

City of Cupertino
Investment Portfolio
March 31, 2018

ACTIVITY DATE		DESCRIPTION	COUPON	YTM	ADJUSTED	MATURITY	MARKET	UNREALIZED
PURCHASE	MATURITY		RATE		COST	VALUE	VALUE	PROFIT/LOSS
		SECURITIES MATURED						
09/30/14	01/12/18	Agency notes - FHLMC	0.75%	1.26%	999,836	1,000,000	999,840	4
09/30/14	03/07/18	Agency notes - FHLMC	0.88%	1.32%	999,216	1,000,000	999,140	(76)
03/30/15	03/12/18	Agency notes - FFCB	1.13%	0.95%	2,000,668	2,000,000	1,999,500	(1,168)
03/28/16	03/28/18	Agency notes - FHLB	1.09%	1.09%	2,000,000	2,000,000	1,998,540	(1,460)
03/24/17	12/31/17	US Treasury Note	0.75%	0.95%	3,000,000	3,000,000	3,000,000	-
03/18/16	02/28/18	US Treasury Note	0.75%	0.98%	1,999,275	2,000,000	1,998,120	(1,155)
		CITY PORTFOLIO						
CASH								
	03/31/18	Wells Fargo - Workers Comp Checking			31,872	31,872	31,872	
	03/31/18	Wells Fargo - Regular Checking			15,588,512	15,588,512	15,588,512	
					15,620,384	15,620,384	15,620,384	
LAIF								
	03/31/18	LAIF - State Pool	1.42%	1.42%	30,678,323	30,678,323	30,678,323	
MONEY MARKET FUNDS								
	03/31/18	Wells Fargo Advantage 100% Treasury	0.31%	0.31%	23,075,789	23,075,789	23,075,789	
					23,075,789	23,075,789	23,075,789	
GOVERNMENT AGENCY NOTES								
04/02/15	04/02/18	Agency notes - FFCB	1.00%	0.98%	3,000,149	3,000,000	\$3,000,000.00	(149)
05/11/15	05/11/18	Agency notes - FFCB	1.03%	1.08%	1,999,634	2,000,000	\$1,998,540.00	(1,094)
04/18/17	05/21/18	Agency notes - FNMA	0.88%	1.09%	999,175	1,000,000	998,840	(335)
07/23/14	06/08/18	Agency notes - FHLB	1.25%	1.39%	2,998,213	3,000,000	2,997,030	(1,183)
05/07/15	08/07/18	Agency notes - FHLB	1.05%	1.13%	1,999,038	2,000,000	1,993,760	(5,278)
09/12/16	09/06/18	Agency notes - FFCB	0.93%	0.82%	3,002,239	3,000,000	2,988,630	(13,609)
01/26/17	10/26/18	Agency notes - FHLB	1.20%	1.20%	3,000,000	3,000,000	2,986,170	(13,830)
02/01/17	02/01/19	Agency notes - FFCB	1.30%	1.30%	3,000,000	3,000,000	2,980,380	(19,620)
05/07/15	02/27/19	Agency notes - FNMA	1.68%	1.30%	1,004,271	1,000,000	995,530	(8,741)
06/22/16	03/22/19	Agency notes - FHLMC	1.25%	1.25%	3,000,000	3,000,000	2,973,120	(26,880)
11/23/16	05/24/19	Agency notes - FHLMC	1.30%	1.30%	3,000,000	3,000,000	2,968,770	(31,230)
10/16/15	09/13/19	Agency notes - FHLB	2.00%	1.21%	2,026,092	2,000,000	1,994,780	(31,312)
06/22/17	10/11/19	Agency notes - FHLB	2.00%	1.43%	2,019,941	2,000,000	1,992,120	(27,821)
11/23/16	11/18/19	Agency notes - FFCB	1.10%	1.36%	1,990,395	2,000,000	1,963,840	(26,555)
03/30/16	12/30/19	Agency notes - FHLMC	1.50%	1.50%	3,000,000	3,000,000	2,958,840	(41,160)
06/30/16	12/30/19	Agency notes - FHLMC	1.02%	1.02%	3,000,000	3,000,000	2,934,300	(65,700)
06/22/17	05/16/20	Agency notes - FHLB	1.50%	1.58%	1,996,381	2,000,000	1,963,820	(32,561)
05/31/16	05/26/20	Agency notes - FHLMC	1.35%	1.35%	2,000,000	2,000,000	1,958,200	(41,800)
05/26/16	05/26/20	Agency notes - FNMA	1.38%	1.38%	2,000,000	2,000,000	1,959,100	(40,900)
06/30/16	06/30/20	Agency notes - FHLMC	1.50%	1.50%	2,000,000	2,000,000	1,962,340	(37,660)
05/25/16	11/25/20	Agency notes - FNMA	1.50%	1.50%	3,000,000	3,000,000	2,930,250	(69,750)
01/19/17	12/10/21	Agency notes - FHLB	2.63%	1.90%	3,081,345	3,000,000	3,005,730	(75,615)
					53,116,872	53,000,000	52,504,090	(612,782)

City of Cupertino
Investment Portfolio
March 31, 2018

ACTIVITY DATE		DESCRIPTION	COUPON	YTM	ADJUSTED	MATURITY	MARKET	UNREALIZED
PURCHASE	MATURITY		RATE		COST	VALUE	VALUE	PROFIT/LOSS
US TREASURY SECURITIES								
09/12/16	08/31/18	US Treasury Note	0.75%	0.71%	2,000,528	2,000,000	1,990,620	(9,908)
11/23/16	10/31/18	US Treasury Note	0.75%	1.04%	2,992,828	3,000,000	2,978,910	(13,918)
03/31/17	03/31/19	US Treasury Note	1.25%	1.25%	1,000,000	1,000,000	991,250	(8,750)
03/31/17	07/31/19	US Treasury Note	0.88%	1.32%	2,979,048	3,000,000	2,948,430	(30,618)
09/12/16	08/15/19	US Treasury Note	0.75%	0.84%	1,997,226	2,000,000	1,960,620	(36,606)
03/30/17	09/30/19	US Treasury Note	1.00%	1.42%	1,985,603	2,000,000	1,963,980	(21,623)
05/07/15	04/30/20	US Treasury Note	1.38%	1.54%	1,992,548	2,000,000	1,961,640	(30,908)
					14,947,781	15,000,000	14,795,450	(152,331)
Total Managed Portfolio					137,439,149	137,374,496	136,674,036	(765,113)
Average Yield			1.00%					
Average Length to Maturity (in years)			0.89					
Duration as of 02/28/18 (calculated by USBank)			1.004					
		TRUST PORTFOLIO						
Institutional MM Account		Wells Fargo Bank Secured	0.59%	0.59%	48,585	48,585	48,585	
		BOND RESERVE PORTFOLIO						
Bond Lease Pymt Acct		Goldman Sachs Financial Sq Money Mkt	0.13%	1.50%	2,227	2,227	2,227	
Bond Reserve Acct		Goldman Sachs Financial Sq Money Mkt	0.29%	1.50%	1,609,411	1,609,411	1,609,411	
Total Bond Reserve Portfolio					1,611,637	1,611,637	1,611,637	

WELLS FARGO
Market/Cost Value Comparison Report
By Account By Industry Class
CITY OF CUPERTINO

General Reporting
 From Month End With Pricing 03/31/2018
 04/05/2018 07:34:44 PM EDT

ACCOUNT: All Accounts Selected

* = Trade or Other Activity Pending

<u>Asset ID</u>	<u>Units</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Fed Tax Cost</u>	<u>Gain/Loss Amount</u>	<u>%</u>	<u>S & P Rating</u>	<u>Moody's Rating</u>	<u>Units in Transition</u>	<u>Encumbrd Units</u>
ACCOUNT: 16737400 CITY OF CUPERTINO										
NET CASH										
NET CASH	.0000									
	U.S. DOLLARS		\$22,500.00	\$22,500.00	\$.00	.00			.0000	.00
SUBTOTAL	.0000		\$22,500.00	\$22,500.00	\$.00	.00			.0000	.00
CASH SWEEP										
PROPRIETARY FUNDS										
VP4520004	23,075,789.2300		\$23,075,789.23	\$23,075,789.23	\$.00	.00			.0000	.00
			WELLS FARGO 100% TREASURY MONEY MARKET FUND - #008							
NON-PROPRIETARY FUNDS										
992995944	48,585.4900		\$48,585.49	\$48,585.49	\$.00	.00			.0000	.00
			WFB PUBLIC INSTITUTIONAL BANK DEPOSIT ACCOUNT							
SUBTOTAL	23,124,374.7200		\$23,124,374.72	\$23,124,374.72	\$.00	.00			.0000	.00
US GOVERNMENT										
US TREASURY NOTES AND BONDS										
9128282B5	2,000,000.0000	08/15/2019	\$1,960,620.00	\$1,995,000.00	(\$34,380.00)	(1.72)	N/A	AAA	.0000	.00
			US TREASURY NOTE DTD 08/15/16 0.750 08/15/2019							
9128282C3	2,000,000.0000	08/31/2018	\$1,990,620.00	\$2,001,560.00	(\$10,940.00)	(.55)	N/A	AAA	.0000	.00
			US TREASURY NOTE DTD 08/31/16 0.750 08/31/2018							
912828K58	2,000,000.0000	04/30/2020	\$1,961,640.00	\$1,984,062.50	(\$22,422.50)	(1.13)	N/A	AAA	.0000	.00
			US TREASURY NOTE DTD 04/30/15 1.375 04/30/2020							
912828T83	3,000,000.0000	10/31/2018	\$2,978,910.00	\$2,983,320.00	(\$4,410.00)	(.15)	N/A	AAA	.0000	.00
			US TREASURY NOTE DTD 10/31/16 0.750 10/31/2018							
912828TH3	3,000,000.0000	07/31/2019	\$2,948,430.00	\$2,969,062.50	(\$20,632.50)	(.69)	N/A	AAA	.0000	.00
			US TREASURY NOTE DTD 07/31/12 0.875 07/31/2019							
912828TR1	2,000,000.0000	09/30/2019	\$1,963,980.00	\$1,979,375.00	(\$15,395.00)	(.78)	N/A	AAA	.0000	.00
			US TREASURY NOTE DTD 10/01/12 1.000 09/30/2019							
912828W97	1,000,000.0000	03/31/2019	\$991,250.00	\$1,000,000.00	(\$8,750.00)	(.88)	N/A	AAA	.0000	.00
			US TREASURY NOTE DTD 03/31/17 1.250 03/31/2019							
SUBTOTAL	15,000,000.0000		\$14,795,450.00	\$14,912,380.00	(\$116,930.00)	(.78)			.0000	.00
FEDERAL AGENCY										
GOVERNMENT AGENCIES										
3130A57G8	2,000,000.0000	08/07/2018	\$1,993,760.00	\$1,994,780.00	(\$1,020.00)	(.05)	AA+	AAA	.0000	.00

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		FED HOME LN BK DTD 05/07/15 1.050 08/07/2018								
3130AAM47	3,000,000.0000	10/26/2018	\$2,986,170.00	\$3,000,000.00	(\$13,830.00)	(.46)	AA+	AAA	.0000	.00
		FED HOME LN BK DTD 01/26/17 1.200 10/26/2018								
3130ABGP5	2,000,000.0000	05/19/2020	\$1,963,820.00	\$1,995,580.00	(\$31,760.00)	(1.59)	AA+	AAA	.0000	.00
		FED HOME LN BK SER 0001								
313376C94	3,000,000.0000	12/10/2021	\$3,005,730.00	\$3,100,890.00	(\$95,160.00)	(3.07)	AA+	AAA	.0000	.00
		FED HOME LN BK DTD 11/04/11 2.625 12/10/2021								
313378UP4	2,000,000.0000	10/11/2019	\$1,992,120.00	\$2,025,840.00	(\$33,720.00)	(1.66)	AA+	AAA	.0000	.00
		FED HOME LN BK DTD 04/11/12 2.000 10/11/2019								
313379DT3	3,000,000.0000	06/08/2018	\$2,997,030.00	\$2,984,085.00	\$12,945.00	.43	AA+	AAA	.0000	.00
		FED HOME LN BK DTD 05/04/12 1.250 06/08/2018								
313383VN8	2,000,000.0000	09/13/2019	\$1,994,780.00	\$2,060,000.00	(\$65,220.00)	(3.17)	AA+	AAA	.0000	.00
		FED HOME LN BK DTD 08/12/13 2.000 09/13/2019								
3133EEJ50	2,000,000.0000	05/11/2018	\$1,998,540.00	\$1,996,940.00	\$1,600.00	.08	AA+	AAA	.0000	.00
		FED FARM CREDIT BK DTD 05/11/15 1.030 05/11/2018								
3133EEWH9	3,000,000.0000	04/02/2018	\$3,000,000.00	\$3,001,770.00	(\$1,770.00)	(.06)	AA+	AAA	.0000	.00
		FED FARM CREDIT BK DTD 04/02/15 1.000 04/02/2018								
3133EG5Q4	3,000,000.0000	02/01/2019	\$2,980,380.00	\$3,000,000.00	(\$19,620.00)	(.65)	AA+	AAA	.0000	.00
		FED FARM CREDIT BK DTD 02/01/17 1.300 02/01/2019								
3133EGJ30	2,000,000.0000	11/18/2019	\$1,963,840.00	\$1,984,760.00	(\$20,920.00)	(1.05)	AA+	AAA	.0000	.00
		FED FARM CREDIT BK DTD 11/18/16 1.100 11/18/2019								
3133EGTE5	3,000,000.0000	09/06/2018	\$2,988,630.00	\$3,006,510.00	(\$17,880.00)	(.59)	AA+	AAA	.0000	.00
		FED FARM CREDIT BK DTD 09/06/16 0.930 09/06/2018								
3134G8S83	3,000,000.0000	12/30/2019	\$2,958,840.00	\$3,000,000.00	(\$41,160.00)	(1.37)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE SER 0005								
3134G9G43	3,000,000.0000	12/30/2019	\$2,934,300.00	\$3,000,000.00	(\$65,700.00)	(2.19)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE								
3134G9MU8	3,000,000.0000	05/24/2019	\$2,968,770.00	\$3,000,000.00	(\$31,230.00)	(1.04)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP DTD 05/31/16 1.300 05/24/2019								
3134G9MW4	2,000,000.0000	05/26/2020	\$1,958,200.00	\$2,000,000.00	(\$41,800.00)	(2.09)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE SER 0000								

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3134G9SB4	3,000,000.0000	03/22/2019	\$2,973,120.00	\$3,000,000.00	(\$26,880.00)	(.90)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE								
3134G9SK4	2,000,000.0000	06/30/2020	\$1,962,340.00	\$2,000,000.00	(\$37,660.00)	(1.88)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE SER 0001								
3135G0WJ8	1,000,000.0000	05/21/2018	\$998,840.00	\$997,670.00	\$1,170.00	.12	AA+	AAA	.0000	.00
		FED NATL MTG ASSN DTD 04/15/13 0.875 05/21/2018								
3136FTP37	1,000,000.0000	02/27/2019	\$995,530.00	\$1,014,055.00	(\$18,525.00)	(1.83)	AA+	AAA	.0000	.00
		FED NATL MTG ASSN DTD 02/27/12 1.680 02/27/2019								
3136G3QB4	2,000,000.0000	05/26/2020	\$1,959,100.00	\$2,000,000.00	(\$40,900.00)	(2.04)	AA+	AAA	.0000	.00
		FED NATL MTG ASSN DTD 05/26/16 1.375 05/26/2020								
3136G3QQ1	3,000,000.0000	11/25/2020	\$2,930,250.00	\$3,000,000.00	(\$69,750.00)	(2.32)	N/A	N/A	.0000	.00
		FED NATL MTG ASSN SER 0002								
SUBTOTAL	53,000,000.0000		\$52,504,090.00	\$53,162,880.00	(\$658,790.00)	(1.24)			.0000	.00
ACCOUNT 16737400 TOTAL	91,124,374.7200		\$90,446,414.72	\$91,222,134.72	(\$775,720.00)	(.85)			.0000	.00
GRAND TOTAL	91,124,374.7200		\$90,446,414.72	\$91,222,134.72	(\$775,720.00)	(.85)			.0000	.00

END OF REPORT

Treasurer's Investment Report Quarter Ending March 31, 2018

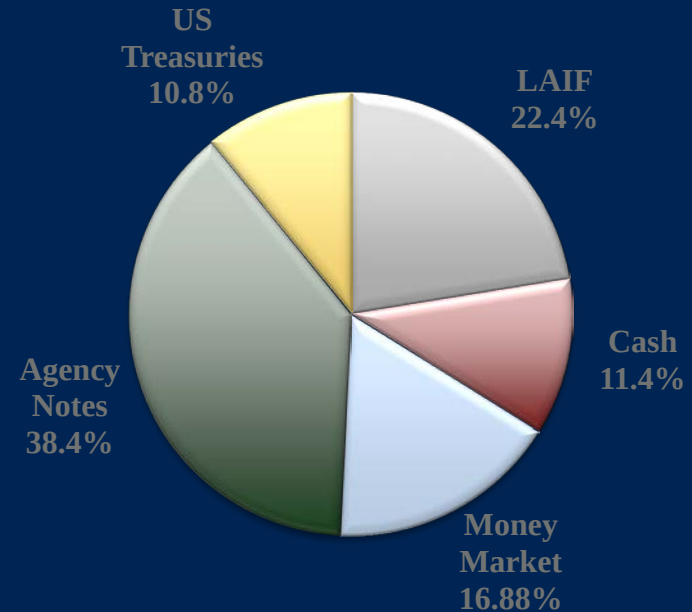
Audit Committee Meeting
April 10, 2018



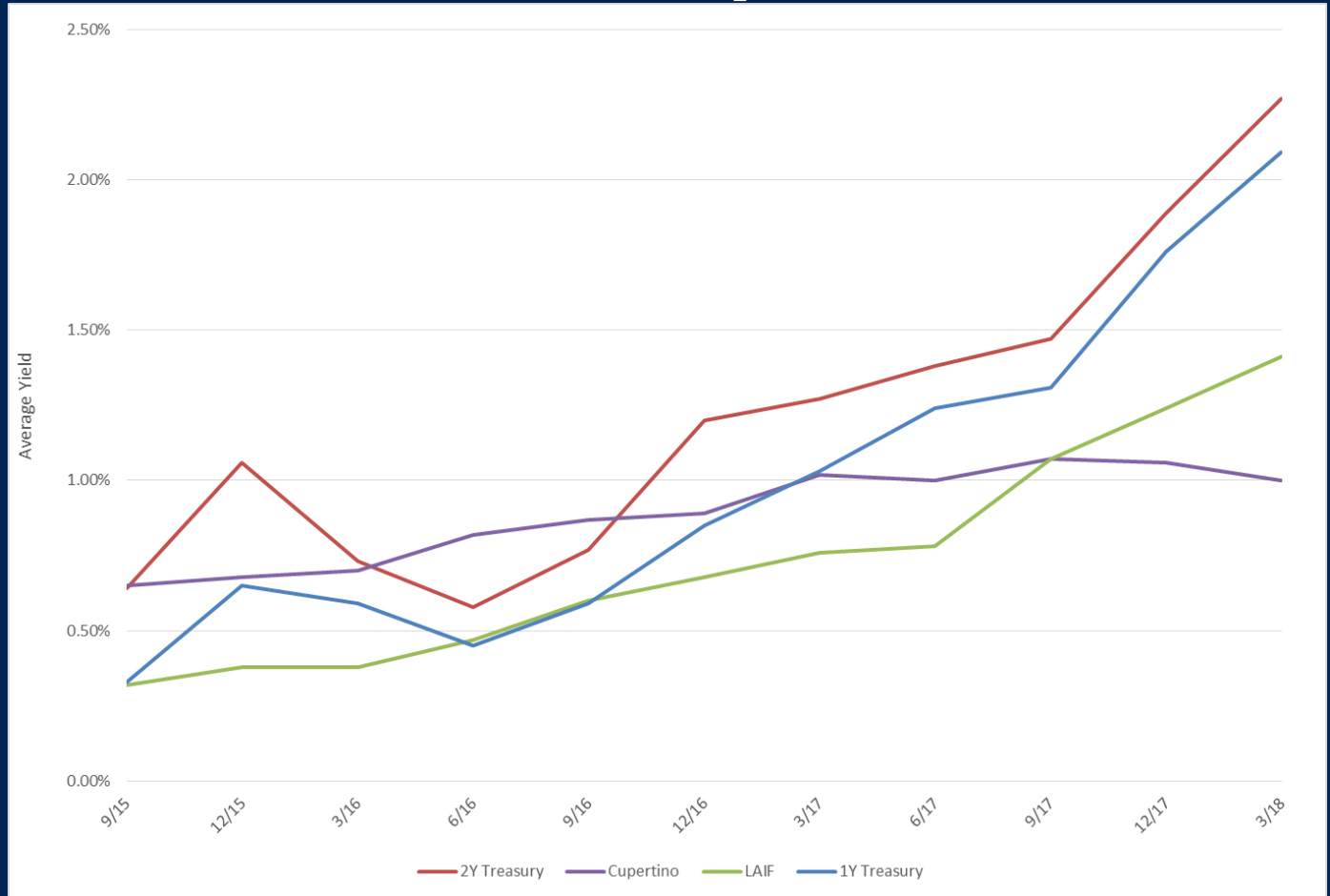
CUPERTINO

Portfolio Composition

- Total portfolio increased from last quarter by \$6.1 million, from \$130.6 to \$136.7 million
- Average maturity increased from 0.81 years to 0.89 years
- Average yield decreased from 1.06% to 1.00%
- Duration decreased from 1.16 to 1.004 (Information provided by US Bank and only available as of 2/28/18)

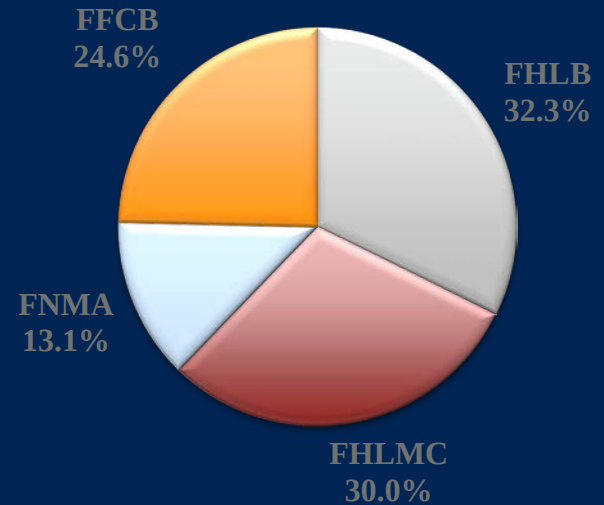


Yield Comparison



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

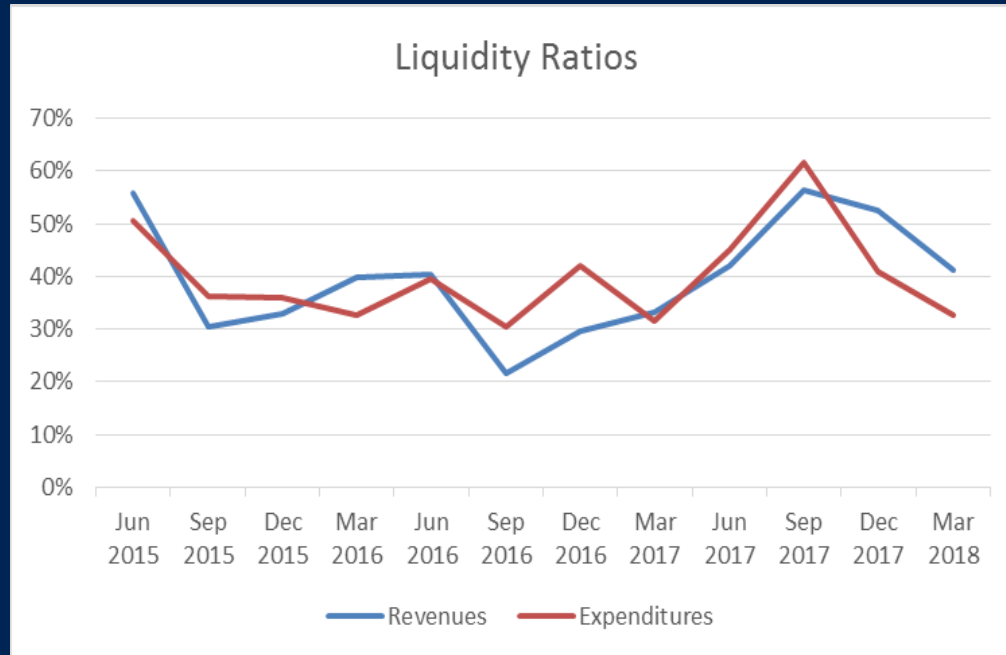
City of Cupertino

March 31, 2018

<u>Category</u>	<u>Standard</u>	<u>Comment</u>
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 \$30.7 million and yielding 67 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.



NOTE: Ratio derived from actual revenues and expenditures as a percentage of actual ending cash and cash equivalent balance for corresponding quarter end.

Cash Flow – Coverage

Using three year historical trend data, the City estimates revenues (\$19.7 million) in excess of expenditures (\$19.4 million), resulting in an ending cash and cash equivalent balance of \$69.6 million for the period ending June 30, 2018.

