

City of Cupertino
Investment Portfolio
June 30, 2018

ACTIVITY DATE		DESCRIPTION	COUPON	YTM	ADJUSTED	MATURITY	MARKET	UNREALIZED
PURCHASE	MATURITY		RATE		COST	VALUE	VALUE	PROFIT/LOSS
		SECURITIES MATURED						
04/02/15	04/02/18	Agency notes - FFCB	1.00%	0.98%	2,999,856	3,000,000	3,000,000	144
05/11/15	05/11/18	Agency notes - FFCB	1.03%	1.08%	2,000,140	2,000,000	1,998,540	(1,600)
04/18/17	05/21/18	Agency notes - FNMA	0.88%	1.09%	1,000,234	1,000,000	998,840	(1,394)
07/23/14	06/08/18	Agency notes - FHLB	1.25%	1.39%	3,000,247	3,000,000	2,997,030	(3,217)
		CITY PORTFOLIO						
CASH								
	06/30/18	Wells Fargo - Workers Comp Checking			24,913	24,913	24,913	
	06/30/18	Wells Fargo - Regular Checking			19,782,124	19,782,124	19,782,124	
					19,807,037	19,807,037	19,807,037	
LAIF								
	06/30/18	LAIF - State Pool	1.76%	1.76%	55,792,465	55,792,465	55,792,465	
MONEY MARKET FUNDS								
	06/30/18	Wells Fargo Advantage 100% Treasury	1.39%	1.39%	7,430,579	7,430,579	7,430,579	
					7,430,579	7,430,579	7,430,579	
GOVERNMENT AGENCY NOTES								
05/07/15	08/07/18	Agency notes - FHLB	1.05%	1.13%	1,999,833	2,000,000	1,998,160	(1,673)
09/12/16	09/06/18	Agency notes - FFCB	0.93%	0.82%	3,000,611	3,000,000	2,994,300	(6,311)
01/26/17	10/26/18	Agency notes - FHLB	1.20%	1.20%	3,000,000	3,000,000	2,991,840	(8,160)
02/01/17	02/01/19	Agency notes - FFCB	1.30%	1.30%	3,000,000	3,000,000	2,984,220	(15,780)
05/07/15	02/27/19	Agency notes - FNMA	1.68%	1.30%	1,002,443	1,000,000	995,870	(6,573)
06/22/16	03/22/19	Agency notes - FHLMC	1.25%	1.25%	3,000,000	3,000,000	2,978,490	(21,510)
11/23/16	05/24/19	Agency notes - FHLMC	1.30%	1.30%	3,000,000	3,000,000	2,968,590	(31,410)
10/16/15	09/13/19	Agency notes - FHLB	2.00%	1.21%	2,018,487	2,000,000	1,989,420	(29,067)
06/22/17	10/11/19	Agency notes - FHLB	2.00%	1.43%	2,014,379	2,000,000	1,988,640	(25,739)
11/23/16	11/18/19	Agency notes - FFCB	1.10%	1.36%	1,992,925	2,000,000	1,962,340	(30,585)
03/30/16	12/30/19	Agency notes - FHLMC	1.50%	1.50%	3,000,000	3,000,000	2,954,730	(45,270)
06/30/16	12/30/19	Agency notes - FHLMC	1.02%	1.02%	3,000,000	3,000,000	2,933,760	(66,240)
06/22/17	05/16/20	Agency notes - FHLB	1.50%	1.58%	1,997,137	2,000,000	1,960,140	(36,997)
05/31/16	05/26/20	Agency notes - FHLMC	1.35%	1.35%	2,000,000	2,000,000	1,954,780	(45,220)
05/26/16	05/26/20	Agency notes - FNMA	1.38%	1.38%	2,000,000	2,000,000	1,956,220	(43,780)
06/30/16	06/30/20	Agency notes - FHLMC	1.50%	1.50%	2,000,000	2,000,000	1,958,580	(41,420)
05/25/16	11/25/20	Agency notes - FNMA	1.50%	1.50%	3,000,000	3,000,000	2,923,620	(76,380)
01/19/17	12/10/21	Agency notes - FHLB	2.63%	1.90%	3,071,120	3,000,000	2,989,230	(81,890)
					44,096,937	44,000,000	43,482,930	(614,007)
US TREASURY SECURITIES								
09/12/16	08/31/18	US Treasury Note	0.75%	0.71%	2,000,135	2,000,000	1,996,220	(3,915)
11/23/16	10/31/18	US Treasury Note	0.75%	1.04%	2,997,098	3,000,000	2,987,580	(9,518)
03/31/17	03/31/19	US Treasury Note	1.25%	1.25%	1,000,000	1,000,000	992,420	(7,580)
03/31/17	07/31/19	US Treasury Note	0.88%	1.32%	2,985,621	3,000,000	2,951,730	(33,891)
09/12/16	08/15/19	US Treasury Note	0.75%	0.84%	1,998,074	2,000,000	1,963,440	(34,634)
03/30/17	09/30/19	US Treasury Note	1.00%	1.42%	1,989,688	2,000,000	1,964,920	(24,768)
05/07/15	04/30/20	US Treasury Note	1.38%	1.54%	1,994,133	2,000,000	1,959,060	(35,073)
					14,964,748	15,000,000	14,815,370	(149,378)
Total Managed Portfolio					142,091,766	142,030,081	141,328,381	(763,385)
Average Yield			1.30%					
Average Length to Maturity (in years)			0.51					
Duration as of 06/30/18 (calculated by US Bank)			1.063					
		TRUST PORTFOLIO						
Institutional MM Account		Wells Fargo Bank Secured	0.65%	0.65%	48,585	48,585	48,585	
		BOND RESERVE PORTFOLIO						
Bond Lease Pymt Acct		Goldman Sachs Financial Sq Money Mkt	1.70%	1.50%	2,678,754	2,678,754	2,678,754	
Bond Reserve Acct		Goldman Sachs Financial Sq Money Mkt	1.70%	1.50%	1,615,534	1,615,534	1,615,534	
Total Bond Reserve Portfolio					4,294,288	4,294,288	4,294,288	

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

General Reporting
 From Month End With Pricing 06/30/2018
 07/09/2018 12:56:40 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		\$.00	\$.00	\$.00	.00			.0000	.00
	U.S. DOLLARS									
SUBTOTAL	.0000		\$.00	\$.00	\$.00	.00			.0000	.00
CASH SWEEP										
PROPRIETARY FUNDS										
VP4520004	7,430,579.2800		\$7,430,579.28	\$7,430,579.28	\$.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	7,479,164.7700		\$7,479,164.77	\$7,479,164.77	\$.00	.00			.0000	.00
US GOVERNMENT										
US TREASURY NOTES AND BONDS										
9128282B5	2,000,000.0000	08/15/2019	\$1,963,440.00	\$1,995,000.00	(\$31,560.00)	(1.58)	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	\$1,996,220.00	\$2,001,560.00	(\$5,340.00)	(.27)	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	\$1,959,060.00	\$1,984,062.50	(\$25,002.50)	(1.26)	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	\$2,987,580.00	\$2,983,320.00	\$4,260.00	.14	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	\$2,951,730.00	\$2,969,062.50	(\$17,332.50)	(.58)	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	\$1,964,920.00	\$1,979,375.00	(\$14,455.00)	(.73)	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	\$992,420.00	\$1,000,000.00	(\$7,580.00)	(.76)	N/A	AAA	.0000	.00
			US TREASURY NOTE DTD 03/31/17 1.250 03/31/2019							
SUBTOTAL	15,000,000.0000		\$14,815,370.00	\$14,912,380.00	(\$97,010.00)	(.65)			.0000	.00
FEDERAL AGENCY										
GOVERNMENT AGENCIES										
3130A57G8	2,000,000.0000	08/07/2018	\$1,998,160.00	\$1,994,780.00	\$3,380.00	.17	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	\$2,991,840.00	\$3,000,000.00	(\$8,160.00)	(.27)	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	\$1,960,140.00	\$1,995,580.00	(\$35,440.00)	(1.78)	AA+	AAA	.0000	.00
		FED HOME LN BK SER 0001								
313376C94	3,000,000.0000	12/10/2021	\$2,989,230.00	\$3,100,890.00	(\$111,660.00)	(3.60)	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	\$1,988,640.00	\$2,025,840.00	(\$37,200.00)	(1.84)	AA+	AAA	.0000	.00
		FED HOME LN BK DTD 04/11/12 2.000 10/11/2019								
313383VN8	2,000,000.0000	09/13/2019	\$1,989,420.00	\$2,060,000.00	(\$70,580.00)	(3.43)	AA+	AAA	.0000	.00
		FED HOME LN BK DTD 08/12/13 2.000 09/13/2019								
3133EG5Q4	3,000,000.0000	02/01/2019	\$2,984,220.00	\$3,000,000.00	(\$15,780.00)	(.53)	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	\$1,962,340.00	\$1,984,760.00	(\$22,420.00)	(1.13)	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	\$2,994,300.00	\$3,006,510.00	(\$12,210.00)	(.41)	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	\$2,954,730.00	\$3,000,000.00	(\$45,270.00)	(1.51)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE SER 0005								
3134G9G43	3,000,000.0000	12/30/2019	\$2,933,760.00	\$3,000,000.00	(\$66,240.00)	(2.21)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE								
3134G9MU8	3,000,000.0000	05/24/2019	\$2,968,590.00	\$3,000,000.00	(\$31,410.00)	(1.05)	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	\$1,954,780.00	\$2,000,000.00	(\$45,220.00)	(2.26)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE SER 0000								
3134G9SB4	3,000,000.0000	03/22/2019	\$2,978,490.00	\$3,000,000.00	(\$21,510.00)	(.72)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE								
3134G9SK4	2,000,000.0000	06/30/2020	\$1,958,580.00	\$2,000,000.00	(\$41,420.00)	(2.07)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE SER 0001								
3136FTP37	1,000,000.0000	02/27/2019	\$995,870.00	\$1,014,055.00	(\$18,185.00)	(1.79)	AA+	AAA	.0000	.00
		FED NATL MTG ASSN DTD 02/27/12 1.680 02/27/2019								

WELLS FARGO

Market/Cost Value Comparison Report
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CITY OF CUPERTINO

General Reporting

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3136G3QB4	2,000,000.0000	05/26/2020	\$1,956,220.00	\$2,000,000.00	(\$43,780.00)	(2.19)	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	\$2,923,620.00	\$3,000,000.00	(\$76,380.00)	(2.55)	N/A	N/A	.0000	.00
		FED NATL MTG ASSN SER 0002								
SUBTOTAL	44,000,000.0000		\$43,482,930.00	\$44,182,415.00	(\$699,485.00)	(1.58)			.0000	.00
ACCOUNT 16737400 TOTAL	66,479,164.7700		\$65,777,464.77	\$66,573,959.77	(\$796,495.00)	(1.20)			.0000	.00
GRAND TOTAL	66,479,164.7700		\$65,777,464.77	\$66,573,959.77	(\$796,495.00)	(1.20)			.0000	.00

END OF REPORT

Treasurer's Investment Report Quarter Ending June 30, 2018

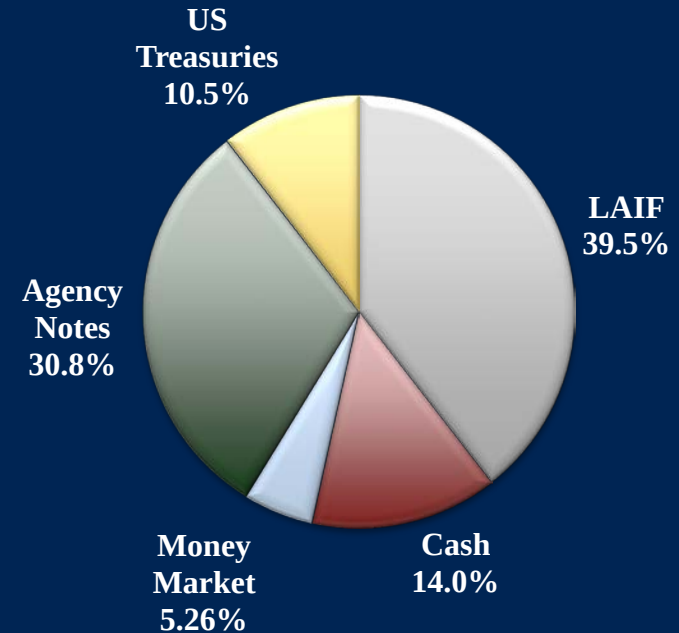
Audit Committee Meeting
July 17, 2018



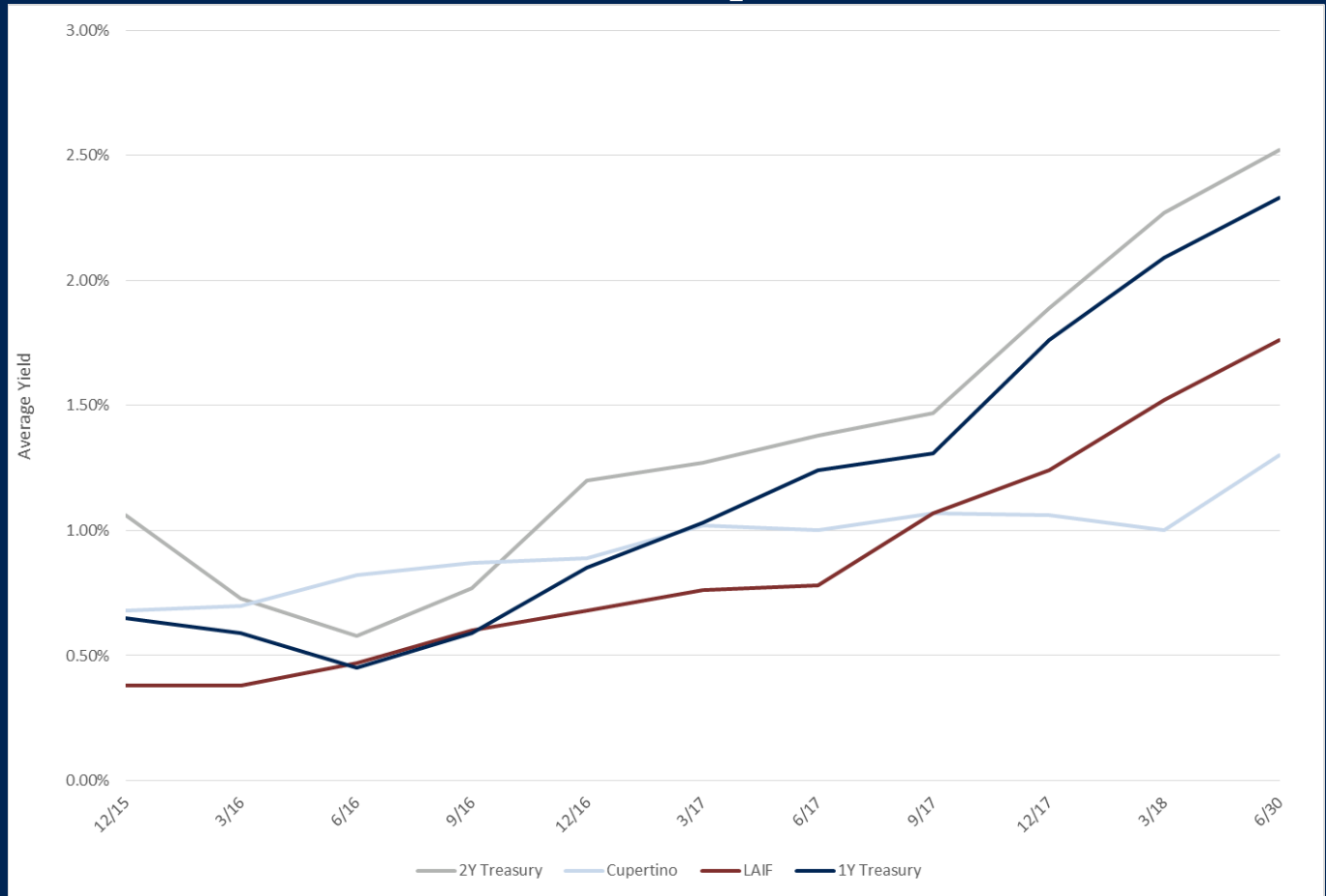
CUPERTINO

Portfolio Composition

- Total portfolio increased from last quarter by \$4.6 million, from \$136.7 to \$141.3 million
- Average maturity decreased from 0.89 years to 0.51 years
- Average yield increased from 1.00% to 1.30%
- Duration increased from 1.004 to 1.063 (Information provided by US Bank)

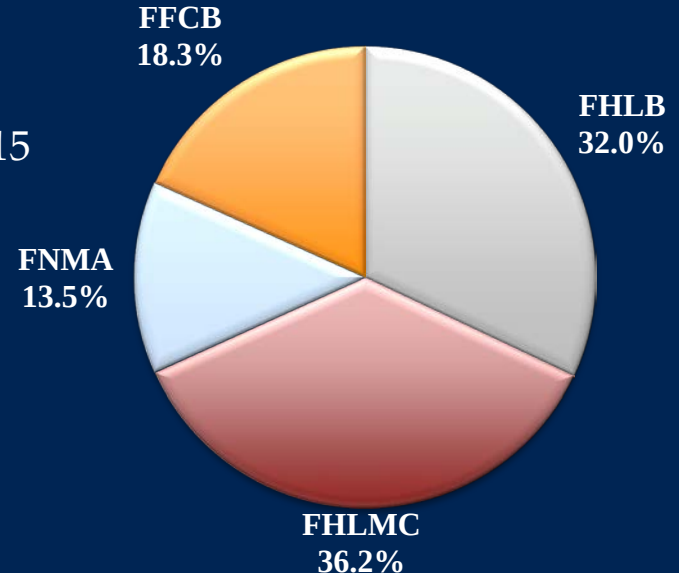


Yield Comparison



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

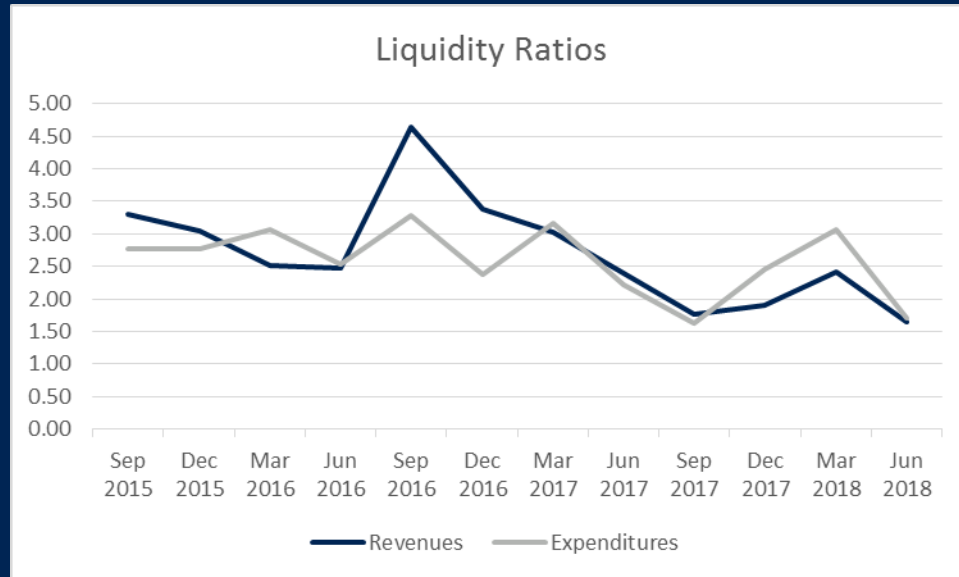
City of Cupertino

June 30, 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	\$65 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 \$55.8 million and yielding 57 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: Derived from actual revenues and expenditures as a ratio of actual ending cash and cash equivalent balance for corresponding quarter end.

Cash Flow – Coverage

Using three year historical trend data, the City estimates expenditures (\$19.4 million) in excess of revenues (\$16.4 million), resulting in an ending cash and cash equivalent balance of \$80.0 million for the period ending September 30, 2018.

