

*City of Cupertino
Investment Portfolio
September 30, 2018*

ACTIVITY DATE		DESCRIPTION	COUPON		Annual	PRICE	ADJUSTED	MATURITY	MARKET	UNREALIZED
PURCHASE	MATURITY		RATE	YTM	YIELD	PURCH	COST	VALUE	VALUE	PROFIT/LOSS
		SECURITIES MATURED								
05/07/15	08/07/18	Agency notes - FHLB	1.05%	1.13%	1.13%	99.739	2,000,237	2,000,000	1,998,160	(2,077)
09/12/16	09/06/18	Agency notes - FFCB	0.93%	0.82%	0.82%	100.217	2,999,784	3,000,000	2,994,300	(5,484)
09/12/16	08/31/18	US Treasury Note	0.75%	0.71%	0.71%	100.078	1,999,935	2,000,000	1,996,220	(3,715)
		CITY PORTFOLIO								
CASH										
	09/30/18	Wells Fargo - Workers Comp Checking					33,625	33,625	33,625	
	09/30/18	Wells Fargo - Regular Checking					16,007,545	16,007,545	16,007,545	
							16,041,170	16,041,170	16,041,170	
LAIF										
	09/30/18	LAIF - State Pool	2.06%	2.06%	2.06%		55,955,532	55,955,532	55,955,532	
MONEY MARKET FUNDS										
	09/30/18	Wells Fargo Advantage 100% Treasury	1.39%	1.39%	1.39%		14,618,978	14,618,978	14,618,978	
							14,618,978	14,618,978	14,618,978	
GOVERNMENT AGENCY NOTES										
01/26/17	10/26/18	Agency notes - FHLB	1.20%	1.20%	1.20%	100.000	3,000,000	3,000,000	2,998,020	(1,980)
02/01/17	02/01/19	Agency notes - FFCB	1.30%	1.30%	1.30%	100.000	3,000,000	3,000,000	2,989,260	(10,740)
05/07/15	02/27/19	Agency notes - FNMA	1.68%	1.30%	1.30%	101.406	1,001,515	1,000,000	997,440	(4,075)
06/22/16	03/22/19	Agency notes - FHLMC	1.25%	1.25%	1.25%	100.000	3,000,000	3,000,000	2,983,800	(16,200)
11/23/16	05/24/19	Agency notes - FHLMC	1.30%	1.30%	1.30%	100.000	3,000,000	3,000,000	2,975,970	(24,030)
10/16/15	09/13/19	Agency notes - FHLB	2.00%	1.21%	1.21%	103.000	2,014,622	2,000,000	1,988,080	(26,542)
06/22/17	10/11/19	Agency notes - FHLB	2.00%	1.43%	1.43%	101.292	2,011,553	2,000,000	1,986,160	(25,393)
11/23/16	11/18/19	Agency notes - FFCB	1.10%	1.36%	1.36%	99.238	1,994,212	2,000,000	1,965,560	(28,652)
03/30/16	12/30/19	Agency notes - FHLMC	1.50%	1.50%	1.50%	100.000	3,000,000	3,000,000	2,954,220	(45,780)
06/30/16	12/30/19	Agency notes - FHLMC	1.02%	1.02%	1.02%	100.000	3,000,000	3,000,000	2,936,520	(63,480)
06/22/17	05/16/20	Agency notes - FHLB	1.50%	1.58%	1.58%	99.779	1,997,521	2,000,000	1,958,200	(39,321)
05/31/16	05/26/20	Agency notes - FHLMC	1.35%	1.35%	1.35%	100.000	2,000,000	2,000,000	1,954,140	(45,860)
05/26/16	05/26/20	Agency notes - FNMA	1.38%	1.38%	1.38%	100.000	2,000,000	2,000,000	1,955,380	(44,620)
06/30/16	06/30/20	Agency notes - FHLMC	1.50%	1.50%	1.50%	100.000	2,000,000	2,000,000	1,955,640	(44,360)
05/25/16	11/25/20	Agency notes - FNMA	1.50%	1.50%	1.50%	100.000	3,000,000	3,000,000	2,918,100	(81,900)
01/19/17	12/10/21	Agency notes - FHLB	2.63%	1.90%	1.88%	103.363	3,065,923	3,000,000	2,970,690	(95,233)
							39,085,345	39,000,000	38,487,180	(598,165)
US TREASURY SECURITIES										
11/23/16	10/31/18	US Treasury Note	0.75%	1.04%	1.04%	99.444	2,999,269	3,000,000	2,996,820	(2,449)
03/31/17	03/31/19	US Treasury Note	1.25%	1.25%	1.25%	100.000	1,000,000	1,000,000	994,140	(5,860)
03/31/17	07/31/19	US Treasury Note	0.88%	1.32%	1.32%	98.969	2,988,961	3,000,000	2,957,820	(31,141)
09/12/16	08/15/19	US Treasury Note	0.75%	0.84%	0.84%	99.750	1,998,505	2,000,000	1,968,040	(30,465)
03/30/17	09/30/19	US Treasury Note	1.00%	1.42%	1.42%	98.969	1,991,764	2,000,000	1,967,500	(24,264)
05/07/15	04/30/20	US Treasury Note	1.38%	1.54%	1.54%	99.203	1,994,939	2,000,000	1,956,640	(38,299)
							12,973,437	13,000,000	12,840,960	(132,477)
Total Managed Portfolio							138,674,462	138,615,680	137,943,820	(730,642)
Average Yield			1.40%							
Average Length to Maturity (in years)			0.46							
Duration as of 09/30/18 (calculated by US Bank)			0.856							
		TRUST PORTFOLIO								
Institutional MM Account		Wells Fargo Bank Secured	0.75%	0.75%			48,585	48,585	48,585	
		BOND RESERVE PORTFOLIO								
Bond Lease Pymt Acct		Goldman Sachs Financial Sq Money Mkt	0.00%	0.00%			4,482	4,482	4,482	
Bond Reserve Acct		Goldman Sachs Financial Sq Money Mkt	0.00%	0.00%			1,622,640	1,622,640	1,622,640	
Total Bond Reserve Portfolio							1,627,122	1,627,122	1,627,122	

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

General Reporting
 From Month End With Pricing 09/30/2018
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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	14,618,978.4700		\$14,618,978.47	\$14,618,978.47	\$.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	14,667,563.9600		\$14,667,563.96	\$14,667,563.96	\$.00	.00			.0000	.00
US GOVERNMENT										
US TREASURY NOTES AND BONDS										
9128282B5	2,000,000.0000	08/15/2019	\$1,968,040.00	\$1,995,000.00	(\$26,960.00)	(1.35)	N/A	AAA	.0000	.00
			US TREASURY NOTE DTD 08/15/16 0.750 08/15/2019							
912828K58	2,000,000.0000	04/30/2020	\$1,956,640.00	\$1,984,062.50	(\$27,422.50)	(1.38)	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	\$2,996,820.00	\$2,983,320.00	\$13,500.00	.45	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	\$2,957,820.00	\$2,969,062.50	(\$11,242.50)	(.38)	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	\$1,967,500.00	\$1,979,375.00	(\$11,875.00)	(.60)	N/A	AAA	.0000	.00
			US TREASURY NOTE DTD 09/30/12 1.000 09/30/2019							
912828W97	1,000,000.0000	03/31/2019	\$994,140.00	\$1,000,000.00	(\$5,860.00)	(.59)	N/A	AAA	.0000	.00
			US TREASURY NOTE DTD 03/31/17 1.250 03/31/2019							
SUBTOTAL	13,000,000.0000		\$12,840,960.00	\$12,910,820.00	(\$69,860.00)	(.54)			.0000	.00
FEDERAL AGENCY										
GOVERNMENT AGENCIES										
3130AAM47	3,000,000.0000	10/26/2018	\$2,998,020.00	\$3,000,000.00	(\$1,980.00)	(.07)	AA+	AAA	.0000	.00
			FED HOME LN BK DTD 01/26/17 1.200 10/26/2018							

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3130ABGP5	2,000,000.0000	05/19/2020 FED HOME LN BK SER 0001	\$1,958,200.00	\$1,995,580.00	(\$37,380.00)	(1.87)	AA+	AAA	.0000	.00
313376C94	3,000,000.0000	12/10/2021 FED HOME LN BK DTD 11/04/11 2.625 12/10/2021	\$2,970,690.00	\$3,100,890.00	(\$130,200.00)	(4.20)	AA+	AAA	.0000	.00
313378UP4	2,000,000.0000	10/11/2019 FED HOME LN BK DTD 04/11/12 2.000 10/11/2019	\$1,986,160.00	\$2,025,840.00	(\$39,680.00)	(1.96)	AA+	AAA	.0000	.00
313383VN8	2,000,000.0000	09/13/2019 FED HOME LN BK DTD 08/12/13 2.000 09/13/2019	\$1,988,080.00	\$2,060,000.00	(\$71,920.00)	(3.49)	AA+	AAA	.0000	.00
3133EG5Q4	3,000,000.0000	02/01/2019 FED FARM CREDIT BK DTD 02/01/17 1.300 02/01/2019	\$2,989,260.00	\$3,000,000.00	(\$10,740.00)	(.36)	AA+	AAA	.0000	.00
3133EGJ30	2,000,000.0000	11/18/2019 FED FARM CREDIT BK DTD 11/18/16 1.100 11/18/2019	\$1,965,560.00	\$1,984,760.00	(\$19,200.00)	(.97)	AA+	AAA	.0000	.00
3134G8S83	3,000,000.0000	12/30/2019 FED HOME LN MTG CORP MED TERM NOTE SER 0005	\$2,954,220.00	\$3,000,000.00	(\$45,780.00)	(1.53)	AA+	AAA	.0000	.00
3134G9G43	3,000,000.0000	12/30/2019 FED HOME LN MTG CORP MED TERM NOTE	\$2,936,520.00	\$3,000,000.00	(\$63,480.00)	(2.12)	AA+	AAA	.0000	.00
3134G9MU8	3,000,000.0000	05/24/2019 FED HOME LN MTG CORP DTD 05/31/16 1.300 05/24/2019	\$2,975,970.00	\$3,000,000.00	(\$24,030.00)	(.80)	AA+	AAA	.0000	.00
3134G9MW4	2,000,000.0000	05/26/2020 FED HOME LN MTG CORP MED TERM NOTE SER 0000	\$1,954,140.00	\$2,000,000.00	(\$45,860.00)	(2.29)	AA+	AAA	.0000	.00
3134G9SB4	3,000,000.0000	03/22/2019 FED HOME LN MTG CORP MED TERM NOTE	\$2,983,800.00	\$3,000,000.00	(\$16,200.00)	(.54)	AA+	AAA	.0000	.00
3134G9SK4	2,000,000.0000	06/30/2020 FED HOME LN MTG CORP MED TERM NOTE SER 0001	\$1,955,640.00	\$2,000,000.00	(\$44,360.00)	(2.22)	AA+	AAA	.0000	.00
3136FTP37	1,000,000.0000	02/27/2019 FED NATL MTG ASSN DTD 02/27/12 1.680 02/27/2019	\$997,440.00	\$1,014,055.00	(\$16,615.00)	(1.64)	AA+	AAA	.0000	.00
3136G3QB4	2,000,000.0000	05/26/2020 FED NATL MTG ASSN DTD 05/26/16 1.375 05/26/2020	\$1,955,380.00	\$2,000,000.00	(\$44,620.00)	(2.23)	AA+	AAA	.0000	.00
3136G3QQ1	3,000,000.0000	11/25/2020 FED NATL MTG ASSN SER 0002	\$2,918,100.00	\$3,000,000.00	(\$81,900.00)	(2.73)	N/A	N/A	.0000	.00
SUBTOTAL	39,000,000.0000		\$38,487,180.00	\$39,181,125.00	(\$693,945.00)	(1.77)			.0000	.00

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Asset ID	Units	Maturity Date	Market Value	Fed Tax Cost	Gain/Loss Amount	%	S & P Rating	Moody`s Rating	Units in Transition	Encumbrd Units
ACCOUNT 16737400 TOTAL	66,667,563.9600		\$65,995,703.96	\$66,759,508.96	(\$763,805.00)	(1.14)			.0000	.00
GRAND TOTAL	66,667,563.9600		\$65,995,703.96	\$66,759,508.96	(\$763,805.00)	(1.14)			.0000	.00
END OF REPORT										

Treasurer's Investment Report

Quarter Ending September 30, 2018

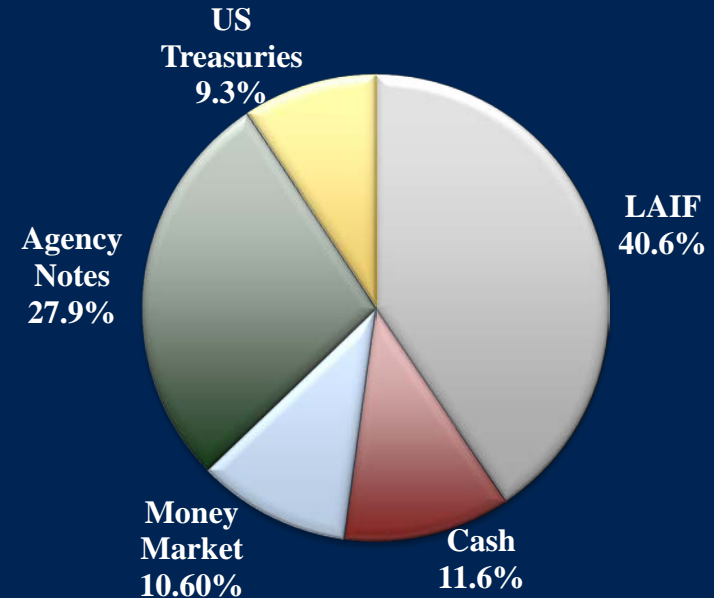
Audit Committee Meeting



CUPERTINO

Portfolio Composition

- Total portfolio decreased from last quarter by \$3.4 million, from \$141.3 to \$137.9 million
- Average maturity decreased from 0.51 years to 0.46 years
- Average yield increased from 1.30% to 1.40%
- Duration decreased from 1.063 to 0.856 (Information provided by US Bank)

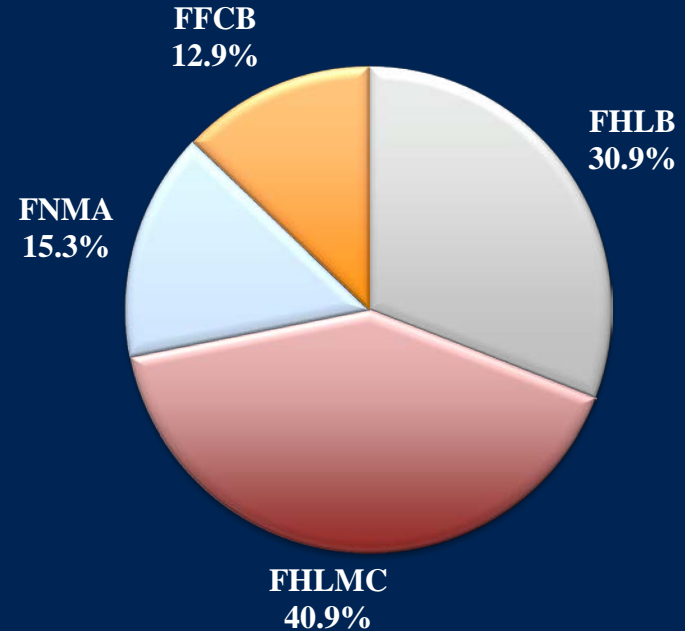


Yield Comparison



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

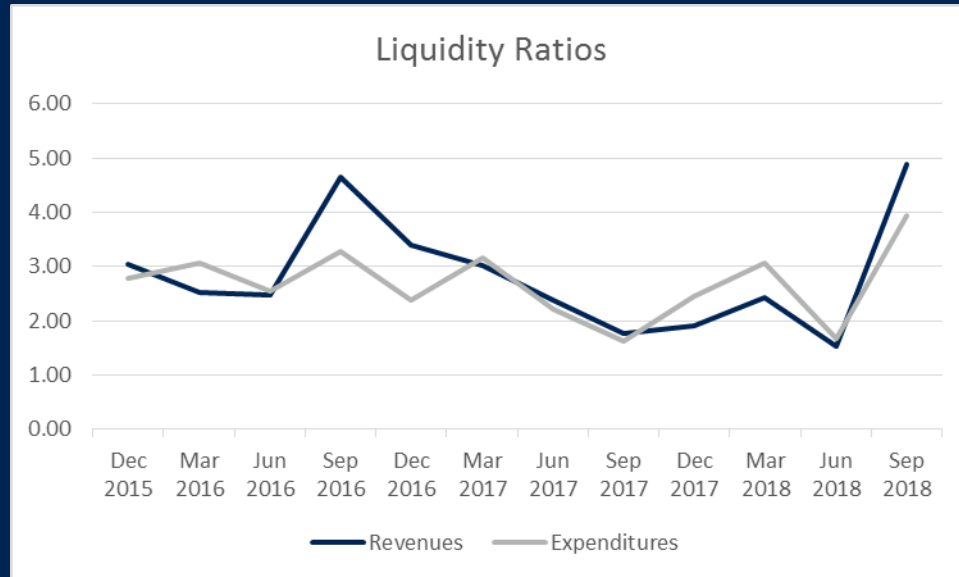
City of Cupertino

September 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 \$56.0 million and yielding 54 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 (\$19.5 million) in excess of revenues (\$19.0 million), resulting in an ending cash and cash equivalent balance of \$86.1 million for the period ending December 31, 2018.

