

Treasurer's Investment Report Quarter Ending March 31, 2018

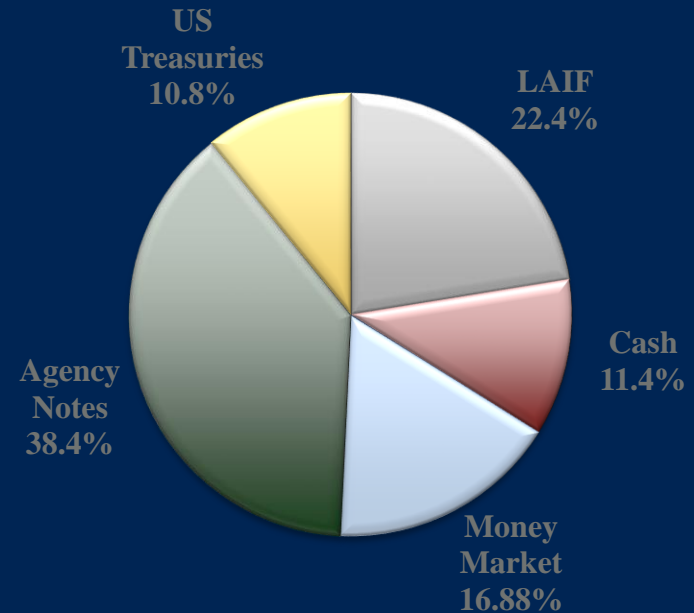
Audit Committee Meeting
April 10, 2018



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)

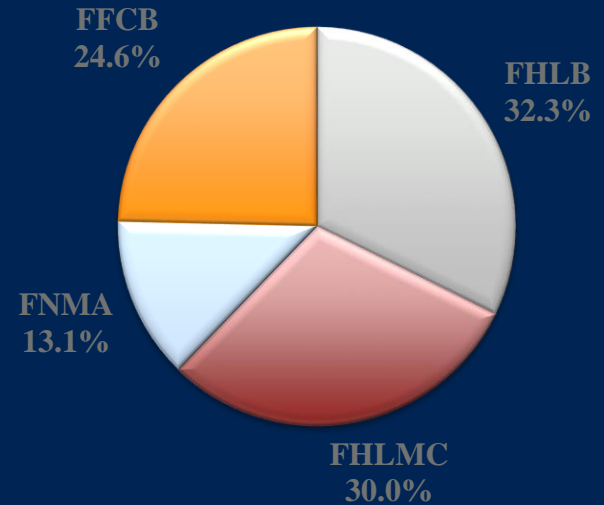


Yield Comparison



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

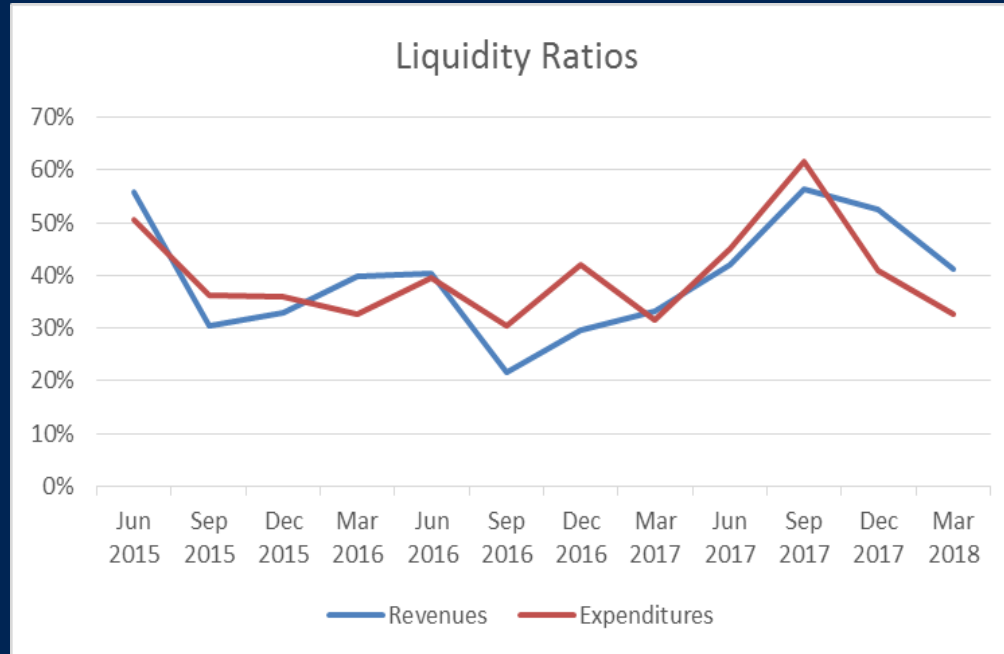
City of Cupertino

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.

