

City of Cupertino
Investment Portfolio
December 31, 2018

ACTIVITY DATE		DESCRIPTION	COUPON		Annual	PRICE	ADJUSTED	MATURITY	MARKET	UNREALIZED
PURCHASE	MATURITY		RATE	YTM	YIELD	PURCH	COST	VALUE	VALUE	PROFIT/LOSS
		SECURITIES MATURED								
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)
11/23/16	10/31/18	US Treasury Note	0.75%	1.04%	1.04%	99.444	3,001,439	3,000,000	2,996,820	(4,619)
		CITY PORTFOLIO								
CASH										
	12/31/18	Wells Fargo - Workers Comp Checking					25,939	25,939	25,939	
	12/31/18	Wells Fargo - Regular Checking					15,040,212	15,040,212	15,040,212	
							15,066,151	15,066,151	15,066,151	
LAIF										
	12/31/18	LAIF - State Pool	2.29%	2.29%	2.29%		56,259,630	56,259,630	56,259,630	
MONEY MARKET FUNDS										
	12/31/18	Wells Fargo Advantage 100% Treasury	1.92%	1.92%	1.92%		20,953,728	20,953,728	20,953,728	
							20,953,728	20,953,728	20,953,728	
GOVERNMENT AGENCY NOTES										
02/01/17	02/01/19	Agency notes - FFCB	1.30%	1.30%	1.30%	100.000	3,000,000	3,000,000	2,997,660	(2,340)
05/07/15	02/27/19	Agency notes - FNMA	1.68%	1.30%	1.30%	101.406	1,000,586	1,000,000	998,770	(1,816)
06/22/16	03/22/19	Agency notes - FHLMC	1.25%	1.25%	1.25%	100.000	3,000,000	3,000,000	2,992,290	(7,710)
11/23/16	05/24/19	Agency notes - FHLMC	1.30%	1.30%	1.30%	100.000	3,000,000	3,000,000	2,985,870	(14,130)
10/16/15	09/13/19	Agency notes - FHLB	2.00%	1.21%	1.21%	103.000	2,010,756	2,000,000	1,990,940	(19,816)
06/22/17	10/11/19	Agency notes - FHLB	2.00%	1.43%	1.43%	101.292	2,008,726	2,000,000	1,989,620	(19,106)
11/23/16	11/18/19	Agency notes - FFCB	1.10%	1.36%	1.36%	99.238	1,995,498	2,000,000	1,972,280	(23,218)
03/30/16	12/30/19	Agency notes - FHLMC	1.50%	1.50%	1.50%	100.000	3,000,000	3,000,000	2,966,580	(33,420)
06/30/16	12/30/19	Agency notes - FHLMC	1.02%	1.02%	1.02%	100.000	3,000,000	3,000,000	2,952,450	(47,550)
06/22/17	05/16/20	Agency notes - FHLB	1.50%	1.58%	1.58%	99.779	1,997,905	2,000,000	1,970,660	(27,245)
05/31/16	05/26/20	Agency notes - FHLMC	1.35%	1.35%	1.35%	100.000	2,000,000	2,000,000	1,966,740	(33,260)
05/26/16	05/26/20	Agency notes - FNMA	1.38%	1.38%	1.38%	100.000	2,000,000	2,000,000	1,968,040	(31,960)
06/30/16	06/30/20	Agency notes - FHLMC	1.50%	1.50%	1.50%	100.000	2,000,000	2,000,000	1,968,440	(31,560)
05/25/16	11/25/20	Agency notes - FNMA	1.50%	1.50%	1.50%	100.000	3,000,000	3,000,000	2,942,520	(57,480)
01/19/17	12/10/21	Agency notes - FHLB	2.63%	1.90%	1.88%	103.363	3,060,726	3,000,000	3,008,130	(52,596)
							36,074,197	36,000,000	35,670,990	(403,207)
US TREASURY SECURITIES										
03/31/17	03/31/19	US Treasury Note	1.25%	1.25%	1.25%	100.000	1,000,000	1,000,000	997,150	(2,850)
03/31/17	07/31/19	US Treasury Note	0.88%	1.32%	1.32%	98.969	2,992,302	3,000,000	2,971,170	(21,132)
09/12/16	08/15/19	US Treasury Note	0.75%	0.84%	0.84%	99.750	1,998,936	2,000,000	1,977,420	(21,516)
03/30/17	09/30/19	US Treasury Note	1.00%	1.42%	1.42%	98.969	1,993,840	2,000,000	1,976,320	(17,520)
05/07/15	04/30/20	US Treasury Note	1.38%	1.54%	1.54%	99.203	1,995,744	2,000,000	1,969,220	(26,524)
							9,980,822	10,000,000	9,891,280	(89,542)
Total Managed Portfolio							138,334,528	138,279,509	137,841,779	(492,749)
Average Yield			1.60%							
Average Length to Maturity (in years)			0.36							
Duration as of 12/31/18 (calculated by US Bank)			0.695							
		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%			433,619	433,619	433,619	
Bond Reserve Acct		Goldman Sachs Financial Sq Money Mkt	0.00%	0.00%			1,630,726	1,630,726	1,630,726	
Total Bond Reserve Portfolio							2,064,345	2,064,345	2,064,345	

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

General Reporting
 From Month End With Pricing 12/31/2018
 01/05/2019 04:19:47 PM EST

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	20,953,727.6200		\$20,953,727.62	\$20,953,727.62	\$.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	21,002,313.1100		\$21,002,313.11	\$21,002,313.11	\$.00	.00			.0000	.00
US GOVERNMENT										
US TREASURY NOTES AND BONDS										
9128282B5	2,000,000.0000	08/15/2019	\$1,977,420.00	\$1,995,000.00	(\$17,580.00)	(.88)	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	\$1,969,220.00	\$1,984,062.50	(\$14,842.50)	(.75)	N/A	AAA	.0000	.00
			US TREASURY NOTE DTD 04/30/15 1.375 04/30/2020							
912828TH3	3,000,000.0000	07/31/2019	\$2,971,170.00	\$2,969,062.50	\$2,107.50	.07	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	\$1,976,320.00	\$1,979,375.00	(\$3,055.00)	(.15)	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	\$997,150.00	\$1,000,000.00	(\$2,850.00)	(.29)	N/A	AAA	.0000	.00
			US TREASURY NOTE DTD 03/31/17 1.250 03/31/2019							
SUBTOTAL	10,000,000.0000		\$9,891,280.00	\$9,927,500.00	(\$36,220.00)	(.36)			.0000	.00
FEDERAL AGENCY										
GOVERNMENT AGENCIES										
3130ABGP5	2,000,000.0000	05/19/2020	\$1,970,660.00	\$1,995,580.00	(\$24,920.00)	(1.25)	AA+	AAA	.0000	.00
			FED HOME LN BK SER 0001							
313376C94	3,000,000.0000	12/10/2021	\$3,008,130.00	\$3,100,890.00	(\$92,760.00)	(2.99)	AA+	AAA	.0000	.00
			FED HOME LN BK DTD 11/04/11 2.625 12/10/2021							

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

General Reporting
 From Month End With Pricing 12/31/2018
 01/05/2019 04:19:47 PM EST

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>
313378UP4	2,000,000.0000	10/11/2019 FED HOME LN BK DTD 04/11/12 2.000 10/11/2019	\$1,989,620.00	\$2,025,840.00	(\$36,220.00)	(1.79)	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	\$1,990,940.00	\$2,060,000.00	(\$69,060.00)	(3.35)	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	\$2,997,660.00	\$3,000,000.00	(\$2,340.00)	(.08)	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	\$1,972,280.00	\$1,984,760.00	(\$12,480.00)	(.63)	AA+	AAA	.0000	.00
3134G8S83	3,000,000.0000	12/30/2019 FED HOME LN MTG CORP MED TERM NOTE SER 0005	\$2,966,580.00	\$3,000,000.00	(\$33,420.00)	(1.11)	AA+	AAA	.0000	.00
3134G9G43	3,000,000.0000	12/30/2019 FED HOME LN MTG CORP MED TERM NOTE	\$2,952,450.00	\$3,000,000.00	(\$47,550.00)	(1.59)	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	\$2,985,870.00	\$3,000,000.00	(\$14,130.00)	(.47)	AA+	AAA	.0000	.00
3134G9MW4	2,000,000.0000	05/26/2020 FED HOME LN MTG CORP MED TERM NOTE SER 0000	\$1,966,740.00	\$2,000,000.00	(\$33,260.00)	(1.66)	AA+	AAA	.0000	.00
3134G9SB4	3,000,000.0000	03/22/2019 FED HOME LN MTG CORP MED TERM NOTE	\$2,992,290.00	\$3,000,000.00	(\$7,710.00)	(.26)	AA+	AAA	.0000	.00
3134G9SK4	2,000,000.0000	06/30/2020 FED HOME LN MTG CORP MED TERM NOTE SER 0001	\$1,968,440.00	\$2,000,000.00	(\$31,560.00)	(1.58)	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	\$998,770.00	\$1,014,055.00	(\$15,285.00)	(1.51)	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	\$1,968,040.00	\$2,000,000.00	(\$31,960.00)	(1.60)	AA+	AAA	.0000	.00
3136G3QQ1	3,000,000.0000	11/25/2020 FED NATL MTG ASSN SER 0002	\$2,942,520.00	\$3,000,000.00	(\$57,480.00)	(1.92)	N/A	N/A	.0000	.00
SUBTOTAL	36,000,000.0000		\$35,670,990.00	\$36,181,125.00	(\$510,135.00)	(1.41)			.0000	.00
ACCOUNT 16737400 TOTAL	67,002,313.1100		\$66,564,583.11	\$67,110,938.11	(\$546,355.00)	(.81)			.0000	.00
GRAND TOTAL	67,002,313.1100		\$66,564,583.11	\$67,110,938.11	(\$546,355.00)	(.81)			.0000	.00

END OF REPORT

Treasurer's Investment Report Quarter Ending December 31, 2018

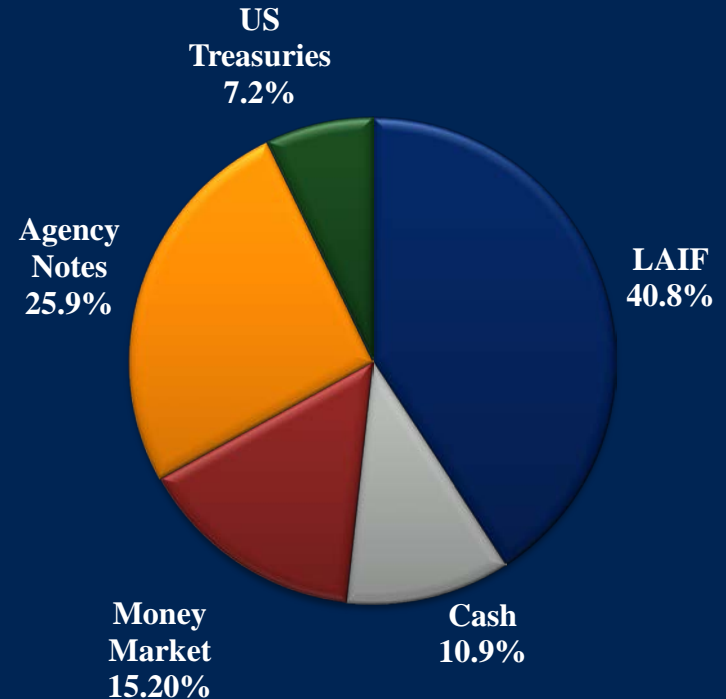
Audit Committee Meeting



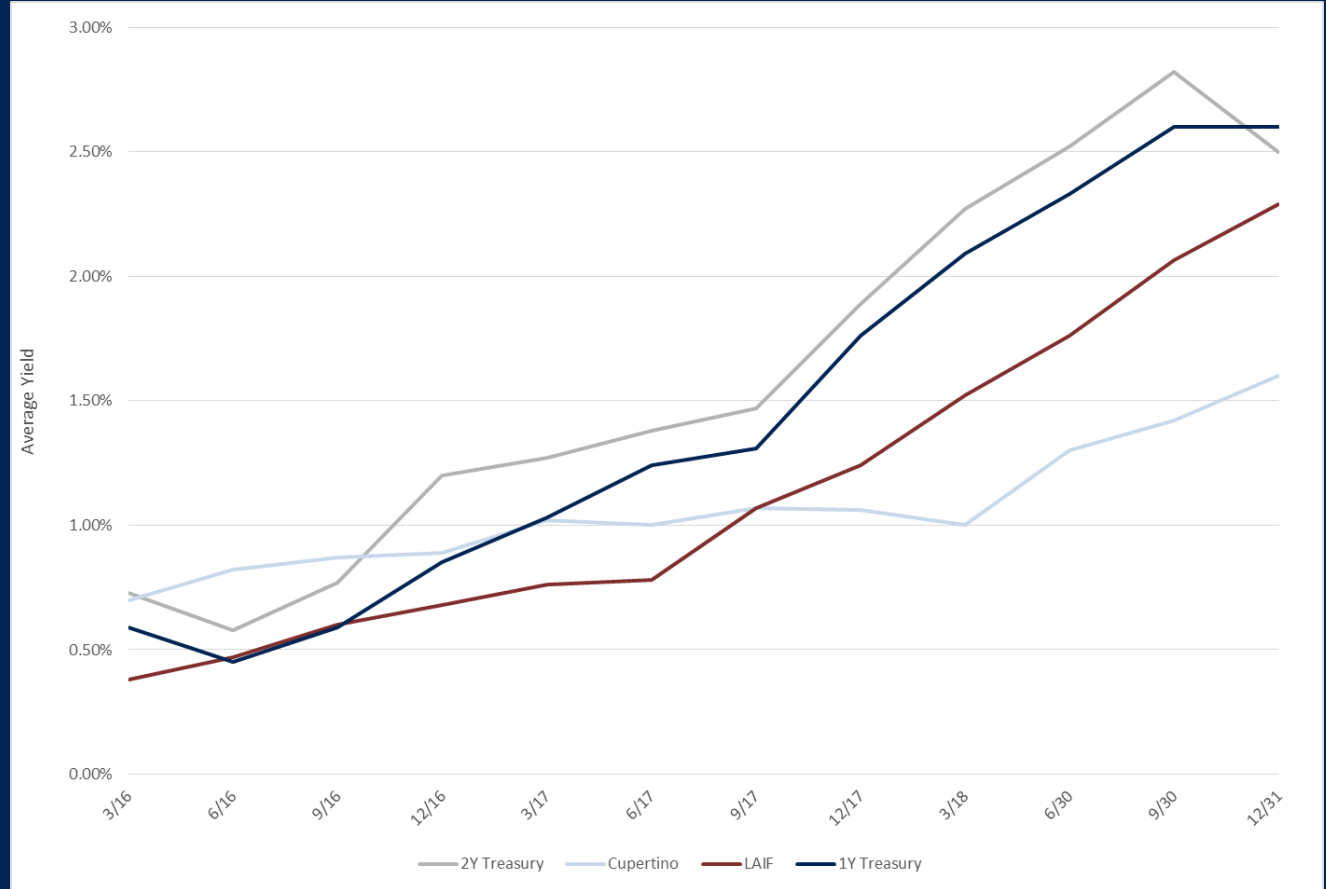
CUPERTINO

Portfolio Composition

- Total portfolio decreased \$0.1 million over previous quarter from \$137.9 to \$137.8 million
- Average maturity decreased from 0.46 years to 0.36 years
- Average yield increased from 1.42% to 1.60%
- Duration decreased from 0.856 to 0.695 (Information provided by US Bank)

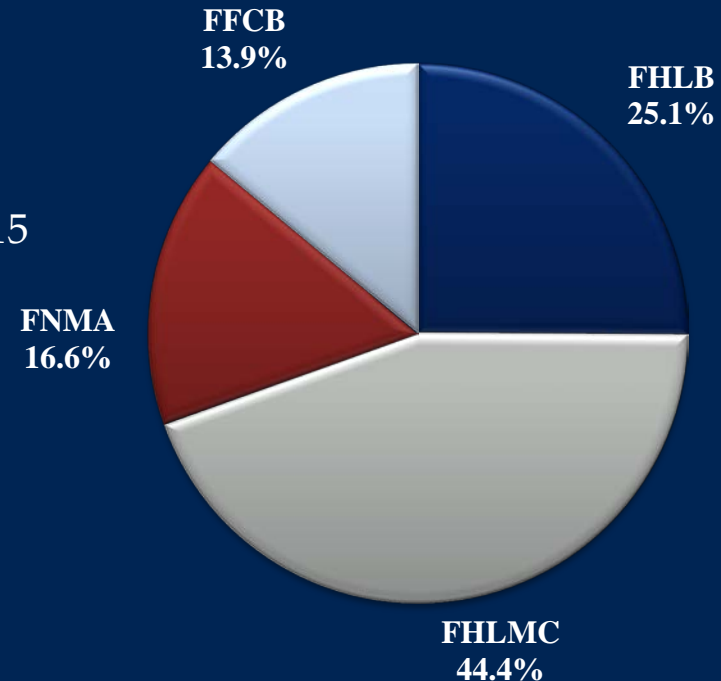


Yield Comparison



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

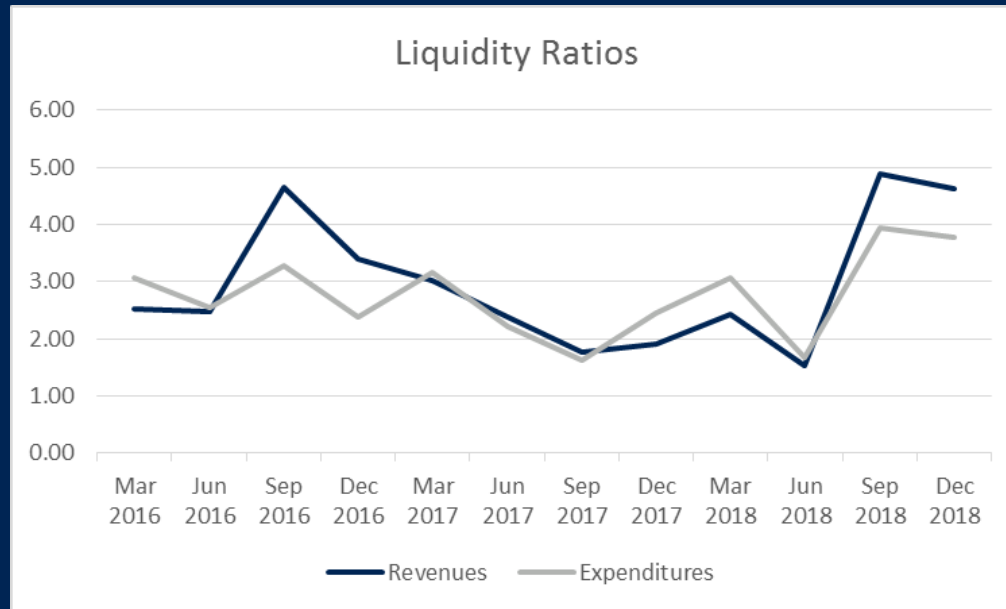
City of Cupertino

December 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	\$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 \$56.3 million and yielding 31 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 (\$20.9 million) in excess of revenues (\$17.5 million), resulting in an ending cash and cash equivalent balance of \$95.7 million for the period ending March 31, 2019.

