 | ABS             | 0.98%       |
| Bank of America Credit Card Trust    | ABS             | 0.95%       |
| Berkshire Hathaway Inc.              | Corporate       | 0.91%       |
| PepsiCo, Inc.                        | Corporate       | 0.88%       |
| Prologis, Inc.                       | Corporate       | 0.87%       |
| Bank of America Corporation          | Corporate       | 0.86%       |
| JPMorgan Chase & Co.                 | Corporate       | 0.86%       |
| The Progressive Corporation          | Corporate       | 0.86%       |
| Deere & Company                      | Corporate       | 0.84%       |
| Realty Income Corporation            | Corporate       | 0.83%       |
| American Express Credit Master Trust | ABS             | 0.82%       |

## ISSUERS

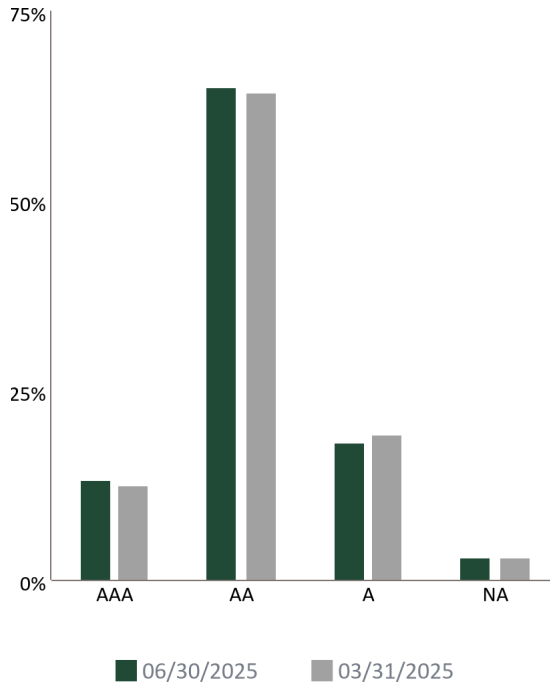
City of Cupertino | Account #10659 | As of June 30, 2025

| Issuer                               | Investment Type | % Portfolio    |
|--------------------------------------|-----------------|----------------|
| Marsh & McLennan Companies, Inc.     | Corporate       | 0.81%          |
| GM Financial Securitized Term        | ABS             | 0.81%          |
| Honda Auto Receivables Owner Trust   | ABS             | 0.81%          |
| WF Card Issuance Trust               | ABS             | 0.79%          |
| Toyota Auto Receivables Owner Trust  | ABS             | 0.73%          |
| John Deere Owner Trust               | ABS             | 0.70%          |
| Guardian Life Global Funding         | Corporate       | 0.69%          |
| Mercedes-Benz Auto Receivables Trust | ABS             | 0.64%          |
| Metropolitan Life Global Funding I   | Corporate       | 0.62%          |
| National Rural Utilities Cooperative | Corporate       | 0.59%          |
| Northwestern Mutual Global Funding   | Corporate       | 0.58%          |
| Mastercard Incorporated              | Corporate       | 0.56%          |
| The Charles Schwab Corporation       | Corporate       | 0.54%          |
| Meta Platforms, Inc.                 | Corporate       | 0.53%          |
| BMW Vehicle Owner Trust              | ABS             | 0.43%          |
| Met Tower Global Funding             | Corporate       | 0.43%          |
| Wells Fargo & Company                | Money Mkt Fd    | 0.42%          |
| Hyundai Auto Lease Securitization Tr | ABS             | 0.35%          |
| Federal Home Loan Mortgage Corp      | Agency          | 0.34%          |
| Walmart Inc.                         | Corporate       | 0.19%          |
| Hyundai Auto Receivables Trust       | ABS             | 0.04%          |
| WC MMF Sweep                         | Money Mkt Fd    | 0.03%          |
| Cash                                 | Cash            | 0.00%          |
| <b>TOTAL</b>                         |                 | <b>100.00%</b> |

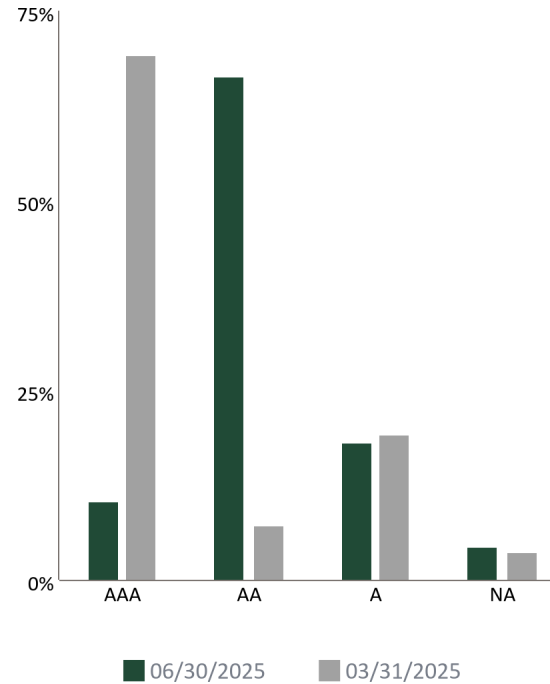
## QUALITY DISTRIBUTION

City of Cupertino | Account #10659 | As of June 30, 2025

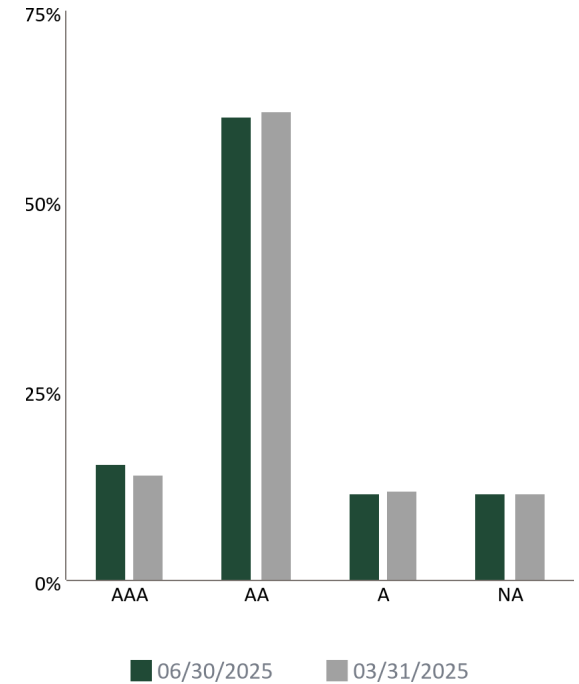
### S&P Rating



### Moody's Rating



### Fitch Rating



| Rating | 06/30/2025 | 03/31/2025 |
|--------|------------|------------|
| AAA    | 13.3%      | 12.8%      |
| AA     | 65.2%      | 64.5%      |
| A      | 18.4%      | 19.4%      |
| NA     | 3.0%       | 3.3%       |

| Rating | 06/30/2025 | 03/31/2025 |
|--------|------------|------------|
| AAA    | 10.52%     | 69.30%     |
| AA     | 66.43%     | 7.27%      |
| A      | 18.37%     | 19.38%     |
| NA     | 4.68%      | 4.05%      |

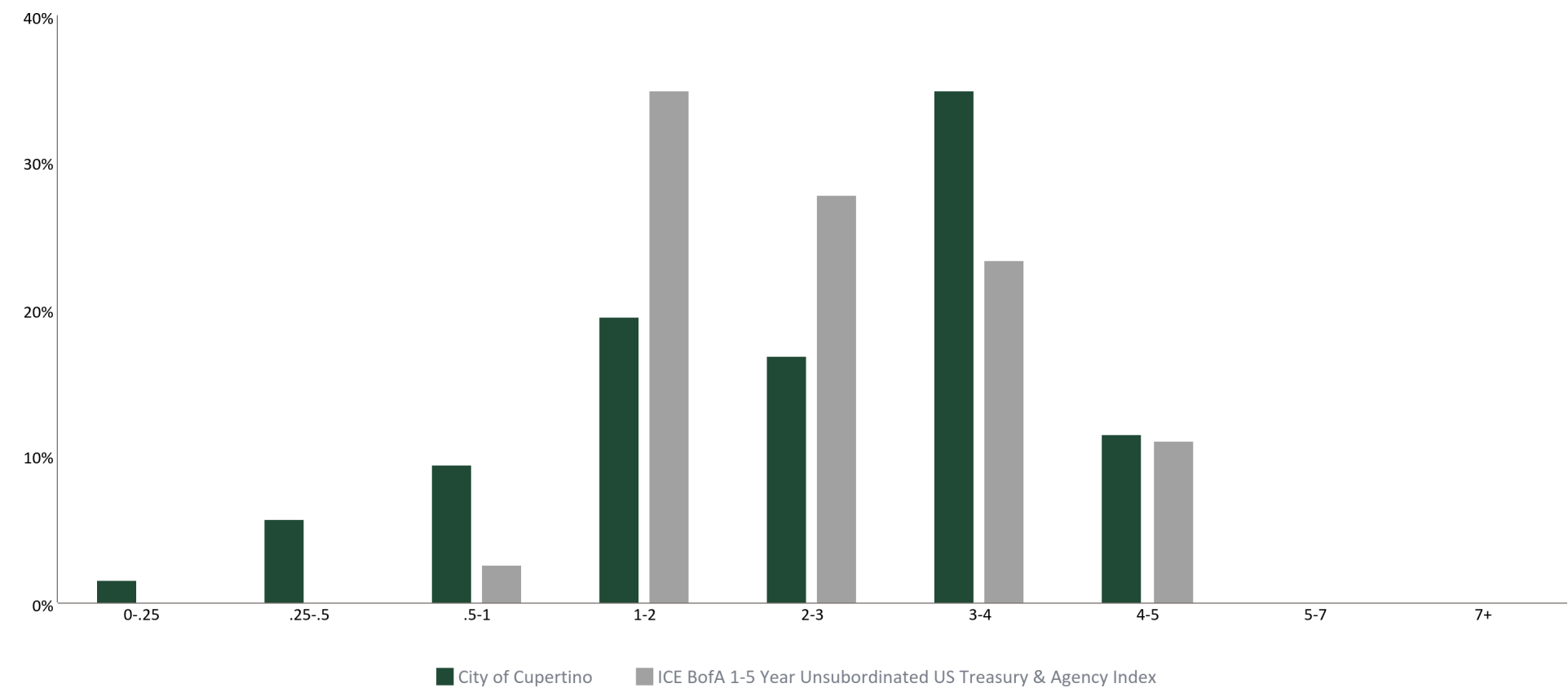
| Rating | 06/30/2025 | 03/31/2025 |
|--------|------------|------------|
| AAA    | 15.47%     | 14.25%     |
| AA     | 61.31%     | 62.00%     |
| A      | 11.68%     | 12.12%     |
| NA     | 11.54%     | 11.62%     |

DURATION DISTRIBUTION



City of Cupertino | Account #10659 | As of June 30, 2025

Portfolio Compared to the Benchmark

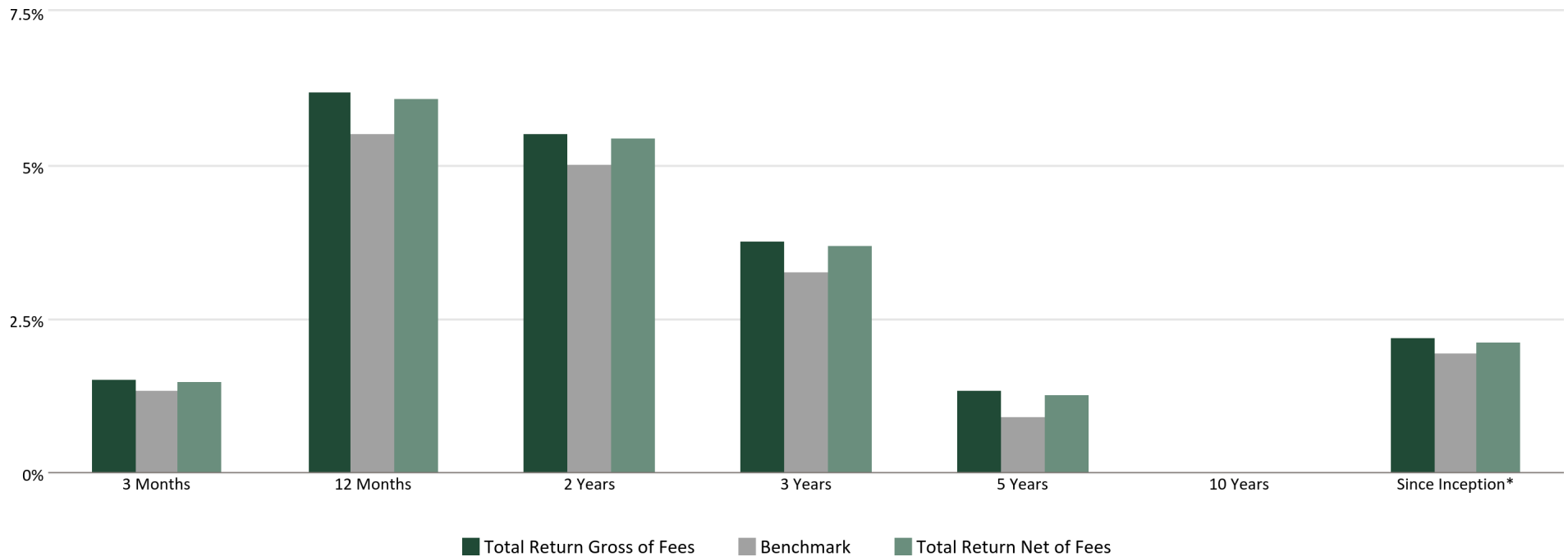


|   | 0-.25 | .25-.5 | .5-1 | 1-2   | 2-3   | 3-4   | 4-5   | 5-7  | 7+   |
|---|-------|--------|------|-------|-------|-------|-------|------|------|
| Portfolio   | 1.6%  | 5.8%   | 9.5% | 19.6% | 16.9% | 35.0% | 11.6% | 0.0% | 0.0% |
| ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index | 0.0%  | 0.1%   | 2.6% | 34.9% | 27.8% | 23.4% | 11.1% | 0.0% | 0.0% |

## INVESTMENT PERFORMANCE

City of Cupertino | Account #10659 | As of June 30, 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 |
|---------------------------------|----------|-----------|---------|---------|---------|----------|-----------------|
| <b>TOTAL RATE OF RETURN</b>     |          |           |         |         |         |          |                 |
| City of Cupertino Gross of Fees | 1.53%    | 6.20%     | 5.53%   | 3.78%   | 1.34%   |          | 2.21%           |
| City of Cupertino Net of Fees   | 1.51%    | 6.12%     | 5.47%   | 3.72%   | 1.27%   |          | 2.14%           |
| Benchmark                       | 1.36%    | 5.54%     | 5.03%   | 3.28%   | 0.95%   |          | 1.96%           |

\*Periods over 1 year are annualized.

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

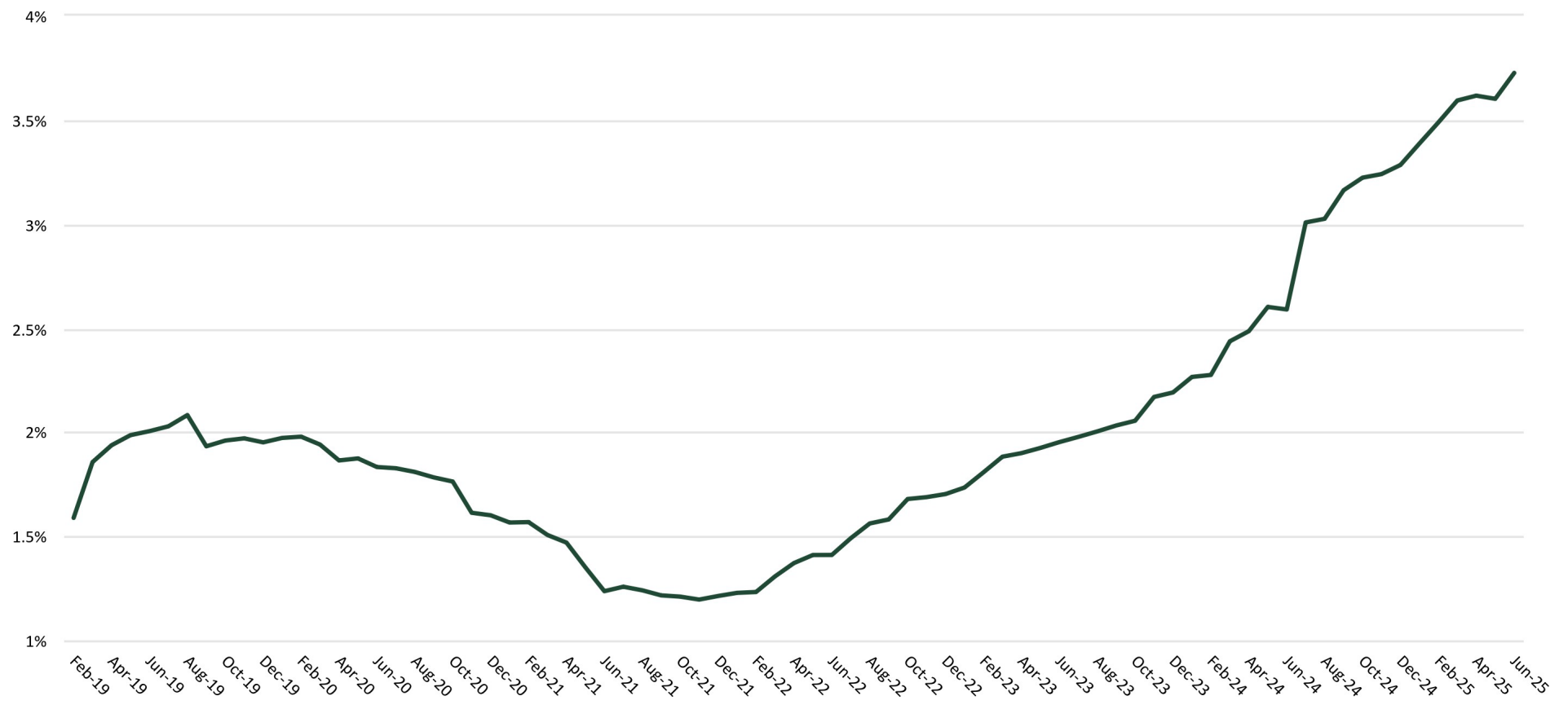
Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio. Realized rate of return: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

HISTORICAL AVERAGE PURCHASE YIELD



City of Cupertino | Account #10659 | As of June 30, 2025

Purchase Yield as of 06/30/25 = 3.73%





**PORTFOLIO CHARACTERISTICS**



City of Cupertino Reporting | Account #10663 | As of June 30, 2025

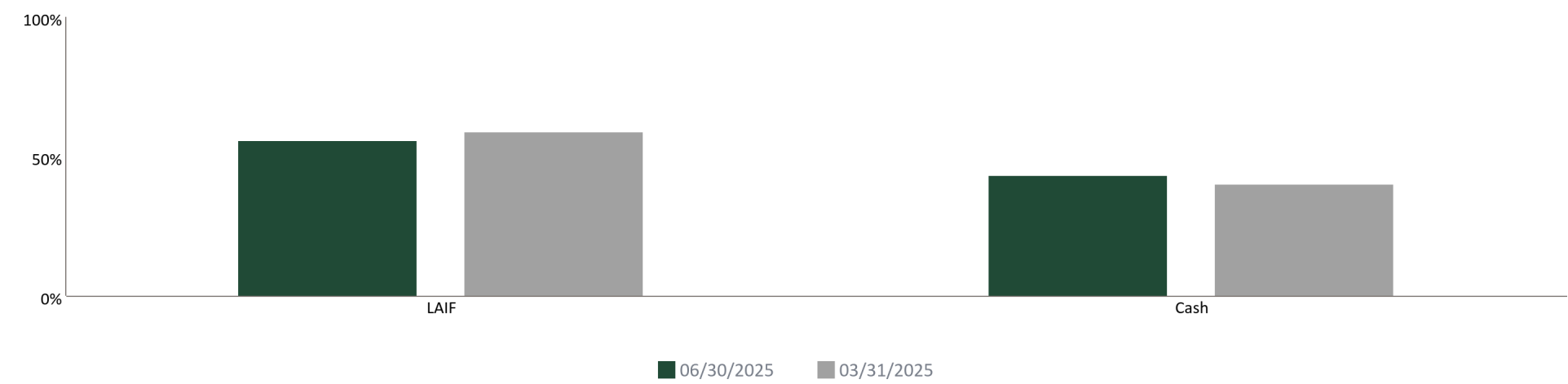
|                           | 6/30/2025<br>Portfolio | 3/31/2025<br>Portfolio |
|---------------------------|------------------------|------------------------|
| Average Maturity (yrs)    | 0.00                   | 0.00                   |
| Average Modified Duration | 0.00                   | 0.00                   |
| Average Purchase Yield    | 2.43%                  | 2.59%                  |
| Average Market Yield      | 2.41%                  | 2.57%                  |
| Average Quality**         | AAA                    | AAA                    |
| Total Market Value        | 120,488,632            | 112,885,409            |

\*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 June 30, 2025



Sector as a Percentage of Market Value

| Sector | 06/30/2025 | 03/31/2025 |
|--------|------------|------------|
| LAIF   | 56.48%     | 59.63%     |
| Cash   | 43.52%     | 40.37%     |

## CONSOLIDATED INFORMATION

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PORTFOLIO CHARACTERISTICS



City of Cupertino Cons | Account #10664 | As of June 30, 2025

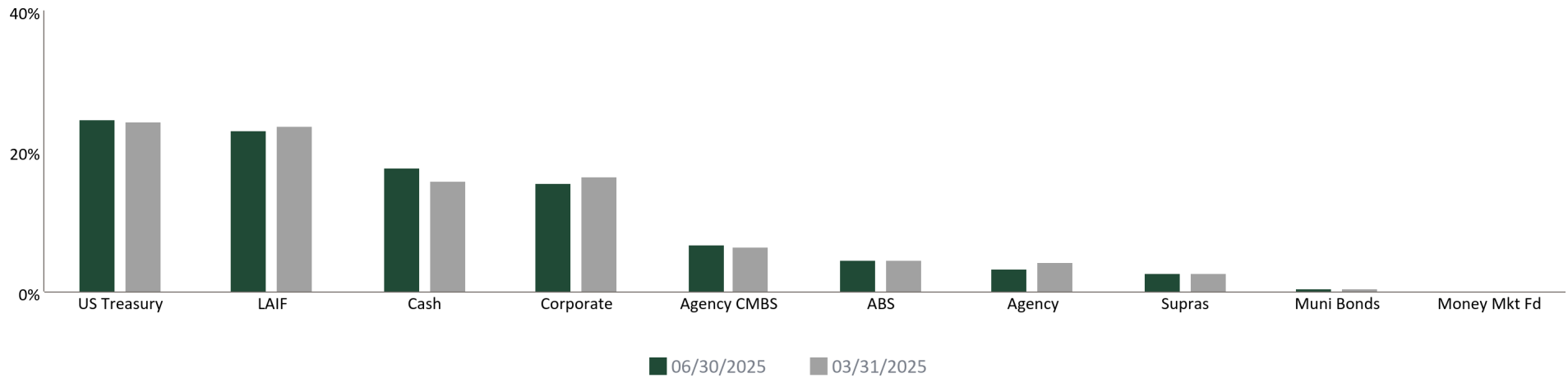
|                           | 6/30/2025<br>Portfolio | 3/31/2025<br>Portfolio |
|---------------------------|------------------------|------------------------|
| Average Maturity (yrs)    | 1.76                   | 1.79                   |
| Average Modified Duration | 1.50                   | 1.54                   |
| Average Purchase Yield    | 3.20%                  | 3.19%                  |
| Average Market Yield      | 3.37%                  | 3.54%                  |
| Average Quality**         | AA+                    | AA+                    |
| Total Market Value        | 295,541,556            | 285,326,344            |

\*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 June 30, 2025



### Sector as a Percentage of Market Value

| Sector       | 06/30/2025 | 03/31/2025 |
|--------------|------------|------------|
| US Treasury  | 24.58%     | 24.39%     |
| LAIF         | 23.13%     | 23.68%     |
| Cash         | 17.82%     | 16.03%     |
| Corporate    | 15.61%     | 16.56%     |
| Agency CMBS  | 6.96%      | 6.66%      |
| ABS          | 4.76%      | 4.70%      |
| Agency       | 3.49%      | 4.25%      |
| Supras       | 2.80%      | 2.87%      |
| Muni Bonds   | 0.60%      | 0.62%      |
| Money Mkt Fd | 0.27%      | 0.23%      |

## PORTFOLIO HOLDINGS

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## HOLDINGS REPORT

City of Cupertino | Account #10659 | As of June 30, 2025

| Cusip      | Security Description               | Par Value/<br>Units | Purchase<br>Date<br>Purchase<br>Yield | Cost Value<br>Book Value     | Mkt<br>Price<br>Mkt<br>YTM | Market Value<br>Accrued Int. | % of Port.<br>Gain/Loss | Moody's/<br>S&P/<br>Fitch | Maturity<br>Duration |
|------------|------------------------------------|---------------------|---------------------------------------|------------------------------|----------------------------|------------------------------|-------------------------|---------------------------|----------------------|
| <b>ABS</b> |                                    |                     |                                       |                              |                            |                              |                         |                           |                      |
| 43815BAC4  | HAROT 2022-1 A3 1.88<br>05/15/2026 | 45,267.43           | 02/15/2022<br>1.89%                   | 45,260.62<br>45,266.13       | 99.80<br>4.77%             | 45,175.75<br>37.82           | 0.03%<br>(90.39)        | Aaa/AAA<br>NA             | 0.87<br>0.07         |
| 05602RAD3  | BMWOT 2022-A A3 3.21<br>08/25/2026 | 46,253.11           | 05/10/2022<br>3.23%                   | 46,250.71<br>46,252.51       | 99.82<br>4.56%             | 46,169.60<br>24.75           | 0.03%<br>(82.91)        | Aaa/AAA<br>NA             | 1.15<br>0.14         |
| 47787JAC2  | JDOT 2022 A3 2.32 09/15/2026       | 46,593.40           | 03/10/2022<br>2.34%                   | 46,583.09<br>46,590.80       | 99.72<br>4.16%             | 46,460.88<br>48.04           | 0.03%<br>(129.92)       | Aaa/NA<br>AAA             | 1.21<br>0.15         |
| 362554AC1  | GMCAR 2021-4 A3 0.68<br>09/16/2026 | 882.14              | 10/13/2021<br>0.68%                   | 882.12<br>882.13             | 99.84<br>4.51%             | 880.75<br>0.25               | 0.00%<br>(1.39)         | Aaa/AAA<br>NA             | 1.21<br>0.04         |
| 448977AD0  | HART 2022-A A3 2.22 10/15/2026     | 65,901.31           | 03/09/2022<br>2.23%                   | 65,898.78<br>65,900.66       | 99.83<br>4.49%             | 65,791.40<br>65.02           | 0.04%<br>(109.26)       | NA/AAA<br>AAA             | 1.29<br>0.07         |
| 380146AC4  | GMCAR 2022-1 A3 1.26<br>11/16/2026 | 9,082.94            | 01/11/2022<br>1.27%                   | 9,082.15<br>9,082.74         | 99.86<br>4.72%             | 9,070.06<br>4.77             | 0.01%<br>(12.68)        | NA/AAA<br>AAA             | 1.38<br>0.04         |
| 47800AAC4  | JDOT 2022-B A3 3.74 02/16/2027     | 192,472.55          | 07/12/2022<br>3.77%                   | 192,454.17<br>192,466.21     | 99.68<br>4.66%             | 191,849.50<br>319.93         | 0.11%<br>(616.71)       | Aaa/NA<br>AAA             | 1.63<br>0.36         |
| 362585AC5  | GMCAR 2022-2 A3 3.1<br>02/16/2027  | 78,678.25           | 04/05/2022<br>3.13%                   | 78,661.81<br>78,673.12       | 99.65<br>4.83%             | 78,406.51<br>101.63          | 0.05%<br>(266.61)       | Aaa/AAA<br>NA             | 1.63<br>0.20         |
| 44934FAD7  | HALST 2024-B A3 5.41 05/17/2027    | 610,000.00          | 05/14/2024<br>5.41%                   | 609,983.04<br>609,989.34     | 100.79<br>4.55%            | 614,844.25<br>1,466.71       | 0.35%<br>4,854.91       | NA/AAA<br>AAA             | 1.88<br>0.86         |
| 47800BAC2  | JDOT 2022-C A3 5.09 06/15/2027     | 469,547.23          | 10/12/2022<br>5.15%                   | 469,510.79<br>469,532.11     | 100.27<br>4.59%            | 470,807.07<br>1,062.22       | 0.27%<br>1,274.95       | Aaa/NA<br>AAA             | 1.96<br>0.48         |
| 89231FAD2  | TAOT 2023-C A3 5.16 04/17/2028     | 1,266,273.20        | 11/21/2023<br>5.65%                   | 1,261,128.97<br>1,263,002.80 | 100.54<br>4.42%            | 1,273,120.45<br>2,903.99     | 0.73%<br>10,117.65      | NA/AAA<br>AAA             | 2.80<br>0.67         |
| 438123AC5  | HAROT 2023-4 A3 5.67<br>06/21/2028 | 805,000.00          | --<br>5.64%                           | 806,992.67<br>806,143.47     | 101.07<br>4.39%            | 813,585.33<br>1,267.88       | 0.47%<br>7,441.85       | Aaa/NA<br>AAA             | 2.98<br>0.78         |
| 58769FAC9  | MBART 2023-2 A3 5.95<br>11/15/2028 | 1,100,000.00        | 11/29/2023<br>3.88%                   | 1,123,289.06<br>1,114,068.85 | 101.30<br>4.30%            | 1,114,288.01<br>2,908.89     | 0.64%<br>219.16         | NA/AAA<br>AAA             | 3.38<br>0.75         |
| 05522RDH8  | BACCT 2023-2 A 4.98 11/16/2026     | 850,000.00          | 01/24/2024<br>4.58%                   | 858,798.83<br>854,317.59     | 101.06<br>4.22%            | 858,991.22<br>1,881.33       | 0.49%<br>4,673.62       | Aaa/NA<br>AAA             | 1.38<br>1.30         |
| 47800RAD5  | JDOT 2024 A3 4.96 11/15/2028       | 500,000.00          | 03/25/2024<br>5.13%                   | 499,765.63<br>499,829.41     | 100.92<br>4.29%            | 504,618.80<br>1,102.22       | 0.29%<br>4,789.39       | Aaa/NA<br>AAA             | 3.38<br>1.27         |
| 437930AC4  | HAROT 2024-2 A3 5.27<br>11/20/2028 | 535,000.00          | 05/14/2024<br>5.27%                   | 534,935.00<br>534,951.05     | 101.20<br>4.30%            | 541,394.64<br>1,018.13       | 0.31%<br>6,443.59       | NA/AAA<br>AAA             | 3.39<br>1.16         |

## HOLDINGS REPORT

City of Cupertino | Account #10659 | As of June 30, 2025

| Cusip            | Security Description               | Par Value/<br>Units  | Purchase<br>Date<br>Purchase<br>Yield | Cost Value<br>Book Value                     | Mkt<br>Price<br>Mkt<br>YTM    | Market Value<br>Accrued Int.             | % of Port.<br>Gain/Loss          | Moody's/<br>S&P/<br>Fitch | Maturity<br>Duration       |
|------------------|------------------------------------|----------------------|---------------------------------------|--|-------------------------------|--|----------------------------------|---------------------------|----------------------------|
| 36268GAD7        | GMCAR 2024-1 A3 4.85<br>12/18/2028 | 1,310,000.00         | --<br>4.97%                           | 1,307,922.66<br>1,308,455.50                 | 100.50<br>4.32%               | 1,316,546.20<br>2,647.29                 | 0.76%<br>8,090.70                | Aaa/NA<br>AAA             | 3.47<br>0.85               |
| 161571HV9        | CHAIT 241 A 4.6 01/16/2029         | 1,690,000.00         | 01/24/2024<br>4.61%                   | 1,689,742.61<br>1,689,816.05                 | 100.73<br>4.14%               | 1,702,377.22<br>3,455.11                 | 0.98%<br>12,561.17               | NA/AAA<br>AAA             | 3.55<br>1.46               |
| 096919AD7        | BMWOT 2024-A A3 5.18<br>02/26/2029 | 695,000.00           | 06/04/2024<br>5.18%                   | 694,894.43<br>694,918.05                     | 101.26<br>4.11%               | 703,762.56<br>600.02                     | 0.40%<br>8,844.51                | Aaa/AAA<br>NA             | 3.66<br>1.12               |
| 05522RDJ4        | BACCT 2024-1 A 4.93 05/15/2029     | 785,000.00           | 06/06/2024<br>4.93%                   | 784,955.96<br>784,965.47                     | 101.48<br>4.14%               | 796,628.28<br>1,720.02                   | 0.46%<br>11,662.81               | Aaa/AAA<br>NA             | 3.87<br>1.75               |
| 02582JKP4        | AMXCA 2025-2 A 4.28 04/15/2030     | 1,420,000.00         | 05/06/2025<br>4.28%                   | 1,419,974.30<br>1,419,975.00                 | 100.61<br>4.08%               | 1,428,685.71<br>2,701.16                 | 0.82%<br>8,710.71                | NA/AAA<br>AAA             | 4.79<br>2.58               |
| 92970QAJ4        | WFCIT 2025-1 A 4.34 05/15/2030     | 1,365,000.00         | 06/03/2025<br>4.33%                   | 1,364,977.34<br>1,364,977.60                 | 100.78<br>4.09%               | 1,375,690.41<br>3,455.73                 | 0.79%<br>10,712.80               | NA/AAA<br>AAA             | 4.87<br>2.65               |
| <b>Total ABS</b> |                                    | <b>13,885,951.56</b> | <b>4.77%</b>                          | <b>13,911,944.72</b><br><b>13,900,056.61</b> | <b>100.82</b><br><b>4.26%</b> | <b>13,999,144.59</b><br><b>28,792.91</b> | <b>8.06%</b><br><b>99,087.98</b> |                           | <b>3.36</b><br><b>1.33</b> |

| AGENCY              |  |                      |                     |  |                               |  |                                  |                |                            |
|---------------------|--|----------------------|---------------------|--|-------------------------------|--|----------------------------------|----------------|----------------------------|
| 3137EAEX3           | FEDERAL HOME LOAN MORTGAGE<br>CORP 0.375 09/23/2025        | 600,000.00           | --<br>0.46%         | 597,447.07<br>599,879.97                     | 99.09<br>4.41%                | 594,533.15<br>612.50                     | 0.34%<br>(5,346.82)              | Aa1/AA+<br>AA+ | 0.23<br>0.23               |
| 3135G06G3           | FEDERAL NATIONAL MORTGAGE<br>ASSOCIATION 0.5 11/07/2025    | 2,500,000.00         | --<br>0.56%         | 2,492,700.00<br>2,499,482.72                 | 98.68<br>4.32%                | 2,467,003.68<br>1,875.00                 | 1.42%<br>(32,479.04)             | Aa1/AA+<br>AA+ | 0.36<br>0.34               |
| 3130B0TY5           | FEDERAL HOME LOAN BANKS 4.75<br>04/09/2027                 | 1,875,000.00         | 04/10/2024<br>4.85% | 1,870,050.00<br>1,872,069.85                 | 101.70<br>3.75%               | 1,906,833.28<br>20,286.46                | 1.10%<br>34,763.43               | Aa1/AA+<br>AA+ | 1.77<br>1.67               |
| 3133ERDS7           | FEDERAL FARM CREDIT BANKS<br>FUNDING CORP 4.75 05/06/2027  | 2,400,000.00         | 06/20/2024<br>4.55% | 2,412,552.00<br>2,408,064.87                 | 101.70<br>3.79%               | 2,440,710.94<br>17,416.67                | 1.40%<br>32,646.07               | Aa1/AA+<br>AA+ | 1.85<br>1.75               |
| 3133EPC60           | FEDERAL FARM CREDIT BANKS<br>FUNDING CORP 4.625 11/15/2027 | 2,800,000.00         | 11/09/2023<br>4.73% | 2,789,612.00<br>2,793,835.46                 | 101.74<br>3.85%               | 2,848,663.66<br>16,547.22                | 1.64%<br>54,828.21               | Aa1/AA+<br>AA+ | 2.38<br>2.22               |
| <b>Total Agency</b> |  | <b>10,175,000.00</b> | <b>3.46%</b>        | <b>10,162,361.07</b><br><b>10,173,332.87</b> | <b>100.83</b><br><b>3.96%</b> | <b>10,257,744.70</b><br><b>56,737.85</b> | <b>5.90%</b><br><b>84,411.84</b> |                | <b>1.53</b><br><b>1.44</b> |

| AGENCY CMBS |                                |            |                     |                          |                |                        |                      |                |              |
|-------------|--------------------------------|------------|---------------------|--------------------------|----------------|------------------------|----------------------|----------------|--------------|
| 3137BSP72   | FHMS K-058 A2 2.653 08/25/2026 | 650,000.00 | 11/12/2021<br>1.36% | 687,451.17<br>658,632.52 | 98.16<br>4.23% | 638,009.19<br>1,437.04 | 0.37%<br>(20,623.33) | Aa1/AA+<br>AAA | 1.15<br>1.07 |



## HOLDINGS REPORT

City of Cupertino | Account #10659 | As of June 30, 2025

| Cusip                    | Security Description           | Par Value/<br>Units  | Purchase<br>Date<br>Purchase<br>Yield | Cost Value<br>Book Value                     | Mkt<br>Price<br>Mkt<br>YTM   | Market Value<br>Accrued Int.             | % of Port.<br>Gain/Loss            | Moody's/<br>S&P/<br>Fitch | Maturity<br>Duration       |
|--------------------------|--------------------------------|----------------------|---------------------------------------|--|------------------------------|--|------------------------------------|---------------------------|----------------------------|
| 3137FBBX3                | FHMS K-068 A2 3.244 08/25/2027 | 1,000,000.00         | 09/28/2022<br>4.36%                   | 950,664.06<br>978,704.11                     | 98.27<br>4.04%               | 982,744.00<br>2,703.33                   | 0.57%<br>4,039.89                  | Aaa/AA+<br>AA+            | 2.15<br>1.98               |
| 3137FKUP9                | FHMS K-087 A2 3.771 12/25/2028 | 2,000,000.00         | 07/01/2024<br>4.86%                   | 1,913,359.38<br>1,932,786.25                 | 99.12<br>4.01%               | 1,982,438.40<br>6,285.00                 | 1.14%<br>49,652.15                 | Aa1/AAA<br>AA+            | 3.49<br>3.04               |
| 3137FL6P4                | FHMS K-089 A2 3.563 01/25/2029 | 1,288,000.00         | 07/03/2024<br>4.70%                   | 1,228,178.44<br>1,241,224.44                 | 98.34<br>4.03%               | 1,266,556.47<br>3,824.29                 | 0.73%<br>25,332.04                 | Aa1/AA+<br>AA+            | 3.57<br>3.26               |
| 3137H5YC5                | FHMS K-748 A2 2.26 01/25/2029  | 2,000,000.00         | 07/03/2024<br>4.74%                   | 1,801,718.75<br>1,844,960.29                 | 94.13<br>4.06%               | 1,882,569.40<br>3,766.67                 | 1.08%<br>37,609.11                 | Aa1/AA+<br>AAA            | 3.57<br>3.28               |
| 3137FKZZ2                | FHMS K-088 A2 3.69 01/25/2029  | 2,550,000.00         | 07/17/2024<br>4.50%                   | 2,465,830.08<br>2,483,659.18                 | 98.76<br>4.03%               | 2,518,407.03<br>7,841.25                 | 1.45%<br>34,747.85                 | Aaa/AA+<br>AA+            | 3.57<br>3.21               |
| 3137FLN91                | FHMS K-091 A2 3.505 03/25/2029 | 2,500,000.00         | 03/20/2025<br>4.25%                   | 2,431,738.28<br>2,436,393.57                 | 98.06<br>4.05%               | 2,451,509.00<br>7,302.08                 | 1.41%<br>15,115.43                 | Aa1/AAA<br>AA+            | 3.73<br>3.34               |
| 3137FMCR1                | FHMS K-093 A2 2.982 05/25/2029 | 1,985,462.82         | 09/19/2024<br>3.82%                   | 1,915,506.28<br>1,927,165.70                 | 96.30<br>4.05%               | 1,912,066.61<br>4,933.88                 | 1.10%<br>(15,099.09)               | Aa1/AA+<br>AAA            | 3.90<br>3.40               |
| 3137FNAEO                | FHMS K-095 A2 2.785 06/25/2029 | 2,200,000.00         | 07/17/2024<br>4.47%                   | 2,039,382.82<br>2,070,802.03                 | 95.37<br>4.06%               | 2,098,124.16<br>5,105.83                 | 1.21%<br>27,322.13                 | Aa1/AA+<br>AAA            | 3.99<br>3.60               |
| 3137FPHK4                | FHMS K-098 A2 2.425 08/25/2029 | 1,600,000.00         | 09/03/2024<br>4.00%                   | 1,488,375.00<br>1,506,958.38                 | 93.83<br>4.07%               | 1,501,262.56<br>3,233.33                 | 0.86%<br>(5,695.82)                | Aa1/AA+<br>AAA            | 4.15<br>3.78               |
| 3137FPJG1                | FHMS K-099 A2 2.595 09/25/2029 | 1,500,000.00         | 06/05/2025<br>4.21%                   | 1,407,011.72<br>1,408,276.46                 | 94.30<br>4.09%               | 1,414,560.15<br>3,243.75                 | 0.81%<br>6,283.69                  | Aa1/AA+<br>AAA            | 4.24<br>3.84               |
| 3137FRUT6                | FHMS K-106 A2 2.069 01/25/2030 | 2,000,000.00         | 06/06/2025<br>4.37%                   | 1,810,078.13<br>1,812,359.47                 | 91.55<br>4.12%               | 1,831,017.80<br>3,448.33                 | 1.05%<br>18,658.33                 | Aa1/AA+<br>AAA            | 4.57<br>4.24               |
| <b>Total Agency CMBS</b> |                                | <b>21,273,462.82</b> | <b>4.30%</b>                          | <b>20,139,294.11</b><br><b>20,301,922.40</b> | <b>96.33</b><br><b>4.06%</b> | <b>20,479,264.78</b><br><b>53,124.79</b> | <b>11.78%</b><br><b>177,342.38</b> |                           | <b>3.69</b><br><b>3.33</b> |
| <b>CASH</b>              |                                |                      |                                       |  |                              |  |                                    |                           |                            |
| CCYUSD                   | Receivable                     | 130.32               | --                                    | 130.32<br>130.32                             | 1.00<br>0.00%                | 130.32<br>0.00                           | 0.00%<br>0.00                      | Aaa/AAA<br>AAA            | 0.00<br>0.00               |
| <b>Total Cash</b>        |                                | <b>130.32</b>        |                                       | <b>130.32</b><br><b>130.32</b>               | <b>1.00</b><br><b>0.00%</b>  | <b>130.32</b><br><b>0.00</b>             | <b>0.00%</b><br><b>0.00</b>        |                           | <b>0.00</b><br><b>0.00</b> |
| <b>CORPORATE</b>         |                                |                      |                                       |  |                              |  |                                    |                           |                            |

## HOLDINGS REPORT

City of Cupertino | Account #10659 | As of June 30, 2025

| Cusip     | Security Description                                   | Par Value/<br>Units | Purchase<br>Date<br>Purchase<br>Yield | Cost Value<br>Book Value     | Mkt<br>Price<br>Mkt<br>YTM | Market Value<br>Accrued Int. | % of Port.<br>Gain/Loss | Moody's/<br>S&P/<br>Fitch | Maturity<br>Duration |
|-----------|--|---------------------|---------------------------------------|------------------------------|----------------------------|------------------------------|-------------------------|---------------------------|----------------------|
| 023135BX3 | AMAZON.COM INC 1.0<br>05/12/2026                       | 1,875,000.00        | 05/10/2021<br>1.09%                   | 1,866,900.00<br>1,873,602.68 | 97.38<br>4.11%             | 1,825,920.45<br>2,552.08     | 1.05%<br>(47,682.23)    | A1/AA<br>AA-              | 0.87<br>0.84         |
| 91324PEC2 | UNITEDHEALTH GROUP INC 1.15<br>05/15/2026              | 1,035,000.00        | --<br>1.37%                           | 1,025,051.35<br>1,033,019.36 | 97.21<br>4.45%             | 1,006,078.45<br>1,520.88     | 0.58%<br>(26,940.91)    | A2/A+<br>A                | 0.87<br>0.85         |
| 89236TJK2 | TOYOTA MOTOR CREDIT CORP<br>1.125 06/18/2026           | 1,385,000.00        | 06/15/2021<br>1.13%                   | 1,384,390.60<br>1,384,882.53 | 97.05<br>4.28%             | 1,344,191.94<br>562.66       | 0.77%<br>(40,690.58)    | A1/A+<br>A+               | 0.97<br>0.94         |
| 57629WDE7 | MASSMUTUAL GLOBAL FUNDING<br>II 1.2 07/16/2026         | 1,000,000.00        | 08/19/2021<br>1.15%                   | 1,002,230.00<br>1,000,473.94 | 96.93<br>4.24%             | 969,302.24<br>5,500.00       | 0.56%<br>(31,171.70)    | Aa3/AA+<br>AA+            | 1.04<br>1.01         |
| 58989V2D5 | MET TOWER GLOBAL FUNDING<br>1.25 09/14/2026            | 770,000.00          | 09/07/2021<br>1.27%                   | 769,291.60<br>769,829.30     | 96.43<br>4.33%             | 742,477.10<br>2,860.76       | 0.43%<br>(27,352.20)    | Aa3/AA-<br>AA-            | 1.21<br>1.17         |
| 931142ERO | WALMART INC 1.05 09/17/2026                            | 350,000.00          | 09/08/2021<br>1.09%                   | 349,338.50<br>349,839.52     | 96.64<br>3.91%             | 338,256.41<br>1,061.67       | 0.19%<br>(11,583.11)    | Aa2/AA<br>AA              | 1.22<br>1.18         |
| 59217GER6 | METROPOLITAN LIFE GLOBAL<br>FUNDING I 1.875 01/11/2027 | 1,115,000.00        | 01/03/2022<br>1.90%                   | 1,113,728.90<br>1,114,610.87 | 96.65<br>4.16%             | 1,077,643.21<br>9,872.40     | 0.62%<br>(36,967.67)    | Aa3/AA-<br>AA-            | 1.53<br>1.47         |
| 808513BY0 | CHARLES SCHWAB CORP 2.45<br>03/03/2027                 | 960,000.00          | 03/01/2022<br>2.46%                   | 959,729.90<br>959,906.41     | 97.18<br>4.21%             | 932,950.67<br>7,709.33       | 0.54%<br>(26,955.75)    | A2/A-<br>A                | 1.67<br>1.60         |
| 084664CZ2 | BERKSHIRE HATHAWAY FINANCE<br>CORP 2.3 03/15/2027      | 1,615,000.00        | 03/07/2022<br>2.30%                   | 1,614,693.15<br>1,614,895.48 | 97.49<br>3.83%             | 1,574,474.11<br>10,937.14    | 0.91%<br>(40,421.37)    | Aa2/AA<br>A+              | 1.71<br>1.64         |
| 14913UAL4 | CATERPILLAR FINANCIAL SERVICES<br>CORP 5.0 05/14/2027  | 1,000,000.00        | 05/10/2024<br>5.04%                   | 998,930.00<br>999,332.96     | 101.70<br>4.04%            | 1,017,024.22<br>6,527.78     | 0.59%<br>17,691.26      | A2/A<br>A+                | 1.87<br>1.76         |
| 24422EXZ7 | JOHN DEERE CAPITAL CORP 4.65<br>01/07/2028             | 1,430,000.00        | 01/06/2025<br>4.66%                   | 1,429,571.00<br>1,429,638.90 | 101.51<br>4.01%            | 1,451,594.89<br>31,769.83    | 0.84%<br>21,955.99      | A1/A<br>A+                | 2.52<br>2.31         |
| 57636QAW4 | MASTERCARD INC 4.875<br>03/09/2028                     | 945,000.00          | 03/06/2023<br>4.90%                   | 944,083.35<br>944,507.31     | 102.26<br>3.98%            | 966,353.23<br>14,332.50      | 0.56%<br>21,845.92      | Aa3/A+<br>NA              | 2.69<br>2.40         |
| 61690U8E3 | MORGAN STANLEY BANK NA<br>4.968 07/14/2028             | 1,950,000.00        | 07/17/2024<br>4.97%                   | 1,950,000.00<br>1,950,000.00 | 101.20<br>4.66%            | 1,973,358.39<br>44,939.70    | 1.14%<br>23,358.39      | Aa3/A+<br>AA-             | 3.04<br>1.88         |
| 74340XBL4 | PROLOGIS LP 4.375 02/01/2029                           | 1,500,000.00        | 07/18/2024<br>4.68%                   | 1,481,235.00<br>1,485,162.29 | 100.69<br>4.17%            | 1,510,280.49<br>27,343.75    | 0.87%<br>25,118.20      | A2/A<br>NA                | 3.59<br>3.02         |
| 78016HZV5 | ROYAL BANK OF CANADA 4.95<br>02/01/2029                | 2,000,000.00        | 10/31/2024<br>4.69%                   | 2,019,920.00<br>2,016,815.92 | 102.29<br>4.25%            | 2,045,811.40<br>41,250.00    | 1.18%<br>28,995.48      | A1/A<br>AA-               | 3.59<br>3.20         |
| 743315AV5 | PROGRESSIVE CORP 4.0<br>03/01/2029                     | 1,500,000.00        | 07/16/2024<br>4.72%                   | 1,455,495.00<br>1,464,696.57 | 99.40<br>4.18%             | 1,490,925.45<br>20,000.00    | 0.86%<br>26,228.88      | A2/A<br>A                 | 3.67<br>3.33         |
| 64952WFG3 | NEW YORK LIFE GLOBAL FUNDING<br>5.0 06/06/2029         | 1,000,000.00        | 07/01/2024<br>5.12%                   | 994,880.00<br>995,915.38     | 102.29<br>4.36%            | 1,022,880.96<br>3,472.22     | 0.59%<br>26,965.58      | Aa1/AA+<br>AAA            | 3.93<br>3.53         |

## HOLDINGS REPORT

City of Cupertino | Account #10659 | As of June 30, 2025

| Cusip     | Security Description  | Par Value/<br>Units | Purchase<br>Date<br>Purchase<br>Yield | Cost Value<br>Book Value     | Mkt<br>Price<br>Mkt<br>YTM | Market Value<br>Accrued Int. | % of Port.<br>Gain/Loss | Moody's/<br>S&P/<br>Fitch | Maturity<br>Duration |
|-----------|---|---------------------|---------------------------------------|------------------------------|----------------------------|------------------------------|-------------------------|---------------------------|----------------------|
| 437076BY7 | HOME DEPOT INC 2.95<br>06/15/2029                                       | 1,663,000.00        | 09/17/2024<br>3.93%                   | 1,593,203.89<br>1,604,735.77 | 95.69<br>4.14%             | 1,591,375.14<br>2,180.38     | 0.92%<br>(13,360.63)    | A2/A<br>A                 | 3.96<br>3.68         |
| 437076DC3 | HOME DEPOT INC 4.75<br>06/25/2029                                       | 1,000,000.00        | 07/01/2024<br>4.93%                   | 992,260.00<br>993,808.85     | 102.07<br>4.18%            | 1,020,732.62<br>791.67       | 0.59%<br>26,923.77      | A2/A<br>A                 | 3.99<br>3.53         |
| 756109CB8 | REALTY INCOME CORP 4.0<br>07/15/2029                                    | 1,463,000.00        | 08/08/2024<br>4.69%                   | 1,419,212.41<br>1,427,138.43 | 98.73<br>4.35%             | 1,444,359.17<br>26,984.22    | 0.83%<br>17,220.75      | A3/A-<br>NA               | 4.04<br>3.62         |
| 713448FX1 | PEPSICO INC 4.5 07/17/2029  | 1,500,000.00        | 07/15/2024<br>4.53%                   | 1,497,675.00<br>1,498,119.37 | 101.59<br>4.07%            | 1,523,912.34<br>30,750.00    | 0.88%<br>25,792.97      | A1/A+<br>NA               | 4.05<br>3.53         |
| 46647PAV8 | JPMORGAN CHASE & CO 4.203<br>07/23/2029                                 | 1,500,000.00        | 09/17/2024<br>4.27%                   | 1,496,610.00<br>1,497,300.56 | 99.58<br>4.69%             | 1,493,663.55<br>27,669.75    | 0.86%<br>(3,637.01)     | A1/A<br>AA-               | 4.06<br>2.79         |
| 06051GHM4 | BANK OF AMERICA CORP 4.271<br>07/23/2029                                | 1,500,000.00        | 09/17/2024<br>4.29%                   | 1,498,710.00<br>1,498,972.78 | 99.67<br>4.73%             | 1,495,058.82<br>28,117.42    | 0.86%<br>(3,913.96)     | A1/A-<br>AA-              | 4.06<br>2.79         |
| 30303M8S4 | META PLATFORMS INC 4.3<br>08/15/2029                                    | 912,000.00          | 08/12/2024<br>4.33%                   | 910,584.09<br>910,832.22     | 100.91<br>4.06%            | 920,314.75<br>14,814.93      | 0.53%<br>9,482.53       | Aa3/AA-<br>NA             | 4.13<br>3.62         |
| 171239ALO | CHUBB INA HOLDINGS LLC 4.65<br>08/15/2029                               | 1,750,000.00        | --<br>4.44%                           | 1,765,746.34<br>1,763,253.10 | 101.70<br>4.19%            | 1,779,826.25<br>30,741.67    | 1.02%<br>16,573.15      | A2/A<br>A                 | 4.13<br>3.59         |
| 91324PDS8 | UNITEDHEALTH GROUP INC 2.875<br>08/15/2029                              | 2,000,000.00        | 09/17/2024<br>3.94%                   | 1,906,080.00<br>1,921,069.46 | 94.39<br>4.38%             | 1,887,713.62<br>21,722.22    | 1.09%<br>(33,355.84)    | A2/A+<br>A                | 4.13<br>3.78         |
| 02665WFO9 | AMERICAN HONDA FINANCE<br>CORP 4.4 09/05/2029                           | 1,750,000.00        | 10/02/2024<br>4.29%                   | 1,758,102.50<br>1,756,881.27 | 99.53<br>4.52%             | 1,741,752.20<br>24,811.11    | 1.00%<br>(15,129.07)    | A3/A-<br>NA               | 4.18<br>3.72         |
| 40139LBJ1 | GUARDIAN LIFE GLOBAL FUNDING<br>4.179 09/26/2029                        | 1,205,000.00        | 09/23/2024<br>4.18%                   | 1,205,000.00<br>1,205,000.00 | 99.55<br>4.29%             | 1,199,605.13<br>13,288.64    | 0.69%<br>(5,394.87)     | Aa1/AA+<br>NA             | 4.24<br>3.80         |
| 14913UAU4 | CATERPILLAR FINANCIAL SERVICES<br>CORP 4.7 11/15/2029                   | 1,200,000.00        | 11/14/2024<br>4.74%                   | 1,198,092.00<br>1,198,330.24 | 101.85<br>4.23%            | 1,222,143.07<br>7,206.67     | 0.70%<br>23,812.83      | A2/A<br>A+                | 4.38<br>3.90         |
| 64952WFK4 | NEW YORK LIFE GLOBAL FUNDING<br>4.6 12/05/2029                          | 1,365,000.00        | 12/02/2024<br>4.61%                   | 1,364,221.95<br>1,364,310.58 | 101.11<br>4.32%            | 1,380,218.51<br>4,534.83     | 0.79%<br>15,907.93      | Aa1/AA+<br>AAA            | 4.43<br>3.96         |
| 89236TNA9 | TOYOTA MOTOR CREDIT CORP<br>4.95 01/09/2030                             | 1,445,000.00        | 01/06/2025<br>5.00%                   | 1,441,907.70<br>1,442,200.67 | 102.26<br>4.39%            | 1,477,693.20<br>34,174.25    | 0.85%<br>35,492.52      | A1/A+<br>A+               | 4.53<br>3.93         |
| 63743HFX5 | NATIONAL RURAL UTILITIES<br>COOPERATIVE FINANCE CORP 4.95<br>02/07/2030 | 1,000,000.00        | 02/05/2025<br>4.88%                   | 1,002,873.61<br>1,002,643.08 | 102.28<br>4.40%            | 1,022,838.47<br>19,800.00    | 0.59%<br>20,195.39      | A2/NA<br>A                | 4.61<br>3.94         |
| 571748CA8 | MARSH & MCLENNAN<br>COMPANIES INC 4.65 03/15/2030                       | 1,400,000.00        | 03/11/2025<br>4.69%                   | 1,397,340.00<br>1,397,494.58 | 101.13<br>4.38%            | 1,415,789.27<br>19,168.33    | 0.81%<br>18,294.69      | A3/A-<br>A-               | 4.71<br>4.07         |

## HOLDINGS REPORT

City of Cupertino | Account #10659 | As of June 30, 2025

| Cusip                          | Security Description  | Par Value/<br>Units  | Purchase<br>Date<br>Purchase<br>Yield | Cost Value<br>Book Value                     | Mkt<br>Price<br>Mkt<br>YTM    | Market Value<br>Accrued Int.              | % of Port.<br>Gain/Loss           | Moody's/<br>S&P/<br>Fitch | Maturity<br>Duration       |
|--------------------------------|---|----------------------|---------------------------------------|--|-------------------------------|---|-----------------------------------|---------------------------|----------------------------|
| 57629TBX4                      | MASSMUTUAL GLOBAL FUNDING<br>II 4.55 05/07/2030                           | 1,000,000.00         | 05/01/2025<br>4.58%                   | 998,670.00<br>998,710.06                     | 100.71<br>4.38%               | 1,007,139.17<br>6,825.00                  | 0.58%<br>8,429.11                 | Aa3/AA+<br>AA+            | 4.85<br>4.29               |
| 66815L2W8                      | NORTHWESTERN MUTUAL<br>GLOBAL FUNDING 4.6 06/03/2030                      | 1,000,000.00         | 06/12/2025<br>4.51%                   | 1,004,040.00<br>1,003,999.96                 | 101.05<br>4.36%               | 1,010,528.81<br>3,577.78                  | 0.58%<br>6,528.85                 | Aa1/AA+<br>AAA            | 4.93<br>4.35               |
| <b>Total Corporate</b>         |   | <b>46,083,000.00</b> | <b>3.93%</b>                          | <b>45,809,797.84</b><br><b>45,871,930.39</b> | <b>99.71</b><br><b>4.28%</b>  | <b>45,924,187.68</b><br><b>549,371.56</b> | <b>26.43%</b><br><b>52,257.30</b> |                           | <b>3.35</b><br><b>2.90</b> |
| <b>MONEY MARKET FUND</b>       |   |                      |                                       |  |                               |   |                                   |                           |                            |
| 992995944                      | WC MMF SWEEP  | 52,202.85            | --<br>2.25%                           | 52,202.85<br>52,202.85                       | 1.00<br>2.25%                 | 52,202.85<br>0.00                         | 0.03%<br>0.00                     | NA/NA<br>NA               | 0.00<br>0.00               |
| VP4520004                      | WF ADV 100% TREAS MM FD-SVC<br>CL #008                                    | 732,507.83           | --<br>3.81%                           | 732,507.83<br>732,507.83                     | 1.00<br>3.81%                 | 732,507.83<br>0.00                        | 0.42%<br>0.00                     | Aaa/AAAm<br>NA            | 0.00<br>0.00               |
| <b>Total Money Market Fund</b> |   | <b>784,710.68</b>    | <b>3.71%</b>                          | <b>784,710.68</b><br><b>784,710.68</b>       | <b>1.00</b><br><b>3.71%</b>   | <b>784,710.68</b><br><b>0.00</b>          | <b>0.45%</b><br><b>0.00</b>       |                           | <b>0.00</b><br><b>0.00</b> |
| <b>MUNICIPAL BONDS</b>         |   |                      |                                       |  |                               |   |                                   |                           |                            |
| 13063EGT7                      | CALIFORNIA STATE 4.5 08/01/2029   | 1,740,000.00         | 10/30/2024<br>4.38%                   | 1,749,169.80<br>1,747,908.29                 | 101.77<br>4.02%               | 1,770,876.30<br>32,625.00                 | 1.02%<br>22,968.01                | Aa2/AA-<br>AA             | 4.09<br>3.64               |
| <b>Total Municipal Bonds</b>   |   | <b>1,740,000.00</b>  | <b>4.38%</b>                          | <b>1,749,169.80</b><br><b>1,747,908.29</b>   | <b>101.77</b><br><b>4.02%</b> | <b>1,770,876.30</b><br><b>32,625.00</b>   | <b>1.02%</b><br><b>22,968.01</b>  |                           | <b>4.09</b><br><b>3.64</b> |
| <b>SUPRANATIONAL</b>           |   |                      |                                       |  |                               |   |                                   |                           |                            |
| 459058JL8                      | INTERNATIONAL BANK FOR<br>RECONSTRUCTION AND<br>DEVELOPM 0.5 10/28/2025   | 2,400,000.00         | --<br>0.60%                           | 2,388,859.25<br>2,399,227.79                 | 98.74<br>4.43%                | 2,369,755.70<br>2,100.00                  | 1.36%<br>(29,472.09)              | Aaa/AAA<br>NA             | 0.33<br>0.32               |
| 4581X0DV7                      | INTER-AMERICAN DEVELOPMENT<br>BANK 0.875 04/20/2026                       | 2,460,000.00         | 04/13/2021<br>0.97%                   | 2,448,733.20<br>2,458,192.13                 | 97.47<br>4.11%                | 2,397,693.34<br>4,245.21                  | 1.38%<br>(60,498.79)              | Aaa/AAA<br>NA             | 0.80<br>0.78               |
| 459058LN1                      | INTERNATIONAL BANK FOR<br>RECONSTRUCTION AND<br>DEVELOPM 3.875 10/16/2029 | 1,750,000.00         | 12/12/2024<br>4.25%                   | 1,721,510.00<br>1,724,732.85                 | 100.24<br>3.81%               | 1,754,113.52<br>14,127.60                 | 1.01%<br>29,380.66                | Aaa/AAA<br>NA             | 4.30<br>3.89               |

## HOLDINGS REPORT

City of Cupertino | Account #10659 | As of June 30, 2025

| Cusip                      | Security Description  | Par Value/<br>Units | Purchase<br>Date<br>Purchase<br>Yield | Cost Value<br>Book Value                   | Mkt<br>Price<br>Mkt<br>YTM   | Market Value<br>Accrued Int.            | % of Port.<br>Gain/Loss            | Moody's/<br>S&P/<br>Fitch | Maturity<br>Duration       |
|----------------------------|---|---------------------|---------------------------------------|--|------------------------------|---|------------------------------------|---------------------------|----------------------------|
| 459058LR2                  | INTERNATIONAL BANK FOR<br>RECONSTRUCTION AND<br>DEVELOPM 4.125 03/20/2030 | 1,700,000.00        | 03/14/2025<br>4.20%                   | 1,694,220.00<br>1,694,546.04               | 101.23<br>3.84%              | 1,720,826.60<br>19,673.96               | 0.99%<br>26,280.56                 | Aaa/AAA<br>NA             | 4.72<br>4.21               |
| <b>Total Supranational</b> |   | <b>8,310,000.00</b> | <b>2.24%</b>                          | <b>8,253,322.45</b><br><b>8,276,698.81</b> | <b>99.21</b><br><b>4.08%</b> | <b>8,242,389.16</b><br><b>40,146.77</b> | <b>4.74%</b><br><b>(34,309.65)</b> |                           | <b>2.23</b><br><b>2.03</b> |
| <b>US TREASURY</b>         |   |                     |                                       |  |                              |   |                                    |                           |                            |
| 91282CAM3                  | UNITED STATES TREASURY 0.25<br>09/30/2025                                 | 1,200,000.00        | --<br>0.56%                           | 1,183,070.32<br>1,199,077.96               | 99.00<br>4.31%               | 1,188,015.62<br>754.10                  | 0.68%<br>(11,062.34)               | Aa1/AA+<br>AA+            | 0.25<br>0.25               |
| 91282CAT8                  | UNITED STATES TREASURY 0.25<br>10/31/2025                                 | 2,450,000.00        | --<br>0.49%                           | 2,422,492.19<br>2,448,076.36               | 98.67<br>4.33%               | 2,417,293.46<br>1,031.93                | 1.39%<br>(30,782.90)               | Aa1/AA+<br>AA+            | 0.34<br>0.33               |
| 91282CAZ4                  | UNITED STATES TREASURY 0.375<br>11/30/2025                                | 2,250,000.00        | 03/26/2021<br>0.76%                   | 2,209,658.20<br>2,246,407.76               | 98.39<br>4.31%               | 2,213,854.99<br>714.65                  | 1.27%<br>(32,552.77)               | Aa1/AA+<br>AA+            | 0.42<br>0.41               |
| 91282CBH3                  | UNITED STATES TREASURY 0.375<br>01/31/2026                                | 2,500,000.00        | 05/27/2021<br>0.75%                   | 2,456,445.31<br>2,494,546.11               | 97.80<br>4.24%               | 2,444,946.30<br>3,910.57                | 1.41%<br>(49,599.81)               | Aa1/AA+<br>AA+            | 0.59<br>0.57               |
| 91282CBW0                  | UNITED STATES TREASURY 0.75<br>04/30/2026                                 | 2,500,000.00        | 05/27/2021<br>0.80%                   | 2,493,652.34<br>2,498,930.29               | 97.29<br>4.10%               | 2,432,250.98<br>3,158.97                | 1.40%<br>(66,679.31)               | Aa1/AA+<br>AA+            | 0.83<br>0.81               |
| 91282CCZ2                  | UNITED STATES TREASURY 0.875<br>09/30/2026                                | 1,400,000.00        | 10/18/2021<br>1.19%                   | 1,379,054.68<br>1,394,714.41               | 96.33<br>3.92%               | 1,348,593.75<br>3,079.24                | 0.78%<br>(46,120.66)               | Aa1/AA+<br>AA+            | 1.25<br>1.22               |
| 91282CDG3                  | UNITED STATES TREASURY 1.125<br>10/31/2026                                | 1,400,000.00        | 11/15/2021<br>1.25%                   | 1,391,468.75<br>1,397,703.31               | 96.43<br>3.90%               | 1,350,070.32<br>2,653.53                | 0.78%<br>(47,632.99)               | Aa1/AA+<br>AA+            | 1.34<br>1.30               |
| 91282CJP7                  | UNITED STATES TREASURY 4.375<br>12/15/2026                                | 2,500,000.00        | 12/28/2023<br>4.01%                   | 2,525,097.66<br>2,512,340.07               | 100.75<br>3.84%              | 2,518,652.35<br>4,781.42                | 1.45%<br>6,312.28                  | Aa1/AA+<br>AA+            | 1.46<br>1.40               |
| 91282CKJ9                  | UNITED STATES TREASURY 4.5<br>04/15/2027                                  | 2,300,000.00        | 04/17/2024<br>4.77%                   | 2,283,109.38<br>2,289,899.66               | 101.25<br>3.77%              | 2,328,660.16<br>21,774.59               | 1.34%<br>38,760.51                 | Aa1/AA+<br>AA+            | 1.79<br>1.69               |
| 91282CKR1                  | UNITED STATES TREASURY 4.5<br>05/15/2027                                  | 3,200,000.00        | 05/08/2024<br>4.65%                   | 3,186,500.00<br>3,191,579.45               | 101.32<br>3.76%              | 3,242,124.99<br>18,391.30               | 1.87%<br>50,545.54                 | Aa1/AA+<br>AA+            | 1.87<br>1.77               |
| 91282CEW7                  | UNITED STATES TREASURY 3.25<br>06/30/2027                                 | 3,250,000.00        | --<br>3.18%                           | 3,260,312.50<br>3,254,012.13               | 99.11<br>3.72%               | 3,220,927.74<br>287.02                  | 1.85%<br>(33,084.38)               | Aa1/AA+<br>AA+            | 2.00<br>1.91               |
| 91282CFB2                  | UNITED STATES TREASURY 2.75<br>07/31/2027                                 | 400,000.00          | 08/22/2022<br>3.12%                   | 393,218.75<br>397,141.57                   | 98.05<br>3.73%               | 392,203.12<br>4,588.40                  | 0.23%<br>(4,938.44)                | Aa1/AA+<br>AA+            | 2.08<br>1.98               |
| 91282CFH9                  | UNITED STATES TREASURY 3.125<br>08/31/2027                                | 4,500,000.00        | --<br>3.28%                           | 4,468,902.34<br>4,486,457.20               | 98.77<br>3.72%               | 4,444,628.90<br>47,002.38               | 2.56%<br>(41,828.30)               | Aa1/AA+<br>AA+            | 2.17<br>2.05               |

# HOLDINGS REPORT

City of Cupertino | Account #10659 | As of June 30, 2025

| Cusip                                   | Security Description                       | Par Value/<br>Units   | Purchase<br>Date<br>Purchase<br>Yield | Cost Value<br>Book Value                       | Mkt<br>Price<br>Mkt<br>YTM    | Market Value<br>Accrued Int.                 | % of Port.<br>Gain/Loss             | Moody's/<br>S&P/<br>Fitch | Maturity<br>Duration       |
|---|--|-----------------------|---------------------------------------|--|-------------------------------|--|-------------------------------------|---------------------------|----------------------------|
| 91282CFM8                               | UNITED STATES TREASURY 4.125<br>09/30/2027 | 3,450,000.00          | --<br>4.31%                           | 3,421,152.34<br>3,436,818.34                   | 100.91<br>3.70%               | 3,481,400.38<br>35,772.54                    | 2.00%<br>44,582.05                  | Aa1/AA+<br>AA+            | 2.25<br>2.11               |
| 91282CFZ9                               | UNITED STATES TREASURY 3.875<br>11/30/2027 | 850,000.00            | 12/05/2022<br>3.81%                   | 852,656.25<br>851,287.26                       | 100.38<br>3.71%               | 853,253.90<br>2,789.79                       | 0.49%<br>1,966.64                   | Aa1/AA+<br>AA+            | 2.42<br>2.28               |
| 91282CGC9                               | UNITED STATES TREASURY 3.875<br>12/31/2027 | 2,750,000.00          | --<br>3.67%                           | 2,775,107.42<br>2,762,749.25                   | 100.42<br>3.70%               | 2,761,601.56<br>289.57                       | 1.59%<br>(1,147.69)                 | Aa1/AA+<br>AA+            | 2.50<br>2.36               |
| 91282CGH8                               | UNITED STATES TREASURY 3.5<br>01/31/2028   | 3,000,000.00          | 02/07/2023<br>3.81%                   | 2,957,929.69<br>2,978,154.91                   | 99.49<br>3.71%                | 2,984,765.64<br>43,798.34                    | 1.72%<br>6,610.73                   | Aa1/AA+<br>AA+            | 2.59<br>2.41               |
| 91282CGP0                               | UNITED STATES TREASURY 4.0<br>02/29/2028   | 3,700,000.00          | --<br>4.01%                           | 3,699,113.28<br>3,699,598.42                   | 100.76<br>3.70%               | 3,728,039.04<br>49,467.39                    | 2.15%<br>28,440.63                  | Aa1/AA+<br>AA+            | 2.67<br>2.48               |
| 91282CKG5                               | UNITED STATES TREASURY 4.125<br>03/31/2029 | 2,300,000.00          | 04/17/2024<br>4.62%                   | 2,249,867.19<br>2,262,039.92                   | 101.35<br>3.73%               | 2,331,085.93<br>23,848.36                    | 1.34%<br>69,046.00                  | Aa1/AA+<br>AA+            | 3.75<br>3.42               |
| 91282CKX8                               | UNITED STATES TREASURY 4.25<br>06/30/2029  | 2,000,000.00          | 07/01/2024<br>4.41%                   | 1,985,546.88<br>1,988,431.16                   | 101.86<br>3.74%               | 2,037,187.50<br>230.98                       | 1.17%<br>48,756.34                  | Aa1/AA+<br>AA+            | 4.00<br>3.65               |
| 91282CLK5                               | UNITED STATES TREASURY 3.625<br>08/31/2029 | 3,500,000.00          | 09/11/2024<br>3.45%                   | 3,527,480.47<br>3,523,069.65                   | 99.50<br>3.75%                | 3,482,636.71<br>42,406.59                    | 2.00%<br>(40,432.94)                | Aa1/AA+<br>AA+            | 4.17<br>3.79               |
| 91282CLN9                               | UNITED STATES TREASURY 3.5<br>09/30/2029   | 5,000,000.00          | --<br>3.83%                           | 4,925,039.06<br>4,935,849.11                   | 98.99<br>3.76%                | 4,949,609.40<br>43,989.07                    | 2.85%<br>13,760.29                  | Aa1/AA+<br>AA+            | 4.25<br>3.88               |
| 91282CLR0                               | UNITED STATES TREASURY 4.125<br>10/31/2029 | 3,000,000.00          | 10/31/2024<br>4.17%                   | 2,993,789.06<br>2,994,612.65                   | 101.43<br>3.76%               | 3,042,890.64<br>20,849.18                    | 1.75%<br>48,277.99                  | Aa1/AA+<br>AA+            | 4.34<br>3.91               |
| 91282CMD0                               | UNITED STATES TREASURY 4.375<br>12/31/2029 | 4,400,000.00          | --<br>4.53%                           | 4,369,171.88<br>4,372,009.36                   | 102.48<br>3.77%               | 4,509,140.64<br>523.10                       | 2.59%<br>137,131.28                 | Aa1/AA+<br>AA+            | 4.50<br>4.06               |
| 91282CMG3                               | UNITED STATES TREASURY 4.25<br>01/31/2030  | 4,000,000.00          | 02/07/2025<br>4.34%                   | 3,983,906.25<br>3,985,155.82                   | 101.97<br>3.78%               | 4,078,906.24<br>70,911.60                    | 2.35%<br>93,750.42                  | Aa1/AA+<br>AA+            | 4.59<br>4.07               |
| 91282CGQ8                               | UNITED STATES TREASURY 4.0<br>02/28/2030   | 4,500,000.00          | --<br>4.01%                           | 4,496,958.99<br>4,497,092.47                   | 100.97<br>3.77%               | 4,543,769.52<br>60,163.04                    | 2.61%<br>46,677.05                  | Aa1/AA+<br>AA+            | 4.67<br>4.17               |
| <b>Total US Treasury</b>                |  | <b>72,300,000.00</b>  | <b>3.42%</b>                          | <b>71,890,701.18</b><br><b>72,097,754.56</b>   | <b>100.06</b><br><b>3.83%</b> | <b>72,326,509.78</b><br><b>507,167.66</b>    | <b>41.62%</b><br><b>228,755.21</b>  |                           | <b>2.77</b><br><b>2.54</b> |
| <b>Total Portfolio</b>                  |  | <b>174,552,255.38</b> | <b>3.73%</b>                          | <b>172,701,432.17</b><br><b>173,154,444.93</b> | <b>99.16</b><br><b>4.03%</b>  | <b>173,784,957.99</b><br><b>1,267,966.53</b> | <b>100.00%</b><br><b>630,513.06</b> |                           | <b>2.98</b><br><b>2.54</b> |
| <b>Total Market Value +<br/>Accrued</b> |  |                       |                                       |  |                               | <b>175,052,924.52</b>                        |                                     |                           |                            |

## HOLDINGS REPORT



City of Cupertino Reporting | Account #10663 | As of June 30, 2025

| Cusip                                   | Security Description                       | Par Value/<br>Units   | Purchase<br>Date<br>Purchase<br>Yield | Cost Value<br>Book Value       | Mkt<br>Price<br>Mkt<br>YTM  | Market Value<br>Accrued Int.         | % of Port.<br>Gain/Loss       | Moody's/<br>S&P/<br>Fitch | Maturity<br>Duration       |
|---|--|-----------------------|---------------------------------------|--------------------------------|-----------------------------|--------------------------------------|-------------------------------|---------------------------|----------------------------|
| <b>CASH</b>                             |  |                       |                                       |                                |                             |                                      |                               |                           |                            |
| 90CASH\$02                              | Cash                                       | 40,923.05             | --                                    | 40,923.05<br>40,923.05         | 1.00                        | 40,923.05<br>0.00                    | 0.03%<br>0.00                 | NA/NA<br>NA               | 0.00<br>0.00               |
| 90CASH\$00                              | Custodial Cash Account                     | 51,674,890.48         | --<br>0.00%                           | 51,674,890.48<br>51,674,890.48 | 1.00<br>0.00%               | 51,674,890.48<br>0.00                | 42.89%<br>0.00                | NA/NA<br>NA               | 0.00<br>0.00               |
| CCYUSD                                  | Receivable                                 | 717,610.97            | --                                    | 717,610.97<br>717,610.97       | 1.00<br>0.00%               | 717,610.97<br>0.00                   | 0.60%<br>0.00                 | Aaa/AAA<br>AAA            | 0.00<br>0.00               |
| <b>Total Cash</b>                       |  | <b>52,433,424.50</b>  | <b>0.00%</b>                          | <b>52,433,424.50</b>           | <b>1.00</b><br><b>0.00%</b> | <b>52,433,424.50</b><br><b>0.00</b>  | <b>43.52%</b><br><b>0.00</b>  |                           | <b>0.00</b><br><b>0.00</b> |
| <b>LAIF</b>                             |  |                       |                                       |                                |                             |                                      |                               |                           |                            |
| 90LAIF\$00                              | Local Agency Investment Fund<br>State Pool | 68,055,207.44         | --<br>4.27%                           | 68,055,207.44<br>68,055,207.44 | 1.00<br>4.27%               | 68,055,207.44<br>0.00                | 56.48%<br>0.00                | NA/NA<br>NA               | 0.00<br>0.00               |
| <b>Total LAIF</b>                       |  | <b>68,055,207.44</b>  | <b>4.27%</b>                          | <b>68,055,207.44</b>           | <b>1.00</b><br><b>4.27%</b> | <b>68,055,207.44</b><br><b>0.00</b>  | <b>56.48%</b><br><b>0.00</b>  |                           | <b>0.00</b><br><b>0.00</b> |
| <b>Total Portfolio</b>                  |  | <b>120,488,631.94</b> | <b>2.43%</b>                          | <b>120,488,631.94</b>          | <b>1.00</b><br><b>2.41%</b> | <b>120,488,631.94</b><br><b>0.00</b> | <b>100.00%</b><br><b>0.00</b> |                           | <b>0.00</b><br><b>0.00</b> |
| <b>Total Market Value +<br/>Accrued</b> |  |                       |                                       |                                |                             | <b>120,488,631.94</b>                |                               |                           |                            |

## TRANSACTIONS

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## TRANSACTION LEDGER

City of Cupertino | Account #10659 | 04/01/2025 Through 06/30/2025 |

| Transaction Type          | Settlement Date | CUSIP     | Quantity              | Security Description                              | Price   | Acq/Disp Yield | Amount                 | Interest Pur/Sold  | Total Amount           | Gain/Loss   |
|---------------------------|-----------------|-----------|-----------------------|---|---------|----------------|------------------------|--------------------|------------------------|-------------|
| <b>ACQUISITIONS</b>       |                 |           |                       |   |         |                |                        |                    |                        |             |
| Purchase                  | 04/11/2025      | 91282CGQ8 | 1,650,000.00          | UNITED STATES TREASURY 4.0 02/28/2030             | 100.000 | 4.00%          | (1,650,000.00)         | (7,532.61)         | (1,657,532.61)         | 0.00        |
| Purchase                  | 05/07/2025      | 57629TBX4 | 1,000,000.00          | MASSMUTUAL GLOBAL FUNDING II 4.55 05/07/2030      | 99.867  | 4.58%          | (998,670.00)           | 0.00               | (998,670.00)           | 0.00        |
| Purchase                  | 05/13/2025      | 02582JKP4 | 1,420,000.00          | AMXCA 2025-2 A 4.28 04/15/2030                    | 99.998  | 4.28%          | (1,419,974.30)         | 0.00               | (1,419,974.30)         | 0.00        |
| Purchase                  | 06/04/2025      | 91282CGQ8 | 2,000,000.00          | UNITED STATES TREASURY 4.0 02/28/2030             | 99.949  | 4.01%          | (1,998,984.38)         | (20,869.57)        | (2,019,853.95)         | 0.00        |
| Purchase                  | 06/10/2025      | 92970QAJ4 | 1,365,000.00          | WFCIT 2025-1 A 4.34 05/15/2030                    | 99.998  | 4.33%          | (1,364,977.34)         | 0.00               | (1,364,977.34)         | 0.00        |
| Purchase                  | 06/10/2025      | 3137FPJG1 | 1,500,000.00          | FHMS K-099 A2 2.595 09/25/2029                    | 93.801  | 4.21%          | (1,407,011.72)         | (973.13)           | (1,407,984.85)         | 0.00        |
| Purchase                  | 06/11/2025      | 3137FRUT6 | 2,000,000.00          | FHMS K-106 A2 2.069 01/25/2030                    | 90.504  | 4.37%          | (1,810,078.13)         | (1,149.44)         | (1,811,227.57)         | 0.00        |
| Purchase                  | 06/13/2025      | 66815L2W8 | 1,000,000.00          | NORTHWESTERN MUTUAL GLOBAL FUNDING 4.6 06/03/2030 | 100.404 | 4.51%          | (1,004,040.00)         | (1,277.78)         | (1,005,317.78)         | 0.00        |
| <b>Total Purchase</b>     |                 |           | <b>11,935,000.00</b>  |   |         |                | <b>(11,653,735.87)</b> | <b>(31,802.53)</b> | <b>(11,685,538.40)</b> | <b>0.00</b> |
| <b>TOTAL ACQUISITIONS</b> |                 |           | <b>11,935,000.00</b>  |   |         |                | <b>(11,653,735.87)</b> | <b>(31,802.53)</b> | <b>(11,685,538.40)</b> | <b>0.00</b> |
| <b>DISPOSITIONS</b>       |                 |           |                       |   |         |                |                        |                    |                        |             |
| Maturity                  | 05/15/2025      | 02582JIT8 | (1,375,000.00)        | AMXCA 2022-2 A 3.39 05/17/2027                    | 100.000 | 3.42%          | 0.00                   | 0.00               | 0.00                   | 0.00        |
| <b>Total Maturity</b>     |                 |           | <b>(1,375,000.00)</b> |   |         |                | <b>0.00</b>            | <b>0.00</b>        | <b>0.00</b>            | <b>0.00</b> |
| Sale                      | 04/11/2025      | 91282CAM3 | (1,100,000.00)        | UNITED STATES TREASURY 0.25 09/30/2025            | 98.160  | 0.56%          | 1,079,761.72           | 82.65              | 1,079,844.37           | (18,640.75) |
| Sale                      | 05/02/2025      | 57629W4S6 | (1,000,000.00)        | MASSMUTUAL GLOBAL FUNDING II 5.1 04/09/2027       | 101.866 | 4.99%          | 1,018,660.00           | 3,258.33           | 1,021,918.33           | 16,835.26   |
| Sale                      | 05/09/2025      | 3137EAEX3 | (500,000.00)          | FEDERAL HOME LOAN MORTGAGE CORP 0.375 09/23/2025  | 98.539  | 0.46%          | 492,695.00             | 239.58             | 492,934.58             | (7,141.87)  |

## TRANSACTION LEDGER

City of Cupertino | Account #10659 | 04/01/2025 Through 06/30/2025 |

| Transaction Type          | Settlement Date | CUSIP     | Quantity              | Security Description                                    | Price   | Acq/Disp Yield | Amount              | Interest Pur/Sold | Total Amount        | Gain/Loss          |
|---------------------------|-----------------|-----------|-----------------------|---|---------|----------------|---------------------|-------------------|---------------------|--------------------|
| Sale                      | 06/04/2025      | 89115A2W1 | (1,000,000.00)        | TORONTO-DOMINION BANK<br>4.98 04/05/2027                | 100.868 | 4.98%          | 1,008,680.00        | 8,161.67          | 1,016,841.67        | 8,680.00           |
| Sale                      | 06/06/2025      | 3137EAEX3 | (1,400,000.00)        | FEDERAL HOME LOAN<br>MORTGAGE CORP 0.375<br>09/23/2025  | 98.820  | 0.46%          | 1,383,480.00        | 1,064.58          | 1,384,544.58        | (16,156.58)        |
| Sale                      | 06/09/2025      | 665859AW4 | (670,000.00)          | NORTHERN TRUST CORP 4.0<br>05/10/2027                   | 99.294  | 4.03%          | 665,269.80          | 2,158.89          | 667,428.69          | (4,314.11)         |
| Sale                      | 06/11/2025      | 3137BLMZ8 | (1,000,000.00)        | FHMS K-049 A2 3.01<br>07/25/2025                        | 99.617  | 0.87%          | 135,397.65          | 113.64            | 135,511.29          | (669.19)           |
| Sale                      | 06/11/2025      | 3137BLW95 | (950,000.00)          | FHMS K-050 A2 3.334<br>08/25/2025                       | 99.625  | 1.22%          | 388,308.56          | 360.98            | 388,669.54          | (2,516.89)         |
| Sale                      | 06/11/2025      | 3137BLMZ8 | 1,000,000.00          | FHMS K-049 A2 3.01<br>07/25/2025                        | 99.617  | 0.87%          | (135,397.65)        | (113.64)          | (135,511.29)        | 669.19             |
| Sale                      | 06/11/2025      | 3137BLMZ8 | (1,000,000.00)        | FHMS K-049 A2 3.01<br>07/25/2025                        | 99.609  | 0.87%          | 135,397.65          | 113.64            | 135,511.29          | (669.19)           |
| Sale                      | 06/13/2025      | 66815L2A6 | (850,000.00)          | NORTHWESTERN MUTUAL<br>GLOBAL FUNDING 0.8<br>01/14/2026 | 97.872  | 1.46%          | 831,912.00          | 2,814.44          | 834,726.44          | (14,851.45)        |
| <b>Total Sale</b>         |                 |           | <b>(8,470,000.00)</b> |   |         |                | <b>7,004,164.73</b> | <b>18,254.76</b>  | <b>7,022,419.49</b> | <b>(38,775.57)</b> |
| <b>TOTAL DISPOSITIONS</b> |                 |           | <b>(9,845,000.00)</b> |   |         |                | <b>7,004,164.73</b> | <b>18,254.76</b>  | <b>7,022,419.49</b> | <b>(38,775.57)</b> |

TRANSACTION LEDGER



City of Cupertino Reporting | Account #10663 | 04/01/2025 Through 06/30/2025 |

| Transaction Type   | Settlement Date | CUSIP      | Quantity   | Security Description                    | Price | Acq/Disp Yield | Amount       | Interest Pur/Sold | Total Amount | Gain/Loss |
|--------------------|-----------------|------------|------------|---|-------|----------------|--------------|-------------------|--------------|-----------|
| ACQUISITIONS       |                 |            |            |   |       |                |              |                   |              |           |
| Purchase           | 06/30/2025      | 90LAIF\$00 | 741,786.47 | Local Agency Investment Fund State Pool | 1.000 | 4.27%          | (741,786.47) | 0.00              | (741,786.47) | 0.00      |
| Total Purchase     |                 |            | 741,786.47 |   |       |                | (741,786.47) | 0.00              | (741,786.47) | 0.00      |
| TOTAL ACQUISITIONS |                 |            | 741,786.47 |   |       |                | (741,786.47) | 0.00              | (741,786.47) | 0.00      |

## IMPORTANT DISCLOSURES



City of Cupertino | As of June 30, 2025

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

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

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

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

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

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

Security level ratings for U.S. Agency issued mortgage-backed securities (“MBS”) reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest.

**BENCHMARK DISCLOSURES**



City of Cupertino | Account #10659 | As of June 30, 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. |

AC 7-28-2025

Item No. 8  
Special Revenue  
Fund Process  
Audit Update

Presentations



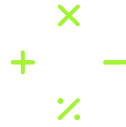
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# CITY OF CUPERTINO Special Revenue Fund Process Review

Audit Committee Meeting  
July 28, 2025



# Agenda

## 01 PURPOSE AND SCOPE

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## 02 METHODOLOGY

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## 03 OBSERVATIONS AND RECOMMENDATIONS

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# Purpose and Scope

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The purpose of this engagement was to:

- Document the process used for special revenue fund accounting
- Identify gaps compared to best practices
- Conduct testing of prior years' accounting

# Methodology

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Our work was performed between August 2024 and April 2025. The project consisted of four phases:

1. **Project Initiation and Management:** This phase concentrated on comprehensive project planning and project management, including setting the scope, identifying staff to interview and documents to review, communicating the plan, and establishing a game plan for execution.
2. **Fact Finding:** This phase included staff interviews, document reviews, research on industry best practices, and testing of a sample of expenditure transactions. We worked with City staff to obtain the most currently available information and insights.
3. **Analysis:** This phase served as the assessment portion of the project. Based on the information gathered, we evaluated the importance, impact, and scope of our observations in order to draw conclusions and develop process recommendations.
4. **Reporting:** This phase concluded the project. We reviewed draft observations and recommendations with City leadership to validate facts and confirm the practicality of recommendations.

# Observation and Recommendation

## Process Documentation and Training

### Observation

Processes and controls exist to ensure only allowable expenditures are recorded to special revenue funds, but some processes and controls are not well-documented. Gaps in documentation, staff knowledge, and training led to miscoding expenditures to a special revenue fund in FY24.

### Recommendation

- A. Verify the processes and controls that ensure only allowable expenditures are recorded to special revenue funds are well-documented and easily replicable.
- B. Conduct and document staff training on permitted uses of all special revenue funds.

# Additional Process Improvement Opportunities

|   | Category                            | Recommendation  |
|---|-------------------------------------|---|
| 1 | <b>Allowability of Expenditures</b> | <p>Where ambiguity exists between permitted use of special revenue fees and City expenditures, we recommend the following:</p> <ul style="list-style-type: none"><li>• Obtain and document City Attorney review of the proposed expenditure or expenditure category.</li><li>• Specific to the BMR fund—if appropriate, consider revising the BMR Housing Mitigation Program Procedural Manual to clarify permitted use of fees.</li></ul>  |
| 2 | <b>Roles and Responsibilities</b>   | <p>We recommend Finance maintain the following information centrally for each special revenue fund:</p> <ul style="list-style-type: none"><li>• Regulatory documentation, such as Municipal Code section or City resolution, that guides the use of each special revenue fund</li><li>• Department responsible for managing each special revenue fund</li><li>• Position or person within department responsible for ensuring that invoices coded to special revenue funds adhere to regulatory requirements and restrictions</li></ul> |

# Questions?

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