

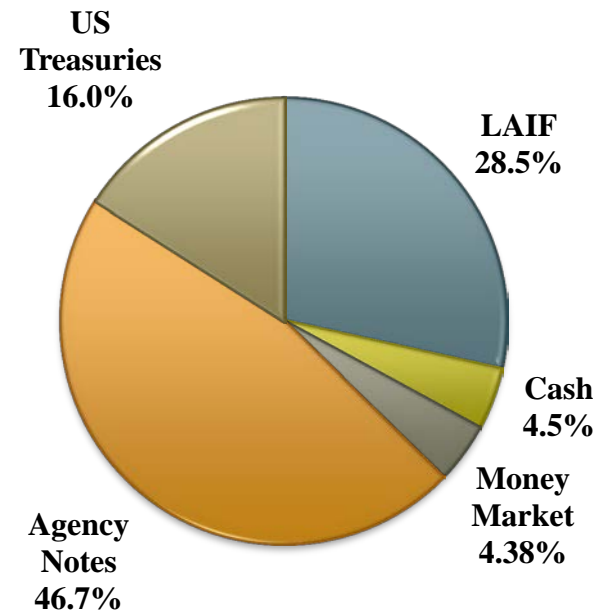
Treasurer's Investment Report

Quarter Ending June 2017

City Council Meeting
August 1, 2017

Portfolio Composition

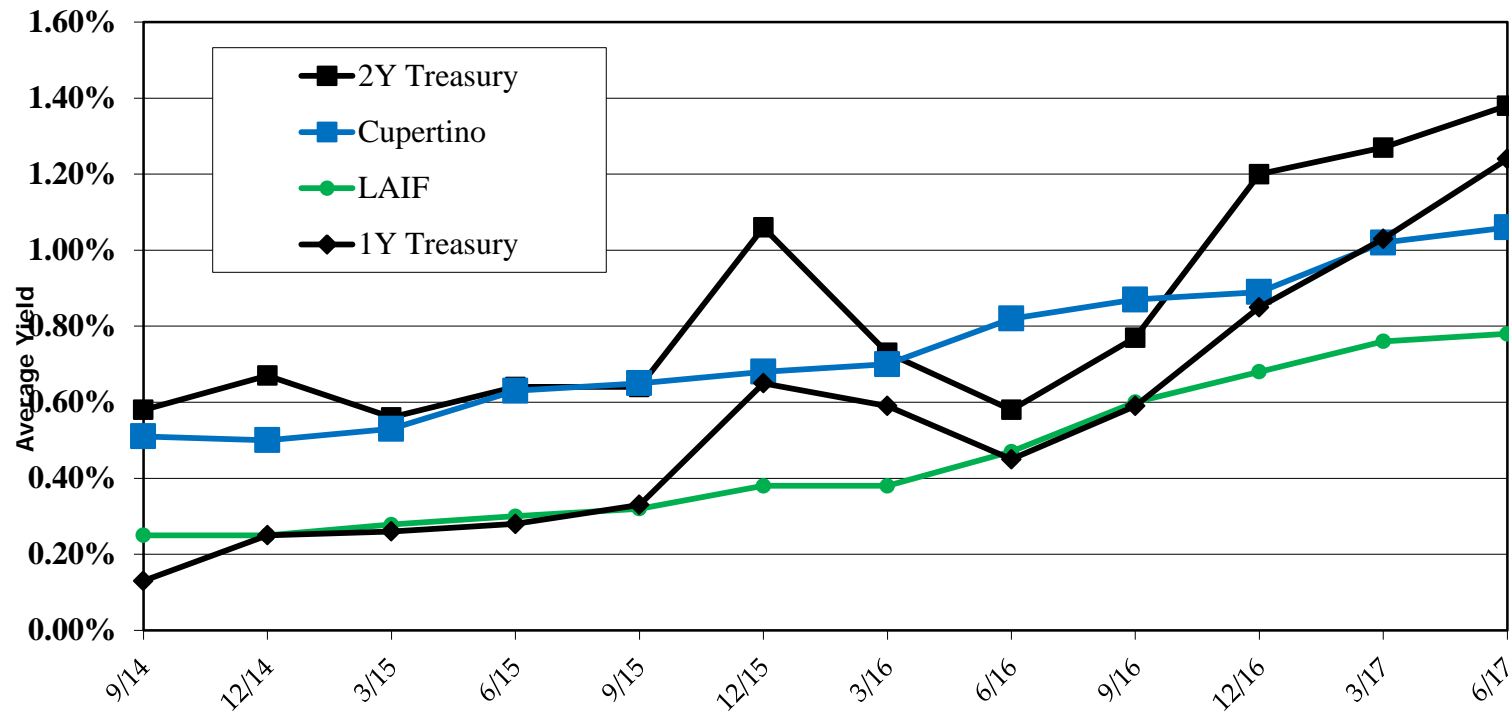
- Total portfolio increased from last quarter by \$9.0 million, from \$134.7 to \$143.7 million
- Average maturity decreased from 1.24 years to 1.03
- Average yield decreased from 1.02% to 1.00%
- Duration decreased from 1.77 to 1.47



Yield Comparison

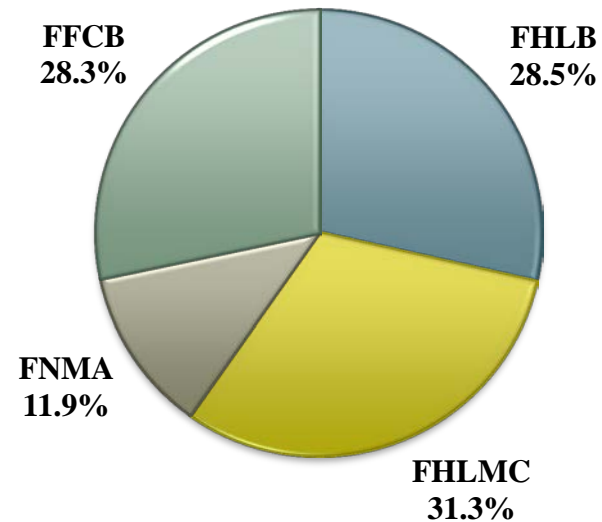


CUPERTINO



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

June 30, 2017

Category	Standard	Comment
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 \$40.8 million and yielding 46 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.

