CITY OF CUPERTINO

AGENDA

AUDIT COMMITTEE

10185 North Stelling Road, Quinlan Conference Room and via Teleconference
Monday, July 27, 2026
4:00 PM

Regular Meeting

IN-PERSON AND TELECONFERENCE / PUBLIC PARTICIPATION INFORMATION

OPTIONS TO OBSERVE:

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

1) Attend in person at Quinlan Community Center, Conference Room, 10185 N. Stelling Road.
2) Watch a live stream online at https://youtube.com/@cupertinocitycommission and www.Cupertino.org/webcast.

OPTIONS TO PARTICIPATE AND COMMENT:

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

1) Appear in person at Quinlan Community Center, Conference Room, 10185 N. Stelling Road:

A. During "Oral Communications", the public may comment on matters not on the agenda, and for agendized matters, the public may comment during the public comment period for each agendized item.
B. Speakers are requested to complete a Speaker Card. While completion of Speaker Cards is voluntary and not required to attend the meeting or provide comments, it is helpful for the purposes of ensuring that all speakers are called upon.
C. Speakers must wait to be called and may begin speaking when recognized by the Chair.
D. Speakers are limited to three (3) minutes each. However, the Chair may reduce the speaking time depending on the number of people who wish to speak on an item. A speaker representing a group of 2 to 5 or more people who are present may have up to 2

minutes per group member, up to 10 minutes maximum.
E. Please note that due to cyber security concerns, speakers are not allowed to connect any personal devices to any City equipment. However, speakers that wish to share a document (e.g. presentations, photographs or other documents) during oral comments may do so by:
a. E-mailing the document to AuditCommittee@cupertino.gov by 3:00 p.m. and staff will advance the slides/share the documents during your oral comment.

2) Written communications as follows:

A. E-mail comments to AuditCommittee@cupertino.gov
B. Regular mail or hand delivered addressed to the: Cupertino Audit Committee, City Hall, 10300 Torre Avenue, Cupertino, CA 95014
C. Comments addressed to the Audit Committee received by 5:00 p.m. on the day of the meeting will be included in written communications published and distributed before the beginning of the meeting.
D. Comments addressed to the Audit Committee received after the 5:00 p.m. deadline, but through the end of the Commission meeting, will be posted to the City's website by the end of the following business day.

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

https://cityofcupertino.zoom.us/webinar/register/WN_zqr-7OFVSoq0Rqf_e1SJQw

a. Registrants will receive a confirmation email containing information about joining the webinar.
b. Speakers will be recognized by the name they use for registration. Once recognized, speakers must click 'unmute' when prompted to speak.
c. Please read the following instructions about technical compatibility carefully: One can directly download the teleconference (Zoom) software or connect to the meeting in their internet browser. If a browser is used, make sure the most current and up-to-date browser, such as the following, is used: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers, including Internet Explorer.

B. By Phone (Audio only): No registration is required in advance and speakers may join the meeting as follows:
a. Dial 669-900-6833 and enter WEBINAR ID: 834 0795 2775
b. To "raise hand" to speak: Dial *9; When asked to unmute: Dial *6
c. Speakers will be recognized to speak by the last four digits of their phone number.

ROLL CALL

POSTPONEMENTS

ORAL COMMUNICATIONS

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

CONSENT CALENDAR

1. Subject: Approval of April 27, 2026 Audit Committee meeting minutes
Recommended Action: Approve the April 27, 2026 Audit Committee meeting minutes
A - Draft Minutes

2. Subject: Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending June 30, 2026
Recommended Action: Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending June 30, 2026
Presenter: PARS and US Bank
A - OPEB Pension Section 115 Trust Performance Report for Quarter Ending June 30, 2026

3. Subject: Receive the Treasurer's Investment Report for the Quarter Ending June 30, 2026
Recommended Action: Receive the Treasurer's Investment Report for the Quarter Ending June 30, 2026 and forward to City Council
Presenter: Jonathan Orozco, Finance Director and City Treasurer, and Chandler Asset Management
Staff Report
A – Chandler Investment Report June 2026
B – Chandler Custodial Statement June 2026
C – PARS Pension and OPEB Account Statement June 2026
D – LAIF Account Statement June 2026

OLD BUSINESS

NEW BUSINESS

4. Subject: INFORMATIONAL ITEM Receive the Fiscal Year 2025-26 ACFR Interim Testing Update
Recommended Action: Receive the Fiscal Year 2025-26 ACFR Interim Testing Update
Presenter: The Pun Group
4:00(15)

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

Recommended Action: Receive the Internal Audit and Fraud, Waste, and Abuse programs update

Presenter: Baker Tilly

4:15(15)

A - City of Cupertino Internal Audit Status Report 07-27-26

B - Cupertino Audit Validation Report - July 2026

6. Subject: ACTION ITEM Receive Grants Management Internal Control Review Final Report

Recommended Action: Receive Grants Management Internal Control Review Final Report and forward to City Council

Presenter: Baker Tilly

4:30(15)

A - Grants Management ICR Report FINAL 7-20-26

7. Subject: ACTION ITEM FY 2026-27 Internal Audit Work Program Review

Recommended Action: Receive the FY 2026-27 Internal Audit Work Program and forward to City Council

Presenter: Baker Tilly

4:45(60)

A - City of Cupertino FY 26-27 Internal Audit Program

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

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

Presenter: Jonathan Orozco, Finance Director and City Treasurer

5:45 (5)

A - Proposed Audit Committee 2026 Schedule and Work Plan

STAFF AND COMMITTEE REPORTS

COMMITTEEMEMBER ATTENDANCE AT UPCOMING MEETINGS AND EVENTS

FUTURE AGENDA SETTING

ADJOURNMENT

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

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

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

CITY OF CUPERTINO

Agenda Item

26-15308

Agenda Date: 7/27/2026
Agenda #: 1.

Subject: Approval of April 27, 2026 Audit Committee meeting minutes

Approve the April 27, 2026 Audit Committee meeting minutes

CUPERTINO

MINUTES
AUDIT COMMITTEE
Monday, April 27, 2026

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

ROLL CALL

Present: Chair Eno Schmidt, Vice Chair Hanyan Wu, Mayor Kitty Moore, Committee Member William Wong. Absent: Councilmember R "Ray" Wang.

POSTPONEMENTS – None

ORAL COMMUNICATIONS – None

CONSENT

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

MOTION: Moore moved and Wu seconded to approve all consent items. The motion carried with the following vote: Ayes: Schmidt, Wu, Moore, Wong. Noes: None. Abstain: None. Absent: Wang.

1. Subject: Approval of January 26, 2026 Audit Committee meeting minutes
Recommended Action: Approval of January 26, 2026 Audit Committee meeting Minutes

2. Subject: Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending March 31, 2026 and forward to City Council
Recommended Action: Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending March 31, 2026 and forward to City Council
Presenter: PARS and US Bank

3. Subject: Receive the Treasurer's Investment Report for the Quarter Ending March 31, 2026
Recommended Action: Receive the Treasurer's Investment Report for the Quarter Ending March 31, 2026 and forward to City Council

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

Committee members asked questions which Investment Pool Strategist at Chandler Asset Management Carlos Oblites and staff responded to.

NEW BUSINESS

4. Subject: INFORMATIONAL ITEM Receive the Internal Audit and Fraud, Waste, and Abuse programs update
Recommended Action: Receive the Internal Audit and Fraud, Waste, and Abuse programs update
Presenter: Baker Tilly
4:00(15)

Written Communications included a report.

Baker Tilly Director Chelsea Ritchie gave a report.

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

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

The Committee received the report.

5. Subject: INFORMATIONAL ITEM Receive City Council Policy Review Final Report
Recommended Action: Receive City Council Policy Review Final Report
Presenter: Baker Tilly
4:15(15)

Written Communications included a report.

Baker Tilly Director Annie Rose Favreau gave a report.

Committee members asked questions which the presenter responded to.

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

MOTION: Moore moved and Wong seconded that they received the report, with points of emphasis to include the disciplinary element and attendance of council members in regard to their Committee assignments. The motion carried with the following vote: Ayes: Schmidt, Wu, Moore, Wong. Noes: None. Abstain: None. Absent: Wang.

6. Subject: ACTION ITEM Annual Review of the City's Investment Policy
Recommended Action: Receive Updated City's Investment Policy and forward to City Council for Adoption
Presenter: Jonathan Orozco, Acting Director of Administrative Services and City Treasurer, and Chandler
4:30(15)

Written communications included a report.

Acting Director of Administrative Services Jonathan Orozco and Senior Portfolio and Investment Pool Strategist at Chandler Asset Management Carlos Oblites gave a verbal report.

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

MOTION: Moore moved and Wu seconded to accept and forward the redline version to City Council for approval. The motion carried with the following vote: Ayes: Schmidt, Wu, Moore, Wong. Noes: None. Abstain: None. Absent: Wang.

7. Subject: INFORMATIONAL ITEM Receive the Single Audit and Agreed Upon Procedures (AUP) Reviews - GANN Limit, Investment Policy, Storm Drain
Recommended Action: Receive the Single Audit and Agreed Upon Procedures (AUP) Reviews - GANN Limit, Investment Policy, Storm Drain
Presenter: Jonathan Orozco, Acting Director of Administrative Services and City Treasurer, and The Pun Group
4:45(15)

Written Communications included a report.

Pun Group representatives Sophia Kuo and Mark Hu gave a verbal report.

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

The Committee received the report.

8. Subject: ACTION ITEM Discuss amendments to Audit Committee Duties, Powers, and

Responsibilities
Recommended Action: Receive the presentation and provide feedback on proposed amendments to the Audit Committee's duties, powers, and responsibilities, including potential changes to meeting frequency and expanded financial oversight.
Presenter: Jonathan Orozco, Finance Manager
5:00(30)
Staff Report

Acting Director of Administrative Services Jonathan Orozco introduced the item.

Committee members asked questions which staff responded to.

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

MOTION: Schmidt moved and Moore seconded to retain the three original motions by the Audit Committee: to change the name of the Committee, clarification on oversight of internal audit reports and the use of artificial intelligence as the tool for financial reporting. In addition, not to change the meeting requirements as set by municipal code, and the request of additional appropriations for additional projects as set at a future date per recommendation in July. The motion carried with the following vote: Ayes: Schmidt, Wu, **Moore,** Wong. Noes: None. Abstain: None. Absent: W**a**ng.

9. Subject: INFORMATIONAL ITEM Receive the proposed Audit Committee 2026 Schedule and Workplan
Recommended Action: Receive the proposed Audit Committee 2026 Schedule and Workplan
Presenter: Jonathan Orozco, Acting Director of Administrative Services and City Treasurer
5:30 (5)

Written Communications included a report.

Committee members asked questions and made comments, which Acting Director of Administrative Services Jonathan Orozco responded to.

STAFF AND COMMITTEE REPORTS – None.

COMMITTEEMEMBER ATTENDANCE AT UPCOMING MEETINGS AND EVENTS – None.

FUTURE AGENDA SETTING – None.

ADJOURNMENT

At 5:59 p.m. Chair Schmidt adjourned the regular Audit Committee meeting.

Minutes prepared by:

____

Lindsay Nelson, Administrative Assistant

CITY OF CUPERTINO

Agenda Item

26-15309

Agenda Date: 7/27/2026
Agenda #: 2.

Subject: Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending June 30, 2026

Receive OPEB & Pension Section 115 Trust Performance Report for Quarter Ending June 30, 2026
Presenter: PARS and US Bank

CITY OF CUPERTINO

PARS 115 Trust – OPEB Prefunding Program &
Pension Rate Stabilization Program Plan Client Review
July 27, 2026

PARS TRUST TEAM

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

40+	2,300+	1,100+	550+	750K+	$11.7 B+
Years of Experience (1984-2026)	Total Plans Administered	Public Agency Clients	115 Trust Clients	Plan Participants	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

163	$11.0T
Years of Experience (1863-2026)	Assets under Administration

Investment Manager

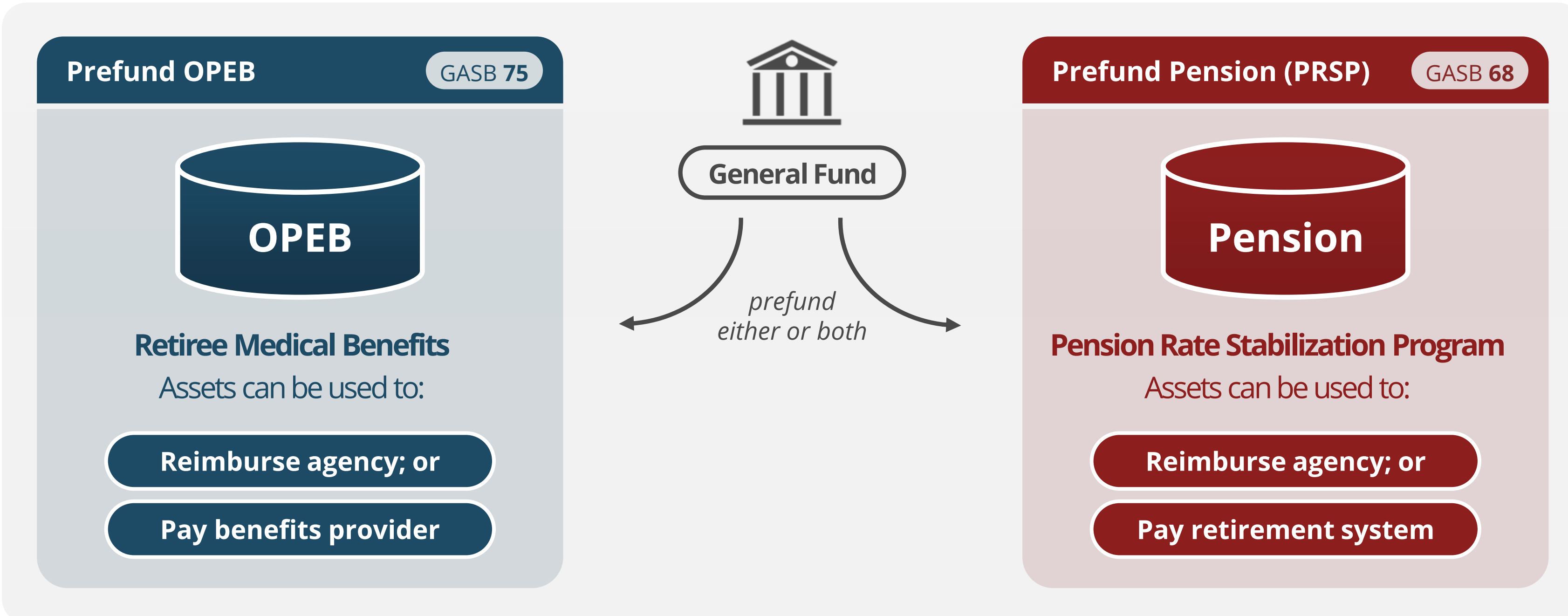
pfm asset management

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

41	$252.8B*
Years of Investment Experience *(As of 3/31/2026)*	Assets under Management & Advisement

**Please see disclosures at the end of this presentation*

PARS IRS-APPROVED SECTION 115 COMBO 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

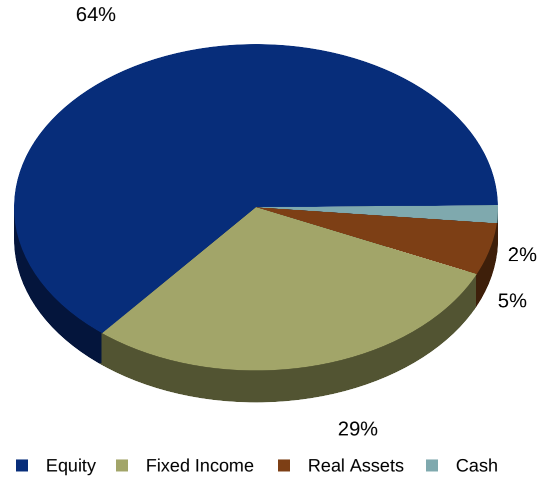
No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.

Portfolio Summary

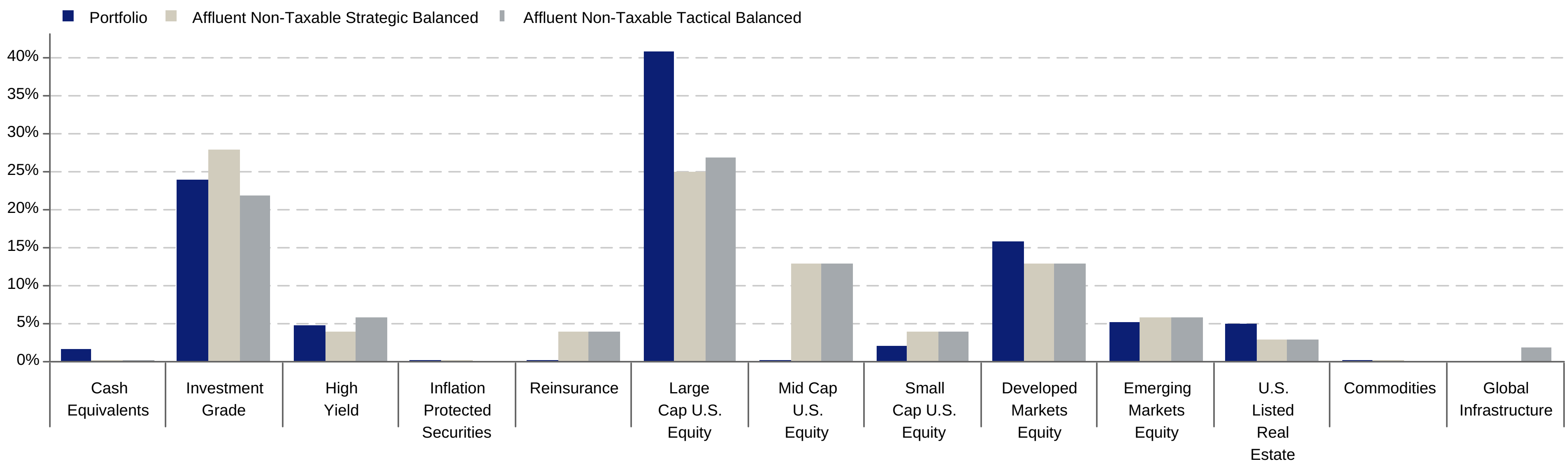
Inv. Objective	Balanced/Nontaxable-1
Total Portfolio Value	$50,005,336
Net Realized Cap Gains YTD	$511,997
Annual Income Projected	$1,198,209
Current Yield	2.40%
Number of Securities	8
Portfolio Mgr.	Dennis S. Mullins, CFA

Portfolio Asset Allocation

Equity	$32,065,971	64.13%
Fixed Income	$14,512,400	29.02%
Real Assets	$2,546,563	5.09%
Cash	$880,403	1.76%
Invested Total	**$50,005,336**	**100.00%**



Portfolio Model Allocation



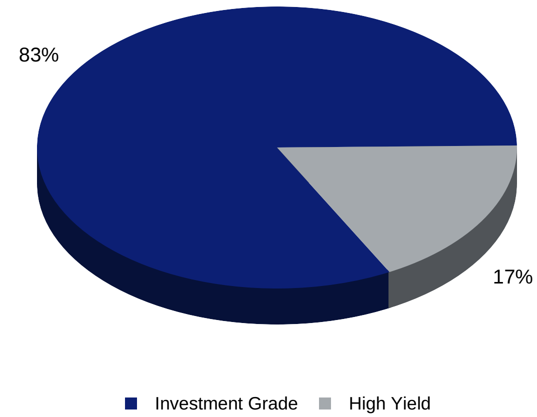
Holdings Date: 6/30/2026

Fixed Income Summary

Inv. Objective	Balanced/Nontaxable-1
Total Fixed Income Value	$14,512,400
Current Yield	4.31%
Annual Income Projected	$624,822
Number of Securities	2
Portfolio Mgr.	Dennis S. Mullins, CFA

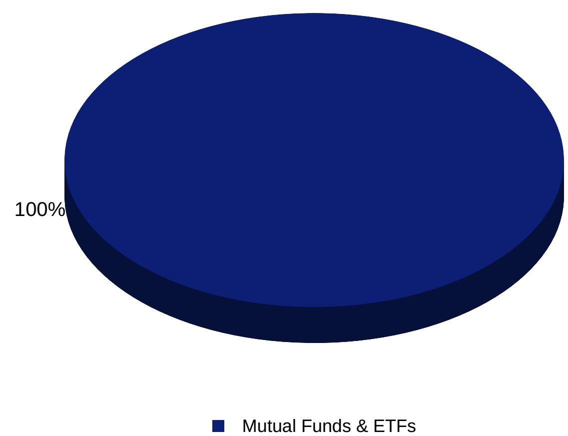
Fixed Income Asset Allocation

Investment Grade	$12,021,314	82.83%
High Yield	$2,491,086	17.17%

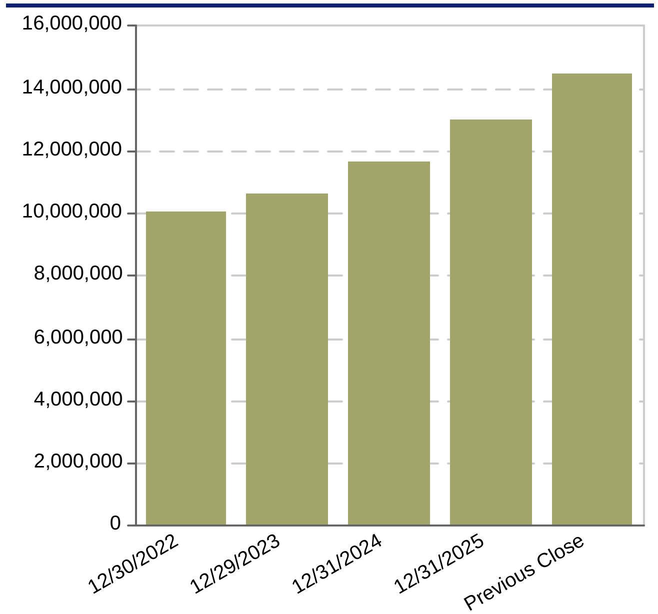


Fixed Income Sector Exposures

Mutual Funds & ETFs	$14,512,400	100.00%



Fixed Income Market Value



Holdings Date: 6/30/2026

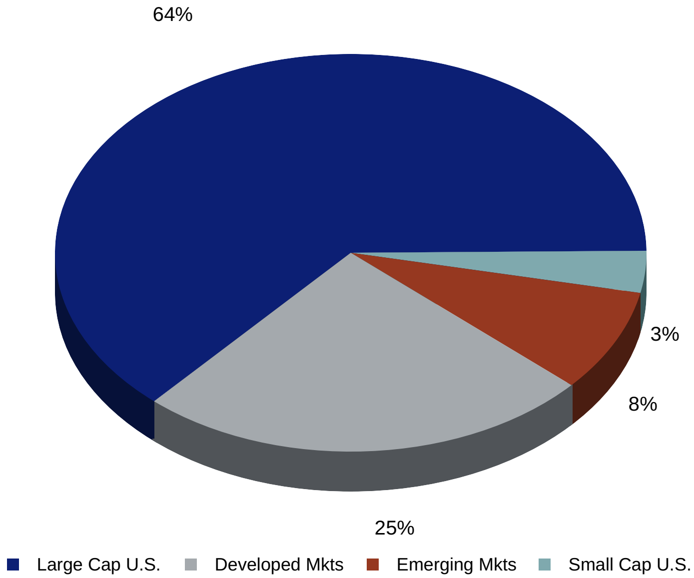
Account: XXXXXX9600 | *Holdings Method: Direct and Indirect (securities held in mutual funds & ETFs)* | *Report Date: 06/30/2026*

Equity Summary

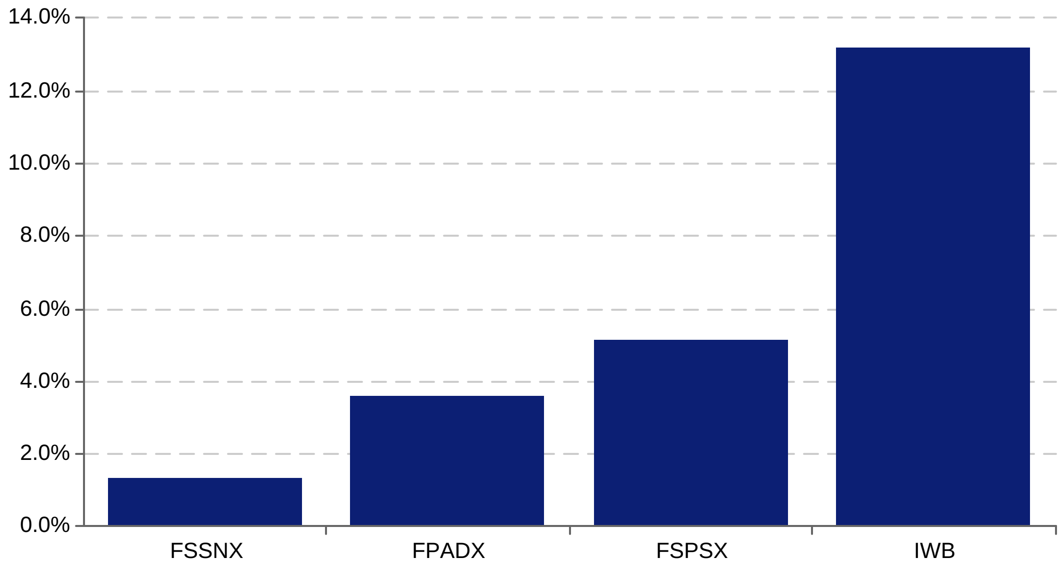
Inv. Objective	Balanced/Nontaxable-1
Total Equity Value	$32,065,971
Current Yield	1.48%
Annual Income Projected	$475,884
Number of Securities	4
Portfolio Mgr.	Dennis S. Mullins, CFA

Equity Asset Allocation

Large Cap U.S.	$20,389,005	63.58%
Developed Mkts	$7,944,107	24.77%
Emerging Mkts	$2,663,024	8.30%
Small Cap U.S.	$1,069,835	3.34%



Bottom 5/ Top 5 Contributors (Trailing 12 Months)



Equity Global Distribution

North America	67.60%
Europe	16.31%
Asia	15.01%
Middle East	0.54%
South America	0.33%
Africa	0.21%

Equity Country Distribution

United States	67.39%
Japan	5.80%
United Kingdom	3.55%
France	2.39%
Switzerland	2.37%

Holdings Date: 6/30/2026

Account: XXXXXX9600 *Holdings Method: Direct and Indirect (securities held in mutual funds & ETFs)* *Report Date: 06/30/2026*

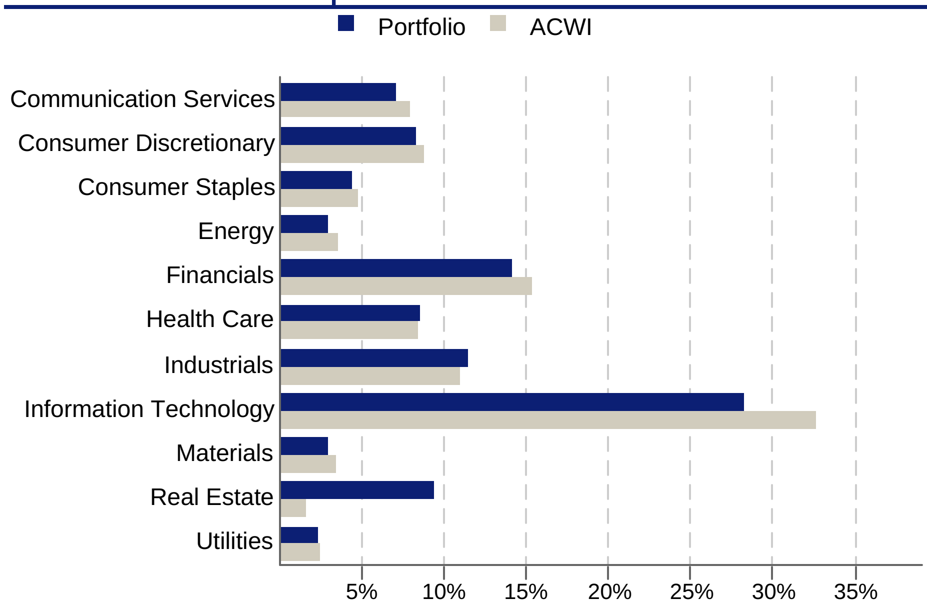
Top 10 Common Stock Holdings

	Stock Wt. (%)	Full Port Wt. (%)	Yield (%)	YTD Return* (%)	52 Wk Return* (%)
NVIDIA Corporation	4.07	2.74	0.51	7.4	26.8
Apple Inc.	3.65	2.46	0.35	6.6	41.6
Microsoft Corporation	2.42	1.63	0.94	-22.5	-24.4
Amazon.com, Inc.	2.02	1.36	0.00	3.3	8.6
Alphabet Inc. Class A	1.82	1.22	0.24	14.3	103.4
Broadcom Inc.	1.53	1.03	0.70	9.5	38.0
Alphabet Inc. Class C	1.47	0.99	0.24	12.7	99.8
Taiwan Semiconductor Manufa...	1.15	0.77	0.89	56.4	130.4
Micron Technology, Inc.	1.14	0.77	0.06	304.6	838.8
Meta Platforms Inc Class A	1.08	0.73	0.35	-14.5	-23.4

Common Stock Characteristics

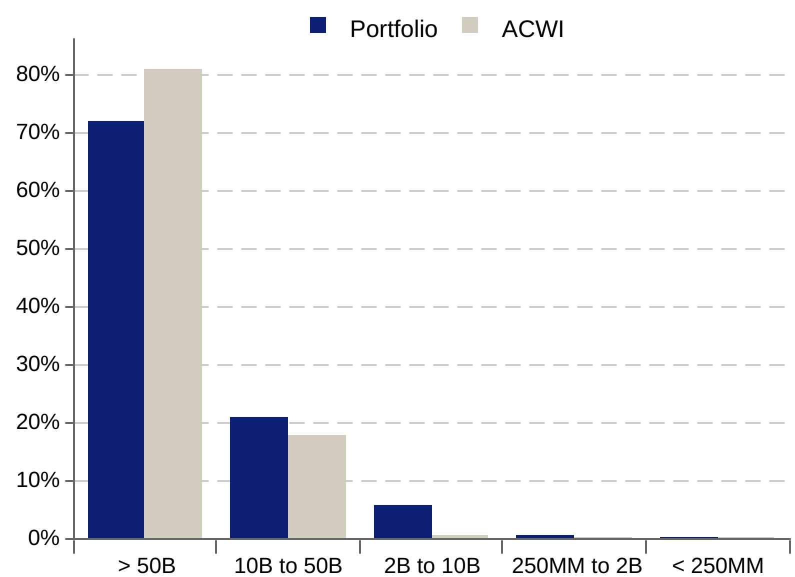
	Portfolio	ACWI
Market Cap - Wtd Avg	$851.7B	$985.6B
Market Cap - Median	$7.3B	$21.2B
Dividend Yield	1.65	1.48
P/E NTM	18.1	17.3
P/E LTM	22.9	22.7
ROE (%)	19.4	21.7
1 Yr Beta vs. S&P Composite	.90	.90
Est 3-5 Yr EPS Growth (%)	17.0	18.5
Hist 3 Yr EPS Growth (%)	22.7	25.4
Number of Securities	4800	2222

Common Stock Sector Exposures



	Portfolio	ACWI
Communication Services	7.08	7.90
Consumer Discretionary	8.34	8.81
Consumer Staples	4.42	4.75
Energy	2.93	3.53
Financials	14.15	15.43
Health Care	8.61	8.42
Industrials	11.44	11.03
Information Technology	28.25	32.61
Materials	3.02	3.44
Real Estate	9.39	1.60
Utilities	2.36	2.48

Common Stock Market Cap Distribution



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

Holdings Date: 6/30/2026

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
Total		**100.0**			**50,005,336**	**40,463,251**	**9,542,086**	**2.40**	**1,198,209**
Cash		**1.76**			**880,403**	**880,403**	**0**	**3.56**	**31,319**
Cash Equivalents		**1.76**			**880,403**	**880,403**	**0**	**3.56**	**31,319**
FIRST AM GOVT OB FD CL X	31846V336	1.76	1.00	880,403	880,403	880,403	0	3.56	31,319
Fixed Income		**29.02**			**14,512,400**	**14,443,313**	**69,087**	**4.31**	**624,822**
Investment Grade		**24.04**			**12,021,314**	**11,831,564**	**189,750**	**3.72**	**446,769**
Mutual Funds & ETFs		24.04			12,021,314	11,831,564	189,750	3.72	446,769
Fidelity U.S. Bond Index Fund	FXNAX	24.04	10.44	1,151,467	12,021,314	11,831,564	189,750	3.72	446,769
High Yield		**4.98**			**2,491,086**	**2,611,749**	**-120,663**	**7.15**	**178,053**
Mutual Funds & ETFs		4.98			2,491,086	2,611,749	-120,663	7.15	178,053
Artisan High Income Fund - Institutional Sh...	APHFX	4.98	9.01	276,480	2,491,086	2,611,749	-120,663	7.15	178,053
Equity		**64.13**			**32,065,971**	**22,950,611**	**9,115,360**	**1.48**	**475,884**
Large Cap U.S. Equity		**40.77**			**20,389,005**	**15,005,456**	**5,383,549**	**0.92**	**187,708**
Mutual Funds & ETFs		40.77			20,389,005	15,005,456	5,383,549	0.92	187,708
iShares Russell 1000 ETF	IWB	40.77	409.50	49,790	20,389,005	15,005,456	5,383,549	0.92	187,708
Small Cap U.S. Equity		**2.14**			**1,069,835**	**697,221**	**372,614**	**1.02**	**10,961**
Mutual Funds & ETFs		2.14			1,069,835	697,221	372,614	1.02	10,961
Fidelity Small Cap Index Fund	FSSNX	2.14	37.87	28,250	1,069,835	697,221	372,614	1.02	10,961
Developed Markets Equity		**15.89**			**7,944,107**	**5,718,427**	**2,225,680**	**2.86**	**227,534**
Mutual Funds & ETFs		15.89			7,944,107	5,718,427	2,225,680	2.86	227,534
Fidelity International Index Fund	FSPSX	15.89	66.93	118,693	7,944,107	5,718,427	2,225,680	2.86	227,534
Emerging Markets Equity		**5.33**			**2,663,024**	**1,529,507**	**1,133,517**	**1.87**	**49,681**
Mutual Funds & ETFs		5.33			2,663,024	1,529,507	1,133,517	1.87	49,681
Fidelity Emerging Markets Index Fund	FPADX	5.33	17.26	154,289	2,663,024	1,529,507	1,133,517	1.87	49,681
Real Assets		**5.09**			**2,546,563**	**2,188,924**	**357,639**	**2.60**	**66,184**
U.S. Listed Real Estate		**5.09**			**2,546,563**	**2,188,924**	**357,639**	**2.60**	**66,184**
iShares Core U.S. REIT ETF	USRT	5.09	66.45	38,323	2,546,563	2,188,924	357,639	2.60	66,184

Holdings Date: 6/30/2026

Selected Period Performance

	Market Value	Year to Date (6 Months)	3 Months	1 Year	3 Years	5 Years	145 Months	Inception to Date 07/01/2010
Total Portfolio Gross of Fees	50,056,767	8.75	10.05	17.49	14.70	6.76	7.39	7.72
Total Portfolio Net of Fees	50,056,767	8.67	10.00	17.31	14.51	6.58	7.18	
City of Cupertino		8.55	9.85	17.47	14.52	7.57	7.56	8.50
Total Equity	32,065,971	11.92	14.36	24.13	19.64	9.52	11.04	12.53
MSCI ACWI (Net)		11.25	14.93	23.67	19.70	10.98	10.36	11.41
Russell 3000 Index		10.88	15.44	22.82	20.36	12.31	13.40	14.97
S&P 500 Index (Total Return)		10.21	15.20	22.33	20.61	13.41	13.90	15.32
S&P MidCap 400 Index		17.34	14.47	25.89	15.41	9.07	10.60	12.86
S&P SmallCap 600 Index		23.90	19.70	37.50	16.05	7.37	10.45	12.86
MSCI EAFE Index (Net)		9.44	10.82	20.23	16.44	9.05	6.68	8.26
MSCI Emerging Markets Index (Net)		23.85	24.05	43.51	23.03	7.20	6.89	6.53
Total Fixed Income	14,561,087	.78	.87	3.86	4.91	1.03	1.31	2.04
BB US Aggregate Bond Index		.62	.67	3.79	4.16	.08	1.93	2.38
BB Global Aggregate Index		-.21	.87	.62	3.41	-1.55	.47	1.42
Total Real Assets	2,546,563	17.76	12.91	20.87	12.47	5.38		
S&P Global REIT Index (Gross)		12.24	11.08	16.65	11.31	4.05	5.74	8.39
S&P GSCI Index		24.09	-11.38	30.39	14.56	13.34	-.23	1.18
Total Cash Equivalents	883,146	1.78	.89	3.87	4.62	3.52	1.86	1.41
FTSE 3 Month Treasury Bill Index		1.87	.93	4.05	4.86	3.69	2.00	1.53
Pending Cash	0	.00	.00	.00	.00	.00	.00	.00

PARS/CITY OF CUPERTINO 115P- PENSION

Portfolio Overview

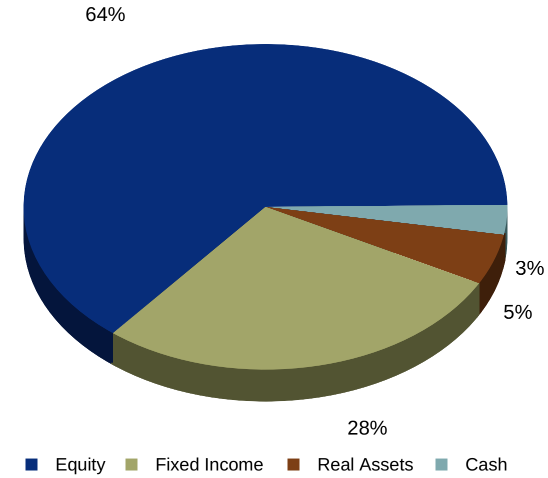
Account: XXXXXX9601 *Holdings Method: Direct* *Report Date: 06/30/2026*

Portfolio Summary

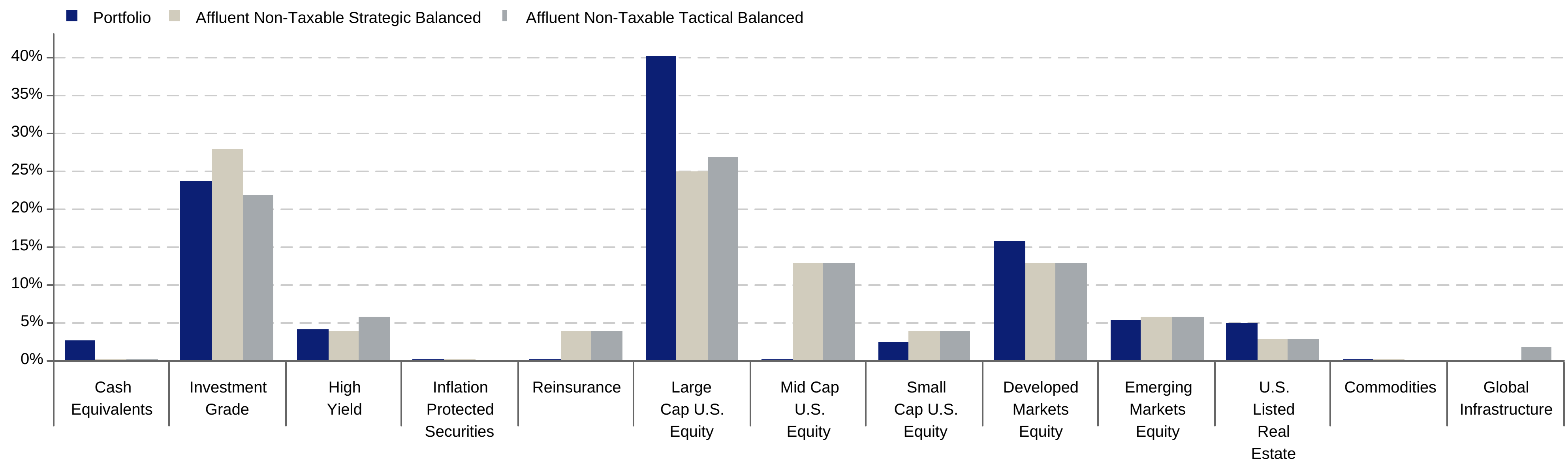
Inv. Objective	Balanced/Nontaxable-1
Total Portfolio Value	$28,470,162
Net Realized Cap Gains YTD	$294,085
Annual Income Projected	$673,424
Current Yield	2.37%
Number of Securities	8
Portfolio Mgr.	Dennis S. Mullins, CFA

Portfolio Asset Allocation

Equity	$18,297,278	64.27%
Fixed Income	$7,942,660	27.90%
Real Assets	$1,428,741	5.02%
Cash	$801,483	2.82%
Invested Total	**$28,470,162**	**100.00%**



Portfolio Model Allocation



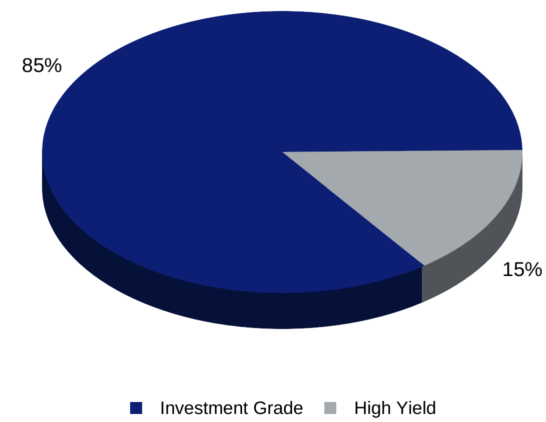
Holdings Date: 6/30/2026

Fixed Income Summary

Inv. Objective	Balanced/Nontaxable-1
Total Fixed Income Value	$7,942,660
Current Yield	4.23%
Annual Income Projected	$335,860
Number of Securities	2
Portfolio Mgr.	Dennis S. Mullins, CFA

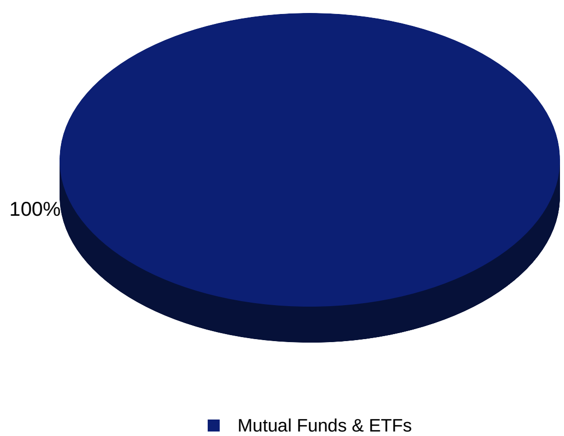
Fixed Income Asset Allocation

Investment Grade	$6,757,243	85.08%
High Yield	$1,185,417	14.92%

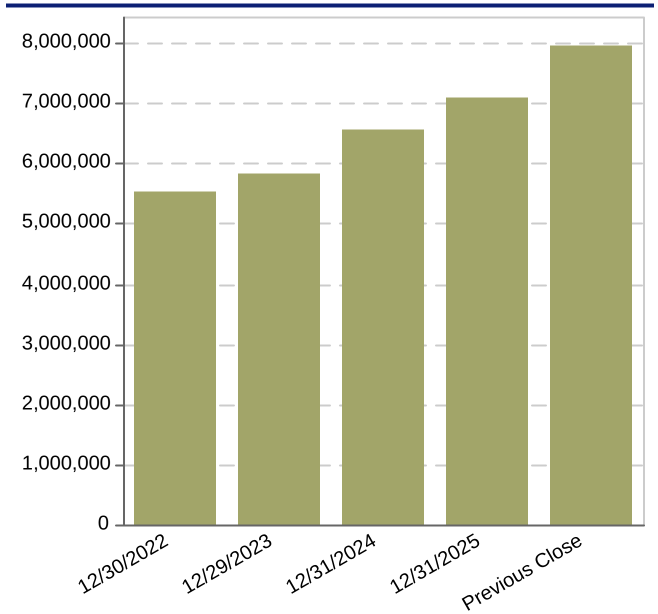


Fixed Income Sector Exposures

Mutual Funds & ETFs	$7,942,660	100.00%



Fixed Income Market Value

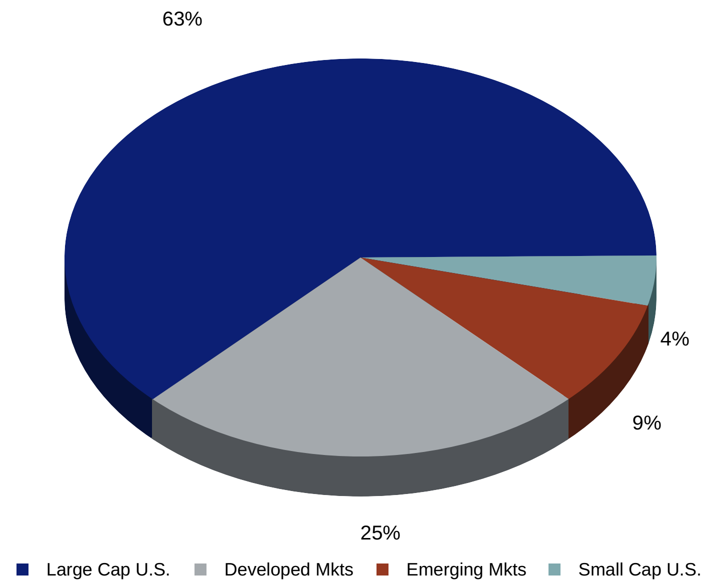


Equity Summary

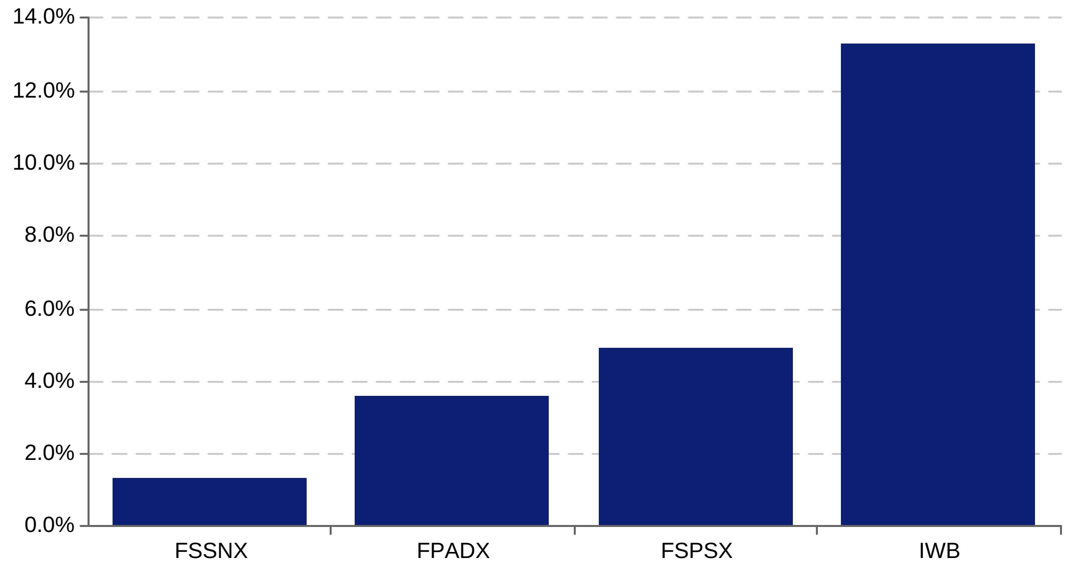
Inv. Objective	Balanced/Nontaxable-1
Total Equity Value	$18,297,278
Current Yield	1.49%
Annual Income Projected	$271,920
Number of Securities	4
Portfolio Mgr.	Dennis S. Mullins, CFA

Equity Asset Allocation

Large Cap U.S.	$11,467,638	62.67%
Developed Mkts	$4,520,830	24.71%
Emerging Mkts	$1,570,110	8.58%
Small Cap U.S.	$738,700	4.04%



Bottom 5/ Top 5 Contributors (Trailing 12 Months)



Equity Global Distribution

Equity Country Distribution

Holdings Date: 6/30/2026

Account: XXXXXX9601 *Holdings Method: Direct and Indirect (securities held in mutual funds & ETFs)* *Report Date: 06/30/2026*

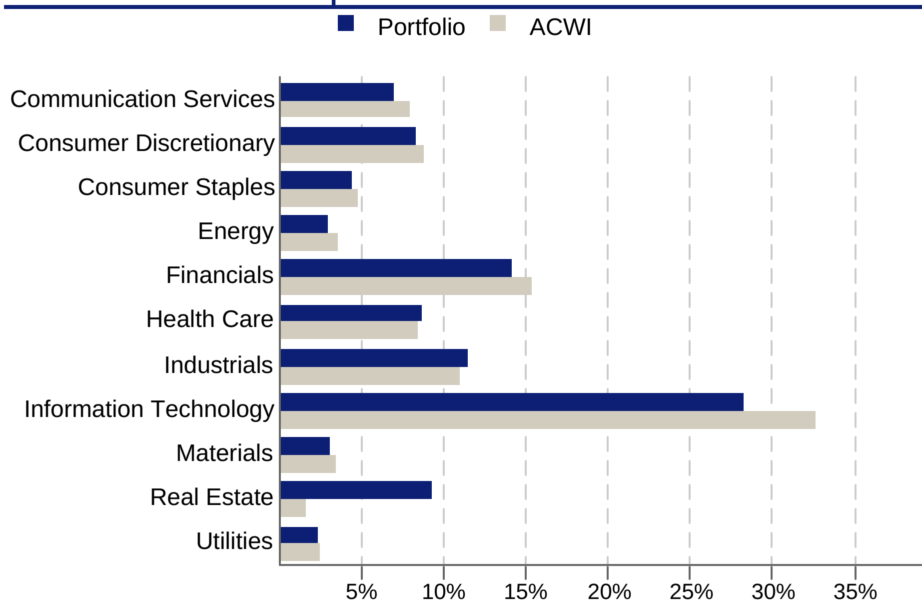
Top 10 Common Stock Holdings

	Stock Wt. (%)	Full Port Wt. (%)	Yield (%)	YTD Return* (%)	52 Wk Return* (%)
NVIDIA Corporation	4.02	2.71	0.51	7.4	26.8
Apple Inc.	3.60	2.43	0.35	6.6	41.6
Microsoft Corporation	2.39	1.61	0.94	-22.5	-24.4
Amazon.com, Inc.	1.99	1.34	0.00	3.3	8.6
Alphabet Inc. Class A	1.79	1.21	0.24	14.3	103.4
Broadcom Inc.	1.51	1.02	0.70	9.5	38.0
Alphabet Inc. Class C	1.45	0.98	0.24	12.7	99.8
Taiwan Semiconductor Manufa...	1.19	0.80	0.89	56.4	130.4
Micron Technology, Inc.	1.12	0.76	0.06	304.6	838.8
Meta Platforms Inc Class A	1.07	0.72	0.35	-14.5	-23.4

Common Stock Characteristics

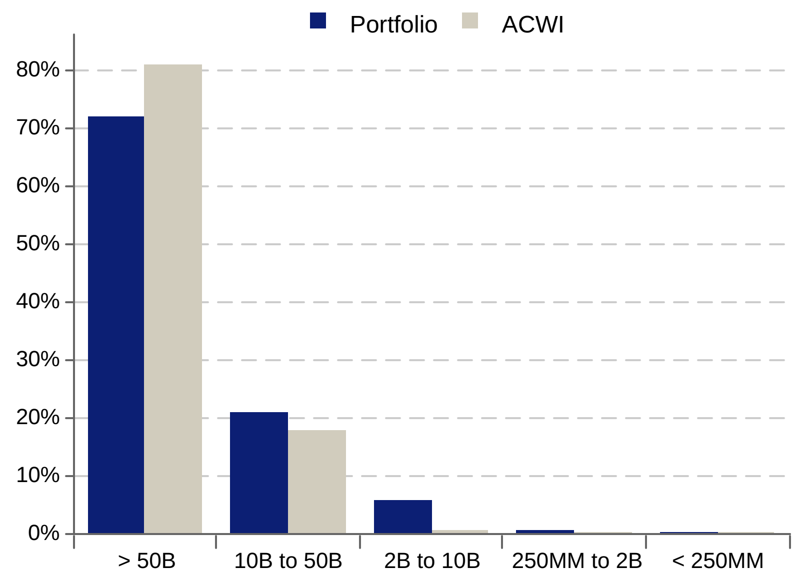
	Portfolio	ACWI
Market Cap - Wtd Avg	$843.0B	$985.6B
Market Cap - Median	$7.3B	$21.2B
Dividend Yield	1.65	1.48
P/E NTM	18.0	17.3
P/E LTM	22.8	22.7
ROE (%)	19.3	21.7
1 Yr Beta vs. S&P Composite	.90	.90
Est 3-5 Yr EPS Growth (%)	17.0	18.5
Hist 3 Yr EPS Growth (%)	22.7	25.4
Number of Securities	4800	2222

Common Stock Sector Exposures



	Portfolio	ACWI
Communication Services	7.03	7.90
Consumer Discretionary	8.34	8.81
Consumer Staples	4.40	4.75
Energy	2.95	3.53
Financials	14.19	15.43
Health Care	8.66	8.42
Industrials	11.50	11.03
Information Technology	28.21	32.61
Materials	3.04	3.44
Real Estate	9.30	1.60
Utilities	2.37	2.48

Common Stock Market Cap Distribution



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

Holdings Date: 6/30/2026

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
Total		**100.0**			**28,470,162**	**23,050,086**	**5,420,077**	**2.37**	**673,424**
Cash		**2.82**			**801,483**	**801,483**	**0**	**3.56**	**28,511**
Cash Equivalents		**2.82**			**801,483**	**801,483**	**0**	**3.56**	**28,511**
FIRST AM GOVT OB FD CL X	31846V336	2.82	1.00	801,483	801,483	801,483	0	3.56	28,511
Fixed Income		**27.90**			**7,942,660**	**8,064,392**	**-121,732**	**4.23**	**335,860**
Investment Grade		**23.73**			**6,757,243**	**6,813,771**	**-56,528**	**3.72**	**251,131**
Mutual Funds & ETFs		23.73			6,757,243	6,813,771	-56,528	3.72	251,131
Fidelity U.S. Bond Index Fund	FXNAX	23.73	10.44	647,245	6,757,243	6,813,771	-56,528	3.72	251,131
High Yield		**4.16**			**1,185,417**	**1,250,622**	**-65,204**	**7.15**	**84,729**
Mutual Funds & ETFs		4.16			1,185,417	1,250,622	-65,204	7.15	84,729
Artisan High Income Fund - Institutional Sh...	APHFX	4.16	9.01	131,567	1,185,417	1,250,622	-65,204	7.15	84,729
Equity		**64.27**			**18,297,278**	**12,955,715**	**5,341,562**	**1.49**	**271,920**
Large Cap U.S. Equity		**40.28**			**11,467,638**	**8,439,703**	**3,027,935**	**0.92**	**105,575**
Mutual Funds & ETFs		40.28			11,467,638	8,439,703	3,027,935	0.92	105,575
iShares Russell 1000 ETF	IWB	40.28	409.50	28,004	11,467,638	8,439,703	3,027,935	0.92	105,575
Small Cap U.S. Equity		**2.59**			**738,700**	**453,131**	**285,568**	**1.02**	**7,568**
Mutual Funds & ETFs		2.59			738,700	453,131	285,568	1.02	7,568
Fidelity Small Cap Index Fund	FSSNX	2.59	37.87	19,506	738,700	453,131	285,568	1.02	7,568
Developed Markets Equity		**15.88**			**4,520,830**	**3,178,510**	**1,342,320**	**2.86**	**129,485**
Mutual Funds & ETFs		15.88			4,520,830	3,178,510	1,342,320	2.86	129,485
Fidelity International Index Fund	FSPSX	15.88	66.93	67,546	4,520,830	3,178,510	1,342,320	2.86	129,485
Emerging Markets Equity		**5.51**			**1,570,110**	**884,372**	**685,739**	**1.87**	**29,292**
Mutual Funds & ETFs		5.51			1,570,110	884,372	685,739	1.87	29,292
Fidelity Emerging Markets Index Fund	FPADX	5.51	17.26	90,968	1,570,110	884,372	685,739	1.87	29,292
Real Assets		**5.02**			**1,428,741**	**1,228,495**	**200,246**	**2.60**	**37,132**
U.S. Listed Real Estate		**5.02**			**1,428,741**	**1,228,495**	**200,246**	**2.60**	**37,132**
iShares Core U.S. REIT ETF	USRT	5.02	66.45	21,501	1,428,741	1,228,495	200,246	2.60	37,132

PARS/CITY OF CUPERTINO 115P- PENSION (****059601)

Period Ending: 06/30/2026

Selected Period Performance

	Market Value	Year to Date (6 Months)	3 Months	1 Year	3 Years	5 Years	Inception to Date 05/01/2019
Total Portfolio Gross of Fees	28,499,534	8.83	10.15	17.54	14.65	6.76	9.31
Total Portfolio Net of Fees	28,499,534	8.74	10.11	17.36	14.46	6.58	9.12
City of Cupertino		8.55	9.85	17.47	14.52	7.57	9.34
Total Equity	18,297,278	11.98	14.45	24.15	19.62	9.51	13.07
MSCI ACWI (Net)		11.25	14.93	23.67	19.70	10.98	12.99
Russell 3000 Index		10.88	15.44	22.82	20.36	12.31	15.14
S&P 500 Index (Total Return)		10.21	15.20	22.33	20.61	13.41	15.71
S&P MidCap 400 Index		17.34	14.47	25.89	15.41	9.07	11.53
S&P SmallCap 600 Index		23.90	19.70	37.50	16.05	7.37	10.75
MSCI EAFE Index (Net)		9.44	10.82	20.23	16.44	9.05	9.79
MSCI Emerging Markets Index (Net)		23.85	24.05	43.51	23.03	7.20	9.36
Total Fixed Income	7,969,729	.81	.90	3.90	4.92	1.03	1.13
BB US Aggregate Bond Index		.62	.67	3.79	4.16	.08	1.61
BB Global Aggregate Index		-.21	.87	.62	3.41	-1.55	.35
Total Real Assets	1,428,741	17.76	12.91	20.91	12.47	5.41	6.78
S&P Global REIT Index (Gross)		12.24	11.08	16.65	11.31	4.05	5.21
S&P GSCI Index		24.09	-11.38	30.39	14.56	13.34	9.09
Total Cash Equivalents	803,786	1.78	.89	3.87	4.62	3.49	2.65
FTSE 3 Month Treasury Bill Index		1.87	.93	4.05	4.86	3.69	2.85
Pending Cash	0	.00	.00	.00	.00	.00	.00

Explanation of Variance between Portfolio and Benchmark returns

Benchmark Compostion
64% MSCI ACWI (net)
30% BB Aggregate
5% S&P Global REIT TR USD
S&P GSCI
1% FTSE 3 month US T-bill.

7/1/2026 New Benchmark	Old Benchmark	Pension Average Held	OPEB Average Held
64.00%	63.00%	64.23%	64.46%
30.00%	29.00%	28.34%	28.38%
5.00%	5.00%	4.94%	5.01%
0.00%	2.00%	0.00%	0.00%
1.00%	1.00%	2.48%	2.15%
100.00%	100.00%		

Pension For the quarter ending June 30, 2026			
Selection	Weighting	Interaction	Portfolio Total
-0.31%	0.06%	0.03%	-0.23%
0.03%	0.03%	0.00%	0.06%
0.09%	-0.01%	0.00%	0.09%
0.25%	0.45%	-0.25%	0.45%
0.00%	-0.11%	0.00%	-0.11%
			0.26%

OPEB For the quarter ending June 30, 2026			
Selection	Weighting	Interaction	Portfolio Total
-0.36%	0.06%	0.01%	-0.30%
0.02%	0.04%	0.00%	0.06%
0.09%	-0.01%	0.00%	0.09%
0.25%	0.45%	-0.25%	0.45%
0.00%	-0.14%	0.00%	-0.14%
			0.16%

Total Portfolio Return for the quarter

	Pension	OPEB
net	10.11%	10.00%
benchmark	9.85%	9.85%
Variance	0.26%	0.15%

Slight positive variance in the quarter from bonds due to HY exposure, Real Estate, Global Infrastructure.
Stocks slightly under performed. Performance of stocks was helped by our allocation to small cap stocks which is not in the index.
Large Stocks +15.2% vs small stocks +21.49%. Detracting from stock performance was our slight underweight to EM
Overall performance detractor comes from higher cash balance than the benchmark.

RESOLUTION NO. 26-062

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUPERTINO ACCEPTING THE CITY INVESTMENT POLICY FOR THE OTHER POST-EMPLOYMENT BENEFITS TRUST

WHEREAS, the City's Other Post-Employment Benefit Trust, established for sole purpose to benefit the general public, has available funds to invest in accordance with principles of sound treasury management; and

WHEREAS, the City invests funds in accordance with provisions of California Government Code Section 53600; and

WHEREAS, the City's Audit Committee reviewed and accepted the attached City Investment Policy for the Other Post-Employment Benefits Trust on January 26, 2026.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Cupertino accepts the attached City Investment Policy for the Other Post-Employment Benefits Trust dated May 19, 2026.

BE IT FURTHER RESOLVED that this Resolution is not a project under the requirements of the California Environmental Quality Act, together with related State CEQA Guidelines (collectively, "CEQA") because it has no potential for resulting in physical change in the environment. In the event that this Resolution is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines section 15061(b)(3) because it can be seen with certainty to have no possibility that the action approved may have a significant effect on the environment. CEQA applies only to actions which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. In this circumstance, the proposed action to accept the City's Investment Policy would have no or only a de minimis effect on the environment. The foregoing determination is made by the City Council in its independent judgment.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Cupertino this 19th day of May 2026, by the following vote:

Vote	Members of the City Council
AYES:	Moore, Chao, Fruen, Mohan
NOES:	None
ABSENT:	Wang
ABSTAIN:	None

SIGNED: Catherine "Kitty" Moore Kitty Moore, Mayor City of Cupertino	5/29/2026 Date
ATTEST: Lauren Sapudar Lauren Sapudar, City Clerk	5/29/2026 Date

Other Post-Employment Benefits (OPEB) Investment Policy	**Citywide Policy Manual**
	Attachments: N/A
Effective Date: May 19, 2026	**Responsible Department:** Administrative Services
Related Policies & Notes: 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:	$45.1 million (September 2025)
Time Horizon:	Long-Term
Target Rate of Return:	6.5%
Communication Schedule:	Meetings will be conducted at least quarterly
U.S. Bank Portfolio Manager:	Dennis Mullins Dennis.mullins@usbank.com 513-304-0398
U.S. Bank Relationship Manager:	Ryan Maxey ryan.maxey@usbank.com 503-464-3789

Investment Objective: 'Balanced'

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

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

Asset Class	Range	Benchmark Target
Fixed Income	20-40%	30%
Equities	50-70%	64%
Real Estate	0-10%	5%
Global Infrastructure	0-10%	0%
Commodities	0-10%	0%
Cash	0-10%	1%

Investment Guidelines

Overview

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

The purpose of this document is threefold.

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

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

All investment decisions shall be made in accordance with the fiduciary duty to act prudently and solely in the best financial interests of the Trusts and their beneficiaries. Investment decisions shall prioritize the preservation and long-term growth of Trust assets while balancing risk, diversification, liquidity needs, and long-term funding objectives.

Environmental, Social, and Governance (ESG) factors may be considered as part of the overall investment evaluation process when determined to be consistent with the City's fiduciary obligations and long-term investment objectives. Consideration of ESG-related factors shall not supersede the fiduciary duty to act prudently and in the best financial interests of the Trusts.

Diversification

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

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

Fixed Income Assets

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

Equity & Growth Assets

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

Permitted Asset Classes and Security Types

Fixed Income & Cash Equivalent Investments:

- Domestic Certificates of Deposit (rated A-1/P-1 or better)
- Domestic Commercial Paper (rated A-1/P-1 or better)
- Floating Rate Notes
- Money Market Mutual Funds
- U.S. Treasury Bonds, Bills and Notes
- U.S. Agency (and Instrumentality) Discount Notes, Notes, and Bonds
- Treasury Inflation-Protected Securities (TIPS)
- Municipal Bonds and Notes
- Corporate Bonds
- Mortgage-Backed Bonds (MBS)
- Asset-Backed Bonds (ABS)
- High-Yield Bonds (rated B-/B3 or better)
- Dollar denominated Foreign Bonds and Notes
- Bond Mutual Funds

Equity Investments:

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

Alternative Investments:

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

Prohibited Asset Classes and Transactions

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

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

Duties and Responsibilities

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

2) CITY OF CUPERTINO CITY COUNCIL
   a) Adopt the Policy by resolution of the City Council on an annual basis.

3) PORTFOLIO MANAGER

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

Investment Policy Statement Review

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

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

City Manager's signature: Tina Kapoor
Tina Kapoor (Jun 4, 2026 15:13:17 PDT)

Date: 06/04/2026

Director of Administrative Services' signature: ______________________

Date: 05/19/2026

Revisions: 6.5.2018, 11.19.2019, 11.17.2020, 12.7.2021, 12.06.2022, 12.05.2023, 12.03.2024, 05.19.2026

RESOLUTION NO. 26-063

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUPERTINO ACCEPTING THE CITY INVESTMENT POLICY FOR THE PENSION TRUST

WHEREAS, the City's Pension Trust, established for sole purpose to benefit the general public, has available funds to invest in accordance with principles of sound treasury management; and

WHEREAS, the City invests funds in accordance with provisions of California Government Code Section 53600; and

WHEREAS, the City's Audit Committee reviewed and accepted the attached City Investment Policy for the Pension Trust on January 26, 2026.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Cupertino accepts the attached City Investment Policy for the Pension Trust dated May 19, 2026.

BE IT FURTHER RESOLVED that this Resolution is not a project under the requirements of the California Environmental Quality Act, together with related State CEQA Guidelines (collectively, "CEQA") because it has no potential for resulting in physical change in the environment. In the event that this Resolution is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines section 15061(b)(3) because it can be seen with certainty to have no possibility that the action approved may have a significant effect on the environment. CEQA applies only to actions which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. In this circumstance, the proposed action to accept the City's Investment Policy would have no or only a de minimis effect on the environment. The foregoing determination is made by the City Council in its independent judgment.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Cupertino this 19th day of May 2026, by the following vote:

Vote	Members of the City Council
AYES:	Moore, Chao, Fruen, Mohan
NOES:	None
ABSENT:	Wang
ABSTAIN:	None

SIGNED: Catherine "Kitty" Moore Kitty Moore, Mayor City of Cupertino	5/29/2026 Date
ATTEST: Lauren Sapudar Lauren Sapudar, City Clerk	5/29/2026 Date

Pension Trust Investment Policy	Citywide Policy Manual
	Attachments: N/A
Effective Date: May 19, 2026	**Responsible Department:** Administrative Services
Related Policies & Notes: N/A	

Investment Policy Statement

Overview

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

Executive Summary

Account Name:	City of Cupertino Pension Trust
Account Number:	6746050100
Investment Authority:	Full Investment Authority
Current Assets:	$25.6 Million (September 2025)
Time Horizon:	Long-Term
Target Rate of Return:	6.25%
Communication Schedule:	Meetings will be conducted at least quarterly
U.S. Bank Portfolio Manager:	Dennis Mullins Dennis.mullins@usbank.com 513-304-0398
U.S. Bank Relationship Manager:	Ryan Maxey ryan.maxey@usbank.com 503-464-3789

Investment Objective: 'Balanced'

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

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

Asset Class	Range	Benchmark Target
Fixed Income	20-40%	30%
Equities	50-70%	64%
Real Estate	0-10%	5%
Global Infrastructure	0-10%	0%
Commodities	0-10%	0%
Cash	0-10%	1%

Investment Guidelines

Overview

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

The purpose of this document is threefold.

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

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

All investment decisions shall be made in accordance with the fiduciary duty to act prudently and solely in the best financial interests of the Trusts and their beneficiaries. Investment decisions shall prioritize the preservation and long-term growth of Trust assets while balancing risk, diversification, liquidity needs, and long-term funding objectives.

Environmental, Social, and Governance (ESG) factors may be considered as part of the overall investment evaluation process when determined to be consistent with the City's fiduciary obligations and long-term investment objectives. Consideration of ESG-related factors shall not supersede the fiduciary duty to act prudently and in the best financial interests of the Trusts.

Diversification

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

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

Fixed Income Assets

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

Equity & Growth Assets

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

Permitted Asset Classes and Security Types

Fixed Income & Cash Equivalent Investments:

- Domestic Certificates of Deposit (rated A-1/P-1 or better)
- Domestic Commercial Paper (rated A-1/P-1 or better)
- Floating Rate Notes
- Money Market Mutual Funds
- U.S. Treasury Bonds, Bills and Notes
- U.S. Agency (and Instrumentality) Discount Notes, Notes, and Bonds
- Treasury Inflation-Protected Securities (TIPS)
- Municipal Bonds and Notes
- Corporate Bonds
- Mortgage-Backed Bonds (MBS)
- Asset-Backed Bonds (ABS)
- High-Yield Bonds (rated B-/B3 or better)
- Dollar denominated Foreign Bonds and Notes
- Bond Mutual Funds

Equity Investments:

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

Alternative Investments:

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

Prohibited Asset Classes and Transactions

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

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

Duties and Responsibilities

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

2) CITY OF CUPERTINO CITY COUNCIL
    a) Adopt the Policy by resolution of the City Council on an annual basis.

3) PORTFOLIO MANAGER

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

Investment Policy Statement Review

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

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

City Manager's signature: Tina Kapoor
Tina Kapoor (Jun 4, 2026 15:13:37 PDT)

Date: 06/04/2026

Director of Administrative Services' signature:

Date: 05/19/2026

Revisions: 11.19.2019, 11.17.2020, 12.7.2021, 12.06.2022, 12.05.2023, 12.03.2024, 05.19.2026

Disclosures

Public Agency Retirement Services ("PARS") is a third-party and not affiliated with PFMAM, USBAM or U.S. Bank. PARS serves as the trust administrator to the Public Agencies Post-Employment Benefits Trust, Public Agencies Post-Retirement Health Care Plan Trust, and the Public Agency Retirement System Trust (the "Trusts"). U.S. Bank N.A. serves as the discretionary trustee to the Trusts. In its capacity as discretionary trustee, U.S. Bank N.A. delegates the investment management of the Trusts to its affiliate USBAM through a sub-advisory agreement. PARS is serviced by PFMAM, a division of USBAM.

U.S. Bank N.A. pays the sub-adviser up to 67% of the annual management fee for assets sub-advised under its sub-advisory agreement with U.S. Bank N.A. Refer to your U.S. Bank N.A. fee schedule for investment management fees applied to your specific portfolio. U.S. Bank N.A. compensates the sub-adviser for these services from its own fees.

The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. (USBAM) at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.

Additional information on U.S. Bancorp Asset Management, Inc. and a description of its fees are described in its ADV which is available at www.adviserinfo.sec.gov.

PFM Asset Management (PFMAM) serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc. which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

CITY OF CUPERTINO

Agenda Item

26-15310 **Agenda Date: 7/27/2026**
Agenda #: 3.

Subject: Receive the Treasurer's Investment Report for the Quarter Ending June 30, 2026

Receive the Treasurer's Investment Report for the Quarter Ending June 30, 2026 and forward to City Council
Presenter: Jonathan Orozco, Finance Director and City Treasurer, and Chandler Asset Management

CITY OF CUPERTINO

ADMINISTRATIVE SERVICES DEPARTMENT

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

AUDIT COMMITTEE STAFF REPORT

Meeting: July 27, 2026

Subject

Receive the Treasurer's Investment Report for the Quarter Ending June 30, 2026

Recommended Action

Receive the Treasurer's Investment Report for the Quarter Ending June 30, 2026

Reasons for Recommendation

Background

On May 19, 2026, the City Council approved the City Investment Policy. Per the City's Investment Policy, the Treasurer shall submit a quarterly investment report to the City Council approximately 45 days following the end of the quarter. In addition to the quarterly investment reports, monthly transaction reports are submitted to the City Council within 30 days of the end of the reporting period per California Government Code Section 53607. The quarterly investment report offers a more extensive discussion of the City's economy, cash flow, and investments.

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

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

Treasurer's Investment Report

The report provides an update on the City's investment portfolio for the month ending June 30, 2026. The report is as of July 23, 2026.

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

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

The City's General Ledger cash and investments balance is $331.3 million, a $14.0 million increase from the prior quarter.

Cash and Investments – General Ledger Balance

Fund Type	Quarter Ending March 31, 2026	Quarter Ending June 30, 2026
General Fund	203,549,416	222,618,732
Special Revenue	47,636,446	47,933,859
Debt Service	2,436,800	(1,500)
Capital Projects	43,774,315	41,574,301
Enterprise	10,541,580	10,229,028
Internal Service	9,423,557	8,977,352
Total	**$317,362,114**	**$331,331,772**

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

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

Cash and Investments – Bank Balance

	Quarter Ending March 31, 2026	Quarter Ending June 30, 2026	% of Portfolio
Cash in banks and on hand			
Operating Checking (Wells Fargo)	11,912,804	5,345,420	2%
Workers' Compensation Checking (Wells Fargo)	34,369	14,961	0%
Payroll Checking (Wells Fargo)	-	-	0%
Restricted for Bond Repayments[1] (BNY Mellon)	-	-	0%
Cash Equivalents			
Local Agency Investment Fund	73,980,261	74,905,307	23%
CalFIT		14,468,801	4%
Investments			
Investments (Chandler)	205,686,359	207,356,231	63%
Restricted for Pension[2] (PARS)	25,892,783	28,499,534	9%
Total Cash and Investments[3]	**$317,506,576**	**$330,590,255**	**100%**

[1] Cash held by fiscal agent for bond repayments

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

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

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

Wells Fargo Accounts

The City, in collaboration with Chandler and Wells Fargo's relationship manager, continues to evaluate options to maximize investment opportunities for excess funds held in the City's operating account. As previously reported, the operating account was converted to a "Government Advantage Checking" account, which offers full FDIC insurance and an interest rate of 3% through March 31, 2025. As of the end of the June 2026 quarter, there the interest rate changed to 3.25%.

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

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

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

Local Agency Investment Fund (LAIF)

LAIF is an investment pool administered by the State of California Treasurer and governed by California Government Code. The City can withdraw funds from LAIF at any time. As a result, the City uses LAIF for short-term investment, liquidity, and yield. The City's LAIF account had a balance of $74.9 million. The quarterly interest rate was 3.92%.

CalFIT

CalFIT is a local government investment program managed by Chandler Asset Management, Inc. that provides public agencies with same-day liquidity while offering competitive short-term investment yields. Similar to the Local Agency Investment Fund (LAIF), CALFit invests in a diversified portfolio of high-quality, short-term securities designed to preserve principal and maintain liquidity.

The City established a CALFit account during the quarter to further diversify its short-term investment options and enhance liquidity management. As staff continues refining the City's cash flow model, excess operating cash can be strategically allocated among the Government Advantage Checking account, LAIF, CALFit, and the City's longer-term investment portfolio based on anticipated cash needs and relative investment yields. This approach reduces idle cash balances while maintaining sufficient liquidity to meet the City's operational and seasonal cash flow requirements.

Investment Portfolio

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

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

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

The portfolio's total market value was $208.6 million, compared to $207.8 million at the end of the previous quarter. The portfolio's market value fluctuates depending on interest rates. When interest rates decrease after an investment is purchased, the market value of the investment increases. In contrast, when interest rates increase after an investment is purchased, the market value of the investment decreases. At the time of purchase, the City intends to hold all investments until maturity, meaning that changes in market value will not impact the City's investment principal. If the market value decreases, the City will incur an unrealized loss. However, the loss will only be realized if the City sells its investments before their maturity. The market values for the portfolio were provided by Chandler Asset Management.

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

Investments in the Section 115 Trusts are governed by separate investment policies, which are distinct from the City's Investment Policy. On May 19, 2026, City Council approved the Pension Trust Investment Policy and OPEB Trust Investment Policy. Public Agency Retirement Services (PARS) administers the trust, while US Bank acts as custodian, PFM manages the investments in accordance with the approved investment policies.

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

The Section 115 Pension Trust had a balance of $28.5 million, an increase of $2.6 million from the prior quarter due to investment gains. The Section 115 OPEB Trust had a balance of $50.1 million, an increase of $4.5 million from the prior quarter mainly due to investment gains. The quarterly investment return for OPEB Trust was 10.05% and Pension Trust was 10.16%.

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

Sustainability Impact
No sustainability impact.

Fiscal Impact
No fiscal impact.

City Work Program Item/Description
None

City Council Goal
Fiscal Strategy

California Environmental Quality Act
Not applicable.

Prepared by: ____________________
Jonathan Orozco
Finance Director

Approved for Submission by: ____________________
Tina Kapoor
City Manager

Attachments:
A – Chandler Investment Report June 2026
B – Chandler Custodial Statement June 2026
C – PARS Pension and OPEB Account Statement June 2026
D – LAIF Account Statement June 2026
F – CalFIT Statement June 2026

INVESTMENT REPORT

City of Cupertino | As of June 30, 2026

CHANDLER ASSET MANAGEMENT | chandlerasset.com

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

TABLE OF CONTENTS

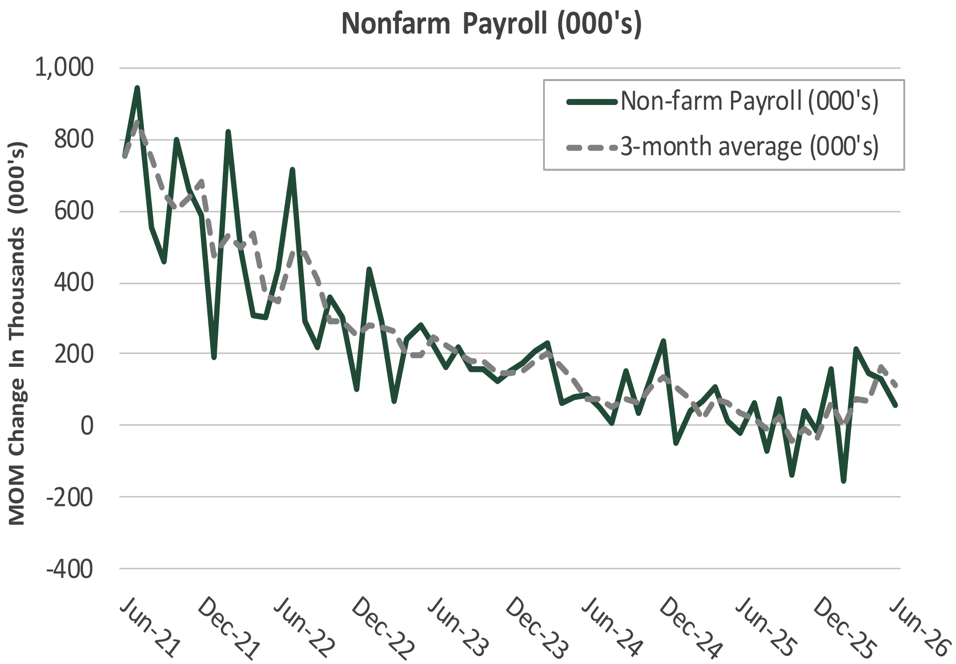
CHANDLER ASSET MANAGEMENT

ECONOMIC UPDATE

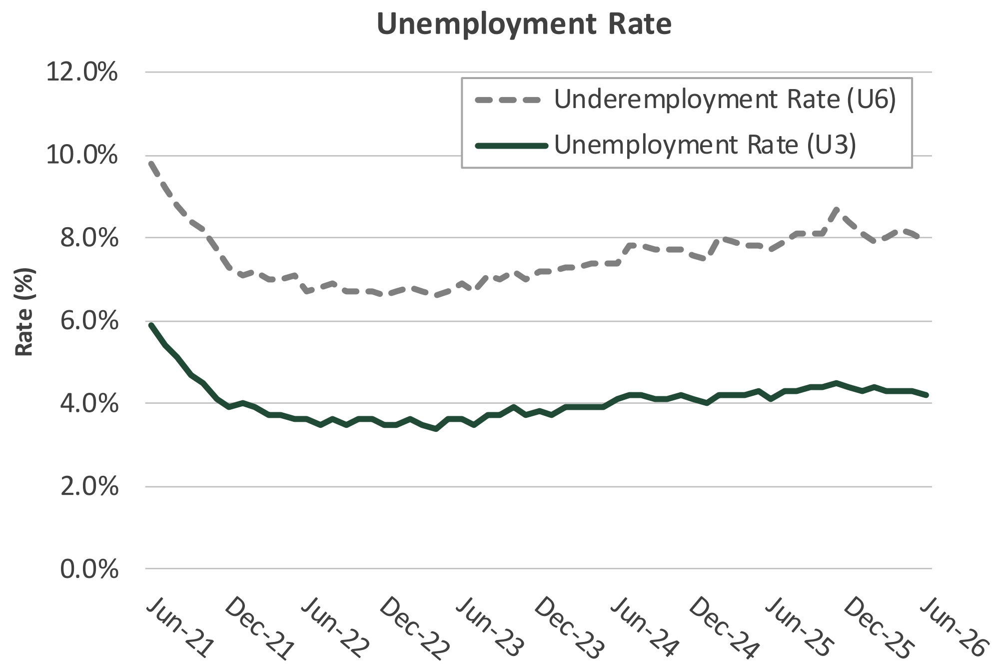
- Energy prices and inflation remained the primary drivers of the macro backdrop as the U.S.-Israel-Iran conflict entered its third month, disrupting global oil supply. Headline CPI accelerated at the fastest pace in more than three years, reflecting volatility in the energy component. Crude oil, however, retraced roughly 20% from its May–early June peak as diplomatic progress between the United States and Iran pointed to a potential framework for de-escalation. The labor market remained resilient, with continued payroll growth and subdued jobless claims. Risk assets held firm, as equities hovered near record highs and credit spreads remained historically tight amid broadly better-than-expected corporate earnings. Taken together, the current market environment has further constrained the case for near-term monetary policy easing, leading the Chandler team to push out its expected timing for rate cuts beyond the six-month investment horizon.

- The Federal Reserve's June FOMC meeting ended with policymakers unanimously holding the target range at 3.50%–3.75%, a notable shift from the 8–4 split at April's meeting, which marked Jerome Powell's final session as Chair. Under new Chair Kevin Warsh, sworn in on May 22, the Committee released an unusually concise statement that referenced Middle East tensions and energy supply disruptions while removing prior forward guidance that had suggested a bias toward rate cuts. Updated projections leaned more hawkish, with 9 of 18 officials expecting at least one rate hike this year and 6 anticipating multiple increases. The shift signals that restoring price stability has reemerged as the central focus of monetary policy deliberations.

- The Treasury yield curve flattened modestly in June as short-term yields responded to a more hawkish shift in Federal Reserve guidance. The 2-year yield rose to 4.15% from 3.98% the prior month, while the 10-year yield edged down slightly to 4.44% from 4.45%. As a result, the 2s/10s spread narrowed to 29 basis points, down from roughly 47 basis points a month earlier and significantly below the 69 basis point spread at the start of the year. Meanwhile, the 3-month/10-year spread remained positive at 64 basis points. Front-end rates absorbed the bulk of the Fed's updated rate outlook, while longer maturities were partly anchored by a late-month decline in oil prices.

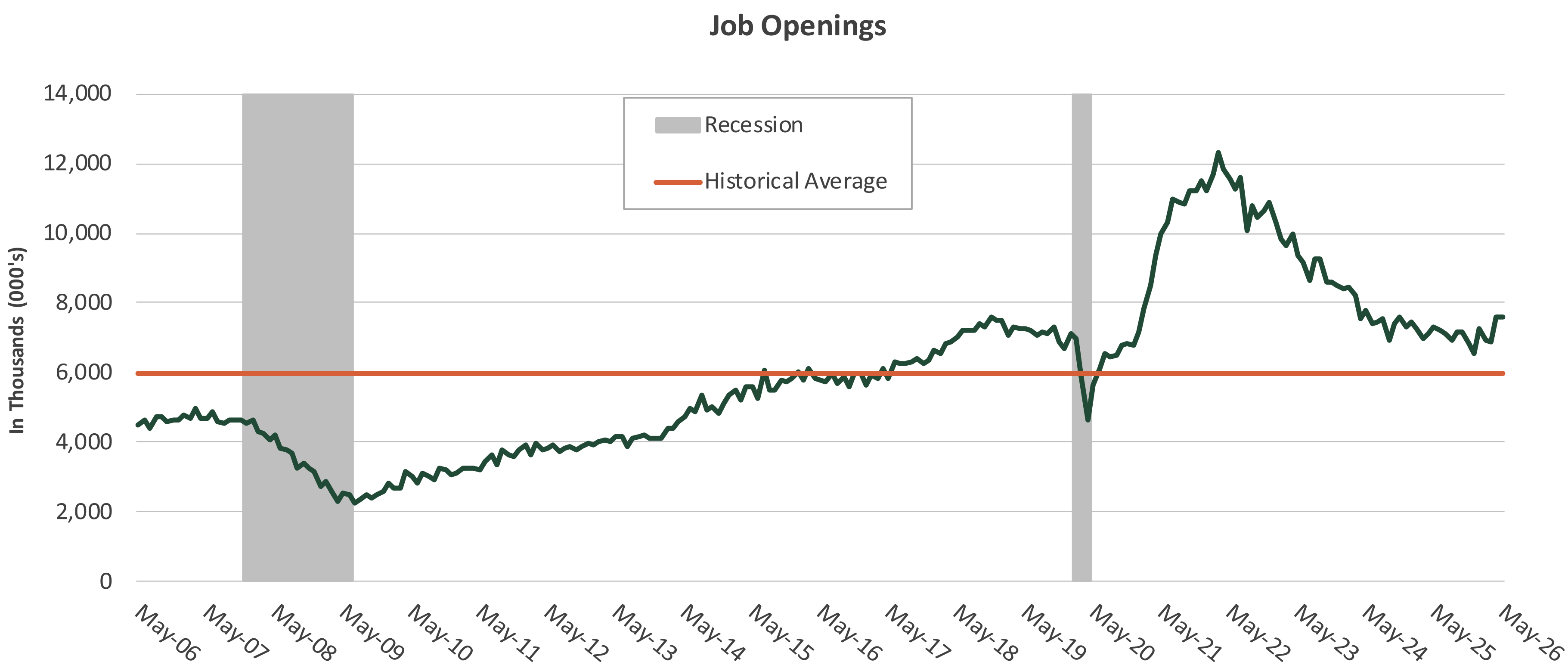


Source: US Department of Labor



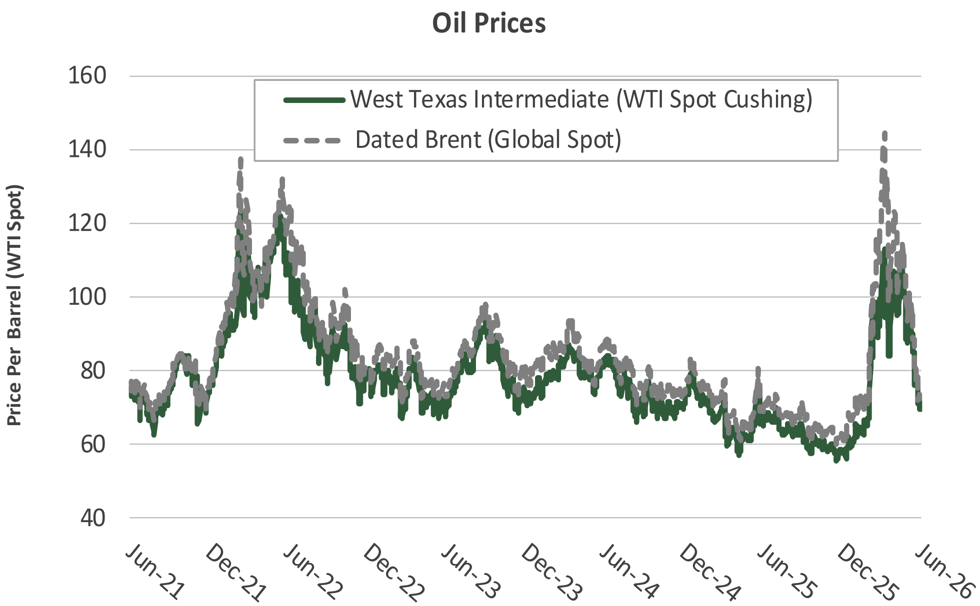
Source: US Department of Labor

Nonfarm payrolls increased by just 57,000 in June, well below the 113,000 consensus and marking a sharp slowdown from May's pace. The unemployment rate edged down to 4.2%, though the decline was driven by a drop in labor force participation to 61.5%, its lowest level since March 2021. Revisions further weakened the report's signal. April payrolls were revised down by 31,000 to 148,000, while May was lowered by 43,000 to 129,000, resulting in a combined two-month downward revision of 74,000.

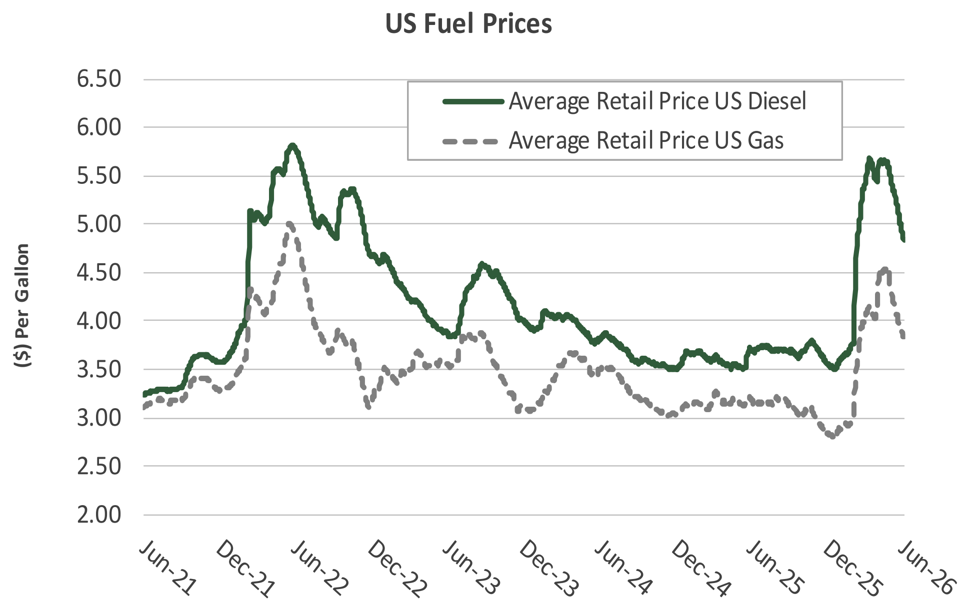


Source: US Department of Labor

Job openings were essentially unchanged at 7.6 million in May, remaining elevated by historical standards even as hiring momentum moderates. Gains in wholesale trade and accommodation and food services were offset by declines in health care and social assistance, as well as finance and insurance. April openings were revised down by 33,000 to 7.6 million, while hires were revised up by 99,000, highlighting ongoing churn but a broadly stable labor market backdrop.



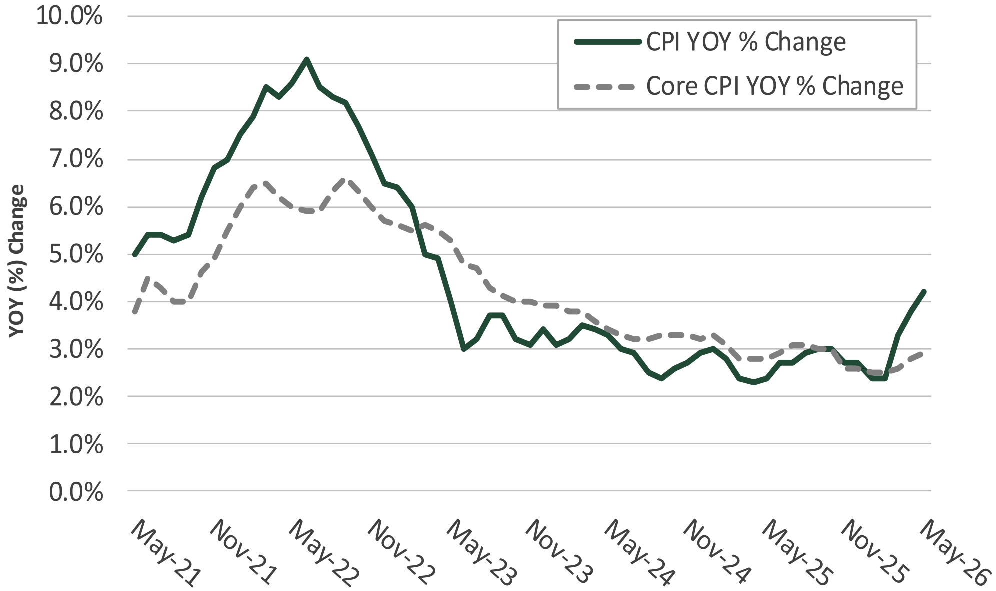
Source: Bloomberg Indices



Source: Bloomberg Indices

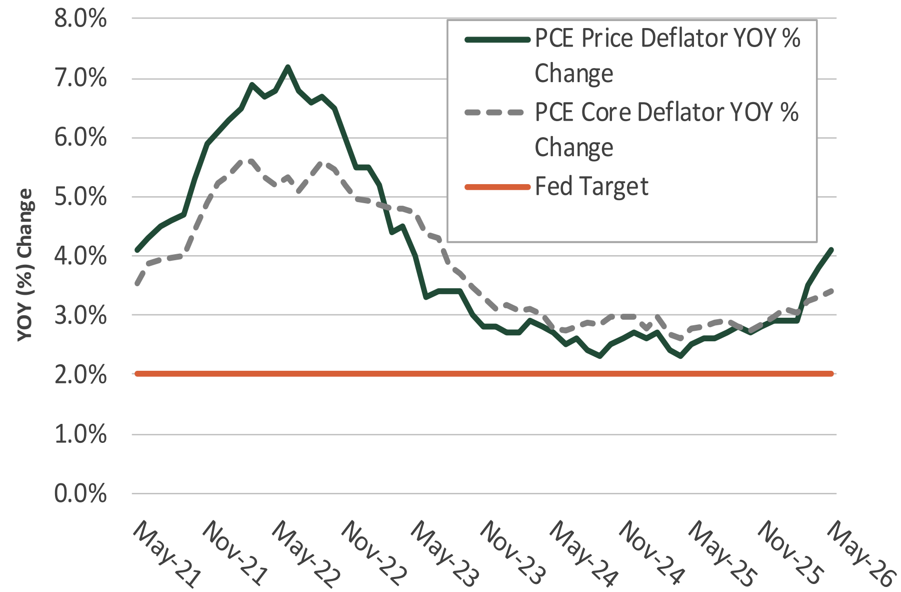
Crude oil prices declined sharply in June as supply disruptions tied to the Middle East conflict began to ease. Tanker traffic through the Strait of Hormuz normalized, and signs of progress in U.S.–Iran negotiations helped unwind the geopolitical risk premium that had driven prices higher earlier in the year. West Texas Intermediate settled near $69.37 per barrel on June 30, while Brent crude closed around $72.96, both well below their recent peaks. Brent's 21% monthly decline marked its steepest drop since March 2020, while WTI fell more than 20%, its largest monthly loss since late 2021. Beyond crude, broader energy markets also softened. Refined product cracks narrowed as gasoline and diesel demand showed signs of seasonal moderation, while U.S. natural gas prices remained range-bound amid ample storage and steady production. Taken together, the retracement in oil and broader energy prices reflects a rapid compression in geopolitical risk premia and improved near-term supply visibility, even as underlying structural risks in the region remain unresolved.

Consumer Price Index (CPI)



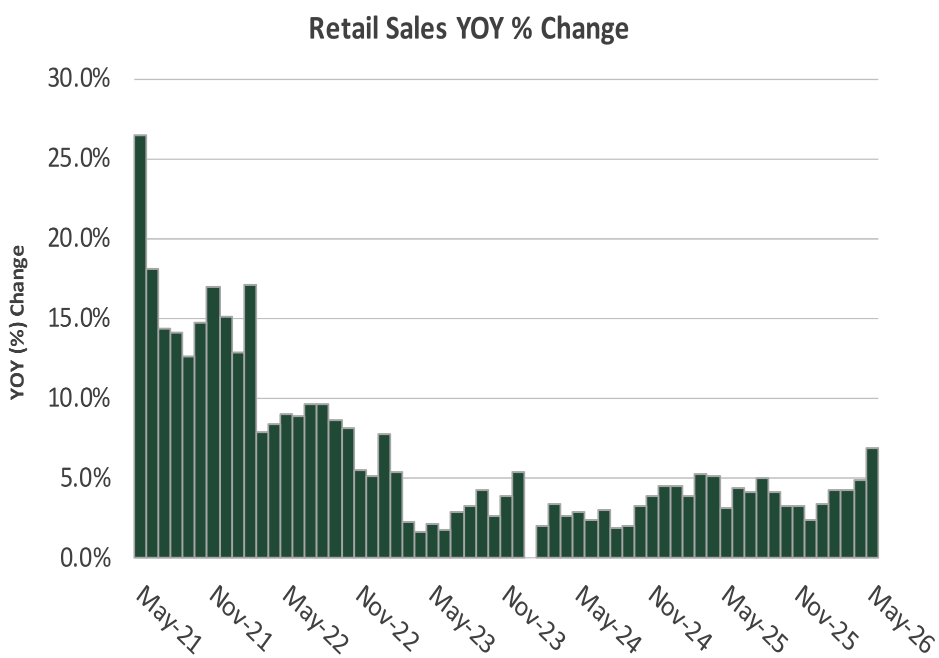
Source: US Department of Labor

Personal Consumption Expenditures (PCE)

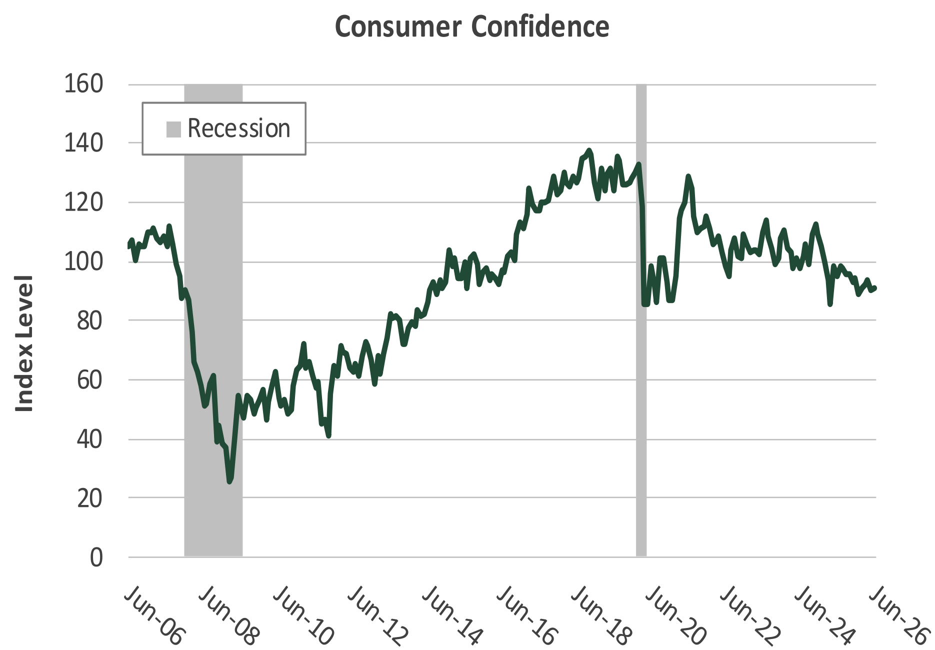


Source: US Department of Commerce

Inflation firmed in May, with the Personal Consumption Expenditures (PCE) price index rising 0.4% on the month and 4.1% year over year, up from 3.8% in April and marking the highest annual rate of the current cycle. Core PCE, which excludes food and energy, increased 0.3% in May and 3.4% over the year. Energy prices remained the primary driver of the headline acceleration, reflecting supply disruptions tied to the Iranian conflict. A similar pattern was evident in the headline Consumer Price Index (CPI), which rose 0.5% on the month and 4.2% year over year, the fastest annual pace since 2023. Energy prices climbed 3.9% in May and 23.5% from a year earlier, largely due to crude oil reaching a four-year high. In contrast, core CPI rose a more modest 0.2% on the month and 2.9% year over year, indicating that inflation pressures remain concentrated in energy rather than broad-based.

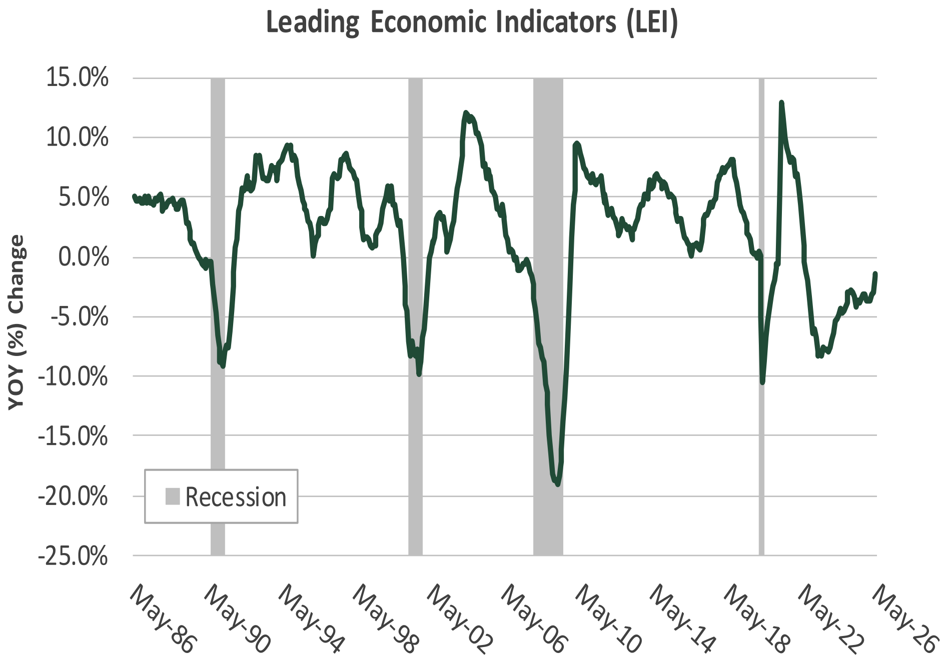


Source: US Department of Commerce

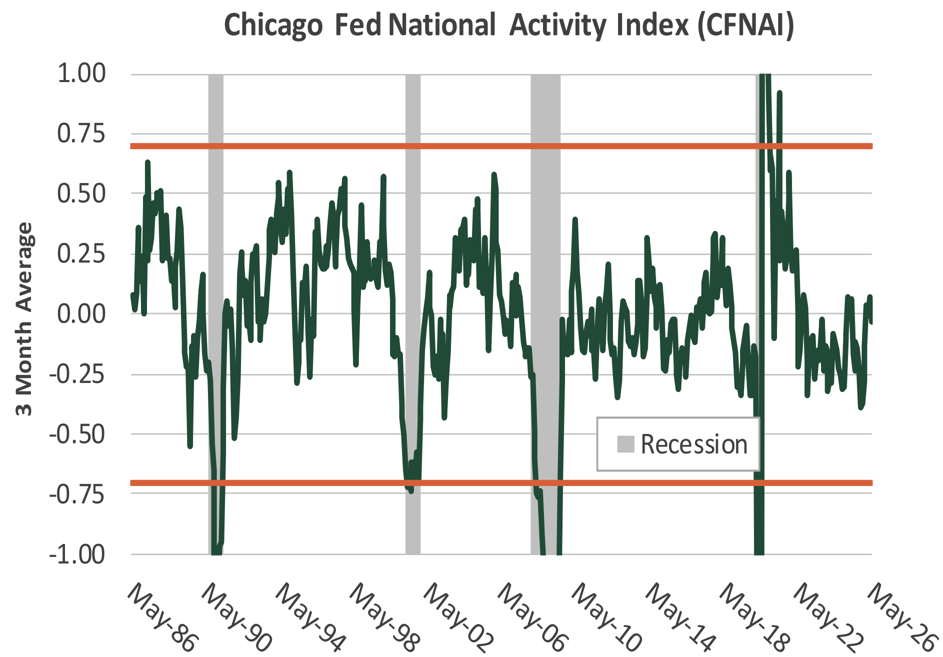


Source: The Conference Board
All time high is 144.70 (1/31/00); All time low is 25.30 (2/28/09)

Retail sales rose a robust 0.9% in May to $763.7 billion, nearly double the pace economists had penciled in and an acceleration from April's downwardly revised 0.4% gain. The closely watched control group, which feeds directly into gross domestic product calculations, advanced 0.7%, pointing to durable underlying demand. Gasoline station receipts rose as energy prices stayed high, while auto sales rebounded after an April pullback. The Conference Board's Consumer Confidence Index ticked up 0.6 points to 91.2 in June, though the improvement masked a further deterioration in how households view the job market, with the share calling jobs ‘hard-to-get’ climbing to a five year high. Spending has proven more resilient than sentiment across recent months.

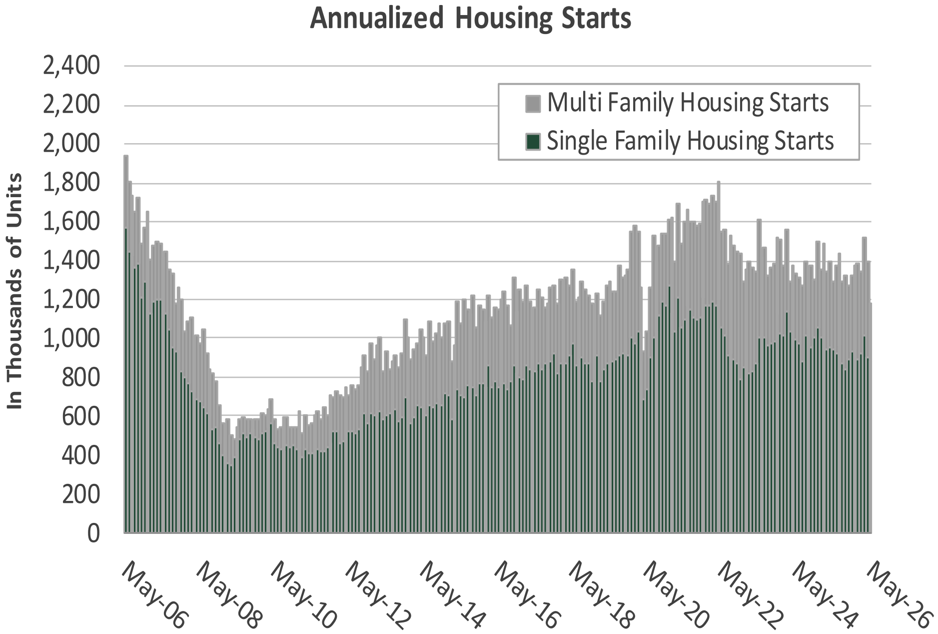


Source: The Conference Board

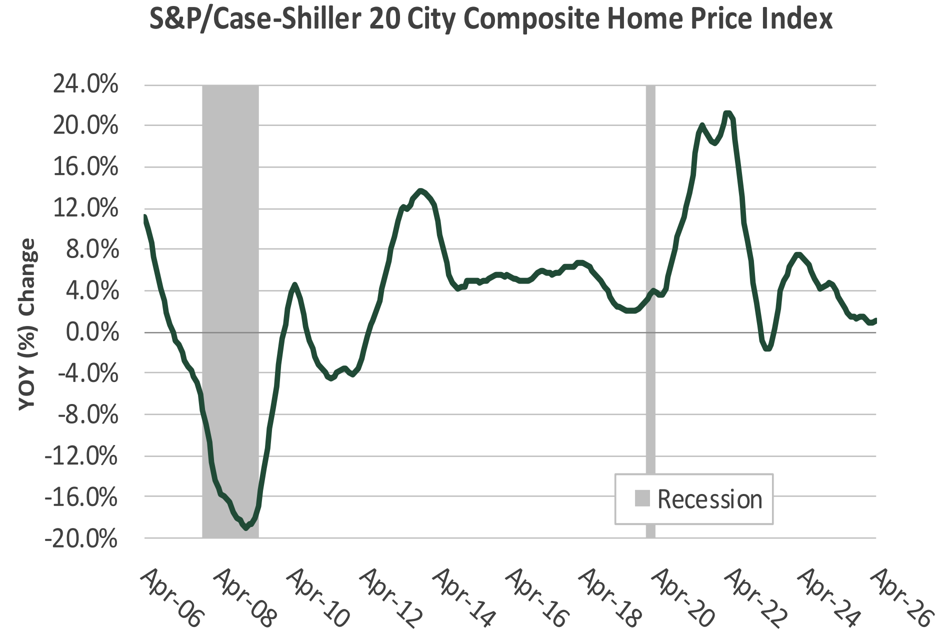


Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) edged up 0.1% in May to 99.3, following a revised 0.2% increase in April. Despite the monthly gains, the LEI's six- and twelve-month growth rates remained negative at -0.6% and -1.5%, respectively. The advance was driven primarily by financial components, including equity prices and the interest rate spread, while consumer expectations continued to weigh on the index. The Chicago Fed National Activity Index fell to -0.10 in May from an upwardly revised 0.19 in April. Production-related and employment-related indicators each subtracted from the index, while the sales, orders, and inventories category made a small positive contribution.

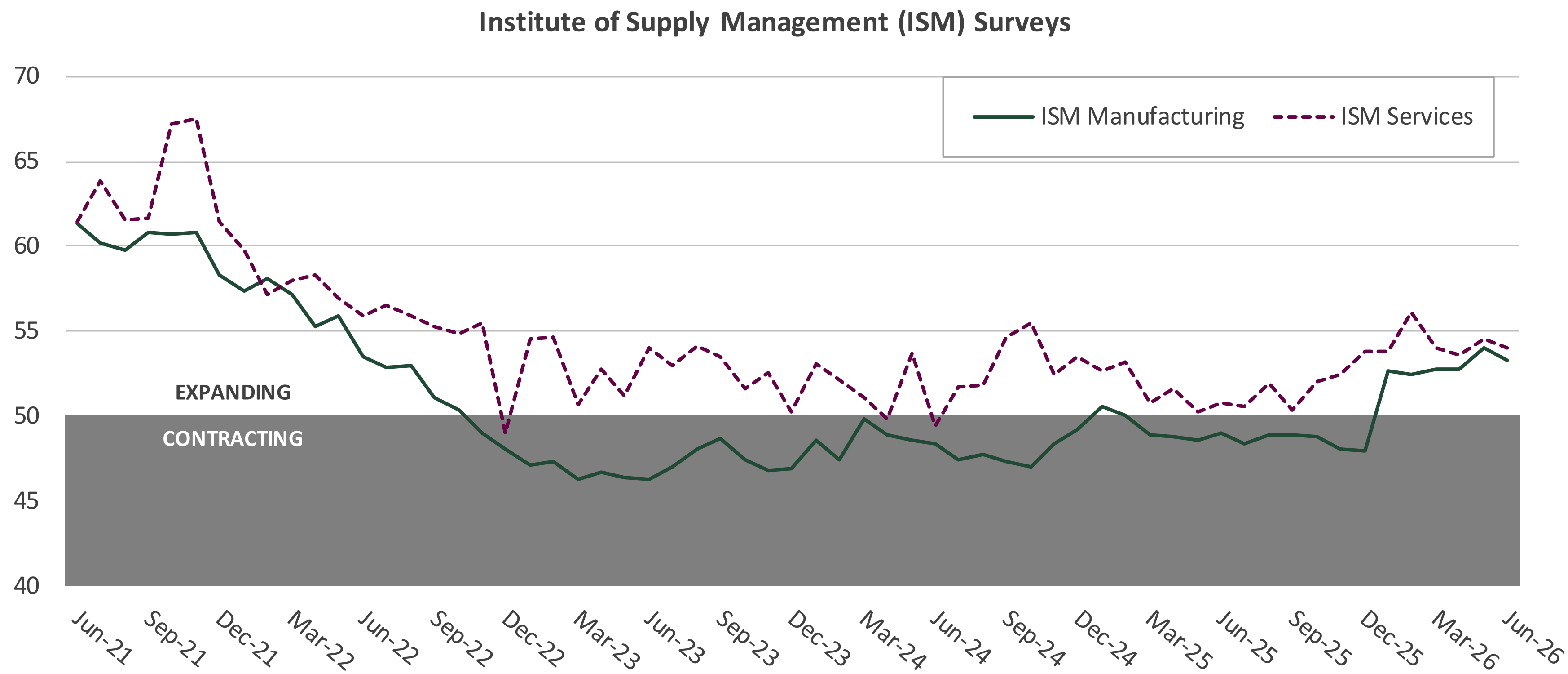


Source: US Department of Commerce



Source: S&P

Housing starts declined sharply in May to a seasonally adjusted annual rate of 1,177,000, a 15.4% drop from a downwardly revised 1,392,000 in April. The pullback was driven primarily by multifamily construction, while single-family starts edged down a more modest 1.9% to 882,000; total multifamily starts came in at 295,000 units. The S&P CoreLogic Case-Shiller 20-City Composite rose 1.1% year over year in April, marking its first pickup since November 2025, following an upwardly revised 0.9% gain in March. Freddie Mac's average 30-year fixed mortgage rate increased to 6.44% in May from 6.33% in April, reinforcing ongoing affordability constraints for prospective buyers.

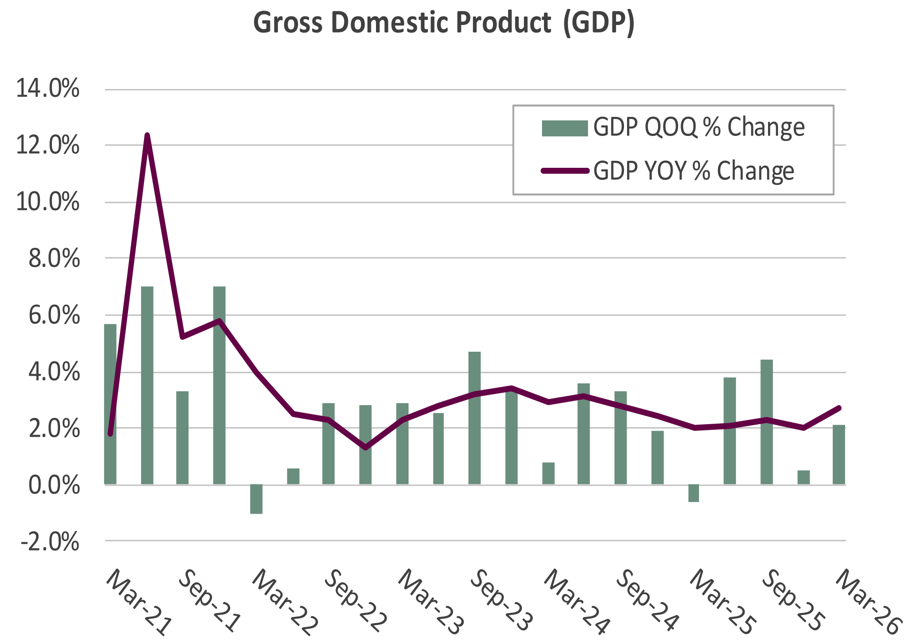


Source: Institute for Supply Management

Manufacturing activity cooled slightly in June, with the Institute for Supply Management's Manufacturing Index easing to 53.3%, down 0.7 percentage point from May but still marking a sixth consecutive month of expansion. Services activity also moderated, as the ISM Services Index eased to 54.0% from 54.5%, a twenty-fourth consecutive month in expansion territory. Business activity and new orders both slowed, though the employment component jumped to 51.2% from 47.9%, its strongest reading since late 2021 and the first expansion in services hiring in four months.

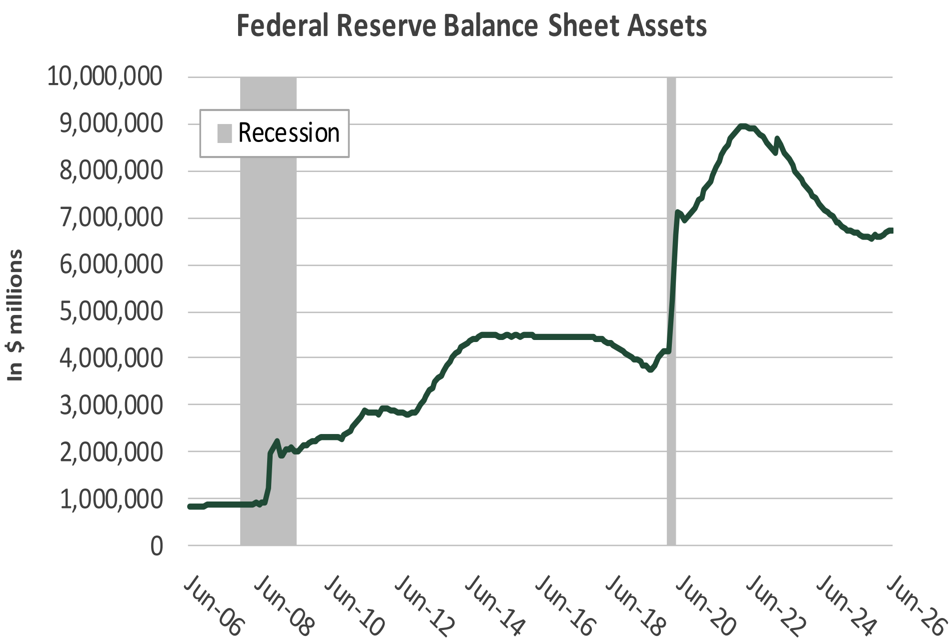
Components of GDP	6/25	9/25	12/25	3/26
Personal Consumption Expenditures	1.7%	2.3%	1.3%	0.4%
Gross Private Domestic Investment	-2.7%	0.0%	0.4%	1.4%
Net Exports and Imports	4.8%	1.6%	-0.2%	-0.4%
Federal Government Expenditures	-0.4%	0.2%	-1.2%	0.6%
State and Local (Consumption and Gross Investment)	0.3%	0.2%	0.2%	0.2%
Total	**3.8%**	**4.4%**	**0.5%**	**2.1%**

Source: US Department of Commerce

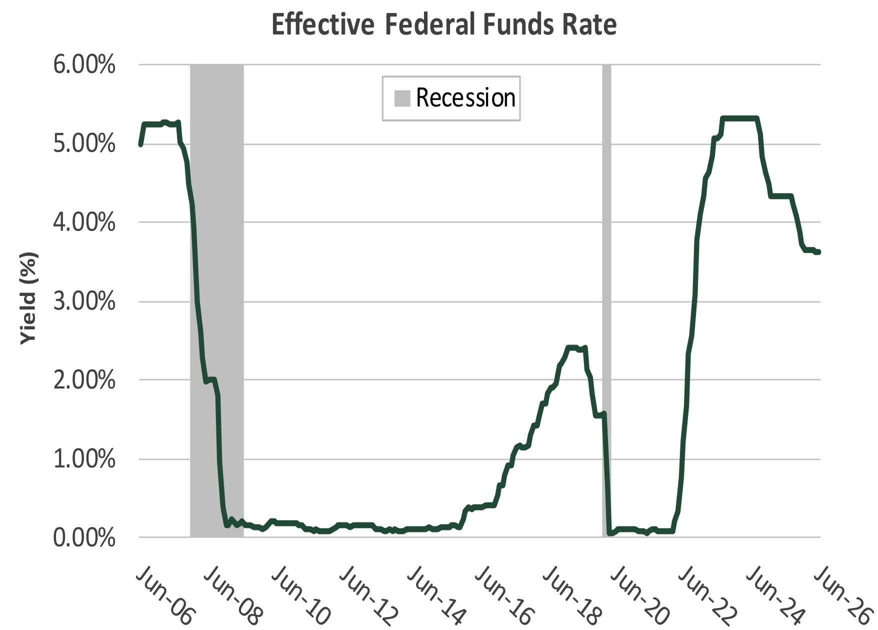


Source: US Department of Commerce

Real gross domestic product increased at an annualized rate of 2.1% in the first quarter of 2026, according to the Bureau of Economic Analysis' third estimate, up from 1.6% in the prior estimate and an acceleration from 0.5% in the fourth quarter of 2025. The 0.5 percentage point upward revision was driven primarily by a downward revision to imports—which subtract from GDP—partly offset by a downward revision to consumer spending.

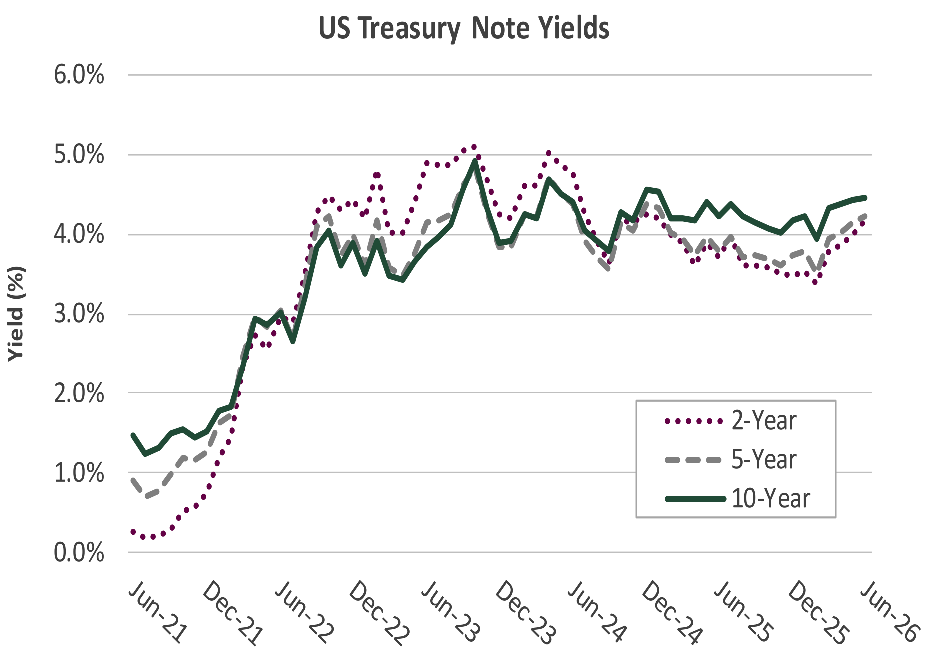


Source: Federal Reserve

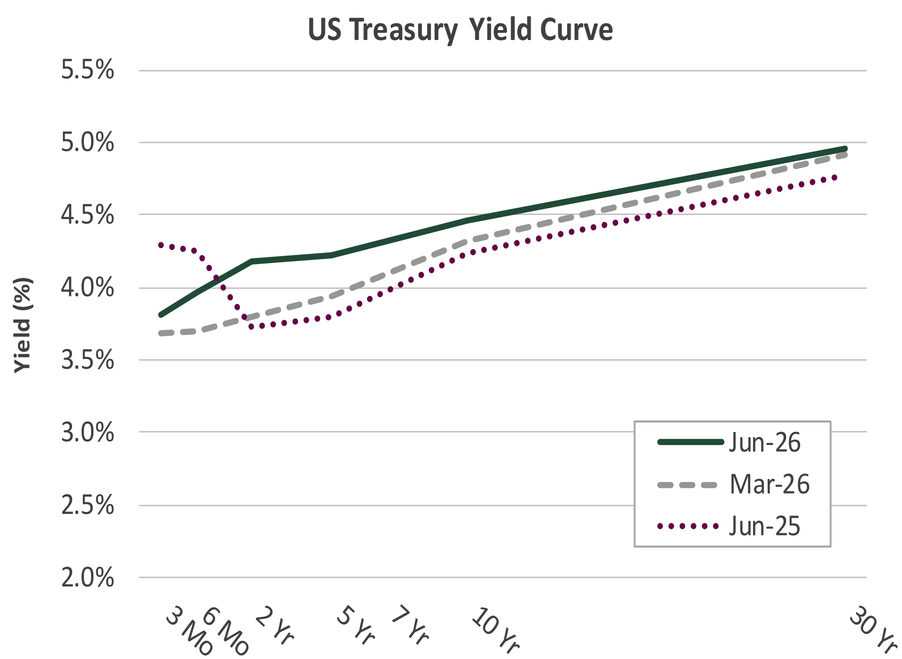


Source: Bloomberg

The Federal Open Market Committee (FOMC) held the target range for the federal funds rate at 3.50% to 3.75% at its June 16–17 meeting, with a unanimous 12–0 vote. This marked a notable shift from the April meeting—Jerome Powell's last as chair—which saw four dissents in an 8–4 decision. The return to consensus under Chair Kevin Warsh signals a clear change in tone. Minutes from the June meeting are scheduled for release in early July. The June Summary of Economic Projections reflected a more hawkish outlook. The median projection for the federal funds rate at year-end 2026 rose to 3.8%, up from 3.4% in March, before easing to 3.6% in 2027 and 3.4% in 2028. Officials also revised their inflation forecasts, with headline PCE projected at 3.6% in 2026 (from 2.7%) and core PCE at 3.3%. By contrast, median projections for real GDP growth and the unemployment rate—2.2% and 4.3%, respectively—were little changed.



Source: Bloomberg



Source: Bloomberg

Treasury yields ended June mixed, with a modest flattening across the curve as markets digested a more hawkish Federal Reserve signal. The 2-year yield rose to 4.15% from 3.98% at the end of May, while the 10-year yield edged down to 4.44% from 4.45%. The 2s/10s spread narrowed to 29 basis points, down from 47 basis points a month earlier. The 3-month/10-year spread remained positive at roughly 64 basis points at month-end. Relative to the 69 basis point spread at the start of 2026, the curve has flattened materially year to date, reflecting a repricing higher in front-end rates as expectations shift toward the possibility of further Fed tightening rather than easing.

ACCOUNT PROFILE

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.

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES				
Max % (MV)	100.0	11.6	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	25.0	11.6	Compliant	
Max Maturity (Years)	5.0	4.6	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV; Non Agency ABS & MBS)	20.0	7.8	Compliant	
Max % Issuer (MV)	5.0	1.6	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV; FDIC & Collateralized CD/TD)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	30.0	27.0	Compliant	
Max % Issuer (MV)	5.0	1.3	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV; FDIC & Collateralized CD/TD)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	3.4	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	25.0	11.6	Compliant	
Max Callables (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	1	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.2	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES (NON-AGENCY)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, LOCAL AGENCY)				
Max % (MV)	30.0	0.9	Compliant	
Max % Issuer (MV)	5.0	0.9	Compliant	
Max Maturity (Years)	5	3	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, OTHER STATES)				

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit)	0.0	0.0	Compliant	
REPURCHASE AGREEMENTS				
Max % (MV)	10.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	1.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	1.7	Compliant	
Max % Issuer (MV)	10.0	1.7	Compliant	
Max Maturity (Years)	5	3	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	47.3	Compliant	
Max Maturity (Years)	5	4	Compliant	

PORTFOLIO SUMMARY

City of Cupertino | Account #10659 | As of June 30, 2026

Portfolio Characteristics

Average Modified Duration	2.52
Average Coupon	3.82%
Average Purchase YTM	4.11%
Average Market YTM	4.31%
Average Credit Quality*	AA+
Average Final Maturity	2.91
Average Life	2.77

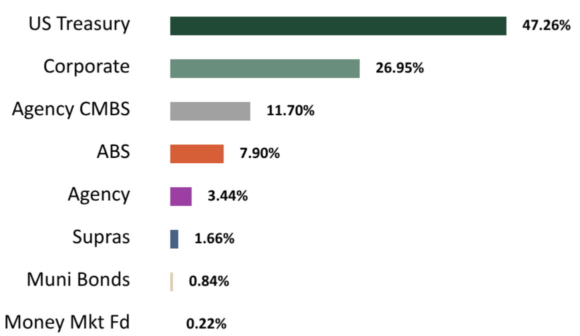
Account Summary

	End Values as of 03/31/2026	End Values as of 06/30/2026
Market Value	206,386,615.39	206,884,323.76
Accrued Interest	1,408,186.33	1,712,686.71
Total Market Value	**207,794,801.72**	**208,597,010.47**
Income Earned	2,049,095.66	2,104,316.42
Cont/WD	0.00	0.00
Par	207,849,407.81	209,750,558.47
Book Value	206,277,628.74	208,055,759.90
Cost Value	205,686,359.19	207,356,230.92

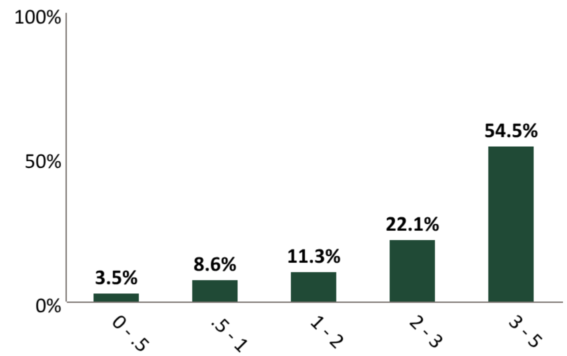
Top Issuers

United States	47.26%
Federal Home Loan Mortgage Corp	11.70%
Farm Credit System	2.53%
International Bank for Recon and Dev	1.66%
Chase Issuance Trust	1.59%
Guardian Life Global Funding	1.29%
The Home Depot, Inc.	1.26%
Toyota Motor Corporation	1.22%

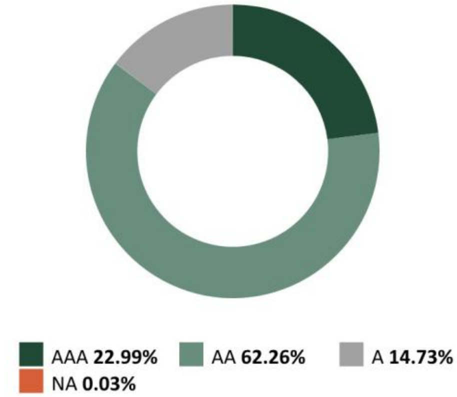
Sector Allocation



Maturity Distribution



Credit Quality*



Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (02/01/19)
City of Cupertino	0.08%	0.41%	0.67%	3.09%	4.63%	4.71%	1.89%	--	2.33%
Benchmark Return	0.06%	0.24%	0.43%	2.71%	4.12%	4.25%	1.54%	--	2.06%

*The average credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.
**Periods over 1 year are annualized.
Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

PORTFOLIO CHARACTERISTICS

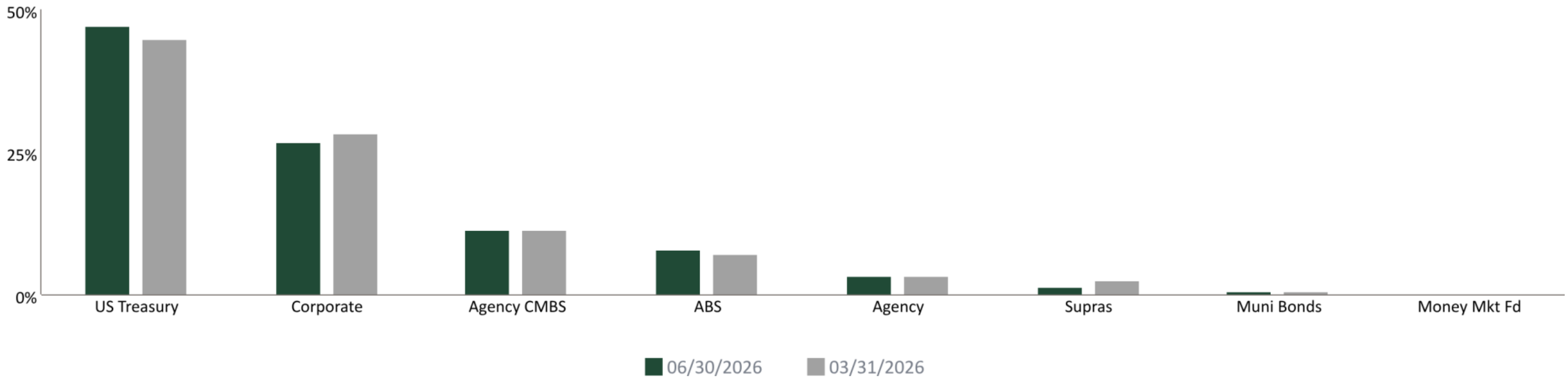
CHANDLER ASSET MANAGEMENT

City of Cupertino | Account #10659 | As of June 30, 2026

	Benchmark*	6/30/2026 Portfolio	3/31/2026 Portfolio
Average Maturity (yrs)	2.64	2.91	2.96
Average Modified Duration	2.46	2.52	2.56
Average Purchase Yield		4.11%	4.01%
Average Market Yield	4.16%	4.31%	4.04%
Average Quality**	AA+	AA+	AA+
Total Market Value		208,597,010	207,794,802

*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.

City of Cupertino | Account #10659 | As of June 30, 2026

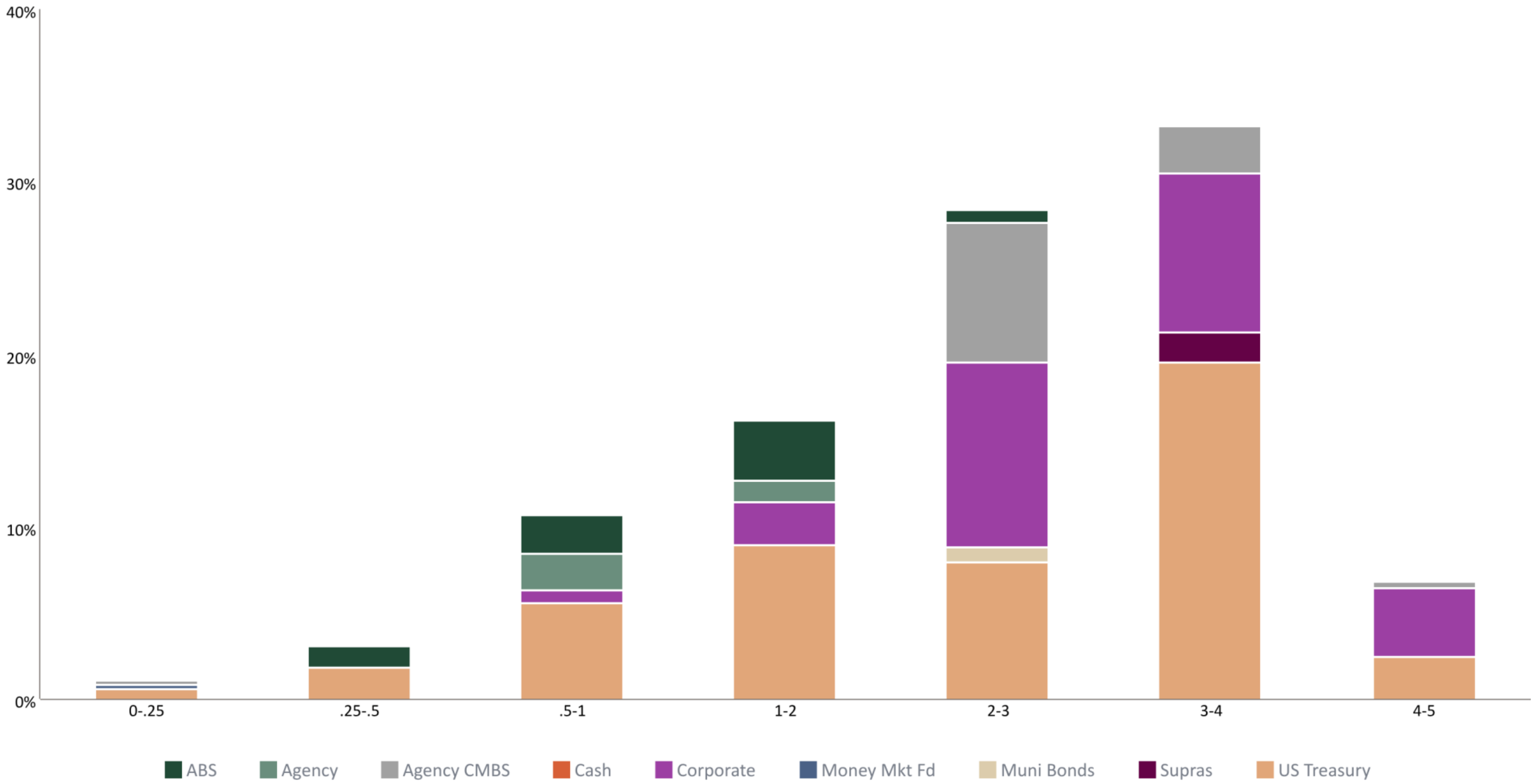


Sector as a Percentage of Market Value

Sector	06/30/2026	03/31/2026
US Treasury	47.26%	44.82%
Corporate	26.95%	28.58%
Agency CMBS	11.70%	11.42%
ABS	7.90%	7.43%
Agency	3.44%	3.47%
Supras	1.66%	2.87%
Muni Bonds	0.84%	0.86%
Money Mkt Fd	0.22%	0.53%

DURATION ALLOCATION

City of Cupertino | Account #10659 | As of June 30, 2026



	0-.25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
06/30/2026	1.2%	3.2%	10.7%	16.3%	28.4%	33.3%	6.9%	0.0%	0.0%

ISSUERS

City of Cupertino | Account #10659 | As of June 30, 2026

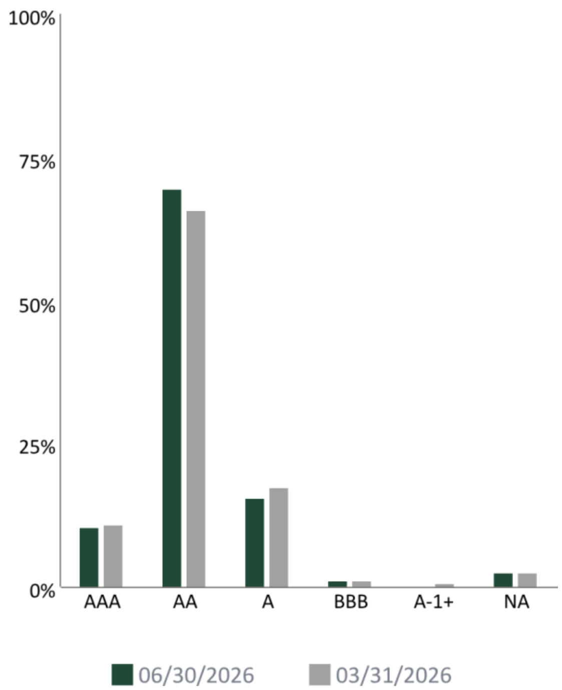
Issuer	Investment Type	% Portfolio
United States	US Treasury	47.26%
Federal Home Loan Mortgage Corp	Agency CMBS	11.70%
Farm Credit System	Agency	2.53%
International Bank for Recon and Dev	Supras	1.66%
Chase Issuance Trust	ABS	1.59%
Guardian Life Global Funding	Corporate	1.29%
The Home Depot, Inc.	Corporate	1.26%
Toyota Motor Corporation	Corporate	1.22%
Meta Platforms, Inc.	Corporate	1.15%
New York Life Insurance Company	Corporate	1.15%
Deere & Company	Corporate	0.98%
Northwestern Mutual Global Funding	Corporate	0.97%
UnitedHealth Group Incorporated	Corporate	0.92%
Federal Home Loan Banks	Agency	0.91%
Simon Property Group, Inc.	Corporate	0.90%
Mastercard Incorporated	Corporate	0.85%
Chubb Limited	Corporate	0.85%
State of California	Muni Bonds	0.84%
Caterpillar Inc.	Corporate	0.84%
American Honda Finance Corporation	Corporate	0.84%
Prudential Financial, Inc.	Corporate	0.83%
The Goldman Sachs Group, Inc.	Corporate	0.81%
Bank of America Credit Card Trust	ABS	0.79%
Mercedes-Benz Auto Lease Trust	ABS	0.78%
Berkshire Hathaway Inc.	Corporate	0.77%
PepsiCo, Inc.	Corporate	0.73%
Citigroup Inc.	ABS	0.72%
Prologis, Inc.	Corporate	0.72%
Bank of America Corporation	Corporate	0.72%
JPMorgan Chase & Co.	Corporate	0.72%

City of Cupertino | Account #10659 | As of June 30, 2026

Issuer	Investment Type	% Portfolio
The Progressive Corporation	Corporate	0.72%
Alphabet Inc.	Corporate	0.71%
Morgan Stanley	Corporate	0.70%
Realty Income Corporation	Corporate	0.69%
American Express Credit Master Trust	ABS	0.69%
Marsh & McLennan Companies, Inc.	Corporate	0.68%
WF Card Issuance Trust	ABS	0.66%
Salesforce, Inc.	Corporate	0.65%
Visa Inc.	Corporate	0.64%
Met Tower Global Funding	Corporate	0.62%
Toyota Auto Receivables Owner Trust	ABS	0.57%
Hyundai Motor Company	Corporate	0.53%
Cargill, Incorporated	Corporate	0.52%
NVIDIA Corporation	Corporate	0.51%
BMW Vehicle Lease Trust	ABS	0.51%
Nat Rural Util Coop Fin Corp	Corporate	0.49%
Massachusetts Mutual Life Insurance	Corporate	0.48%
Pacific Life Global Funding II	Corporate	0.48%
Hyundai Auto Lease Sec Trust	ABS	0.37%
Honda Auto Receivables Owner Trust	ABS	0.32%
GM Financial Securitized Term	ABS	0.32%
Wells Fargo & Company	Money Mkt Fd	0.22%
Mercedes-Benz Auto Receivables Trust	ABS	0.21%
BMW Vehicle Owner Trust	ABS	0.21%
John Deere Owner Trust	ABS	0.16%
WC MMF Sweep	Cash	0.03%
Cash	Cash	0.00%
TOTAL		**100.00%**

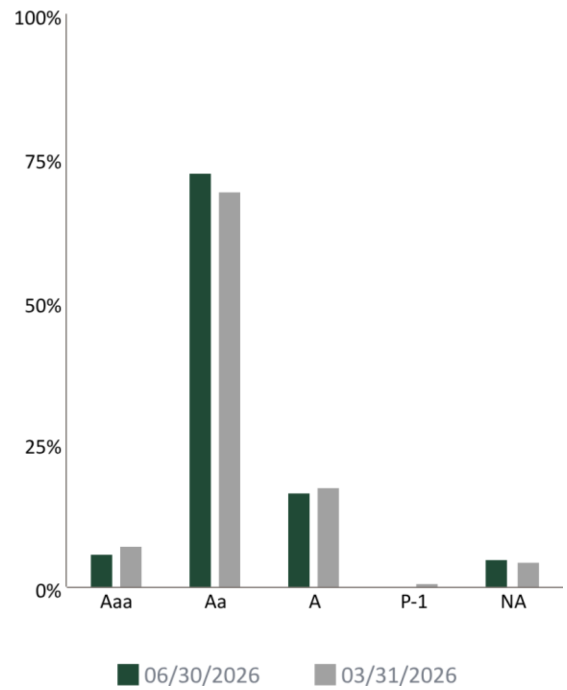
City of Cupertino | Account #10659 | As of June 30, 2026

S&P Rating



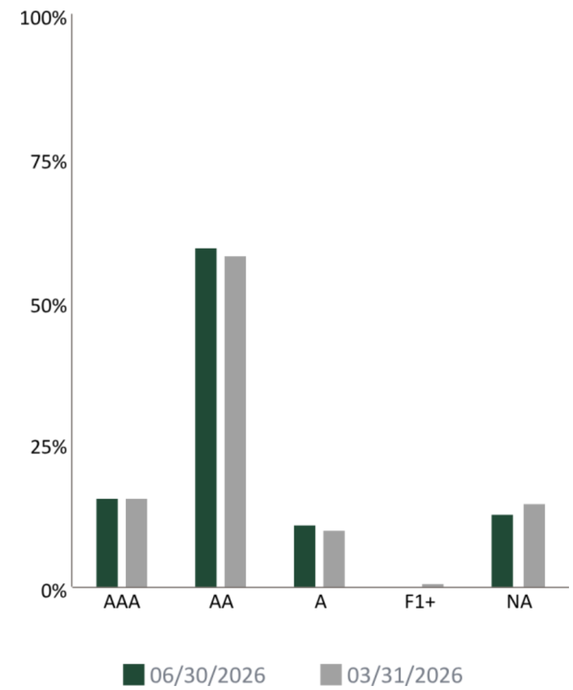
Rating	06/30/2026	03/31/2026
AAA	10.50%	11.34%
AA	69.91%	65.98%
A	15.59%	17.45%
BBB	1.33%	1.34%
A-1+	--	0.95%
NA	2.66%	2.94%

Moody's Rating



Rating	06/30/2026	03/31/2026
Aaa	6.07%	7.57%
Aa	72.47%	69.14%
A	16.57%	17.86%
P-1	--	0.95%
NA	4.89%	4.47%

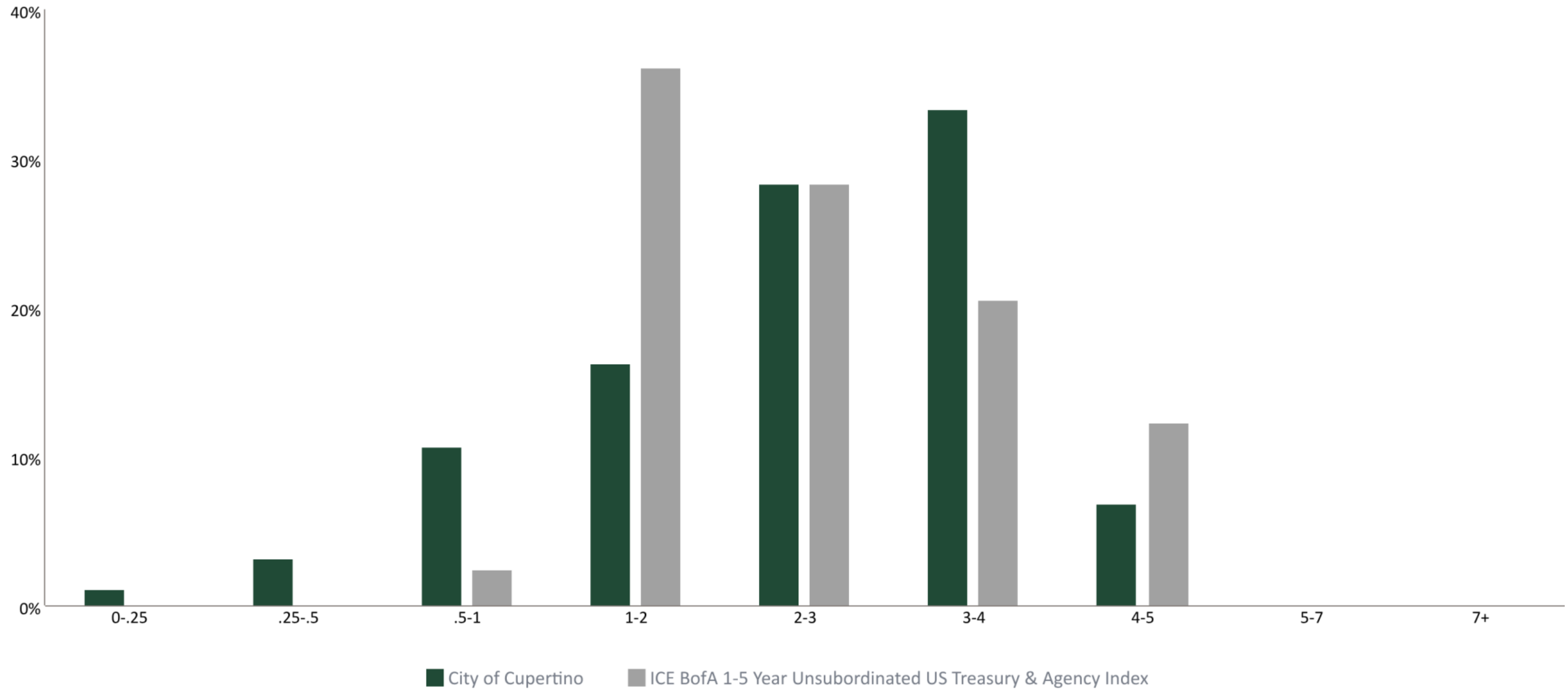
Fitch Rating



Rating	06/30/2026	03/31/2026
AAA	16.03%	15.60%
AA	59.66%	58.14%
A	11.31%	10.20%
F1+	--	0.95%
NA	12.99%	15.11%

City of Cupertino | Account #10659 | As of June 30, 2026

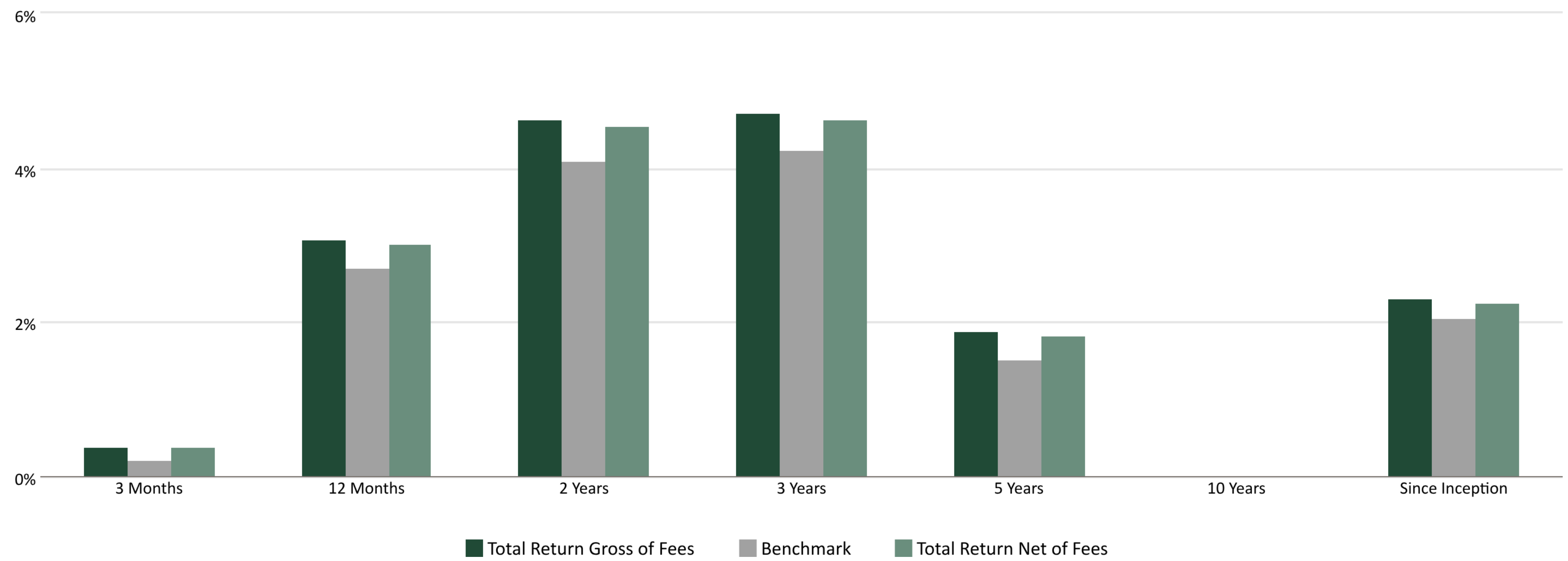
Portfolio Compared to the Benchmark



	0-.25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
Portfolio	1.2%	3.2%	10.7%	16.3%	28.4%	33.3%	6.9%	0.0%	0.0%
ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index	0.0%	0.0%	2.5%	36.2%	28.4%	20.6%	12.3%	0.0%	0.0%

City of Cupertino | Account #10659 | As of June 30, 2026

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



	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
TOTAL RATE OF RETURN*							
City of Cupertino Gross of Fees	0.41%	3.09%	4.63%	4.71%	1.89%		2.33%
City of Cupertino Net of Fees	0.39%	3.02%	4.56%	4.65%	1.83%		2.26%
Benchmark	*0.24%*	*2.71%*	*4.12%*	*4.25%*	*1.54%*		*2.06%*
REALIZED RATE OF RETURN							
City of Cupertino	1.02%	3.94%	3.48%				

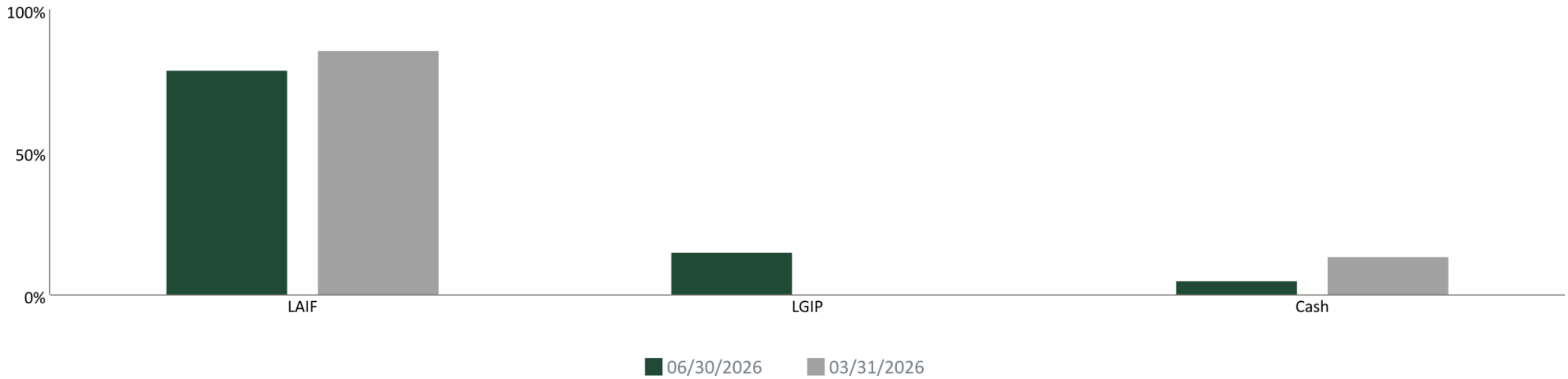
*Periods over 1 year are annualized.
Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio. Realized rate of return: A measure of a portfolio's return over time. It is the internal rate which equates the beginning book value of the portfolio with the ending book value; it includes interest earnings, realized gains and losses in the portfolio.
Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

City of Cupertino Reporting | Account #10663 | As of June 30, 2026

	6/30/2026 Portfolio	3/31/2026 Portfolio
Average Maturity (yrs)	0.00	0.00
Average Modified Duration	0.00	0.00
Average Purchase Yield	3.77%	3.29%
Average Market Yield	3.77%	3.29%
Average Quality**	AAA	AAA
Total Market Value	95,445,962	86,638,115

*Benchmark: NO BENCHMARK REQUIRED
**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

City of Cupertino Reporting | Account #10663 | As of June 30, 2026



Sector as a Percentage of Market Value

Sector	06/30/2026	03/31/2026
LAIF	78.48%	85.39%
LGIP	15.16%	--
Cash	6.36%	14.61%

CONSOLIDATED INFORMATION

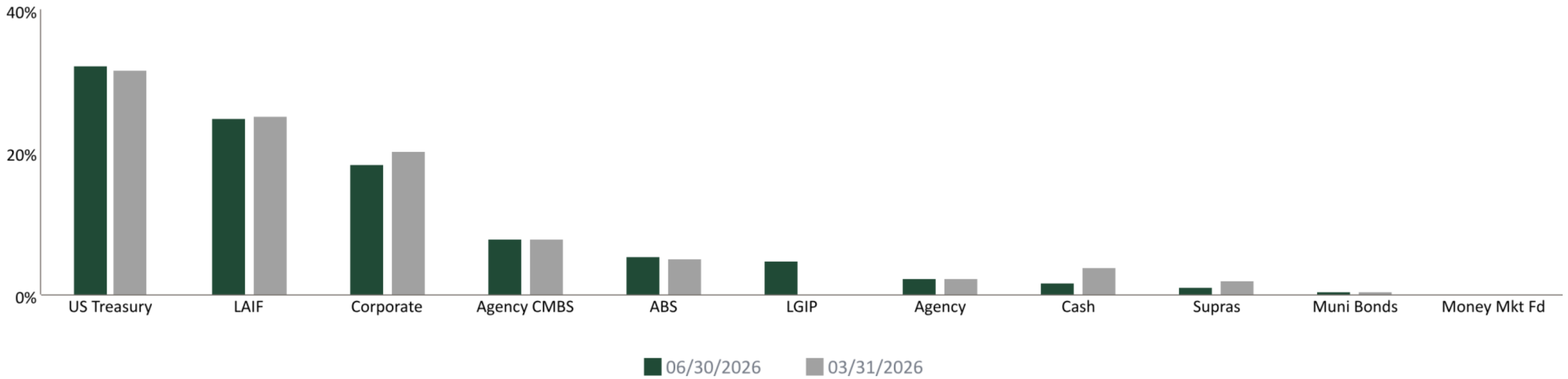
CHANDLER ASSET MANAGEMENT

City of Cupertino Cons | Account #10664 | As of June 30, 2026

	6/30/2026 Portfolio	3/31/2026 Portfolio
Average Maturity (yrs)	1.99	2.09
Average Modified Duration	1.72	1.81
Average Purchase Yield	4.00%	3.80%
Average Market Yield	4.14%	3.82%
Average Quality**	AA+	AA+
Total Market Value	304,042,972	294,432,916

*Benchmark: NO BENCHMARK REQUIRED
**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

City of Cupertino Cons | Account #10664 | As of June 30, 2026



Sector as a Percentage of Market Value

Sector	06/30/2026	03/31/2026
US Treasury	32.34%	31.57%
LAIF	24.78%	25.25%
Corporate	18.44%	20.13%
Agency CMBS	8.01%	8.05%
ABS	5.40%	5.23%
LGIP	4.79%	--
Agency	2.35%	2.44%
Cash	2.03%	4.34%
Supras	1.13%	2.02%
Muni Bonds	0.58%	0.60%
Money Mkt Fd	0.15%	0.37%

CHANDLER ASSET MANAGEMENT

PORTFOLIO HOLDINGS

City of Cupertino | Account #10659 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
44934FAD7	HALST 2024-B A3 5.41 05/17/2027	135,797.59	05/14/2024 5.41%	135,793.82 135,796.49	100.11 3.96%	135,952.13 326.52	0.07% 155.65	NA/AAA AAA	0.88 0.08
89231FAD2	TAOT 2023-C A3 5.16 04/17/2028	427,019.00	11/21/2023 5.65%	425,284.24 426,310.41	100.30 4.31%	428,311.59 979.30	0.21% 2,001.18	NA/AAA AAA	1.80 0.34
438123AC5	HAROT 2023-4 A3 5.67 06/21/2028	331,773.72	-- 5.64%	332,594.98 332,036.30	100.62 4.34%	333,814.13 522.54	0.16% 1,777.83	Aaa/NA AAA	1.98 0.42
05594HAD5	BMWLT 2025-2 A3 3.97 09/25/2028	1,050,000.00	10/08/2025 4.32%	1,049,997.06 1,049,997.77	99.67 4.34%	1,046,585.40 694.75	0.51% (3,412.37)	NA/AAA AAA	2.24 0.97
58769FAC9	MBART 2023-2 A3 5.95 11/15/2028	433,673.99	11/29/2023 3.88%	442,855.68 436,862.80	100.76 4.41%	436,959.51 1,146.83	0.21% 96.71	NA/AAA AAA	2.38 0.47
47800RAD5	JDOT 2024 A3 4.96 11/15/2028	331,331.05	03/25/2024 5.13%	331,175.74 331,251.47	100.37 4.44%	332,565.92 730.40	0.16% 1,314.45	Aaa/NA AAA	2.38 0.65
05522RDH8	BACCT 2023-2 A 4.98 11/16/2026	850,000.00	01/24/2024 4.58%	858,798.83 851,184.55	100.32 4.15%	852,717.45 1,881.33	0.41% 1,532.90	Aaa/NA AAA	0.38 0.36
437930AC4	HAROT 2024-2 A3 5.27 11/20/2028	332,043.31	05/14/2024 5.27%	332,002.97 332,021.89	100.54 4.37%	333,843.98 631.90	0.16% 1,822.09	NA/AAA AAA	2.39 0.56
448970AD5	HALST 2026-A A3 3.97 12/15/2028	635,000.00	01/12/2026 3.98%	634,906.91 634,921.06	99.32 4.46%	630,713.12 1,120.42	0.30% (4,207.95)	NA/AAA AAA	2.46 1.49
36268GAD7	GMCAR 2024-1 A3 4.85 12/18/2028	651,739.89	-- 4.97%	650,706.39 651,189.97	100.28 4.28%	653,541.96 1,317.06	0.32% 2,351.99	Aaa/NA AAA	2.47 0.45
161571HV9	CHAIT 241 A 4.6 01/16/2029	1,690,000.00	01/24/2024 4.61%	1,689,742.61 1,689,867.89	100.22 4.22%	1,693,719.69 3,455.11	0.82% 3,851.80	NA/AAA AAA	2.55 0.52
096919AD7	BMWOT 2024-A A3 5.18 02/26/2029	431,494.98	06/04/2024 5.18%	431,429.44 431,458.00	100.51 4.33%	433,679.21 372.52	0.21% 2,221.21	Aaa/AAA NA	2.66 0.56
58770XAD5	MBALT 2025-B A3 3.88 04/16/2029	1,045,000.00	10/16/2025 4.57%	1,044,828.52 1,044,862.49	99.38 4.35%	1,038,494.88 1,802.04	0.50% (6,367.62)	NA/AAA AAA	2.79 1.41
05522RDJ4	BACCT 2024-1 A 4.93 05/15/2029	785,000.00	06/06/2024 4.93%	784,955.96 784,974.39	100.65 4.21%	790,067.18 1,720.02	0.38% 5,092.79	Aaa/AAA NA	2.87 0.84
58770YAD3	MBALT 2026-A A3 3.93 01/15/2030	570,000.00	01/13/2026 3.97%	569,886.97 569,899.48	99.21 4.40%	565,515.81 995.60	0.27% (4,383.67)	Aaa/NA AAA	3.54 1.78
02582JKP4	AMXCA 2025-2 A 4.28 04/15/2030	1,420,000.00	05/06/2025 4.28%	1,419,974.30 1,419,980.22	99.90 4.38%	1,418,568.64 2,701.16	0.69% (1,411.58)	NA/AAA AAA	3.79 1.69

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
92970QAJ4	WFCIT 2025-1 A 4.34 05/15/2030	1,365,000.00	06/03/2025 4.33%	1,364,977.34 1,364,982.20	100.03 4.36%	1,365,423.15 2,632.93	0.66% 440.95	NA/AAA AAA	3.87 1.76
17305EHA6	CCCIT 2025-A1 A1 4.3 06/21/2030	1,500,000.00	10/09/2025 3.90%	1,515,000.00 1,510,979.70	99.83 4.39%	1,497,465.00 1,791.67	0.72% (13,514.70)	Aaa/AAA NA	3.97 1.87
89240QAD7	TAOT 2026-B A3 4.13 12/16/2030	760,000.00	04/14/2026 4.27%	759,839.72 759,846.41	99.42 4.46%	755,567.68 1,395.02	0.37% (4,278.73)	Aaa/AAA NA	4.46 1.97
161571JA3	CHAIT 2026-1 A 4.4 05/15/2029	1,595,000.00	05/21/2026 4.45%	1,594,622.62 1,594,634.47	100.06 4.42%	1,596,033.56 6,433.17	0.77% 1,399.09	NA/AAA AAA	2.87 2.63
Total ABS		**16,339,873.54**	**4.50%**	**16,369,374.10** **16,353,057.94**	**100.00** **4.34%**	**16,339,539.96** **32,650.29**	**7.90%** **(13,517.97)**		**2.89** **1.29**
AGENCY									
3130B0TY5	FEDERAL HOME LOAN BANKS 4.75 04/09/2027	1,875,000.00	04/10/2024 4.85%	1,870,050.00 1,873,722.87	100.52 4.06%	1,884,682.50 20,286.46	0.91% 10,959.63	Aa1/AA+ AA+	0.77 0.75
3133ERDS7	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 05/06/2027	2,400,000.00	06/20/2024 4.55%	2,412,552.00 2,403,697.40	100.52 4.11%	2,412,568.80 17,416.67	1.17% 8,871.40	Aa1/AA+ AA+	0.85 0.82
3133EPC60	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.625 11/15/2027	2,800,000.00	11/09/2023 4.73%	2,789,612.00 2,796,430.68	100.52 4.22%	2,814,672.00 16,547.22	1.36% 18,241.32	Aa1/AA+ AA+	1.38 1.31
Total Agency		**7,075,000.00**	**4.70%**	**7,072,214.00** **7,073,850.95**	**100.52** **4.14%**	**7,111,923.30** **54,250.35**	**3.44%** **38,072.35**		**1.04** **0.99**
AGENCY CMBS									
3137BSP72	FHMS K-058 A2 2.653 08/25/2026	537,800.82	11/12/2021 1.36%	568,787.39 538,359.95	99.68 3.63%	536,085.78 1,188.99	0.26% (2,274.18)	Aa1/AA+ AAA	0.15 0.15
3137FKUP9	FHMS K-087 A2 3.771 12/25/2028	1,929,399.14	07/01/2024 4.86%	1,845,816.97 1,883,506.82	98.38 4.42%	1,898,102.36 6,063.14	0.92% 14,595.54	Aa1/AAA AA+	2.49 2.22
3137FL6P4	FHMS K-089 A2 3.563 01/25/2029	1,288,000.00	07/03/2024 4.70%	1,228,178.44 1,254,562.78	97.80 4.43%	1,259,680.74 3,824.29	0.61% 5,117.96	Aa1/AA+ AA+	2.57 2.37
3137H5YC5	FHMS K-748 A2 2.26 01/25/2029	2,000,000.00	07/03/2024 4.74%	1,801,718.75 1,889,170.83	94.87 4.43%	1,897,338.00 3,766.67	0.92% 8,167.17	Aa1/AA+ AAA	2.57 2.36
3137FKZZ2	FHMS K-088 A2 3.69 01/25/2029	2,550,000.00	07/17/2024 4.50%	2,465,830.08 2,502,576.68	98.12 4.43%	2,502,095.70 7,841.25	1.21% (480.98)	Aaa/AA+ AA+	2.57 2.33

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3137FLN91	FHMS K-091 A2 3.505 03/25/2029	2,500,000.00	03/20/2025 4.25%	2,431,738.28 2,453,732.14	97.59 4.43%	2,439,825.00 7,302.08	1.18% (13,907.14)	Aa1/AAA AA+	2.73 2.45
3137FMCR1	FHMS K-093 A2 2.982 05/25/2029	1,957,816.94	09/19/2024 3.82%	1,888,834.48 1,915,318.82	96.24 4.43%	1,884,181.49 4,865.18	0.91% (31,137.33)	Aa1/AA+ AAA	2.90 2.54
3137FNAE0	FHMS K-095 A2 2.785 06/25/2029	2,200,000.00	07/17/2024 4.47%	2,039,382.82 2,103,756.09	95.51 4.43%	2,101,156.20 5,105.83	1.02% (2,599.89)	Aa1/AA+ AAA	2.99 2.70
3137FPHK4	FHMS K-098 A2 2.425 08/25/2029	1,600,000.00	09/03/2024 4.00%	1,488,375.00 1,529,719.90	94.24 4.43%	1,507,812.80 3,233.33	0.73% (21,907.10)	Aa1/AA+ AAA	3.15 2.88
3137FPJG1	FHMS K-099 A2 2.595 09/25/2029	1,500,000.00	06/05/2025 4.21%	1,407,011.72 1,430,258.79	94.58 4.43%	1,418,764.50 3,243.75	0.69% (11,494.29)	Aa1/AA+ AAA	3.24 2.94
3137FRUT6	FHMS K-106 A2 2.069 01/25/2030	2,000,000.00	06/06/2025 4.37%	1,810,078.13 1,853,994.00	92.25 4.44%	1,844,956.00 3,448.33	0.89% (9,038.00)	Aa1/AA+ AAA	3.57 3.33
3137FTZQ3	FHMS K-110 A2 1.477 04/25/2030	1,500,000.00	09/03/2025 3.96%	1,348,652.34 1,375,542.44	90.04 4.45%	1,350,600.00 1,846.25	0.65% (24,942.44)	Aa1/AA+ AAA	3.82 3.48
3137FWG79	FHMS K-115 A2 1.383 06/25/2030	2,000,000.00	12/10/2025 3.99%	1,787,343.75 1,813,191.47	88.98 4.45%	1,779,620.00 2,305.00	0.86% (33,571.47)	Aa1/AA+ AAA	3.99 3.75
3137FX3Q9	FHMS K-117 A2 1.406 08/25/2030	1,000,000.00	06/03/2026 4.46%	885,820.31 887,553.73	88.69 4.46%	886,929.00 1,171.67	0.43% (624.73)	Aa1/AA+ AAA	4.15 3.88
3137FXZ35	FHMS K-127 A2 2.108 01/25/2031	1,000,000.00	02/03/2026 4.11%	910,937.50 918,152.06	90.37 4.46%	903,728.00 1,756.67	0.44% (14,424.06)	Aa1/AA+ AAA	4.57 4.22
Total Agency CMBS		**25,563,016.90**	**4.26%**	**23,908,505.97** **24,349,396.51**	**94.82** **4.42%**	**24,210,875.56** **56,962.42**	**11.70%** **(138,520.94)**		**3.05** **2.78**
CASH									
992995944	WC MMF SWEEP	53,252.50	-- 2.85%	53,252.50 53,252.50	1.00 1.80%	53,252.50 0.00	0.03% 0.00	NA/NA NA	0.00 0.00
CCYUSD	Receivable	4,328.15	--	4,328.15 4,328.15	1.00	4,328.15 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**57,580.65**	**2.85%**	**57,580.65** **57,580.65**	**1.00** **1.80%**	**57,580.65** **0.00**	**0.03%** **0.00**		**0.00** **0.00**
CORPORATE									

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
084664CZ2	BERKSHIRE HATHAWAY FINANCE CORP 2.3 03/15/2027	1,615,000.00	03/07/2022 2.30%	1,614,693.15 1,614,956.81	98.68 4.21%	1,593,693.31 10,937.14	0.77% (21,263.51)	Aa2/AA A+	0.71 0.69
79466LAQ7	SALESFORCE INC 4.5 03/15/2028	1,355,000.00	03/12/2026 4.37%	1,358,284.45 1,357,771.25	99.87 4.57%	1,353,289.99 18,292.50	0.65% (4,481.26)	A2/A+ NA	1.71 1.60
58989V2M5	MET TOWER GLOBAL FUNDING 4.0 01/14/2029	1,310,000.00	01/07/2026 4.05%	1,308,310.10 1,308,569.14	98.60 4.59%	1,291,705.85 24,307.78	0.62% (16,863.29)	Aa3/AA- AA-	2.54 2.34
74340XBL4	PROLOGIS LP 4.375 02/01/2029	1,500,000.00	07/18/2024 4.68%	1,481,235.00 1,489,293.31	99.74 4.48%	1,496,172.00 27,343.75	0.72% 6,878.69	A2/A NA	2.59 2.37
743315AV5	PROGRESSIVE CORP 4.0 03/01/2029	1,500,000.00	07/16/2024 4.72%	1,455,495.00 1,474,319.98	98.97 4.41%	1,484,511.00 20,000.00	0.72% 10,191.02	A2/A A	2.67 2.47
38151LAJ9	GOLDMAN SACHS BANK USA 4.656 06/03/2029	675,000.00	05/27/2026 4.57%	675,000.00 675,000.00	100.06 4.54%	675,417.83 2,444.40	0.33% 417.83	A1/A+ AA-	2.93 1.81
64952WFG3	NEW YORK LIFE GLOBAL FUNDING 5.0 06/06/2029	1,000,000.00	07/01/2024 5.12%	994,880.00 996,953.60	101.27 4.53%	1,012,705.00 3,472.22	0.49% 15,751.40	Aa1/AA+ AAA	2.93 2.69
437076BY7	HOME DEPOT INC 2.95 06/15/2029	1,663,000.00	09/17/2024 3.93%	1,593,203.89 1,619,453.03	96.03 4.40%	1,596,960.61 2,180.38	0.77% (22,492.43)	A2/A A	2.96 2.78
44891AEN3	HYUNDAI CAPITAL AMERICA 4.75 06/18/2029	1,100,000.00	06/15/2026 4.79%	1,098,909.75 1,098,922.68	99.66 4.87%	1,096,239.10 1,886.81	0.53% (2,683.58)	A3/A- A-	2.97 2.73
437076DC3	HOME DEPOT INC 4.75 06/25/2029	1,000,000.00	07/01/2024 4.93%	992,260.00 995,361.96	100.99 4.39%	1,009,897.00 791.67	0.49% 14,535.04	A2/A A	2.99 2.68
756109CB8	REALTY INCOME CORP 4.0 07/15/2029	1,463,000.00	08/08/2024 4.69%	1,419,212.41 1,436,012.65	98.17 4.65%	1,436,172.97 26,984.22	0.69% 160.32	A3/A- NA	3.04 2.77
713448FX1	PEPSICO INC 4.5 07/17/2029	1,500,000.00	07/15/2024 4.53%	1,497,675.00 1,498,584.12	100.31 4.39%	1,504,641.00 30,750.00	0.73% 6,056.88	A1/A+ NA	3.05 2.69
46647PAV8	JPMORGAN CHASE & CO 4.203 07/23/2029	1,500,000.00	09/17/2024 4.27%	1,496,610.00 1,498,181.86	99.14 4.84%	1,487,158.50 27,669.75	0.72% (11,023.36)	A1/A AA-	3.06 1.92
06051GHM4	BANK OF AMERICA CORP 4.271 07/23/2029	1,500,000.00	09/17/2024 4.29%	1,498,710.00 1,499,308.14	99.21 4.88%	1,488,169.50 28,117.42	0.72% (11,138.64)	A1/A- AA-	3.06 1.91
30303M8S4	META PLATFORMS INC 4.3 08/15/2029	912,000.00	08/12/2024 4.33%	910,584.09 911,115.25	99.78 4.38%	909,975.36 14,814.93	0.44% (1,139.89)	Aa3/AA- NA	3.13 2.85
171239AL0	CHUBB INA HOLDINGS LLC 4.65 08/15/2029	1,750,000.00	-- 4.44%	1,765,746.34 1,759,973.52	100.49 4.48%	1,758,617.00 30,741.67	0.85% (1,356.52)	A2/A A	3.13 2.76
91324PDS8	UNITEDHEALTH GROUP INC 2.875 08/15/2029	2,000,000.00	09/17/2024 3.94%	1,906,080.00 1,940,199.38	95.34 4.49%	1,906,708.00 21,722.22	0.92% (33,491.38)	A2/A+ A	3.13 2.91

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
02665WFQ9	AMERICAN HONDA FINANCE CORP 4.4 09/05/2029	1,750,000.00	10/02/2024 4.29%	1,758,102.50 1,755,236.43	98.95 4.76%	1,731,598.75 24,811.11	0.84% (23,637.68)	A3/BBB+ A-	3.18 2.89
40139LBJ1	GUARDIAN LIFE GLOBAL FUNDING 4.179 09/26/2029	1,205,000.00	09/23/2024 4.18%	1,205,000.00 1,205,000.00	98.69 4.62%	1,189,225.35 13,288.64	0.57% (15,774.66)	Aa1/AA+ NA	3.24 2.96
61748UAK8	MORGAN STANLEY 4.133 10/18/2029	1,470,000.00	10/17/2025 4.25%	1,470,184.60 1,470,142.00	98.64 4.70%	1,449,934.50 12,319.78	0.70% (20,207.50)	A1/A- A+	3.30 2.15
38141GD27	GOLDMAN SACHS GROUP INC 4.153 10/21/2029	1,025,000.00	10/14/2025 4.37%	1,025,000.00 1,025,000.00	98.59 4.72%	1,010,547.50 8,277.16	0.49% (14,452.50)	A2/BBB+ A	3.31 2.15
14913UAU4	CATERPILLAR FINANCIAL SERVICES CORP 4.7 11/15/2029	1,200,000.00	11/14/2024 4.74%	1,198,092.00 1,198,711.63	100.77 4.45%	1,209,266.40 7,206.67	0.58% 10,554.77	A1/A A+	3.38 3.07
64952WFK4	NEW YORK LIFE GLOBAL FUNDING 4.6 12/05/2029	1,365,000.00	12/02/2024 4.61%	1,364,221.95 1,364,466.10	99.95 4.62%	1,364,280.65 4,534.83	0.66% (185.46)	Aa1/AA+ AAA	3.43 3.13
89236TNA9	TOYOTA MOTOR CREDIT CORP 4.95 01/09/2030	1,445,000.00	01/06/2025 5.00%	1,441,907.70 1,442,818.79	101.15 4.59%	1,461,585.71 34,174.25	0.71% 18,766.92	A1/A+ A+	3.53 3.13
63743HFX5	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.95 02/07/2030	1,000,000.00	02/05/2025 4.88%	1,002,873.61 1,002,058.75	101.05 4.63%	1,010,538.00 19,800.00	0.49% 8,479.25	A2/NA A	3.61 3.14
571748CA8	MARSH & MCLENNAN COMPANIES INC 4.65 03/15/2030	1,400,000.00	03/11/2025 4.69%	1,397,340.00 1,398,026.88	99.90 4.68%	1,398,584.60 19,168.33	0.68% 557.73	A3/A- A-	3.71 3.32
57629TBX4	MASSMUTUAL GLOBAL FUNDING II 4.55 05/07/2030	1,000,000.00	05/01/2025 4.58%	998,670.00 998,975.91	99.26 4.76%	992,633.00 6,825.00	0.48% (6,342.91)	Aa3/AA+ AA+	3.85 3.47
66815L2W8	NORTHWESTERN MUTUAL GLOBAL FUNDING 4.6 06/03/2030	1,000,000.00	06/12/2025 4.51%	1,004,040.00 1,003,187.95	99.72 4.68%	997,198.00 3,577.78	0.48% (5,989.95)	Aa1/AA+ AAA	3.93 3.54
828807DK0	SIMON PROPERTY GROUP LP 2.65 07/15/2030	2,000,000.00	08/19/2025 4.32%	1,853,380.00 1,879,181.84	92.73 4.64%	1,854,652.00 24,438.89	0.90% (24,529.84)	A3/A NA	4.04 3.71
40139LBN2	GUARDIAN LIFE GLOBAL FUNDING 4.327 10/06/2030	1,500,000.00	09/30/2025 4.33%	1,500,000.00 1,500,000.00	98.37 4.75%	1,475,488.50 15,324.79	0.71% (24,511.50)	Aa1/AA+ NA	4.27 3.81
24422EYF0	JOHN DEERE CAPITAL CORP 4.375 10/15/2030	1,000,000.00	11/04/2025 4.22%	1,006,920.00 1,006,007.56	99.40 4.53%	993,959.00 9,236.11	0.48% (12,048.56)	A1/A A+	4.29 3.83
141781CF9	CARGILL INC 4.125 10/23/2030	1,100,000.00	10/20/2025 4.14%	1,099,171.70 1,099,285.56	97.93 4.66%	1,077,252.00 8,570.83	0.52% (22,033.56)	A2/A NA	4.31 3.87
30303MAB8	META PLATFORMS INC 4.2 11/15/2030	1,500,000.00	11/13/2025 4.16%	1,502,895.00 1,502,530.10	98.43 4.60%	1,476,469.50 8,050.00	0.71% (26,060.60)	Aa3/AA- NA	4.38 3.93

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
74153WCZ0	PRICOA GLOBAL FUNDING I 4.35 11/25/2030	1,750,000.00	12/08/2025 4.36%	1,749,440.00 1,749,503.05	98.33 4.77%	1,720,761.00 7,612.50	0.83% (28,742.05)	Aa3/NA AA-	4.41 3.94
89236TPH2	TOYOTA MOTOR CREDIT CORP 4.2 01/10/2031	1,080,000.00	01/07/2026 4.21%	1,079,665.20 1,079,696.40	98.20 4.64%	1,060,583.76 21,294.00	0.51% (19,112.64)	A1/A+ A+	4.53 3.99
66815L2Z1	NORTHWESTERN MUTUAL GLOBAL FUNDING 4.3 01/13/2031	1,020,000.00	01/06/2026 4.30%	1,019,908.20 1,019,916.70	98.44 4.69%	1,004,050.26 20,468.00	0.49% (15,866.44)	Aa1/AA+ AAA	4.54 3.99
6944PL3M9	PACIFIC LIFE GLOBAL FUNDING II 4.375 02/03/2031	1,000,000.00	01/29/2026 4.34%	1,001,380.00 1,001,268.15	98.72 4.69%	987,156.00 17,986.11	0.48% (14,112.15)	Aa3/AA- AA-	4.60 4.04
92826CAZ5	VISA INC 4.1 02/12/2031	1,345,000.00	02/03/2026 4.13%	1,343,197.70 1,343,334.90	98.91 4.36%	1,330,348.92 21,292.10	0.64% (12,985.98)	Aa3/AA- NA	4.62 4.09
02079KBK2	ALPHABET INC 4.1 02/15/2031	1,500,000.00	02/12/2026 4.10%	1,500,087.78 1,500,080.84	98.26 4.52%	1,473,870.00 23,575.00	0.71% (26,210.84)	Aa2/AA+ NA	4.63 4.10
24422EYL7	JOHN DEERE CAPITAL CORP 4.2 03/10/2031	1,060,000.00	03/05/2026 4.20%	1,059,766.80 1,059,781.23	98.32 4.60%	1,042,178.22 13,727.00	0.50% (17,603.01)	A1/A A+	4.69 4.15
14913V2D9	CATERPILLAR FINANCIAL SERVICES CORP 4.5 05/15/2031	525,000.00	05/11/2026 4.53%	524,280.75 524,299.26	99.53 4.61%	522,516.23 3,018.75	0.25% (1,783.04)	A1/A A+	4.87 4.30
57636QBL7	MASTERCARD INC 4.6 06/08/2031	1,765,000.00	06/04/2026 4.62%	1,763,588.00 1,763,605.79	99.85 4.63%	1,762,287.20 5,187.14	0.85% (1,318.59)	Aa3/A+ NA	4.94 4.36
67066GAR5	NVIDIA CORP 4.5 06/15/2031	1,065,000.00	06/15/2026 4.54%	1,062,976.50 1,062,990.93	99.65 4.58%	1,061,229.90 1,730.63	0.51% (1,761.03)	Aa1/AA NA	4.96 4.39
Total Corporate		**56,413,000.00**	**4.36%**	**55,998,979.17** **56,129,083.42**	**98.87** **4.59%**	**55,760,228.93** **647,952.25**	**26.95%** **(368,854.49)**		**3.51** **3.07**
MONEY MARKET FUND									
VP4520004	WF ADV 100% TREAS MM FD-SVC CL #008	462,087.37	-- 0.01%	462,087.37 462,087.37	1.00 3.22%	462,087.37 0.00	0.22% 0.00	Aaa/AAAm NA	0.00 0.00
Total Money Market Fund		**462,087.37**	**0.01%**	**462,087.37** **462,087.37**	**1.00** **3.22%**	**462,087.37** **0.00**	**0.22%** **0.00**		**0.00** **0.00**
MUNICIPAL BONDS									
13063EGT7	CALIFORNIA STATE 4.5 08/01/2029	1,740,000.00	10/30/2024 4.38%	1,749,169.80 1,745,973.62	100.46 4.34%	1,747,990.08 32,625.00	0.84% 2,016.46	Aa2/AA- AA	3.09 2.80

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
Total Municipal Bonds		**1,740,000.00**	**4.38%**	**1,749,169.80** **1,745,973.62**	**100.46** **4.34%**	**1,747,990.08** **32,625.00**	**0.84%** **2,016.46**		**3.09** **2.80**
SUPRANATIONAL									
459058LN1	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029	1,750,000.00	12/12/2024 4.25%	1,721,510.00 1,730,614.55	99.00 4.20%	1,732,557.75 14,122.50	0.84% 1,943.20	Aaa/AAA NA	3.30 3.03
459058LR2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.125 03/20/2030	1,700,000.00	03/14/2025 4.20%	1,694,220.00 1,695,701.40	99.70 4.21%	1,694,879.60 19,673.96	0.82% (821.80)	Aaa/AAA NA	3.72 3.38
Total Supranational		**3,450,000.00**	**4.23%**	**3,415,730.00** **3,426,315.96**	**99.35** **4.21%**	**3,427,437.35** **33,796.46**	**1.66%** **1,121.39**		**3.51** **3.20**
US TREASURY									
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	1,400,000.00	10/18/2021 1.19%	1,379,054.68 1,398,945.20	99.28 3.81%	1,389,864.00 3,079.24	0.67% (9,081.20)	Aa1/AA+ AA+	0.25 0.25
91282CDG3	UNITED STATES TREASURY 1.125 10/31/2026	1,400,000.00	11/15/2021 1.25%	1,391,468.75 1,399,424.65	99.08 3.92%	1,387,162.00 2,653.53	0.67% (12,262.65)	Aa1/AA+ AA+	0.34 0.33
91282CJP7	UNITED STATES TREASURY 4.375 12/15/2026	2,500,000.00	12/28/2023 4.01%	2,525,097.66 2,503,873.67	100.23 3.85%	2,505,800.00 4,781.42	1.21% 1,926.33	Aa1/AA+ AA+	0.46 0.45
912828V98	UNITED STATES TREASURY 2.25 02/15/2027	3,000,000.00	06/29/2026 3.99%	2,968,007.81 2,968,146.91	98.92 4.01%	2,967,651.00 25,359.12	1.43% (495.91)	Aa1/AA+ AA+	0.63 0.61
91282CKJ9	UNITED STATES TREASURY 4.5 04/15/2027	2,300,000.00	04/17/2024 4.77%	2,283,109.38 2,295,545.33	100.36 4.02%	2,308,332.90 21,774.59	1.12% 12,787.57	Aa1/AA+ AA+	0.79 0.76
91282CKR1	UNITED STATES TREASURY 4.5 05/15/2027	3,200,000.00	05/08/2024 4.65%	3,186,500.00 3,196,079.45	100.33 4.10%	3,210,688.00 18,391.30	1.55% 14,608.55	Aa1/AA+ AA+	0.87 0.84
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	3,250,000.00	-- 3.18%	3,260,312.50 3,252,003.31	99.16 4.12%	3,222,729.25 287.02	1.56% (29,274.06)	Aa1/AA+ AA+	1.00 0.97
91282CFB2	UNITED STATES TREASURY 2.75 07/31/2027	400,000.00	08/22/2022 3.12%	393,218.75 398,514.37	98.54 4.15%	394,140.80 4,588.40	0.19% (4,373.57)	Aa1/AA+ AA+	1.08 1.04
91282CFH9	UNITED STATES TREASURY 3.125 08/31/2027	4,500,000.00	-- 3.28%	4,468,902.34 4,492,706.40	98.86 4.13%	4,448,673.00 47,002.38	2.15% (44,033.40)	Aa1/AA+ AA+	1.17 1.12

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CFM8	UNITED STATES TREASURY 4.125 09/30/2027	3,450,000.00	-- 4.31%	3,421,152.34 3,442,678.64	99.97 4.14%	3,449,058.15 35,772.54	1.67% 6,379.51	Aa1/AA+ AA+	1.25 1.19
91282CFZ9	UNITED STATES TREASURY 3.875 11/30/2027	850,000.00	12/05/2022 3.81%	852,656.25 850,754.55	99.61 4.16%	846,646.75 2,789.79	0.41% (4,107.80)	Aa1/AA+ AA+	1.42 1.36
91282CGC9	UNITED STATES TREASURY 3.875 12/31/2027	2,750,000.00	-- 3.67%	2,775,107.42 2,757,652.34	99.58 4.17%	2,738,397.75 289.57	1.32% (19,254.59)	Aa1/AA+ AA+	1.50 1.44
91282CGH8	UNITED STATES TREASURY 3.5 01/31/2028	3,000,000.00	02/07/2023 3.81%	2,957,929.69 2,986,601.37	98.97 4.18%	2,969,064.00 43,798.34	1.44% (17,537.37)	Aa1/AA+ AA+	1.59 1.50
91282CGP0	UNITED STATES TREASURY 4.0 02/29/2028	3,700,000.00	-- 4.01%	3,699,113.28 3,699,749.06	99.73 4.16%	3,690,172.80 49,467.39	1.78% (9,576.26)	Aa1/AA+ AA+	1.67 1.57
91282CNY3	UNITED STATES TREASURY 3.375 09/15/2028	5,000,000.00	10/28/2025 3.50%	4,982,812.50 4,986,815.29	98.34 4.17%	4,916,795.00 49,524.46	2.38% (70,020.29)	Aa1/AA+ AA+	2.21 2.08
91282CQA2	UNITED STATES TREASURY 3.5 02/15/2029	4,000,000.00	04/27/2026 3.81%	3,966,718.75 3,968,798.83	98.34 4.17%	3,933,752.00 52,596.69	1.90% (35,046.83)	Aa1/AA+ AA+	2.63 2.45
91282CKG5	UNITED STATES TREASURY 4.125 03/31/2029	2,300,000.00	04/17/2024 4.62%	2,249,867.19 2,272,160.76	99.88 4.17%	2,297,304.40 23,848.36	1.11% 25,143.64	Aa1/AA+ AA+	2.75 2.55
91282CKX8	UNITED STATES TREASURY 4.25 06/30/2029	2,000,000.00	07/01/2024 4.41%	1,985,546.88 1,991,323.37	100.23 4.17%	2,004,532.00 230.98	0.97% 13,208.63	Aa1/AA+ AA+	3.00 2.79
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	3,500,000.00	09/11/2024 3.45%	3,527,480.47 3,517,537.18	98.40 4.17%	3,443,944.00 42,406.59	1.66% (73,593.18)	Aa1/AA+ AA+	3.17 2.92
91282CLN9	UNITED STATES TREASURY 3.5 09/30/2029	5,000,000.00	-- 3.83%	4,925,039.06 4,950,936.14	97.97 4.17%	4,898,440.00 43,989.07	2.37% (52,496.14)	Aa1/AA+ AA+	3.25 3.01
91282CLR0	UNITED STATES TREASURY 4.125 10/31/2029	3,000,000.00	10/31/2024 4.17%	2,993,789.06 2,995,854.84	99.84 4.18%	2,995,194.00 20,849.18	1.45% (660.84)	Aa1/AA+ AA+	3.34 3.06
91282CMD0	UNITED STATES TREASURY 4.375 12/31/2029	4,400,000.00	-- 4.53%	4,369,171.88 4,378,223.83	100.64 4.17%	4,428,358.00 523.10	2.14% 50,134.17	Aa1/AA+ AA+	3.50 3.21
91282CMG3	UNITED STATES TREASURY 4.25 01/31/2030	4,000,000.00	02/07/2025 4.34%	3,983,906.25 3,988,390.52	100.22 4.18%	4,008,752.00 70,911.60	1.94% 20,361.48	Aa1/AA+ AA+	3.59 3.24
91282CGQ8	UNITED STATES TREASURY 4.0 02/28/2030	4,500,000.00	-- 4.01%	4,496,958.99 4,497,715.63	99.39 4.18%	4,472,752.50 60,163.04	2.16% (24,963.13)	Aa1/AA+ AA+	3.67 3.33
91282CNK3	UNITED STATES TREASURY 3.875 06/30/2030	5,000,000.00	-- 3.78%	5,020,507.81 5,018,010.74	98.84 4.19%	4,942,190.00 526.49	2.39% (75,820.74)	Aa1/AA+ AA+	4.00 3.66
91282CHR5	UNITED STATES TREASURY 4.0 07/31/2030	5,000,000.00	10/23/2025 3.59%	5,089,062.50 5,076,273.51	99.27 4.19%	4,963,670.00 83,425.41	2.40% (112,603.51)	Aa1/AA+ AA+	4.08 3.67

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CNX5	UNITED STATES TREASURY 3.625 08/31/2030	5,000,000.00	-- 3.66%	4,991,425.79 4,992,876.07	97.83 4.20%	4,891,600.00 60,580.84	2.36% (101,276.07)	Aa1/AA+ AA+	4.17 3.77
91282CPA3	UNITED STATES TREASURY 3.625 09/30/2030	5,000,000.00	-- 3.59%	5,008,789.06 5,007,563.14	97.80 4.20%	4,889,845.00 45,560.11	2.36% (117,718.14)	Aa1/AA+ AA+	4.25 3.86
91282CPN5	UNITED STATES TREASURY 3.5 11/30/2030	1,750,000.00	12/15/2025 3.73%	1,731,816.41 1,733,795.51	97.20 4.20%	1,700,917.75 5,187.84	0.82% (32,877.76)	Aa1/AA+ AA+	4.42 4.03
91282CQG9	UNITED STATES TREASURY 3.875 03/31/2031	3,500,000.00	05/21/2026 4.28%	3,438,066.41 3,439,462.88	98.58 4.21%	3,450,233.50 34,091.53	1.67% 10,770.62	Aa1/AA+ AA+	4.75 4.25
Total US Treasury		**98,650,000.00**	**3.83%**	**98,322,589.86 98,458,413.49**	**99.11 4.15%**	**97,766,660.55 854,449.94**	**47.26% (691,752.94)**		**2.66 2.44**
Total Portfolio		**209,750,558.47**	**4.11%**	**207,356,230.92 208,055,759.90**	**98.43 4.31%**	**206,884,323.76 1,712,686.71**	**100.00% (1,171,436.14)**		**2.91 2.52**
Total Market Value + Accrued						**208,597,010.47**			

City of Cupertino Reporting | Account #10663 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
CASH									
90CASH$02	Wells Fargo WC Distribution Account	14,961.31	01/31/2026 0.00%	14,961.31 14,961.31	1.00 0.00%	14,961.31 0.00	0.02% 0.00	NA/NA NA	0.00 0.00
90CASH$00	Wells Fargo Government Advantage Checking	5,345,419.77	-- 3.00%	5,345,419.77 5,345,419.77	1.00 3.00%	5,345,419.77 0.00	5.60% 0.00	NA/NA NA	0.00 0.00
CCYUSD	Receivable	711,472.08	--	711,472.08 711,472.08	1.00	711,472.08 0.00	0.75% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**6,071,853.16**	**2.99%**	**6,071,853.16 6,071,853.16**	**1.00 2.99%**	**6,071,853.16 0.00**	**6.36% 0.00**		**0.00 0.00**
LAIF									
90LAIF$00	Local Agency Investment Fund State Pool	74,905,307.18	-- 3.82%	74,905,307.18 74,905,307.18	1.00 3.82%	74,905,307.18 0.00	78.48% 0.00	NA/NA NA	0.00 0.00
Total LAIF		**74,905,307.18**	**3.82%**	**74,905,307.18 74,905,307.18**	**1.00 3.82%**	**74,905,307.18 0.00**	**78.48% 0.00**		**0.00 0.00**
LOCAL GOV INVESTMENT POOL									
90CALFT$0	CalFIT	14,468,801.25	-- 3.78%	14,468,801.25 14,468,801.25	1.00 3.78%	14,468,801.25 0.00	15.16% 0.00	NA/NA NA	0.00 0.00
Total Local Gov Investment Pool		**14,468,801.25**	**3.78%**	**14,468,801.25 14,468,801.25**	**1.00 3.78%**	**14,468,801.25 0.00**	**15.16% 0.00**		**0.00 0.00**
Total Portfolio		**95,445,961.59**	**3.77%**	**95,445,961.59 95,445,961.59**	**1.00 3.77%**	**95,445,961.59 0.00**	**100.00% 0.00**		**0.00 0.00**
Total Market Value + Accrued						**95,445,961.59**			

TRANSACTIONS

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	04/21/2026	89240QAD7	760,000.00	TAOT 2026-B A3 4.13 12/16/2030	99.979	4.27%	(759,839.72)	0.00	(759,839.72)	0.00
Purchase	04/28/2026	91282CQA2	4,000,000.00	UNITED STATES TREASURY 3.5 02/15/2029	99.168	3.81%	(3,966,718.75)	(27,845.30)	(3,994,564.05)	0.00
Purchase	05/15/2026	14913V2D9	525,000.00	CATERPILLAR FINANCIAL SERVICES CORP 4.5 05/15/2031	99.863	4.53%	(524,280.75)	0.00	(524,280.75)	0.00
Purchase	05/22/2026	91282CQG9	3,500,000.00	UNITED STATES TREASURY 3.875 03/31/2031	98.230	4.28%	(3,438,066.41)	(19,269.13)	(3,457,335.54)	0.00
Purchase	05/28/2026	161571JA3	1,595,000.00	CHAIT 2026-1 A 4.4 05/15/2029	99.976	4.45%	(1,594,622.62)	0.00	(1,594,622.62)	0.00
Purchase	06/03/2026	38151LAJ9	675,000.00	GOLDMAN SACHS BANK USA 4.656 06/03/2029	100.000	4.57%	(675,000.00)	0.00	(675,000.00)	0.00
Purchase	06/03/2026	38151LAJ9	(675,000.00)	GOLDMAN SACHS BANK USA 4.656 06/03/2029	100.000	4.57%	675,000.00	0.00	0.00	0.00
Purchase	06/03/2026	38151LAJ9	675,000.00	GOLDMAN SACHS BANK USA 4.656 06/03/2029	100.000	4.57%	(675,000.00)	0.00	0.00	0.00
Purchase	06/08/2026	3137FX3Q9	1,000,000.00	FHMS K-117 A2 1.406 08/25/2030	88.582	4.46%	(885,820.31)	(273.39)	(886,093.70)	0.00
Purchase	06/08/2026	57636QBL7	1,765,000.00	MASTERCARD INC 4.6 06/08/2031	99.920	4.62%	(1,763,588.00)	0.00	(1,763,588.00)	0.00
Purchase	06/18/2026	44891AEN3	555,000.00	HYUNDAI CAPITAL AMERICA 4.75 06/18/2029	99.834	4.81%	(554,078.70)	0.00	(554,078.70)	0.00
Purchase	06/18/2026	44891AEN3	545,000.00	HYUNDAI CAPITAL AMERICA 4.75 06/18/2029	99.969	4.76%	(544,831.05)	0.00	(544,831.05)	0.00
Purchase	06/18/2026	67066GAR5	1,065,000.00	NVIDIA CORP 4.5 06/15/2031	99.810	4.54%	(1,062,976.50)	0.00	(1,062,976.50)	0.00

TRANSACTION LEDGER

CHANDLER ASSET MANAGEMENT

City of Cupertino | Account #10659|04/01/2026 Through 06/30/2026|

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Purchase	06/30/2026	912828V98	3,000,000.00	UNITED STATES TREASURY 2.25 02/15/2027	98.934	3.99%	(2,968,007.81)	(25,172.65)	(2,993,180.46)	0.00
Total Purchase			**18,985,000.00**				**(18,737,830.62)**	**(72,560.47)**	**(18,810,391.09)**	**0.00**
TOTAL ACQUISITIONS			**18,985,000.00**				**(18,737,830.62)**	**(72,560.47)**	**(18,810,391.09)**	**0.00**
DISPOSITIONS										
Maturity	04/20/2026	4581X0DV7	(2,460,000.00)	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026	100.000	0.97%	2,460,000.00	0.00	2,460,000.00	0.00
Maturity	04/30/2026	91282CBW0	(2,500,000.00)	UNITED STATES TREASURY 0.75 04/30/2026	100.000	0.80%	2,500,000.00	0.00	2,500,000.00	0.00
Maturity	06/23/2026	912797UB1	(2,000,000.00)	UNITED STATES TREASURY 06/23/2026	100.000	3.68%	2,000,000.00	0.00	2,000,000.00	0.00
Total Maturity			**(6,960,000.00)**				**6,960,000.00**	**0.00**	**6,960,000.00**	**0.00**
Sale	04/17/2026	57636QAW4	(945,000.00)	MASTERCARD INC 4.875 03/09/2028	101.604	4.90%	960,157.80	4,862.81	965,020.61	15,504.99
Sale	04/17/2026	931142ER0	(350,000.00)	WALMART INC 1.05 09/17/2026	98.797	1.09%	345,789.50	306.25	346,095.75	(4,155.07)
Sale	05/12/2026	78016HZV5	(2,000,000.00)	ROYAL BANK OF CANADA 4.95 02/01/2029	101.596	4.69%	2,031,920.00	27,775.00	2,059,695.00	19,144.52
Sale	06/04/2026	61690U8E3	(1,950,000.00)	MORGAN STANLEY BANK NA 4.968 07/14/2028	100.562	4.97%	1,960,959.00	37,674.00	1,998,633.00	10,959.00
Sale	06/08/2026	808513BY0	(960,000.00)	CHARLES SCHWAB CORP 2.45 03/03/2027	98.764	2.46%	948,134.40	6,206.67	954,341.07	(11,821.65)
Sale	06/17/2026	69371RU20	(1,865,000.00)	PACCAR FINANCIAL CORP 4.0 11/07/2028	99.418	4.02%	1,854,145.70	8,288.89	1,862,434.59	(10,021.45)
Total Sale			**(8,070,000.00)**				**8,101,106.40**	**85,113.62**	**8,186,220.02**	**19,610.34**
TOTAL DISPOSITIONS			**(15,030,000.00)**				**15,061,106.40**	**85,113.62**	**15,146,220.02**	**19,610.34**

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	04/15/2026	90LAIF$00	725,046.48	Local Agency Investment Fund State Pool	1.000	3.81%	(725,046.48)	0.00	(725,046.48)	0.00
Purchase	05/01/2026	90CALFT$0	8,200,848.13	CalFIT	1.000	3.76%	(8,200,848.13)	0.00	(8,200,848.13)	0.00
Purchase	05/15/2026	90CALFT$0	4,700,000.00	CalFIT	1.000	3.76%	(4,700,000.00)	0.00	(4,700,000.00)	0.00
Purchase	05/28/2026	90CALFT$0	7,000,000.00	CalFIT	1.000	3.76%	(7,000,000.00)	0.00	(7,000,000.00)	0.00
Purchase	05/31/2026	90LAIF$00	200,000.00	Local Agency Investment Fund State Pool	1.000	3.81%	(200,000.00)	0.00	(200,000.00)	0.00
Purchase	05/31/2026	90CALFT$0	29,340.36	CalFIT	1.000	3.76%	(29,340.36)	0.00	(29,340.36)	0.00
Purchase	06/25/2026	90CALFT$0	4,500,000.00	CalFIT	1.000	3.78%	(4,500,000.00)	0.00	(4,500,000.00)	0.00
Purchase	06/30/2026	90CALFT$0	38,612.76	CalFIT	1.000	3.78%	(38,612.76)	0.00	(38,612.76)	0.00
Total Purchase			**25,393,847.73**				**(25,393,847.73)**	**0.00**	**(25,393,847.73)**	**0.00**
TOTAL ACQUISITIONS			**25,393,847.73**				**(25,393,847.73)**	**0.00**	**(25,393,847.73)**	**0.00**
DISPOSITIONS										
Sale	05/21/2026	90CALFT$0	(7,000,000.00)	CalFIT	1.000	3.76%	7,000,000.00	0.00	7,000,000.00	0.00
Sale	06/17/2026	90CALFT$0	(3,000,000.00)	CalFIT	1.000	3.78%	3,000,000.00	0.00	3,000,000.00	0.00
Total Sale			**(10,000,000.00)**				**10,000,000.00**	**0.00**	**10,000,000.00**	**0.00**
TOTAL DISPOSITIONS			**(10,000,000.00)**				**10,000,000.00**	**0.00**	**10,000,000.00**	**0.00**

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.

Source ICE Data Indices, LLC (“ICE”), used with permission. ICE permits use of the ICE indices and related data on an “as is” basis; ICE, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE data, its affiliates or their respective third party providers guarantee the quality, adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an “as is” basis and licensee’s use it at licensee’s own risk. ICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend chandler asset management, or any of its products or services.

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

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

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

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

LGIP Yields: Reported yields for local government investment pools may be presented as either the 30-day yield or the monthly distribution yield, as applicable. For certain funds, the 30-day yield is calculated using reported daily yield data. Yield calculations are subject to change and may not be directly comparable across funds.

LAIF Yields: Additional Disclosure for CA Clients - As a result of a reporting lag from the Local Agency Investment Fund (LAIF), reported LAIF yields represent the most recently available Daily Effective Yield and may reflect data from approximately 7–10 days prior to month-end.

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

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

CITY OF CUPERTINO - CHANDLER ASSET MANAGEMENT

ACCOUNT NUMBER [redacted]
MONTHLY STATEMENT
JUNE 1, 2026 THROUGH JUNE 30, 2026

ACCOUNT MANAGER: INDIA JONES
TELEPHONE NUMBER: 254-294-6020

PFGEDD

INVESTMENT CONTACT: IMR/DEREK JOHNSON
TELEPHONE NUMBER:

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

18226 SE

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

ASSET VALUATION PRACTICES

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

TRADE CONFIRMS

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

UNCLAIMED PROPERTY DESIGNATED REPRESENTATIVE NOTIFICATION

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

REPORT NAME	**PAGE NUMBER**

ASSET SUMMARY
AS OF JUNE 30, 2026

CITY OF CUPERTINO
ACCOUNT NUMBER [redacted]

ASSET SUMMARY

INVESTMENT CATEGORY	COST VALUE	MARKET VALUE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	CURRENT YIELD	ACCRUED INCOME
CASH	0.00	0.00	0.00				
CASH EQUIVALENTS	515,339.87	515,339.87	0.25	0.00	15,820	3.07	4,328.15
BONDS AND NOTES	206,836,562.93	206,364,701.52	99.75	471,861.41-	7,988,066	3.87	1,713,005.61
TOTAL INVESTMENTS	207,351,902.80	206,880,041.39	100.00	471,861.41-	8,003,886	3.87	1,717,333.76
TOTAL ACCRUALS	1,717,333.76	1,717,333.76					
TOTAL ACCRUALS AND INVESTMENTS	**209,069,236.56**	**208,597,375.15**		**471,861.41-**	**8,003,886**	**3.87**	**1,717,333.76**

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
CASH EQUIVALENTS						
462,087.37	ALLSPRING 100% TREASURY MONEY MARKET FUND - #008	462,087.37 1.0000	462,087.37 1.0000	0.22	0.00	4,249.37
53,252.5	PRINCIPAL PUBLIC DEPOSIT SWEEP PROGRAM	53,252.50 1.0000	53,252.50 1.0000	0.03	0.00	78.78
TOTAL CASH EQUIVALENTS		515,339.87	515,339.87	0.25	0.00	4,328.15
BOND & NOTES						
1,500,000	ALPHABET INC DTD 02/13/2026 4.100% 02/15/2031 CALLABLE MOODY'S RATING AA2 CUSIP 02079KBK2	1,500,087.78 100.0059	1,473,870.00 98.2580	0.71	26,217.78-	23,575.00
1,420,000	AMERICAN EXPRESS CREDIT ACCOUNT ASSET BCKD SEC SER 2025-2 CL A DTD 05/13/2025 4.280% 04/15/2030 NON CALLABLE CUSIP 02582JKP4	1,419,974.30 99.9982	1,418,565.80 99.8990	0.69	1,408.50-	2,701.16
1,750,000	AMERICAN HONDA FINANCE MEDIUM TERM NOTE DTD 09/05/2024 4.400% 09/05/2029 NON CALLABLE MOODY'S RATING A3 CUSIP 02665WFQ9	1,758,102.50 100.4630	1,731,607.50 98.9490	0.84	26,495.00-	24,811.11
1,500,000	BANK OF AMERICA CORP DTD 07/23/18 07/23/2029 VAR CPN MOODY'S RATING A1 CUSIP 06051GHM4	1,498,710.00 99.9140	1,488,165.00 99.2110	0.72	10,545.00-	28,117.42

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
850,000	BANK OF AMERICA CREDIT CARD TRUST ASSET BCKD SEC SER 2023-A2 CL A2 DTD 12/14/2023 4.980% 11/15/2028 NON CALLABLE MOODY'S RATING AAA CUSIP 05522RDH8	858,798.83 101.0352	852,720.00 100.3200	0.41	6,078.83-	1,881.33
785,000	BANK OF AMERICA CREDIT CARD TRUST ASSET BCKD SEC SER 2024-A1 CL A DTD 06/13/2024 4.930% 05/15/2029 NON CALLABLE MOODY'S RATING AAA CUSIP 05522RDJ4	784,955.96 99.9944	790,063.25 100.6450	0.38	5,107.29	1,720.02
1,615,000	BERKSHIRE HATHAWAY FIN DTD 03/15/2022 2.300% 03/15/2027 CALLABLE MOODY'S RATING AA2 CUSIP 084664CZ2	1,614,693.15 99.9810	1,593,698.15 98.6810	0.77	20,995.00-	10,937.14
1,050,000	BMW VEHICLE LEASE TRUST ASSET BCKD SEC SER 2025-2 CL A3 DTD 10/15/2025 3.970% 09/25/2028 CALLABLE CUSIP 05594HAD5	1,049,997.06 99.9997	1,046,587.50 99.6750	0.51	3,409.56-	694.75
431,494.98	BMW VEHICLE OWNER TRUST ASSET BCKD SEC SER 2024-A CL A3 DTD 06/11/2024 5.180% 02/26/2029 CALLABLE MOODY'S RATING AAA CUSIP 096919AD7	431,429.43 99.9848	433,678.34 100.5060	0.21	2,248.91	372.52
1,740,000	CALIFORNIA STATE GENERAL OBLIGATION DTD 11/05/2024 4.500% 08/01/2029 NON CALLABLE MOODY'S RATING AA2 CUSIP 13063EGT7	1,749,169.80 100.5270	1,747,986.60 100.4590	0.84	1,183.20-	32,625.00

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,100,000	CARGILL INC DTD 10/23/2025 4.125% 10/23/2030 CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING A2 CUSIP 141781CF9	1,099,171.70 99.9247	1,077,252.00 97.9320	0.52	21,919.70-	8,570.83
525,000	CATERPILLAR FINL SERVICE MEDIUM TERM NOTE DTD 05/15/2026 4.500% 05/15/2031 NON CALLABLE MOODY'S RATING A1 CUSIP 14913V2D9	524,280.75 99.8630	522,516.75 99.5270	0.25	1,764.00-	3,018.75
1,200,000	CATERPILLAR FINL SVCS DTD 11/15/2024 4.700% 11/15/2029 NON CALLABLE MOODY'S RATING A1 CUSIP 14913UAU4	1,198,092.00 99.8410	1,209,264.00 100.7720	0.58	11,172.00	7,206.67
1,690,000	CHASE ISSUANCE TRUST ASSET BCKD SEC SER 2024-A1I CL A DTD 01/31/2024 4.600% 01/16/2029 NON CALLABLE CUSIP 161571HV9	1,689,742.61 99.9848	1,693,718.00 100.2200	0.82	3,975.39	3,455.11
1,595,000	CHASE ISSUANCE TRUST ASSET BCKD SEC SER 2026-A1I CL A DTD 05/28/2026 4.400% 05/15/2031 CALLABLE CUSIP 161571JA3	1,594,622.62 99.9764	1,596,036.75 100.0650	0.77	1,414.13	6,433.17
1,750,000	CHUBB INA HOLDINGS LLC DTD 07/31/2024 4.650% 08/15/2029 CALLABLE MOODY'S RATING A2 CUSIP 171239AL0	1,765,746.34 100.8998	1,758,610.00 100.4920	0.85	7,136.34-	30,741.67

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,500,000	CITIBANK CREDIT CARD ISSURANCE ASSET BCKD SEC SER 2025-A1 CL A DTD 06/26/2025 4.300% 06/21/2030 NON CALLABLE MOODY'S RATING AAA CUSIP 17305EHA6	1,515,000.00 101.0000	1,497,465.00 99.8310	0.72	17,535.00-	1,791.67
1,288,000	FED HOME LN MTG CORP SER K089 CL A2 *24 DAY DELAY* DTD 03/01/19 3.563 01/25/2029 CUSIP 3137FL6P4	1,228,178.44 95.3555	1,259,676.88 97.8010	0.61	31,498.44	3,824.29
1,957,816.96	FED HOME LN MTG CORP SER K093 CL A2 *24 DAY DELAY* DTD 06/01/19 2.982 05/25/2029 CUSIP 3137FMCR1	1,888,834.51 96.4766	1,884,183.46 96.2390	0.91	4,651.05-	4,865.18
1,500,000	FED HOME LN MTG CORP SER K099 CL A2 *24 DAY DELAY* DTD 10/01/19 2.595 09/25/2029 CUSIP 3137FPJG1	1,407,011.72 93.8008	1,418,760.00 94.5840	0.69	11,748.28	3,243.75
2,800,000	FEDERAL FARM CREDIT BANK DTD 11/15/2023 4.625% 11/15/2027 NON CALLABLE MOODY'S RATING AA1 CUSIP 3133EPC60	2,789,612.00 99.6290	2,814,672.00 100.5240	1.36	25,060.00	16,547.22
2,400,000	FEDERAL FARM CREDIT BANK DTD 05/06/2024 4.750% 05/06/2027 NON CALLABLE MOODY'S RATING AA1 CUSIP 3133ERDS7	2,412,552.00 100.5230	2,412,576.00 100.5240	1.17	24.00	17,416.67
1,875,000	FEDERAL HOME LOAN BANK DTD 04/11/2024 4.750% 04/09/2027 NON CALLABLE MOODY'S RATING AA1 CUSIP 3130B0TY5	1,870,050.00 99.7360	1,884,675.00 100.5160	0.91	14,625.00	20,286.46

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,500,000	FEDERAL HOME LOAN MORTGAGE CORP CMO SER 2020-K110 CL A2 DTD 06/01/2020 1.477% 04/25/2030 NON CALLABLE CUSIP 3137FTZQ3	1,348,652.34 89.9102	1,350,600.00 90.0400	0.65	1,947.66	1,846.25
2,000,000	FEDERAL HOME LOAN MORTGAGE CORP CMO SER 2020-K115 CL A2 DTD 09/01/2020 1.383% 06/25/2030 NON CALLABLE CUSIP 3137FWG79	1,787,343.75 89.3672	1,779,620.00 88.9810	0.86	7,723.75-	2,305.00
1,000,000	FEDERAL HOME LOAN MORTGAGE CORP CMO SER 2020-K117 CL A2 DTD 10/01/2020 1.406% 08/25/2030 NON CALLABLE CUSIP 3137FX3Q9	885,820.31 88.5820	886,930.00 88.6930	0.43	1,109.69	1,171.67
2,000,000	FEDERAL HOME LOAN MORTGAGE CORP CMO SER K748 CL A2 DTD 03/01/2022 2.260% 01/25/2029 NON CALLABLE CUSIP 3137H5YC5	1,801,718.75 90.0860	1,897,340.00 94.8670	0.92	95,621.25	3,766.67
537,800.82	FHLMC MULTIFAMILY STRUCTURED P SER K058 CL A2 *24 DAY DELAY* DTD 11/01/16 2.653 08/25/2026 CUSIP 3137BSP72	568,787.39 105.7617	536,085.24 99.6810	0.26	32,702.15-	1,188.99
1,929,399.14	FHLMC MULTIFAMILY STRUCTURED P SER K087 CL A2 *24 DAY DELAY* DTD 01/01/19 3.771 12/25/2028 CUSIP 3137FKUP9	1,845,816.95 95.6680	1,898,104.29 98.3780	0.92	52,287.34	6,063.14
2,550,000	FHLMC MULTIFAMILY STRUCTURED P SER K088 CL A2 *24 DAY DELAY* DTD 03/01/19 3.690 01/25/2029 MOODY'S RATING AAA CUSIP 3137FKZZ2	2,465,830.08 96.6992	2,502,085.50 98.1210	1.21	36,255.42	7,841.25

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
2,500,000	FHLMC MULTIFAMILY STRUCTURED P SER K091 CL A2 *24 DAY DELAY* DTD 04/01/19 3.505 03/25/2029 CUSIP 3137FLN91	2,431,738.28 97.2695	2,439,825.00 97.5930	1.18	8,086.72	7,302.08
2,200,000	FHLMC MULTIFAMILY STRUCTURED P SER K095 CL A2 *24 DAY DELAY* DTD 08/01/19 2.785 06/25/2029 CUSIP 3137FNAE0	2,039,382.82 92.6992	2,101,154.00 95.5070	1.02	61,771.18	5,105.83
1,600,000	FHLMC MULTIFAMILY STRUCTURED P SER K098 CL A2 *24 DAY DELAY* DTD 10/01/19 2.425 08/25/2029 CUSIP 3137FPHK4	1,488,375.00 93.0235	1,507,808.00 94.2380	0.73	19,433.00	3,233.33
2,000,000	FHLMC MULTIFAMILY STRUCTURED P SER K106 CL A2 *24 DAY DELAY* DTD 03/01/20 2.069 01/25/2030 CUSIP 3137FRUT6	1,810,078.13 90.5039	1,844,960.00 92.2480	0.89	34,881.87	3,448.33
1,000,000	FHLMC MULTIFAMILY STRUCTURED P SER K127 CL A2 *24 DAY DELAY* DTD 03/01/21 2.108 01/25/2031 CUSIP 3137FXZ35	910,937.50 91.0938	903,730.00 90.3730	0.44	7,207.50-	1,756.67
651,739.9	GM FINANCIAL SECURITIZED TERM ASSET BCKD SEC SER 2024-1 CL A3 DTD 01/17/2024 4.850% 12/18/2028 CALLABLE MOODY'S RATING AAA CUSIP 36268GAD7	650,706.41 99.8414	653,538.70 100.2760	0.32	2,832.29	1,317.06
675,000	GOLDMAN SACHS BANK DTD 06/03/2026 VAR CPN 06/03/2029 CALLABLE MOODY'S RATING A1 CUSIP 38151LAJ9	675,000.00 100.0000	675,418.50 100.0620	0.33	418.50	2,444.40

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,025,000	GOLDMAN SACHS GROUP INC DTD 10/21/2025 VAR CPN 10/21/2029 CALLABLE MOODY'S RATING A2 CUSIP 38141GD27	1,025,000.00 100.0000	1,010,547.50 98.5900	0.49	14,452.50-	8,277.16
1,500,000	GUARDIAN LIFE DTD 10/06/2025 4.327% 10/06/2030 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA1 CUSIP 40139LBN2	1,500,000.00 100.0000	1,475,490.00 98.3660	0.71	24,510.00-	15,324.79
1,205,000	GUARDIAN LIFE GLOBAL FDG MEDIUM TERM NOTE DTD 09/26/2024 4.179% 09/26/2029 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA1 CUSIP 40139LBJ1	1,205,000.00 100.0000	1,189,226.55 98.6910	0.57	15,773.45-	13,288.64
1,663,000	HOME DEPOT INC DTD 06/17/19 2.950 06/15/2029 MOODY'S RATING A2 CUSIP 437076BY7	1,593,203.89 95.8030	1,596,962.27 96.0290	0.77	3,758.38	2,180.38
1,000,000	HOME DEPOT INC DTD 06/25/2024 4.750% 06/25/2029 CALLABLE MOODY'S RATING A2 CUSIP 437076DC3	992,260.00 99.2260	1,009,900.00 100.9900	0.49	17,640.00	791.67
332,043.3	HONDA AUTO RECEIVABLES OWNER ASSET BCKD SEC SER 2024-2 CL A3 DTD 05/21/2024 5.270% 11/20/2028 CALLABLE CUSIP 437930AC4	332,002.95 99.9879	333,842.97 100.5420	0.16	1,840.02	631.90

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
331,773.72	HONDA AUTO RECEIVABLES OWNER DTD 11/08/2023 5.670% 06/21/2028 ASSET BCKD SEC SER 2023-4 CL A3 NON CALLABLE MOODY'S RATING AAA CUSIP 438123AC5	332,594.99 100.2476	333,814.13 100.6150	0.16	1,219.14	522.54
635,000	HYUNDAI AUTO LEASE SECURITIZAT ASSET BCKD SEC SER 2026-A CL A3 DTD 01/21/2026 3.970% 12/15/2028 CALLABLE 144A PRIVATE PLACEMENT CUSIP 448970AD5	634,906.91 99.9854	630,713.75 99.3250	0.30	4,193.16-	1,120.42
135,797.6	HYUNDAI AUTO LEASE SECURITIZAT ASSET BCKD SEC SER 2024-B CL A3 DTD 05/22/2024 5.410% 05/17/2027 CALLABLE 144A PRIVATE PLACEMENT CUSIP 44934FAD7	135,793.82 99.9972	135,952.41 100.1140	0.07	158.59	326.52
1,100,000	HYUNDAI CAPITAL AMERICA DTD 06/18/2026 4.750% 06/18/2029 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING A3 CUSIP 44891AEN3	1,098,909.75 99.9009	1,096,238.00 99.6580	0.53	2,671.75-	1,886.81
1,750,000	INTL BANK RECON & DEVELOPMENT DTD 10/16/2024 3.875% 10/16/2029 NON CALLABLE MOODY'S RATING AAA CUSIP 459058LN1	1,721,510.00 98.3720	1,732,552.50 99.0030	0.84	11,042.50	14,127.60
1,700,000	INTL BK RECON & DEVELOP DTD 03/20/2025 4.125% 03/20/2030 NON CALLABLE MOODY'S RATING AAA CUSIP 459058LR2	1,694,220.00 99.6600	1,694,883.00 99.6990	0.82	663.00	19,673.96

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,000,000	JOHN DEERE CAPITAL CORP MEDIUM TERM NOTE DTD 07/24/2025 4.375% 10/15/2030 NON CALLABLE MOODY'S RATING A1 CUSIP 24422EYF0	1,006,920.00 100.6920	993,960.00 99.3960	0.48	12,960.00-	9,236.11
1,060,000	JOHN DEERE CAPITAL CORP MEDIUM TERM NOTE DTD 03/10/2026 4.200% 03/10/2031 NON CALLABLE MOODY'S RATING A1 CUSIP 24422EYL7	1,059,766.80 99.9780	1,042,181.40 98.3190	0.50	17,585.40-	13,727.00
331,331.05	JOHN DEERE OWNER TRUST ASSET BCKD SEC SER 2024-A CL A3 DTD 03/19/2024 4.960% 11/15/2028 CALLABLE MOODY'S RATING AAA CUSIP 47800RAD5	331,175.74 99.9531	332,566.91 100.3730	0.16	1,391.17	730.40
1,500,000	JPMORGAN CHASE & CO DTD 07/23/18 07/23/2029 MOODY'S RATING A1 CUSIP 46647PAV8	1,496,610.00 99.7740	1,487,160.00 99.1440	0.72	9,450.00-	27,669.75
1,400,000	MARSH & MCLENNAN COS INC DTD 11/08/2024 4.650% 03/15/2030 CALLABLE MOODY'S RATING A3 CUSIP 571748CA8	1,397,340.00 99.8100	1,398,586.00 99.8990	0.68	1,246.00	19,168.33
1,000,000	MASSMUTUAL GLBL FDG II MEDIUM TERM NOTE DTD 05/07/2025 4.550% 05/07/2030 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA3 CUSIP 57629TBX4	998,670.00 99.8670	992,630.00 99.2630	0.48	6,040.00-	6,825.00

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,765,000	MASTERCARD INCORPORATED DTD 06/08/2026 4.600% 06/08/2031 CALLABLE MOODY'S RATING AA3 CUSIP 57636QBL7	1,763,588.00 99.9200	1,762,281.90 99.8460	0.85	1,306.10-	5,187.14
1,045,000	MERCEDES-BENZ AUTO LEASE TRUST ASSET BCKD SEC SER 2025-B CL A3 DTD 10/22/2025 4.520% 04/16/2029 CALLABLE CUSIP 58770XAD5	1,044,828.52 99.9836	1,038,500.10 99.3780	0.50	6,328.42-	2,099.29
570,000	MERCEDES-BENZ AUTO LEASE TRUST ASSET BCKD SEC SER 2026-A CL A3 DTD 01/21/2026 3.930% 01/15/2030 CALLABLE MOODY'S RATING AAA CUSIP 58770YAD3	569,886.97 99.9802	565,514.10 99.2130	0.27	4,372.87-	995.60
433,674.01	MERCEDES-BENZ AUTO RECEIVABLES TRUST ASSET BCKD SEC SER 2023-2 CL A3 DTD 10/25/2023 5.950% 11/15/2028 CALLABLE CUSIP 58769FAC9	442,855.71 102.1172	436,961.26 100.7580	0.21	5,894.45-	1,146.83
1,310,000	MET TOWER GLOBAL FUNDING MEDIUM TERM NOTE DTD 01/14/2026 4.000% 01/14/2029 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA3 CUSIP 58989V2M5	1,308,310.10 99.8710	1,291,712.40 98.6040	0.62	16,597.70-	24,307.78
1,500,000	META PLATFORMS INC DTD 11/03/2025 4.200% 11/15/2030 CALLABLE MOODY'S RATING AA3 CUSIP 30303MAB8	1,502,895.00 100.1930	1,476,465.00 98.4310	0.71	26,430.00-	8,050.00

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
912,000	META PLATFORMS INC DTD 08/09/2024 4.300% 08/15/2029 CALLABLE MOODY'S RATING AA3 CUSIP 30303M8S4	910,584.09 99.8448	909,975.36 99.7780	0.44	608.73-	14,814.93
1,470,000	MORGAN STANLEY SR DTD 10/22/2025 VAR CPN 10/18/2029 MEDIUM TERM NOTE CALLABLE MOODY'S RATING A1 CUSIP 61748UAK8	1,470,184.60 100.0126	1,449,934.50 98.6350	0.70	20,250.10-	12,319.78
1,000,000	NATIONAL RURAL UTILS COOP MEDIUM TERM NOTE DTD 02/07/2025 4.950% 02/07/2030 CALLABLE MOODY'S RATING A2 CUSIP 63743HFX5	1,002,873.61 100.2874	1,010,540.00 101.0540	0.49	7,666.39	19,800.00
1,000,000	NEW YORK LIFE GLOBAL FDG DTD 06/06/2024 5.000% 06/06/2029 MEDIUM TERM NOTE NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA1 CUSIP 64952WFG3	994,880.00 99.4880	1,012,710.00 101.2710	0.49	17,830.00	3,472.22
1,365,000	NEW YORK LIFE GLOBAL FDG DTD 12/05/2024 4.600% 12/05/2029 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA1 CUSIP 64952WFK4	1,364,221.95 99.9430	1,364,276.55 99.9470	0.66	54.60	4,534.83
1,000,000	NORTHWESTERN MUTUAL GLBL MEDIUM TERM NOTE DTD 06/03/2025 4.600% 06/03/2030 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA1 CUSIP 66815L2W8	1,004,040.00 100.4040	997,200.00 99.7200	0.48	6,840.00-	3,577.78

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,020,000	NORTHWESTERN MUTUAL GLBL DTD 01/13/2026 4.300% 01/13/2031 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA1 CUSIP 66815L2Z1	1,019,908.20 99.9910	1,004,047.20 98.4360	0.49	15,861.00-	20,468.00
1,065,000	NVIDIA CORPORATION SR DTD 06/18/2026 4.500% 06/15/2031 CALLABLE MOODY'S RATING AA1 CUSIP 67066GAR5	1,062,976.50 99.8100	1,061,229.90 99.6460	0.51	1,746.60-	1,730.63
1,000,000	PACIFIC LIFE GF II DTD 02/03/2026 4.375% 02/03/2031 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA3 CUSIP 6944PL3M9	1,001,380.00 100.1380	987,160.00 98.7160	0.48	14,220.00-	17,986.11
1,500,000	PEPSICO INC DTD 07/17/2024 4.500% 07/17/2029 CALLABLE MOODY'S RATING A1 CUSIP 713448FX1	1,497,675.00 99.8450	1,504,635.00 100.3090	0.73	6,960.00	30,750.00
1,750,000	PRICOA GLOBAL FDG MEDIUM TERM NOTE DTD 11/25/2025 4.350% 11/25/2030 NON CALLABLE 144A PRIVATE PLACEMENT MOODY'S RATING AA3 CUSIP 74153WCZ0	1,749,440.00 99.9680	1,720,757.50 98.3290	0.83	28,682.50-	7,612.50
1,500,000	PROGRESSIVE CORP DTD 10/23/18 4.000 03/01/2029 MOODY'S RATING A2 CUSIP 743315AV5	1,455,495.00 97.0330	1,484,505.00 98.9670	0.72	29,010.00	20,000.00

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,500,000	PROLOGIS LP DTD 02/01/20 4.375 02/01/2029 MOODY'S RATING A2 CUSIP 74340XBL4	1,481,235.00 98.7490	1,496,175.00 99.7450	0.72	14,940.00	27,343.75
1,463,000	REALTY INCOME CORP DTD 01/15/2024 4.000% 07/15/2029 CALLABLE MOODY'S RATING A3 CUSIP 756109CB8	1,419,212.41 97.0070	1,436,168.58 98.1660	0.69	16,956.17	26,984.22
1,355,000	SALESFORCE INC DTD 03/13/2026 4.500% 03/15/2028 CALLABLE MOODY'S RATING A2 CUSIP 79466LAQ7	1,358,284.45 100.2424	1,353,292.70 99.8740	0.65	4,991.75-	18,292.50
2,000,000	SIMON PROPERTY GROUP LP DTD 07/09/20 2.650 07/15/2030 MOODY'S RATING A3 CUSIP 828807DK0	1,853,380.00 92.6690	1,854,660.00 92.7330	0.90	1,280.00	24,438.89
427,019	TOYOTA AUTO RECEIVABLES OWNER ASSET BCKD SEC SER 2023-C CL A3 DTD 08/15/2023 5.160% 04/17/2028 CALLABLE CUSIP 89231FAD2	425,284.24 99.5938	428,312.87 100.3030	0.21	3,028.63	979.30
760,000	TOYOTA AUTO RECEIVABLES OWNER ASSET BCKD SEC SER 2026-B CL A3 DTD 04/21/2026 4.130% 12/16/2030 NON CALLABLE MOODY'S RATING AAA CUSIP 89240QAD7	759,839.72 99.9789	755,569.20 99.4170	0.37	4,270.52-	1,395.02
1,445,000	TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE DTD 01/09/2025 4.950% 01/09/2030 NON CALLABLE MOODY'S RATING A1 CUSIP 89236TNA9	1,441,907.70 99.7860	1,461,588.60 101.1480	0.71	19,680.90	34,174.25

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,080,000	TOYOTA MTR CR CORP DTD 01/12/2026 4.200% 01/10/2031 NON CALLABLE MOODY'S RATING A1 CUSIP 89236TPH2	1,079,665.20 99.9690	1,060,581.60 98.2020	0.51	19,083.60-	21,294.00
3,250,000	UNITED STATES TREASURY NOTES DTD 06/30/2022 3.250% 06/30/2027 MOODY'S RATING AA1 CUSIP 91282CEW7	3,260,312.50 100.3173	3,222,732.50 99.1610	1.56	37,580.00-	287.02
400,000	UNITED STATES TREASURY NOTES DTD 07/31/2022 2.750% 07/31/2027 MOODY'S RATING AA1 CUSIP 91282CFB2	393,218.75 98.3047	394,140.00 98.5350	0.19	921.25	4,588.40
4,500,000	UNITED STATES TREASURY NOTES DTD 08/31/2022 3.125% 08/31/2027 MOODY'S RATING AA1 CUSIP 91282CFH9	4,468,902.34 99.3090	4,448,655.00 98.8590	2.15	20,247.34-	47,002.38
3,450,000	UNITED STATES TREASURY NOTES DTD 09/30/2022 4.125% 09/30/2027 MOODY'S RATING AA1 CUSIP 91282CFM8	3,421,152.34 99.1639	3,449,068.50 99.9730	1.67	27,916.16	35,772.54
850,000	UNITED STATES TREASURY NOTES DTD 11/30/2022 3.875% 11/30/2027 MOODY'S RATING AA1 CUSIP 91282CFZ9	852,656.25 100.3125	846,651.00 99.6060	0.41	6,005.25-	2,789.79
2,750,000	UNITED STATES TREASURY NOTES DTD 12/31/2022 3.875% 12/31/2027 MOODY'S RATING AA1 CUSIP 91282CGC9	2,775,107.42 100.9130	2,738,395.00 99.5780	1.32	36,712.42-	289.57
3,000,000	UNITED STATES TREASURY NOTES DTD 01/31/2023 3.500% 01/31/2028 MOODY'S RATING AA1 CUSIP 91282CGH8	2,957,929.69 98.5977	2,969,070.00 98.9690	1.44	11,140.31	43,798.34

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
3,700,000	UNITED STATES TREASURY NOTES DTD 02/28/2023 4.000% 02/29/2028 MOODY'S RATING AA1 CUSIP 91282CGP0	3,699,113.28 99.9760	3,690,158.00 99.7340	1.78	8,955.28-	49,467.39
4,500,000	UNITED STATES TREASURY NOTES DTD 02/28/2023 4.000% 02/28/2030 MOODY'S RATING AA1 CUSIP 91282CGQ8	4,496,958.99 99.9324	4,472,775.00 99.3950	2.16	24,183.99-	60,163.04
5,000,000	UNITED STATES TREASURY NOTES DTD 07/31/2023 4.000% 07/31/2030 MOODY'S RATING AA1 CUSIP 91282CHR5	5,089,062.50 101.7813	4,963,650.00 99.2730	2.40	125,412.50-	83,425.41
2,500,000	UNITED STATES TREASURY NOTES DTD 12/15/2023 4.375% 12/15/2026 MOODY'S RATING AA1 CUSIP 91282CJP7	2,525,097.66 101.0039	2,505,800.00 100.2320	1.21	19,297.66-	4,781.42
2,300,000	UNITED STATES TREASURY NOTES DTD 03/31/2024 4.125% 03/31/2029 MOODY'S RATING AA1 CUSIP 91282CKG5	2,249,867.19 97.8203	2,297,309.00 99.8830	1.11	47,441.81	23,848.36
2,300,000	UNITED STATES TREASURY NOTES DTD 04/15/2024 4.500% 04/15/2027 MOODY'S RATING AA1 CUSIP 91282CKJ9	2,283,109.38 99.2656	2,308,326.00 100.3620	1.12	25,216.62	21,774.59
3,200,000	UNITED STATES TREASURY NOTES DTD 05/15/2024 4.500% 05/15/2027 MOODY'S RATING AA1 CUSIP 91282CKR1	3,186,500.00 99.5781	3,210,688.00 100.3340	1.55	24,188.00	18,391.30
2,000,000	UNITED STATES TREASURY NOTES DTD 06/30/2024 4.250% 06/30/2029 MOODY'S RATING AA1 CUSIP 91282CKX8	1,985,546.88 99.2774	2,004,540.00 100.2270	0.97	18,993.12	230.98

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
3,500,000	UNITED STATES TREASURY NOTES DTD 08/31/2024 3.625% 08/31/2029 MOODY'S RATING AA1 CUSIP 91282CLK5	3,527,480.47 100.7852	3,443,930.00 98.3980	1.66	83,550.47-	42,406.59
5,000,000	UNITED STATES TREASURY NOTES DTD 09/30/2024 3.500% 09/30/2029 MOODY'S RATING AA1 CUSIP 91282CLN9	4,925,039.06 98.5008	4,898,450.00 97.9690	2.37	26,589.06-	43,989.07
3,000,000	UNITED STATES TREASURY NOTES DTD 10/31/2024 4.125% 10/31/2029 MOODY'S RATING AA1 CUSIP 91282CLR0	2,993,789.06 99.7930	2,995,200.00 99.8400	1.45	1,410.94	20,849.18
4,400,000	UNITED STATES TREASURY NOTES DTD 12/31/2024 4.375% 12/31/2029 MOODY'S RATING AA1 CUSIP 91282CMD0	4,369,171.88 99.2994	4,428,380.00 100.6450	2.14	59,208.12	523.10
4,000,000	UNITED STATES TREASURY NOTES DTD 01/31/2025 4.250% 01/31/2030 MOODY'S RATING AA1 CUSIP 91282CMG3	3,983,906.25 99.5977	4,008,760.00 100.2190	1.94	24,853.75	70,911.60
5,000,000	UNITED STATES TREASURY NOTES DTD 06/30/2025 3.875% 06/30/2030 CUSIP 91282CNK3	5,020,507.81 100.4102	4,942,200.00 98.8440	2.39	78,307.81-	526.49
5,000,000	UNITED STATES TREASURY NOTES DTD 08/31/2025 3.625% 08/31/2030 MOODY'S RATING AA1 CUSIP 91282CNX5	4,991,425.79 99.8285	4,891,600.00 97.8320	2.36	99,825.79-	60,580.84
5,000,000	UNITED STATES TREASURY NOTES DTD 09/15/2025 3.375% 09/15/2028 CUSIP 91282CNY3	4,982,812.50 99.6563	4,916,800.00 98.3360	2.38	66,012.50-	49,524.46

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
5,000,000	UNITED STATES TREASURY NOTES DTD 09/30/2025 3.625% 09/30/2030 MOODY'S RATING AA1 CUSIP 91282CPA3	5,008,789.06 100.1758	4,889,850.00 97.7970	2.36	118,939.06-	45,560.11
1,750,000	UNITED STATES TREASURY NOTES DTD 11/30/2025 3.500% 11/30/2030 MOODY'S RATING AA1 CUSIP 91282CPN5	1,731,816.41 98.9610	1,700,912.50 97.1950	0.82	30,903.91-	5,187.84
4,000,000	UNITED STATES TREASURY NOTES DTD 02/15/2026 3.500% 02/15/2029 MOODY'S RATING AA1 CUSIP 91282CQA2	3,966,718.75 99.1680	3,933,760.00 98.3440	1.90	32,958.75-	52,596.69
3,500,000	UNITED STATES TREASURY NOTES DTD 03/31/2026 3.875% 03/31/2031 MOODY'S RATING AA1 CUSIP 91282CQG9	3,438,066.41 98.2305	3,450,230.00 98.5780	1.67	12,163.59	34,091.53
2,000,000	UNITEDHEALTH GROUP INC DTD 07/25/19 2.875 08/15/2029 MOODY'S RATING A2 CUSIP 91324PDS8	1,906,080.00 95.3040	1,906,700.00 95.3350	0.92	620.00	21,722.22
1,400,000	US TREASURY NOTE DTD 09/30/21 0.875 09/30/2026 MOODY'S RATING AA1 CUSIP 91282CCZ2	1,379,054.68 98.5039	1,389,864.00 99.2760	0.67	10,809.32	3,095.79
1,400,000	US TREASURY NOTE DTD 11/01/21 1.125 10/31/2026 CUSIP 91282CDG3	1,391,468.75 99.3906	1,387,162.00 99.0830	0.67	4,306.75-	2,653.53
3,000,000	US TREASURY NOTE DTD 02/15/17 2.250 02/15/2027 MOODY'S RATING AA1 CUSIP 912828V98	2,968,007.81 98.9336	2,967,660.00 98.9220	1.43	347.81-	25,359.12

STATEMENT OF ASSETS AND LIABILITIES

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ACCRUED INCOME
1,345,000	VISA INC DTD 02/12/2026 4.100% 02/12/2031 CALLABLE MOODY'S RATING AA3 CUSIP 92826CAZ5	1,343,197.70 99.8660	1,330,352.95 98.9110	0.64	12,844.75-	21,292.10
1,365,000	WELLS FARGO CARD ISSUANCE TRUST ASSET BCKD SEC SER 2025-A1 CL A DTD 06/10/2025 4.340% 05/15/2030 NON CALLABLE CUSIP 92970QAJ4	1,364,977.34 99.9984	1,365,423.15 100.0310	0.66	445.81	2,632.93
TOTAL BOND & NOTES		206,836,562.93	206,364,701.52	99.75	471,861.41-	1,713,005.61
TOTAL INVESTMENTS		**207,351,902.80**	**206,880,041.39**	**100.00**	**471,861.41-**	**1,717,333.76**
TOTAL ACCRUALS		1,717,333.76	1,717,333.76			
TOTAL ACCRUALS AND INVESTMENTS		**209,069,236.56**	**208,597,375.15**			

CASH SUMMARY

DESCRIPTION	PRINCIPAL CASH	INCOME CASH
BEGINNING BALANCE	**0.00**	**0.00**
RECEIPTS		
NET INTEREST COLLECTED	0.00	771,443.52
TRANSFER RECEIPTS	771,443.52	0.00
SALES	7,195,165.54	0.00
CASH MANAGEMENT SALES	7,844,884.88	0.00
TOTAL CASH RECEIPTS	15,811,493.94	771,443.52
DISBURSEMENTS		
INVESTMENT MANAGEMENT EXPENSES	12,083.00-	0.00
TRANSFER DISBURSEMENTS	0.00	771,443.52-
PURCHASES	8,454,302.37-	0.00
CASH MANAGEMENT PURCHASES	7,345,108.57-	0.00
TOTAL CASH DISBURSEMENTS	15,811,493.94-	771,443.52-
ENDING BALANCE	**0.00**	**0.00**

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
		BEGINNING BALANCE	**0.00**	**206,607,026.37**	
		CASH EQUIVALENTS			
06/01/26		INTEREST RECEIVED AS 100% TREAS MM FD-SVC CL #008 INTEREST FROM 5/1/26 THROUGH 5/31/26	10,062.43		
06/01/26		INTEREST RECEIVED PRINCIPAL PUBLIC DEPOSIT SWEEP PRGRM INTEREST FROM 5/1/26 TO 5/31/26	81.29		
06/23/26	2,000,000-	MATURED U.S. TREASURY BILLS 6/23/26 CUSIP 912797UB1 AT $100.0000 ON TRADE DATE 06/23/2026	1,976,657.85	1,976,657.85-	
06/23/26		INTEREST RECEIVED U.S. TREASURY BILLS 6/23/26 CUSIP 912797UB1 INTEREST ON 2,000,000.000 UNITS 2,000,000 PAR VALUE AT 100 %	23,342.15		
06/30/26	7,345,027.28	CASH SWEEP PURCHASES FOR STMT PERIOD AS 100% TREAS MM FD-SVC CL #008 11 TRANSACTIONS	7,345,027.28-	7,345,027.28	
06/30/26	81.29	CASH SWEEP PURCHASES FOR STMT PERIOD PRINCIPAL PUBLIC DEPOSIT SWEEP PRGRM 1 TRANSACTIONS	81.29-	81.29	
06/30/26	7,844,884.88-	CASH SWEEP SALES FOR STMT PERIOD AS 100% TREAS MM FD-SVC CL #008 6 TRANSACTIONS	7,844,884.88	7,844,884.88-	

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
		BONDS & NOTES			
06/15/26		INTEREST RECEIVED AMER EXPR CREDIT ABS 4.280% 4/15/30 CUSIP 02582JKP4 $0.00357/PV ON 1,420,000.00 PV DUE 6/15/26	5,064.67		
06/15/26		INTEREST RECEIVED BANK OF AMERICA ABS 4.930% 5/15/29 CUSIP 05522RDJ4 $0.00411/PV ON 785,000.00 PV DUE 6/15/26	3,225.04		
06/15/26		INTEREST RECEIVED BK OF AMERICA ABS 4.980% 11/15/28 CUSIP 05522RDH8 $0.00415/PV ON 850,000.00 PV DUE 6/15/26	3,527.50		
06/25/26		INTEREST RECEIVED BMW VEHICLE LEA ABS 3.970% 9/25/28 CUSIP 05594HAD5 $0.00331/PV ON 1,050,000.00 PV DUE 6/25/26	3,473.75		
06/25/26		INTEREST RECEIVED BMW VEHICLE OWN ABS 5.180% 2/26/29 CUSIP 096919AD7 $0.00291/PV ON 469,022.46 PV DUE 6/25/26	2,024.61		
06/25/26	37,527.48-	PAID DOWN BMW VEHICLE OWN ABS 5.180% 2/26/29 CUSIP 096919AD7	37,527.48	37,521.78-	5.70

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
06/08/26	960,000-	SOLD CHARLES SCHWAB CORP 2.450% 3/03/27 CUSIP 808513BY0 AT $98.7640 ON TRADE DATE 06/05/2026 TO SETTLE ON 06/08/2026 TORONTO DOMINION SECURITIES (U	948,134.40	959,729.90-	11,595.50-
06/08/26		ACCRUED INTEREST ON SALE CHARLES SCHWAB CORP 2.450% 3/03/27 CUSIP 808513BY0	6,206.67		
06/15/26		INTEREST RECEIVED CHASE ISSUANCE ABS 4.600% 1/16/29 CUSIP 161571HV9 $0.00383/PV ON 1,690,000.00 PV DUE 6/15/26	6,478.33		
06/22/26		INTEREST RECEIVED CITIBANK CREDIT ABS 4.300% 6/21/30 CUSIP 17305EHA6 $0.02150/PV ON 1,500,000.00 PV DUE 6/21/26	32,250.00		
06/25/26		INTEREST RECEIVED FED HOME LN MTG CORP 2.595% 9/25/29 CUSIP 3137FPJG1 $0.00216/PV ON 1,500,000.00 PV DUE 6/25/26	3,243.75		
06/25/26		INTEREST RECEIVED FED HOME LN MTG CORP 2.982% 5/25/29 CUSIP 3137FMCR1 $0.00244/PV ON 1,960,062.68 PV DUE 6/25/26	4,870.76		

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
06/25/26	2,245.72-	PAID DOWN FED HOME LN MTG CORP 2.982% 5/25/29 CUSIP 3137FMCR1	2,245.72	2,166.59-	79.13
06/25/26		INTEREST RECEIVED FED HOME LN MTG CORP 3.563% 1/25/29 CUSIP 3137FL6P4 $0.00297/PV ON 1,288,000.00 PV DUE 6/25/26	3,824.29		
06/25/26		INTEREST RECEIVED FHLMC MULTIFAMILY ST 2.069% 1/25/30 CUSIP 3137FRUT6 $0.00172/PV ON 2,000,000.00 PV DUE 6/25/26	3,448.33		
06/25/26		INTEREST RECEIVED FHLMC MULTIFAMILY ST 2.108% 1/25/31 CUSIP 3137FXZ35 $0.00176/PV ON 1,000,000.00 PV DUE 6/25/26	1,756.67		
06/25/26		INTEREST RECEIVED FHLMC MULTIFAMILY ST 2.425% 8/25/29 CUSIP 3137FPHK4 $0.00202/PV ON 1,600,000.00 PV DUE 6/25/26	3,233.33		
06/25/26		INTEREST RECEIVED FHLMC MULTIFAMILY ST 2.653% 8/25/26 CUSIP 3137BSP72 $0.00204/PV ON 600,204.32 PV DUE 6/25/26	1,326.95		
06/25/26	62,403.5-	PAID DOWN FHLMC MULTIFAMILY ST 2.653% 8/25/26 CUSIP 3137BSP72	62,403.50	65,999.01-	3,595.51-

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
06/25/26		INTEREST RECEIVED FHLMC MULTIFAMILY ST 2.785% 6/25/29 CUSIP 3137FNAE0 $0.00232/PV ON 2,200,000.00 PV DUE 6/25/26	5,105.83		
06/25/26		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.505% 3/25/29 CUSIP 3137FLN91 $0.00292/PV ON 2,500,000.00 PV DUE 6/25/26	7,302.08		
06/25/26		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.690% 1/25/29 CUSIP 3137FKZZ2 $0.00308/PV ON 2,550,000.00 PV DUE 6/25/26	7,841.25		
06/25/26		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.771% 12/25/28 CUSIP 3137FKUP9 $0.00304/PV ON 1,931,607.36 PV DUE 6/25/26	6,070.08		
06/25/26	2,208.22-	PAID DOWN FHLMC MULTIFAMILY ST 3.771% 12/25/28 CUSIP 3137FKUP9	2,208.22	2,112.56-	95.66
06/25/26		INTEREST RECEIVED FHLMC SER K110 CMO 1.477% 4/25/30 CUSIP 3137FTZQ3 $0.00123/PV ON 1,500,000.00 PV DUE 6/25/26	1,846.25		
06/25/26		INTEREST RECEIVED FHLMC SER K115 CMO 1.383% 6/25/30 CUSIP 3137FWG79 $0.00115/PV ON 2,000,000.00 PV DUE 6/25/26	2,305.00		

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
06/08/26	1,000,000	PURCHASED FHLMC SER K117 CMO 1.406% 8/25/30 CUSIP 3137FX3Q9 AT $88.5820 ON TRADE DATE 06/03/2026 TO SETTLE ON 06/08/2026 MORGAN STANLEY & CO.	885,820.31-	885,820.31	
06/08/26		ACCRUED INTEREST ON PURCHASE FHLMC SER K117 CMO 1.406% 8/25/30 CUSIP 3137FX3Q9	273.39-		
06/25/26		INTEREST RECEIVED FHLMC SER K748 CMO 2.260% 1/25/29 CUSIP 3137H5YC5 $0.00188/PV ON 2,000,000.00 PV DUE 6/25/26	3,766.67		
06/16/26		INTEREST RECEIVED GM FINANCIAL ABS 4.850% 12/18/28 CUSIP 36268GAD7 $0.00221/PV ON 717,162.43 PV DUE 6/16/26	2,898.53		
06/16/26	65,422.53-	PAID DOWN GM FINANCIAL ABS 4.850% 12/18/28 CUSIP 36268GAD7	65,422.53	65,318.79-	103.74
06/03/26	675,000	PURCHASED GOLDMAN SACHS BK V-D 4.656% 6/03/29 CUSIP 38151LAJ9 AT $100.0000 ON TRADE DATE 05/27/2026 TO SETTLE ON 06/03/2026 GOLDMAN SACHS	675,000.00-	675,000.00	
06/15/26		INTEREST RECEIVED HOME DEPOT INC 2.950% 6/15/29 CUSIP 437076BY7 INTEREST ON 1,663,000.000 UNITS	24,529.25		

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
06/25/26		INTEREST RECEIVED HOME DEPOT INC 4.750% 6/25/29 CUSIP 437076DC3 INTEREST ON 1,000,000.000 UNITS	23,750.00		
06/18/26		INTEREST RECEIVED HONDA AUTO RECE ABS 5.270% 11/20/28 CUSIP 437930AC4 $0.00296/PV ON 360,217.86 PV DUE 6/18/26	1,581.96		
06/18/26	28,174.56-	PAID DOWN HONDA AUTO RECE ABS 5.270% 11/20/28 CUSIP 437930AC4	28,174.56	28,171.14-	3.42
06/22/26		INTEREST RECEIVED HONDA AUTO RECE ABS 5.670% 6/21/28 CUSIP 438123AC5 $0.00215/PV ON 367,107.02 PV DUE 6/21/26	1,734.58		
06/22/26	35,333.3-	PAID DOWN HONDA AUTO RECE ABS 5.670% 6/21/28 CUSIP 438123AC5 TO SETTLE ON 06/22/2026	35,333.30	35,420.76-	87.46-
06/15/26		INTEREST RECEIVED HYUNDAI AUTO ABS 3.970% 12/15/28 CUSIP 448970AD5 $0.00331/PV ON 635,000.00 PV DUE 6/15/26	2,100.79		
06/15/26		INTEREST RECEIVED HYUNDAI AUTO ABS 5.410% 5/17/27 CUSIP 44934FAD7 $0.00154/PV ON 208,943.15 PV DUE 6/15/26	941.99		

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
06/15/26	73,145.55-	PAID DOWN HYUNDAI AUTO ABS 5.410% 5/17/27 CUSIP 44934FAD7	73,145.55	73,143.52-	2.03
06/18/26	545,000	PURCHASED HYUNDAI CAPITAL AMER 4.750% 6/18/29 CUSIP 44891AEN3 AT $99.9690 ON TRADE DATE 06/15/2026 TO SETTLE ON 06/18/2026 STIFEL NICOLAUS & CO., INC.	544,831.05-	544,831.05	
06/18/26	555,000	PURCHASED HYUNDAI CAPITAL AMER 4.750% 6/18/29 CUSIP 44891AEN3 AT $99.8340 ON TRADE DATE 06/15/2026 TO SETTLE ON 06/18/2026 PERSHING LLC	554,078.70-	554,078.70	
06/12/26	0.01	SHARE ADJUSTMENT JOHN DEERE OWNE ABS 5.090% 6/15/27 CUSIP 47800BAC2			
06/15/26		INTEREST RECEIVED JOHN DEERE OWNE ABS 5.090% 6/15/27 CUSIP 47800BAC2 $0.00012/PV ON 29,462.25 PV DUE 6/15/26	124.97		
06/15/26	29,462.25-	PAID DOWN JOHN DEERE OWNE ABS 5.090% 6/15/27 CUSIP 47800BAC2	29,462.25	29,459.95-	2.30
06/15/26		INTEREST RECEIVED JOHN DEERE OWNER ABS 4.960% 11/15/28 CUSIP 47800RAD5 $0.00289/PV ON 349,626.44 PV DUE 6/15/26	1,445.12		

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
06/15/26	18,295.39-	PAID DOWN JOHN DEERE OWNER ABS 4.960% 11/15/28 CUSIP 47800RAD5	18,295.39	18,286.81-	8.58
06/08/26	1,765,000	PURCHASED MASTERCARD INCORPOR 4.600% 6/08/31 CUSIP 57636QBL7 AT $99.9200 ON TRADE DATE 06/04/2026 TO SETTLE ON 06/08/2026 J.P. MORGAN SECURITIES INC., -	1,763,588.00-	1,763,588.00	
06/15/26		INTEREST RECEIVED MERCEDES-BENZ ABS 3.930% 1/15/30 CUSIP 58770YAD3 $0.00328/PV ON 570,000.00 PV DUE 6/15/26	1,866.75		
06/15/26		INTEREST RECEIVED MERCEDES-BENZ ABS 4.520% 4/16/29 CUSIP 58770XAD5 $0.00323/PV ON 1,045,000.00 PV DUE 6/15/26	3,378.83		
06/15/26		INTEREST RECEIVED MERCEDES-BENZ ABS 5.950% 11/15/28 CUSIP 58769FAC9 $0.00215/PV ON 475,909.88 PV DUE 6/15/26	2,359.72		
06/15/26	42,235.87-	PAID DOWN MERCEDES-BENZ ABS 5.950% 11/15/28 CUSIP 58769FAC9	42,235.87	43,130.08-	894.21-
06/04/26	1,950,000-	SOLD MORGAN STANLEY V-D 4.968% 7/14/28 CUSIP 61690U8E3 AT $100.5620 ON TRADE DATE 06/03/2026 TO SETTLE ON 06/04/2026 MERRILL LYNCH,PIERCE,FENNER	1,960,959.00	1,950,000.00-	10,959.00

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
06/04/26		ACCRUED INTEREST ON SALE MORGAN STANLEY V-D 4.968% 7/14/28 CUSIP 61690U8E3	37,674.00		
06/05/26		INTEREST RECEIVED NEW YORK LIFE GL FDG 4.600% 12/05/29 CUSIP 64952WFK4 INTEREST ON 1,365,000.000 UNITS	31,395.00		
06/08/26		INTEREST RECEIVED NEW YORK LIFE MTN 5.000% 6/06/29 CUSIP 64952WFG3 INTEREST ON 1,000,000.000 UNITS	25,000.00		
06/18/26	1,065,000	PURCHASED NVIDIA CORPORATION 4.500% 6/15/31 CUSIP 67066GAR5 AT $99.8100 ON TRADE DATE 06/15/2026 TO SETTLE ON 06/18/2026 GOLDMAN SACHS	1,062,976.50-	1,062,976.50	
06/03/26		INTEREST RECEIVED NW MUTUAL GLOBAL MTN 4.600% 6/03/30 CUSIP 66815L2W8 INTEREST ON 1,000,000.000 UNITS	23,000.00		
06/17/26	1,865,000-	SOLD PACCAR FINANCIAL MTN 4.000% 11/07/28 CUSIP 69371RU20 AT $99.4180 ON TRADE DATE 06/16/2026 TO SETTLE ON 06/17/2026 J.P. MORGAN SECURITIES INC., -	1,854,145.70	1,863,955.60-	9,809.90-
06/17/26		ACCRUED INTEREST ON SALE PACCAR FINANCIAL MTN 4.000% 11/07/28 CUSIP 69371RU20	8,288.89		

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
06/15/26		INTEREST RECEIVED TOYOTA AUTO REC ABS 4.130% 12/16/30 CUSIP 89240QAD7 $0.00344/PV ON 760,000.00 PV DUE 6/15/26	2,615.67		
06/15/26		INTEREST RECEIVED TOYOTA AUTO REC ABS 5.160% 4/17/28 CUSIP 89231FAD2 $0.00161/PV ON 485,833.22 PV DUE 6/15/26	2,089.08		
06/15/26	58,814.22-	PAID DOWN TOYOTA AUTO REC ABS 5.160% 4/17/28 CUSIP 89231FAD2	58,814.22	58,575.29-	238.93
06/30/26		INTEREST RECEIVED U.S. TREASURY NOTES 3.250% 6/30/27 CUSIP 91282CEW7 INTEREST ON 3,250,000.000 UNITS	52,812.50		
06/01/26		INTEREST RECEIVED U.S. TREASURY NOTES 3.500% 11/30/30 CUSIP 91282CPN5 INTEREST ON 1,750,000.000 UNITS	30,625.00		
06/30/26		INTEREST RECEIVED U.S. TREASURY NOTES 3.875% 6/30/30 CUSIP 91282CNK3 INTEREST ON 5,000,000.000 UNITS	96,875.00		
06/01/26		INTEREST RECEIVED U.S. TREASURY NOTES 3.875% 11/30/27 CUSIP 91282CFZ9 INTEREST ON 850,000.000 UNITS	16,468.75		

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
06/30/26		INTEREST RECEIVED U.S. TREASURY NOTES 3.875% 12/31/27 CUSIP 91282CGC9 INTEREST ON 2,750,000.000 UNITS	53,281.25		
06/30/26		INTEREST RECEIVED U.S. TREASURY NOTES 4.250% 6/30/29 CUSIP 91282CKX8 INTEREST ON 2,000,000.000 UNITS	42,500.00		
06/15/26		INTEREST RECEIVED U.S. TREASURY NOTES 4.375% 12/15/26 CUSIP 91282CJP7 INTEREST ON 2,500,000.000 UNITS	54,687.50		
06/30/26		INTEREST RECEIVED U.S. TREASURY NOTES 4.375% 12/31/29 CUSIP 91282CMD0 INTEREST ON 4,400,000.000 UNITS	96,250.00		
06/30/26	3,000,000	PURCHASED US TREASURY NOTE 2.250% 2/15/27 CUSIP 912828V98 AT $98.9336 ON TRADE DATE 06/29/2026 TO SETTLE ON 06/30/2026 MERRILL LYNCH,PIERCE,FENNER	2,968,007.81-	2,968,007.81	
06/30/26		ACCRUED INTEREST ON PURCHASE US TREASURY NOTE 2.250% 2/15/27 CUSIP 912828V98	25,172.65-		
06/15/26		INTEREST RECEIVED WELLS FARGO CARD ABS 4.340% 5/15/30 CUSIP 92970QAJ4 $0.00362/PV ON 1,365,000.00 PV DUE 6/15/26	4,936.75		

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
		TRANSFER RECEIPTS			
06/01/26		ADDITION TO ACCOUNT TRANSFER FROM INCOME	57,237.47		
06/03/26		ADDITION TO ACCOUNT TRANSFER FROM INCOME	23,000.00		
06/04/26		ADDITION TO ACCOUNT TRANSFER FROM INCOME	37,674.00		
06/05/26		ADDITION TO ACCOUNT TRANSFER FROM INCOME	31,395.00		
06/08/26		ADDITION TO ACCOUNT TRANSFER FROM INCOME	30,933.28		
06/15/26		ADDITION TO ACCOUNT TRANSFER FROM INCOME	119,371.96		
06/16/26		ADDITION TO ACCOUNT TRANSFER FROM INCOME	2,898.53		
06/17/26		ADDITION TO ACCOUNT TRANSFER FROM INCOME	8,288.89		
06/18/26		ADDITION TO ACCOUNT TRANSFER FROM INCOME	1,581.96		
06/22/26		ADDITION TO ACCOUNT TRANSFER FROM INCOME	32,250.00		
06/23/26		ADDITION TO ACCOUNT TRANSFER FROM INCOME	25,076.73		

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
06/25/26		ADDITION TO ACCOUNT TRANSFER FROM INCOME	85,189.60		
06/30/26		ADDITION TO ACCOUNT TRANSFER FROM INCOME	316,546.10		
		INVESTMENT MANAGEMENT EXPENSES			
06/09/26		INVESTMENT MGMT FEE PAID TO CHANDLER ASSET MANAGEMENT INC INV 2605CUPERTIN CUPERTIN 05/26 CITY OF CUPERTINO FOR PERIOD 5/1/2026 - 5/31/2026	12,083.00-		
		TRANSFER DISBURSEMENTS			
06/01/26		TRANSFER TO PRINCIPAL	57,237.47-		
06/03/26		TRANSFER TO PRINCIPAL	23,000.00-		
06/04/26		TRANSFER TO PRINCIPAL	37,674.00-		
06/05/26		TRANSFER TO PRINCIPAL	31,395.00-		
06/08/26		TRANSFER TO PRINCIPAL	30,933.28-		
06/15/26		TRANSFER TO PRINCIPAL	119,371.96-		
06/16/26		TRANSFER TO PRINCIPAL	2,898.53-		
06/17/26		TRANSFER TO PRINCIPAL	8,288.89-		
06/18/26		TRANSFER TO PRINCIPAL	1,581.96-		
06/22/26		TRANSFER TO PRINCIPAL	32,250.00-		

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
06/23/26		TRANSFER TO PRINCIPAL	25,076.73-		
06/25/26		TRANSFER TO PRINCIPAL	85,189.60-		
06/30/26		TRANSFER TO PRINCIPAL	316,546.10-		
		ENDING BALANCE	0.00	207,351,902.80	

PARS. PUBLIC AGENCY RETIREMENT SERVICES

CITY OF CUPERTINO
PARS Post-Employment Benefits Trust

Account Report for the Period
6/1/2026 to 6/30/2026

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

Account Summary

Source	Balance as of 6/1/2026	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 6/30/2026
OPEB	$49,980,985.72	$0.00	$88,287.96	$12,506.32	$0.00	$0.00	$50,056,767.36
PENSION	$28,452,982.97	$0.00	$53,640.10	$7,088.99	$0.00	$0.00	$28,499,534.08
Totals	$78,433,968.69	$0.00	$141,928.06	$19,595.31	$0.00	$0.00	$78,556,301.44

Investment Selection

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

Investment Objective

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

Investment Return

				Annualized Return			
Source	1-Month	3-Months	1-Year	3-Years	5-Years	10-Years	Plan's Inception Date
OPEB	0.18%	10.05%	17.49%	14.72%	6.77%	8.94%	6/21/2010
PENSION	0.19%	10.16%	17.54%	14.66%	6.74%	-	3/26/2019

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

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

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

July 02, 2026

LAIF Home
PMIA Average Monthly Yields

CITY OF CUPERTINO

FINANCE MANAGER
10300 TORRE AVENUE
CUPERTINO, CA 95014

Tran Type Definitions

Account Number: [redacted]

June 2026 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	74,905,307.18
Total Withdrawal:	0.00	Ending Balance:	74,905,307.18

CITY OF CUPERTINO

Agenda Item

26-15311 **Agenda Date: 7/27/2026**
Agenda #: 4.

Subject: INFORMATIONAL ITEM Receive the Fiscal Year 2025-26 ACFR Interim Testing Update

Receive the Fiscal Year 2025-26 ACFR Interim Testing Update
Presenter: The Pun Group
4:00(15)

CITY OF CUPERTINO

Agenda Item

26-15312

Agenda Date: 7/27/2026
Agenda #: 5.

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

Receive the Internal Audit and Fraud, Waste, and Abuse programs update
Presenter: Baker Tilly
4:15(15)

MOSSADAMS × bakertilly

MEMORANDUM

July 20, 2026

To: City of Cupertino Audit Committee
From: Baker Tilly
Subject: Internal Audit Status Report April 21 through July 20, 2026

FY24-25 INTERNAL AUDIT PROGRAM	GRANTS MANAGEMENT INTERNAL CONTROLS REVIEW
Objective	Assess the internal controls in place over the City's grants management activities (including applications, review, administration, and reporting).
Schedule	April 2025 through July 2026
Activities for This Period	Finalized Report
Activities for Next Period	None
Issues	Working with City officials to finalize report

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

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

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

OUTSTANDING REPORTS			
Open Reports	**Days Outstanding**	**Currently being held with**	**Last Day BT Followed-up**
Report 2000302663	878	Under City Attorney's review	6/29/26
Report 2000309461	856	Under City Attorney's review	6/29/26
Report 2000311746	848	Under City Attorney's review	6/29/26
Report 2000230154	821	Under City Attorney's review	6/29/26
Report 2000320491	819	Under City Attorney's review	6/29/26
Report 2000435031	456	Under City Attorney's review	6/29/26
Report 2000465974	366	Under City Attorney's review	6/29/26
Report 2000520302	219	Under City Attorney's review	6/29/26

City of Cupertino- Audit Recommendations Tracking Report
7/17/2026

Reports	(A) Total Recommendations	(B) Open Recommendations (Not Yet Completed by City)	(C) Validated Recommendations (By Baker Tilly)	(D) Reportable Recommendations (Newly validated since last summary)
2022 Budget Process Review (BPR-22)	5	1	4	0
2022 Santa Clara County Civil Grand Jury - A House Divided (CGJ-AHD-2022)	8	4	4	0
2022 Santa Clara County Civil Grand Jury - Show me the Money (CGJ-SMTM-2022)	1	0	1	0
2022 Capital Program Effectiveness Study (CPES-22)	11	4	7	0
2023 Enterprise Leadership Assessment (ELA-23)	24	7	17	0
2022 Fraud, Waste, Abuse Program (FWA) (FWA-22)	3	0	3	0
2023 Library Expansion Construction Audit (LECA-23)	9	0	9	0
2022 Procurement Operational Review (POR-22)	16	7	9	0
2022 Single Audit (SA-22)	1	1	0	0
2025 Special Revenue Fund Process Review	1	1	0	0
Total	79	25	54	0

Legend:
Total Recommendations = number of recommendations in the report
Open Recommendations = number of recommendations not yet completed by City
Validated Recommendations = number of recommendations validated by Baker Tilly as completed and adequately addresses the finding
Reportable Recommendations = number of recommendations validated since last summary report for Audit Committee

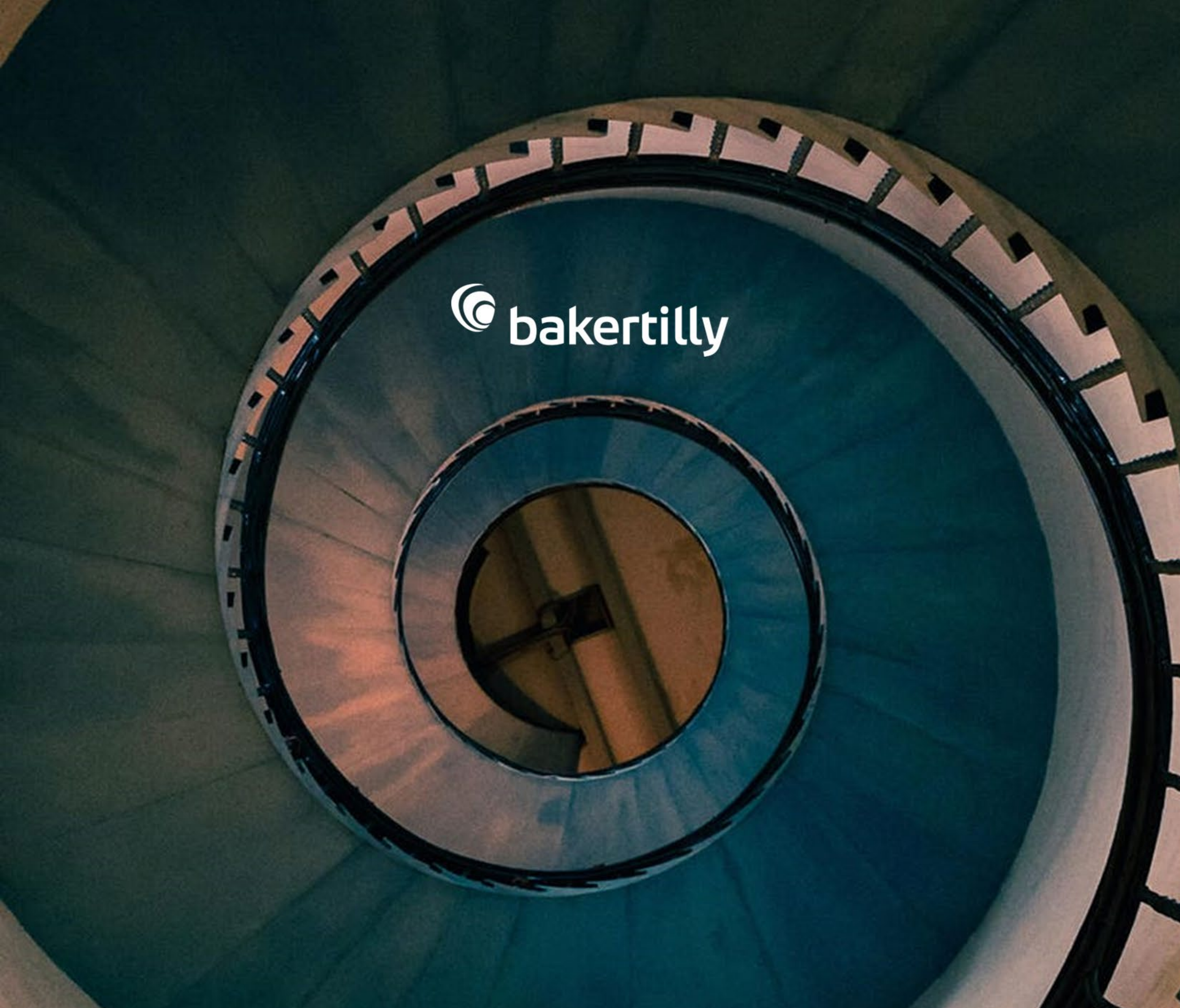
CITY OF CUPERTINO

Agenda Item

26-15313 **Agenda Date: 7/27/2026**
Agenda #: 6.

Subject: ACTION ITEM Receive Grants Management Internal Control Review Final Report

Receive Grants Management Internal Control Review Final Report and forward to City Council
Presenter: Baker Tilly
4:30(15)



As of June 3, 2025, Moss Adams LLP has merged with Baker Tilly.

FINAL REPORT

City of Cupertino

GRANTS MANAGEMENT INTERNAL CONTROLS REVIEW

July 20, 2026

Baker Tilly Advisory Group, LP
999 Third Avenue, Suite 2800
Seattle, WA 98104
(206) 302-6500

Table of Contents

I. Executive Summary

The City of Cupertino (the City) contracted Baker Tilly to assess the internal controls over the City's grants management activities for compliance with policies and procedures and best practices. This included reviewing the application, review, administration, and reporting processes as well as assessing the overall adequacy of the grants management function. The internal controls review took place between June and October 2025.

As of June 30, 2024, the City's operating grants and contributions constituted approximately 25% of its total program revenues, or $8,350,734 out of $34,401,318. Grants management typically encompasses processes such as grant application and award administration, compliance monitoring, expenditure tracking, documentation and recordkeeping, and financial reporting. These processes are essential to ensure that grant funds are used in accordance with grantor requirements and applicable regulations. Effective internal controls over grants management are critical for safeguarding grant resources, maintaining accurate financial records, and supporting the integrity of the City's Annual Comprehensive Financial Report (ACFR). Implementing comprehensive controls helps mitigate risks of misstatement, noncompliance, and misappropriation of funds, ultimately enhancing the City's financial accountability and transparency to stakeholders.

The City currently employs a primarily decentralized approach to grants management, where individual programs and departments are responsible for the end-to-end management of their respective grants. This includes administering grant application and award, monitoring compliance, tracking and approving expenditures, preparing and submitting required reports, and maintaining documentation in accordance with grantor requirements and applicable regulations. The Finance Department provides centralized financial support by tracking grant revenues and budgets within the Enterprise Resource Planning (ERP) system and producing budget-to-actual reports to assist departments in financial oversight. While many departments maintain organized electronic folders and utilize spreadsheets for grant tracking, these practices vary and are not fully standardized or integrated across the City.

Recognizing opportunities to strengthen internal controls and improve consistency, the City is planning to hire a Grants Management Analyst to formalize and centralize key aspects of the grants management function. This role is expected to support standardized grant opportunity identification and monitoring, enhance documentation and recordkeeping practices, enforce segregation of duties, and coordinate training programs.

The review of internal controls was completed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants (AICPA). As such, this work was not an audit of internal controls that resulted in a formal opinion or other form of assurance.

Specific areas where controls were reviewed included:

- Grant Application and Award Approval
- Compliance Monitoring and Reporting
- Expenditure Authorization and Tracking
- Documentation and Recordkeeping

- Financial Reporting and Reconciliation
- Overall Grants Management Control Environment

Specific departments where controls were reviewed included the Finance, Public Works, and Housing Division departments. These departments were selected for review due to their critical roles in the City's grants management environment. Finance is responsible for supporting accounting, financial reporting, and budget monitoring for all City grants, providing centralized financial oversight. Public Works and the Housing Division were selected because they receive and administer a substantial portion of the City's overall grant funding, making their grant management practices particularly impactful on the City's financial accountability and compliance.

The City appeared to have internal controls developed for many grants management functions and was in the process of implementing additional internal controls in this area. Per interviews, the planned hiring of the Grants Management Analyst is to help formalize the grants management function and to assist in implementing these additional internal controls. Based on the review performed, the following are examples of commendable activities that appeared to have well-designed internal controls:

- The City requires City Manager approval for grant applications, supporting executive oversight.
- Departments seemed to maintain organized electronic folders for grant documentation, aiding record retention and audit readiness.
- Finance tracks grant revenues and budgets within the ERP system, facilitating centralized financial management.
- Project managers are generally responsible for monitoring grant expenditures and compliance, providing operational accountability.
- A quarterly grants tracking spreadsheet is maintained and reviewed to monitor statuses and deadlines, supporting timely reporting.
- Segregation of duties appeared to be practiced in invoice review and approval, reducing risk of errors or unauthorized transactions.
- Recruitment of a Grants Management Analyst appeared aimed at centralizing oversight and enhancing internal controls.
- The City's grant reimbursement packets undergo multiple levels of review before submission, supporting accuracy.
- Training resources from federal agencies appeared to be utilized to educate staff on grant compliance requirements.
- Departments appeared to prepare handoff lists to mitigate risks associated with staff turnover.

Similar to many other cities, there is an opportunity to strengthen controls, policies and procedures, and documentation. While our review identified gaps in internal controls of varying degrees across the departments reviewed, it is important to acknowledge that the City appeared to have internal controls developed for many functions. However, enhancing the documentation of these controls will strengthen this foundation and promote greater consistency and effectiveness in operations.

Suggested priorities to address over the next six to 18 months include, but are not limited to:

- **Develop and Implement Standardized Grants Management Policies and Procedures and Continuity Plans**
  - Establish comprehensive, documented grants management policies and procedures that apply to all departments, including those with limited grant activity, to ensure consistency and reduce reliance on informal practices.
  - All departments should develop continuity plans and implement cross-training and handoff lists to maintain grant management activities during staff absences or transitions.
- **Centralize Grant Opportunity Identification and Monitoring**
  - Centralize the process for identifying, tracking, and communicating grant opportunities, using a consolidated system to ensure departments are aligned with City priorities and deadlines.
- **Enhance Grant Tracking and Documentation Practices:**
  - Departments should maintain dedicated tracking spreadsheets and complete electronic grant files for each active grant, and the City should conduct regular oversight to verify that documentation is accurate and complete.
- **Standardize and Enforce Segregation of Duties Across Departments:**
  - Departments should clearly define and separate responsibilities for key grant management activities, and where staffing is limited, use compensating controls such as supervisory review or independent reconciliation.
- **Standardize Grant Documentation and Recordkeeping Policies:**
  - Implement formal policies for organizing, retaining, and securing grant documents, and use a centralized electronic folder structure to improve accessibility and audit readiness.
- **Implement Structured Grant Management Training Programs:**
  - Provide mandatory, tailored training for all staff involved in grant management, covering internal processes, compliance requirements, and best practices, with periodic refresher courses.
- **Formalize Grant Application and Approval Workflows:**
  - Standardize the workflow for grant application preparation and approval, ensuring that required executive authorizations are consistently documented and retained.
- **Establish Consistent Internal Review and Approval Processes for Grant Reporting:**
  - All grant reports and reimbursement requests should be subject to formal internal review and approval, with designated reviewers and documentation of the approval process.
- **Strengthen Subrecipient Monitoring and Documentation:**
  - Distribute monitoring responsibilities for subrecipients, maintain complete documentation of contracts and payments, and formalize Council approval and payment tracking procedures.

II. Scope and Methodology

The scope of our grants management internal controls review included an evaluation of the City's key grants management internal controls, to determine the general adequacy of internal controls and identify areas warranting more in-depth review in the future. Our review included the following functional areas:

- Grant Application and Award Approval
- Compliance Monitoring and Reporting
- Expenditure Authorization and Tracking
- Documentation and Recordkeeping
- Financial Reporting and Reconciliation
- Overall Grants Management Control Environment

For each functional area assessed, we conducted a review of key controls which included:

- Identifying control objectives in specific areas and controls that would satisfy each objective
- Reviewing policies and procedures
- Examining relevant documentation in support of select key controls
- Performing control walkthroughs to observe the design of key controls and understand workflow processes
- Obtaining an understanding of the characteristics of each relevant control activity, including who performs it, how often it is designed to operate, whether it is designed to mitigate fraud, whether it is a manual or programmed (automated) control, and whether it is a preventive, detective, or corrective control
- Assessing whether the controls in place would prevent or detect errors
- Providing recommendations on key controls that need to be implemented or changed

The work performed included interviews with employees involved in managing functions and processing key transactions in the following departments:

- Finance
- Public Works
- Housing Division

In addition to the interviews conducted, the following procedures performed to assess compliance with controls and policies related to grants management:

- A sample of nine grants received by the City and five subrecipient grants awarded by the City, were assessed for adherence to select applicable control and policy requirements
- The sample of nine grants received was evaluated for proper application procedures, documentation, expenditure tracking, and compliance with select established grant management controls and policies
- The sample of five subrecipient grants was assessed for proper authorization and monitoring

In support of the internal controls review, the matrix in Section III provides results and includes:

- Control objectives
- Control issues
- Corresponding recommendations
- Likelihood of occurrence
- Impact of occurrence

"Likelihood of occurrence" is defined as the probability of a negative event occurring. "Impact of occurrence" is defined as the level of significance if a negative event occurs. Risk levels of low, moderate, or high were used to rate the likelihood and impact of occurrence for each control issue.

Beyond the controls noted within this report as an issue, additional controls were reviewed without exception. It should be noted that many controls were reviewed multiple times in relevant, separate department reviews, but not all controls or departments were reviewed. The departments selected provide a broad understanding of the City's grants management control environment. Key controls with exception conditions are reported in this document.

III. Internal Controls Review

NO.	CONTROL OBJECTIVE	CONTROL ISSUE	RECOMMENDATION	OCCURRENCE LIKELIHOOD	IMPACT OF OCCURRENCE
Overall Grants Management Controls					
1	Grant management processes are formalized and consistent across departments, regardless of grant volume or diversity in purpose, funding source, or dollar amount. Whether a department manages a large federal infrastructure grant, a small community funding grant, or any other type of grant with varying requirements and funding levels, it follows standardized policies and procedures to ensure effective oversight, compliance, and accountability.	The City currently lacks formal, City-wide grants management policies and procedures (P&Ps). As a result, departments with low grant volume or specialized grants, such as Planning and Information Technology (IT), rely heavily on informal practices and individual knowledge. This increases continuity risks during staff absences or transitions. While larger departments may have more established practices, the absence of City-wide P&Ps disproportionately affects smaller departments, highlighting the need for both City-wide policies and tailored departmental procedures to ensure consistent and resilient grants management.	The City should develop and implement standardized, City-wide grant management policies and procedures to provide a consistent framework for all departments. While some departments currently manage grants more frequently, their department-specific procedures are not formally documented and should be formalized to ensure consistency and accountability. Additionally, departments with limited grant activity, such as Planning and IT, should create tailored procedures that clearly define roles, responsibilities, and specific processes for grant application, monitoring, and reporting to ensure compliance with City-wide policies and reduce reliance on individual knowledge. All departments should also establish formal grant management continuity plans that include comprehensive documentation, cross-training, and periodic knowledge transfer sessions. This approach will help ensure seamless continuation of grant management activities during staff absences or transitions, reducing operational risks and enhancing organizational resilience.	High	High
2	Grants management functions, including grant opportunity identification	Grants management functions are decentralized, with grant opportunity identification relying	The City should centralize certain grants management functions, potentially under the planned Grants Management Analyst	High	High

NO.	CONTROL OBJECTIVE	CONTROL ISSUE	RECOMMENDATION	OCCURRENCE LIKELIHOOD	IMPACT OF OCCURRENCE
	and monitoring, are centralized to improve oversight, coordination, and control and alignment with City priorities.	on informal networks and disparate departmental processes. This increases the risk of inconsistent controls, missed funding opportunities, and lack of strategic alignment across departments.	position. This centralized function should include formalized grant opportunity identification and monitoring through a consolidated database or tracking system that captures available grants, deadlines, eligibility criteria, and application status. Regular communication and updates should be provided to all departments to ensure alignment with City priorities and reduce the risk of missed opportunities. This communication and decision-making process should be documented to ensure grant applications and acceptances align with City priorities and Council direction. Centralization will improve consistency in policies and procedures, enhance oversight, and support strategic resource allocation.		
3	All grants received, including report due dates, period of availability and budget-to-actual financial data, are consistently tracked throughout their lifecycle. Comprehensive grant reporting packets are maintained electronically, in a centralized repository, and contain all grant-related documentation, such as applications, contracts, invoices, and approvals.	The City does not track all key grant information in a consistent manner and does not deploy a centralized repository to maintain complete grant reporting packets resulting in missing grant documentation. Our testing found that four of nine grants received were not supported by a dedicated tracking spreadsheet. In addition, all nine grant reporting packets lacked complete documentation. Missing items included things such as grant applications, executed contracts, and documented approvals.	The City should require all departments to maintain dedicated, up-to-date tracking spreadsheets for each active grant that consistently capture key grant information, such as report due dates, period of availability, and budget-to-actual financial data. In addition, departments should include required supporting documents such as invoices and signed agreements, in their grant reporting packets. All grant tracking spreadsheets and supporting documentation should be stored electronically and in a centralized repository to ensure consistency, accessibility, and audit readiness across the organization. To ensure consistent adherence, the City should establish regular oversight	Moderate	Moderate

NO.	CONTROL OBJECTIVE	CONTROL ISSUE	RECOMMENDATION	OCCURRENCE LIKELIHOOD	IMPACT OF OCCURRENCE
			mechanisms, such as periodic audits or reviews, to verify that all grants are actively tracked, and that required documentation is properly retained across all departments. This approach will address root causes by promoting accountability, reducing risks of incomplete or inaccurate reporting, and supporting compliance with grantor requirements.		
4	Segregation of duties is established and consistently applied in grant management activities.	Segregation of duties appears to vary by department and grant type; smaller grants or community funding appear to often be managed entirely by one individual, increasing the risk of errors or misappropriation.	The City should require that all departments that manage grants adequately segregate duties. Multiple individuals should participate in critical grant management activities such as application approval, expenditure authorization, and reporting. In cases where staffing is limited, compensating controls such as periodic supervisory reviews or independent reconciliations, should be implemented. All roles and responsibilities should be clearly defined in the City-wide grants management policies and procedures to ensure that no one individual is responsible for incompatible duties.	High	Moderate
5	Grant tracking and monitoring systems are integrated, comprehensive, and efficient.	Departments primarily use spreadsheets or electronic folders for grant tracking, lacking integration with financial systems and detailed compliance checkpoints.	An assessment of current grant tracking practices and available technology solutions should be conducted to identify opportunities for improved integration and efficiency. Implementing a centralized grant management system, or enhancing existing ERP functionalities, can provide significant benefits, such as enabling real-time tracking of grant applications, budgets, expenditures, compliance requirements,	High	Moderate

NO.	CONTROL OBJECTIVE	CONTROL ISSUE	RECOMMENDATION	OCCURRENCE LIKELIHOOD	IMPACT OF OCCURRENCE
			and reporting deadlines. System integration can also improve data accuracy, reduce manual entry errors, and support comprehensive monitoring and reporting of grant performance. If implementing a new system or enhancing ERP functionalities is not feasible at this time, the City should establish a centralized electronic repository for grant files and tracking spreadsheets, which may help address finding number six below. This repository should be accessible to all relevant staff and used to consistently maintain tracking spreadsheets and to store key grant documentation, including applications and related approvals, budgets, expenditure support, grant reports and supporting documentation, and other support to demonstrate compliance with grant requirements. Centralizing grant documentation in this manner will improve data accuracy, streamline oversight, support compliance, and enhance monitoring of grant performance.		
6	Grant recordkeeping is standardized, accessible, and secure.	Based on interviews, most departments appear to have processes in place to store documentation electronically, but there is a lack of standardized organization and retention policies across departments, potentially posing challenges during audits or staff transitions. Currently, based on interviews, there is no centralized City-wide file location or standardized file	Formal policies governing the organization, retention, and security of grant-related documentation are essential. These policies should specify document types to be retained, retention periods in compliance with legal and grantor requirements, and procedures for secure storage and disposal. Implementing a centralized repository for electronic document management with standardized folder structures, version control, and role-based access permissions	Moderate	Moderate

NO.	CONTROL OBJECTIVE	CONTROL ISSUE	RECOMMENDATION	OCCURRENCE LIKELIHOOD	IMPACT OF OCCURRENCE
		structure for retaining grant documents; instead, each department is responsible for establishing and maintaining its own documentation on individual drives.	will enhance accessibility and protect sensitive information. Regular audits of documentation practices should be conducted to ensure compliance and audit readiness.		
7	Staff receive structured training on grant management and compliance requirements.	Grant-related training appears to be minimal and mostly self-directed or external; limited internal training may lead to inconsistent knowledge, reliance on informal learning, and grant noncompliance.	A comprehensive internal training curriculum focused on the City's specific grant management processes, appropriate uses of grant funds, compliance obligations, and best practices should be designed and rolled out. Training should be mandatory for all staff involved in grant activities and cover topics such as federal and state grant regulations, internal control requirements, documentation standards, and use of grant management systems. Incorporating refresher courses and updates on regulatory changes will further enhance staff competency, reduce reliance on informal learning, and promote consistent policy application across departments. This will improve staff competency, consistency, and reduce compliance risks.	Moderate	Moderate
8	Grant application and approval processes are formalized and documented.	Application approvals require City Manager authorization but appear to lack formal workflows and standardized documentation, risking inconsistencies and accountability gaps. Of the nine grants tested, four did not have documentation supporting that the City Manager approved the	Formalized workflows for grant application preparation, approval, and submission should be developed, clearly delineating required review steps, responsible parties, and approval thresholds. City Manager authorization and other executive approvals must be consistently documented in writing and retained in the grant file. Utilizing standardized forms or electronic workflow tools will facilitate	Moderate	Low

NO.	CONTROL OBJECTIVE	CONTROL ISSUE	RECOMMENDATION	OCCURRENCE LIKELIHOOD	IMPACT OF OCCURRENCE
		related grant application.	tracking and audit trails. These measures will improve accountability, reduce inconsistencies, and support effective governance over grant pursuits.		
9	Grant reporting undergoes consistent internal review and approval prior to submission.	Review processes vary widely; some departments have formal departmental reviews, others submit reports directly with minimal internal review, increasing risk of errors or noncompliance.	Standardized procedures requiring all grant reports, reimbursement requests, and related submissions to undergo formal internal review and approval should be implemented. This process must include verification of compliance with grant terms, accuracy of financial data, and completeness of supporting documentation. Designated reviewers and approvers with appropriate expertise and authority should be assigned, and documentation of reviews and approvals maintained. Consistent application of these procedures will reduce errors and enhance compliance.	Moderate	Moderate

Management Response to Overall Grants Management Control Issues and Recommendations

Since the time of this review, the City has hired a Management Analyst and has implemented:

- An updated Citywide Grants Policy governing grant application and approval authority and overall grants guidance
- Formalized grant opportunity identification, monitoring, review and communication with departmental staff

The City is currently developing with plans of release in 2026:

- Standardized internal grants management policies and procedures to clarify roles and responsibilities across the grant lifecycle including application, approvals, budgeting, monitoring, reporting and closeout
- Staff training to ensure comprehensive understanding of internal grants management procedures and support with accurate recordkeeping.
- Processes for documentation of application approvals

The state and federal grants landscape continue to evolve and the City is committed to retaining active awareness, adapting as appropriate and ensuring the internal controls for grants fit the City's needs.

NO.	CONTROL OBJECTIVE	CONTROL ISSUE	RECOMMENDATION	OCCURRENCE LIKELIHOOD	IMPACT OF OCCURRENCE
Public Works					
1	Grant applications require documented review and approval by the Transportation Director and City Manager prior to submission.	Two of five tested grant applications lacked evidence of City Manager approval, leading to potential non-compliance with City policies and unauthorized commitments of City resources.	See Control Issue #8 in the Overall Grants Management Controls section.	High	Moderate
Management Response to Public Works Control Issues and Recommendations					
	Since the preparation of this report, the City has hired a Grants Analyst, enhancing staff's capacity to effectively manage grant processes and ensure compliance with City policies.				
Housing/Community Development Block Grant					
1	Subrecipient contracts and reports are managed with complete documentation and monitoring.	Supporting documentation was not provided to demonstrate that ongoing monitoring of subrecipient expenditures and activity was occurring. There appeared to be heavy reliance on the Senior Housing Coordinator to monitor and approve all subrecipient expense reports. While this staff member demonstrated strong competence, dependence on a single individual creates potential risks related to continuity and oversight. NOTE: After testing was complete, on April 20, 2026, we were provided with expense reports for our selected subrecipients, however all	The City should conduct a thorough review of subrecipient monitoring requirements from funding agencies and compare to their current practices, with a focus on distributing monitoring responsibilities to mitigate risks associated with reliance on one individual. Implementing robust document retention and management processes is key to ensuring that all subrecipient contracts, invoices, reports, and monitoring documentation are maintained in an accessible, organized, and centralized manner. These steps will strengthen compliance, enhance oversight, and improve audit readiness while supporting operational resilience.	Moderate	Low

NO.	CONTROL OBJECTIVE	CONTROL ISSUE	RECOMMENDATION	OCCURRENCE LIKELIHOOD	IMPACT OF OCCURRENCE
		approvals were dated in 2026, after our testing period.			
2	Council approves grant awards to subrecipients, and payments are tracked and monitored appropriately.	At the time of our review, documentation supporting Council approval of subrecipient awards and related invoicing/payment tracking was incomplete or unavailable for the selected subrecipients. NOTE: After testing was complete, on April 20, 2026, we received documentation that showed council approval of subrecipient awards effective 9/11/2025.	The City should formalize and document the process for Council approval of subrecipient awards via meeting minutes and ensure that invoicing and payment tracking is maintained in a centralized, accessible system. Regular reconciliations and monitoring of payments should be performed to ensure compliance with contract terms and grant requirements.	Moderate	Low
Management Response to Housing/Community Development Block Grant Control Issues and Recommendations					
	The identified controls were in place and operating at the time of the audit. The Senior Housing Coordinator is responsible for the initial review and approval of invoices, while the Finance Division performs the secondary review and final approval. Accordingly, invoices that have completed the full approval process are maintained by the Finance Division rather than by the Housing division/Community Development Department. As a result, the initial audit testing, which was conducted using records maintained at the Senior Housing Coordinator level, did not reflect the complete approval process or the full extent of the established internal controls.				

CITY OF CUPERTINO

Agenda Item

26-15314 **Agenda Date: 7/27/2026**
Agenda #: 7.

Subject: ACTION ITEM FY 2026-27 Internal Audit Work Program Review

Receive the FY 2026-27 Internal Audit Work Program and forward to City Council
Presenter: Baker Tilly
4:45(60)

bakertilly

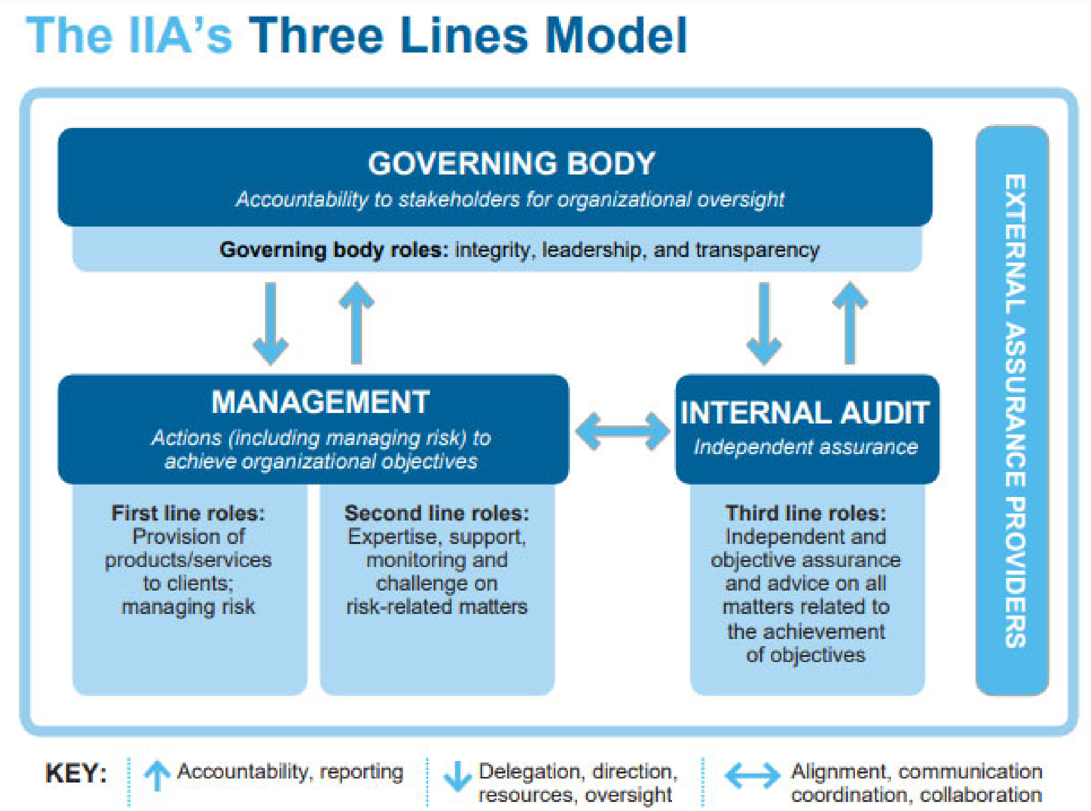
City of Cupertino
FY 26-27 Internal Audit Program

Audit Committee Meeting / July 2026

Internal Audit Overview

- The City retained Baker Tilly to serve as the designated Internal Auditor and conduct projects focusing on:
  - Risks
  - Internal Controls
  - Efficiency and effectiveness
  - Best practices
  - Compliance
- Work is being completed under appropriate industry standards (IIA, GAGAS, AICPA)

Role of Internal Audit



Holistic Internal Audit Program Components

A. Program Inputs	B. Opportunities	C. Tracking & Reporting
• Enterprise Assessments • Employee and Residents • Performance Metrics	• Risks • Controls • Compliance • Performance	• Findings & Recommendations • Fraud, Waste, and Abuse Hotline • Corrective Actions • Implementation • Validation

Internal Audit Program Components

Annual Plan	Internal Audit Plan
Internal Audit Components	**Risks** · **Internal Controls** · **Compliance** · **Performance**
City Functions	Accounting and financial reporting, asset management, capital programs, compliance, economics and funding, fraud, governance, human resources, internal controls, maintenance and operations, management, operations and service delivery, organization and staffing, processes and procedures, procurement, public safety, risk management, and technology

Program Review

Focus	Accomplishments
Enterprise Risk Assessments	2021, 2024
Internal Controls Projects Completed • *Citywide Internal Control Review*	3 FY 26
Performance/Efficiency Projects Completed	5
Policies Reviewed • *City Council Review* • *Investment/Cash Flow Policy Review*	147 FY 26 FY 26
Recommendations Delivered	79
Ethic Hotline Reports Received	39 reports
Recommendations Validations in FY26	7

bakertilly

Departments Covered

Department	Projects
Administrative Services	Procurement (22) Finance Policy and Procedures (22) Budget Process Review (23) Grants Management Internal Control Review (25) Special Revenue Fund Process (25) Investment/Cash Flow Policy Review (26) Council- Wide Policy Review (26)
City Clerk	
City Manager's Office	FWA Program (22)
Community Development	
Communication	
Innovation & Technology	
Parks & Recreation	
Public Works	Capital Program (22) Library Construction Audit (23)

⇒ Enterprise Projects: Risk Assessment (21, 24), Enterprise Leadership (23), Policies and Procedures (24), Recommendation Validation (25), Internal Control Review (26)

Potential FY26-27 Internal Audit Projects

Project Title	Project Description	Estimated Fee
Code Enforcement – 311 Response Time Review	Evaluate the City's code enforcement complaint response process, with a focus on response times, staffing availability, and service delivery.	$45,000
Property Tax Review	Inventory property tax revenues and compare to relevant legislation and interlocal agreements to identify opportunities to improve understanding of tax revenue distributions, county service delivery, and intergovernmental funding.	$35,000
Investment/Cash Flow Review	Compare existing investment and cash flow processes to the City's existing policy to assess alignment with the policies.	$35,000
Permitting Efficiency Study	Evaluate the efficiency and effectiveness of the City's permitting process to identify opportunities to streamline workflows, reduce processing times, improve customer service, and enhance overall service delivery.	$50,000
Grant Management Follow-up	Follow up on outstanding recommendations and assess what progress the City has made to address recommendations.	$30,000
Recruitment and Retention Study	Assess the City's recruitment and retention practices to identify opportunities to improve hiring efficiency, enhance the City's ability to attract and retain qualified employees, and support long-term organizational stability.	$45,000
Recommendation Validations	Continue to track and validate recommendation implementation.	$10,000
Program Management	Support ongoing program management activities.	$20,000

Resources

- Government Finance Officer's Association (GFOA)
  - GFOA Best Practices Guide on Audit Committees
- Institute of Internal Auditors
  - IIA Publication "The Audit Committee: Internal Audit Oversight"
- U.S. Government Accountability Office (GAO)
- American Institute of Certified Public Accountants
- Association of Certified Fraud Examiners

Questions?

CITY OF CUPERTINO

Agenda Item

26-15315 **Agenda Date: 7/27/2026**
Agenda #: 8.

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

Receive the proposed Audit Committee 2026 Schedule and Workplan
Presenter: Jonathan Orozco, Finance Director and City Treasurer
5:45 (5)

CITY OF CUPERTINO - AUDIT COMMITTEE 2026 SCHEDULE AND WORK PLAN

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

Summary of Duties – Powers – Responsibilities of Cupertino Audit Committee

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

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

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