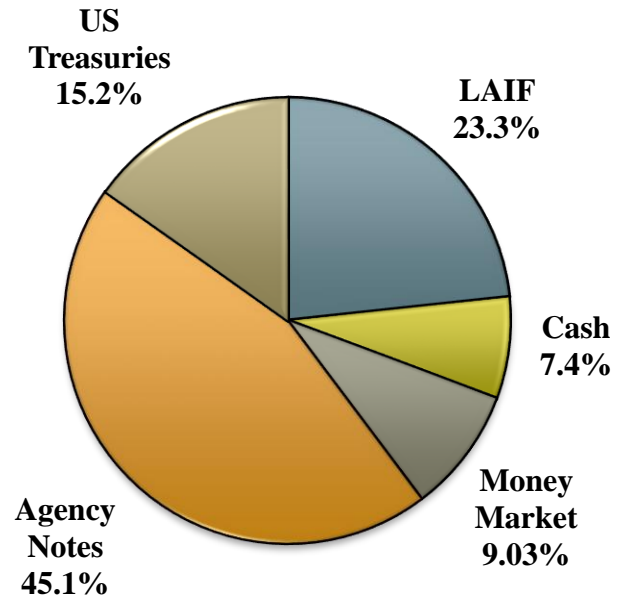


# **Treasurer's Investment Report** **Quarter Ending December 2017**

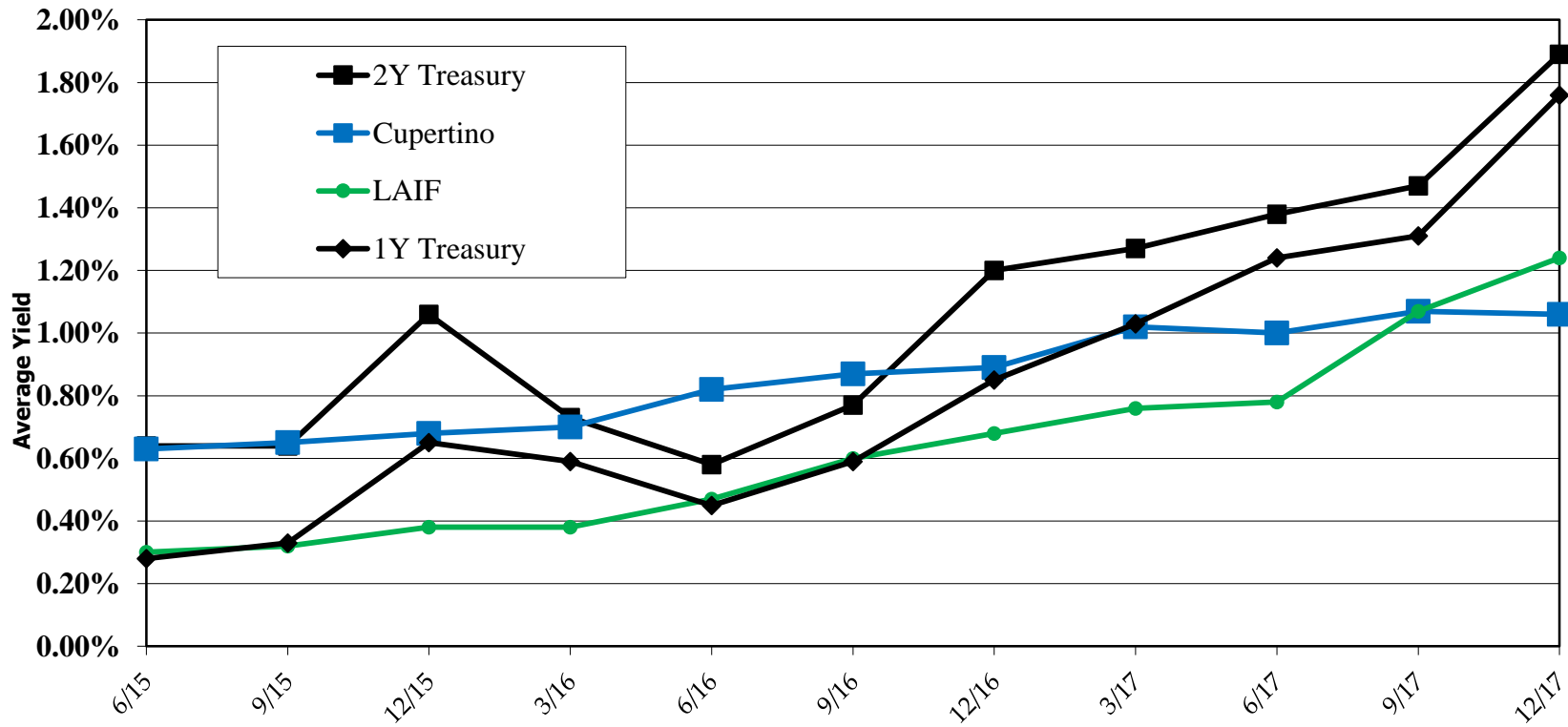
City Council Meeting  
February 6, 2018

# Portfolio Composition

- Total portfolio decreased from last quarter by \$0.2 million, from \$130.8 to \$130.6 million
- Average maturity increased from .97 years to .81
- Average yield decreased from 1.07% to 1.06%
- Duration decreased from 1.32 to 1.16

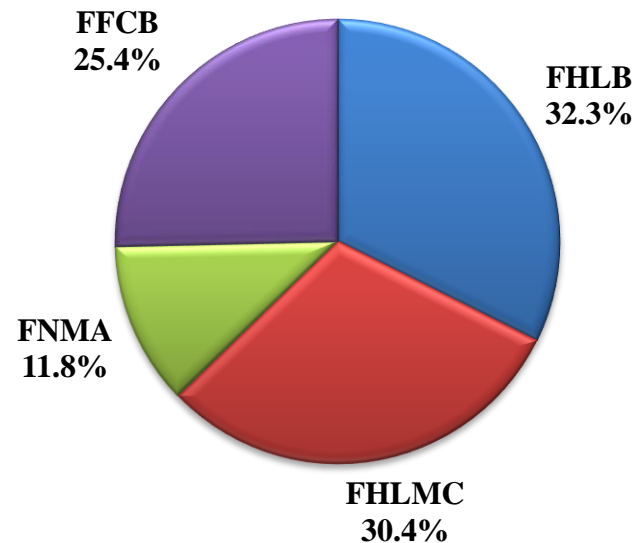


# Yield Comparison



# Agency Diversification

- Debt issued by federal credit agencies and fully backed by U.S. government guarantee but not its full faith and credit
- High credit rating - second only to Treasury bonds
- Maturity periods from 1 month to 15 years
- Agencies that can issue:
  - FHLMC - Federal Home Loan Mortgage Association (Freddie Mac)
  - FHLB - Federal Home Loan Bank
  - FNMA - Federal National Mortgage Association (Fannie Mae)
  - FFCB - Federal Farm Credit Bureau



# Policy Compliance

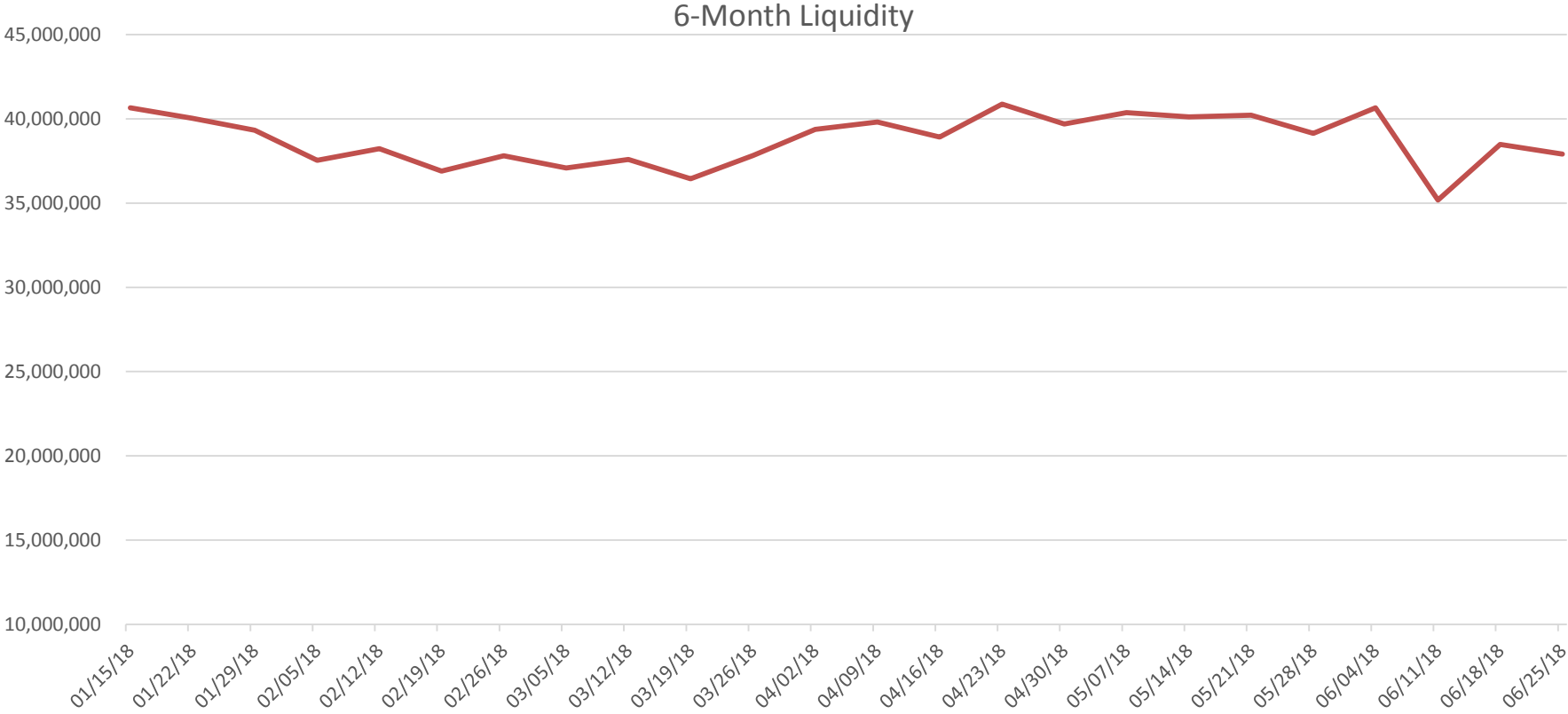
**City of Cupertino**

**December 31, 2017**

<b>Category</b>	<b>Standard</b>	<b>Comment</b>
Treasury Issues	No limit	Complies
US Agencies	No limit	Complies
Medium Term Corporate Bonds	30% with A rating	Complies
LAIF	\$50 million	Complies
Money Market Funds	20%	Complies
Maximum Maturities	Up to 5 years	Complies
Per Issuer Max	10% (except for Treasuries and Agencies)	Complies
Bankers Acceptances	180 days & 40%	Complies
Commercial Paper	270 days & 25%	Complies
Negotiable Certificates of Deposit	30%	Complies
Repurchase Agreements	365 days	Complies
Reverse Repurchase Agreements	Prohibited	Complies

# Cash Flow – Coverage

The LAIF investment is \$30.6 million and yielding 52 basis points lower than the 1-year Treasury bill. The City is able to pay its obligations for the next 6 months and overall liquidity is strong.



See Policy Compliance for LAIF