

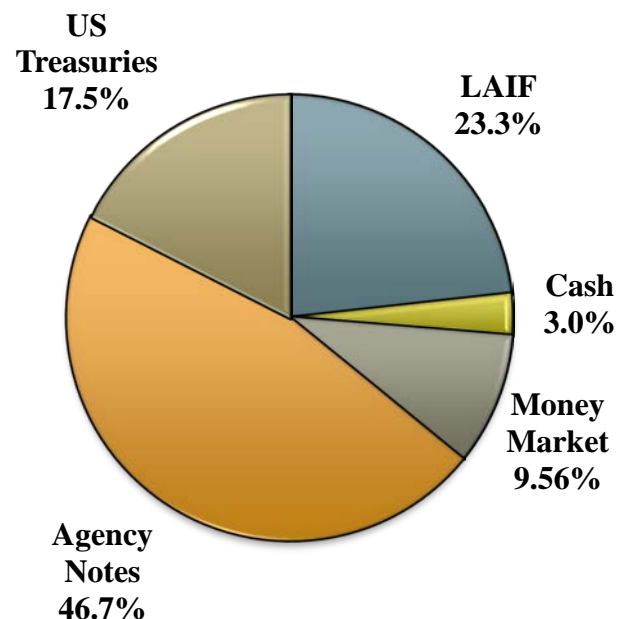
Treasurer's Investment Report

Quarter Ending September 2017

City Council Meeting
November 7, 2017

Portfolio Composition

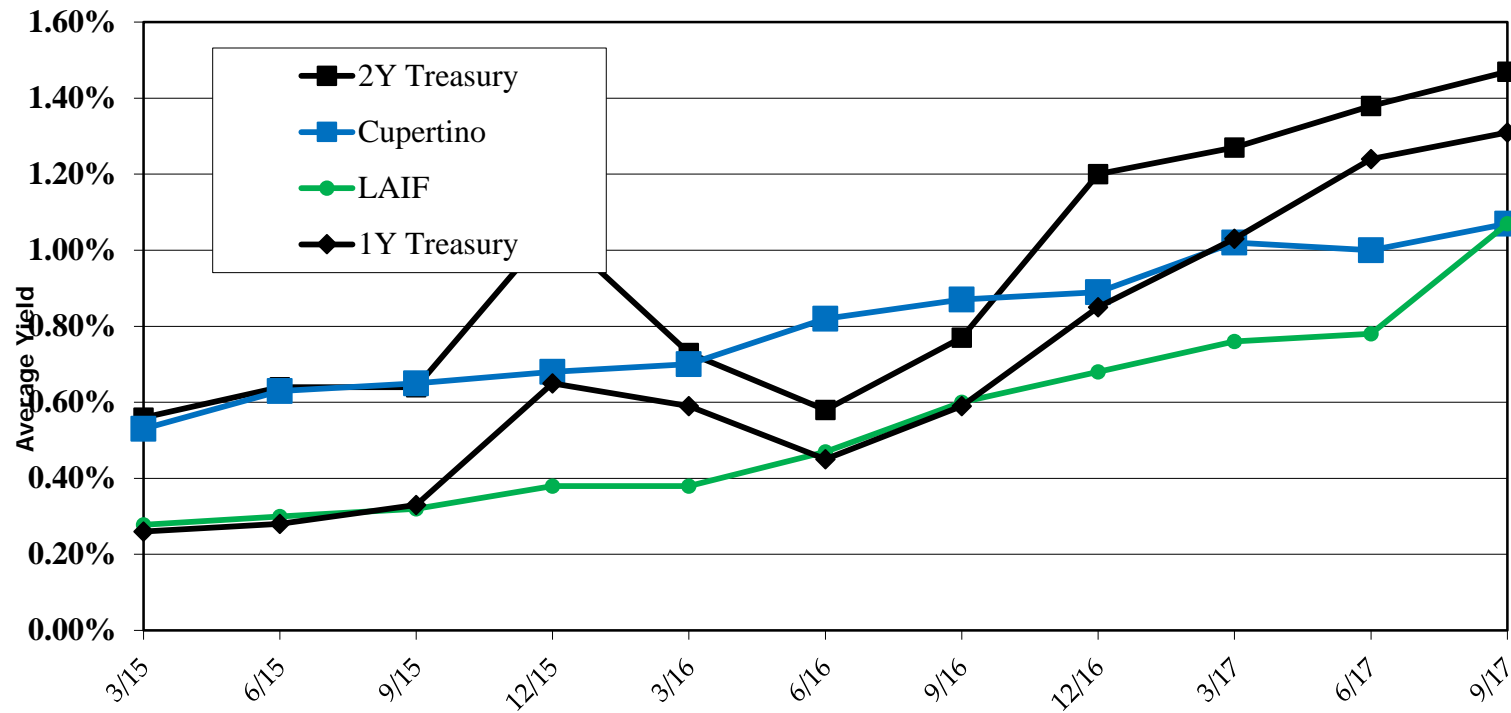
- Total portfolio decreased from last quarter by \$12.6 million, from \$143.7 to \$130.7 million
- Average maturity decreased from 1.03 years to .97
- Average yield increased from 1.00% to 1.07%
- Duration decreased from 1.47 to 1.32



Yield Comparison

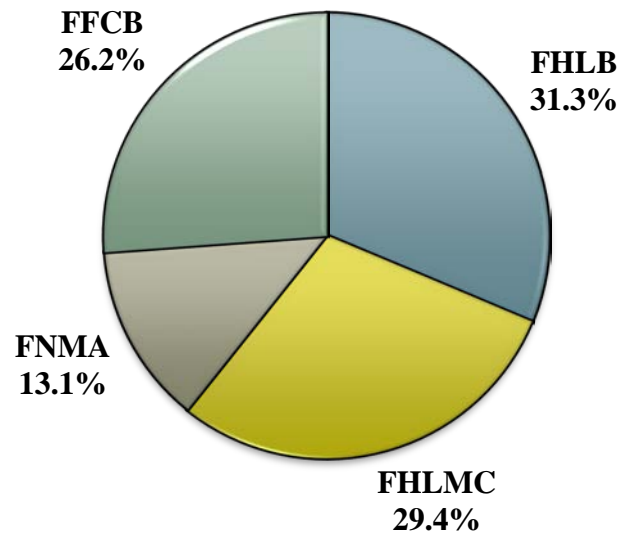


CUPERTINO



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

September 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 \$30.5 million and yielding 24 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.

