

MEMORANDUM

Office of the City Manager



DATE: October 31, 2018

TO: Mayor and City Council

THROUGH: Julie Edmonds-Mares, City Manager

FROM: Will Fuentes, Director of Financial Services

SUBJECT: City of Milpitas Investment Portfolio Status Report for the Quarter Ended September 30, 2018

In compliance with the State of California Government Code section 53646 (b)(1) and the City's Investment Policy, the City of Milpitas Investment Report for the period ended September 30, 2018 is submitted for City Council review. State Government Code and the City's Investment Policy require that the report be submitted to the City Council within 30 days of the end of each quarter. Due to the timing of when investment data is received and Council report preparation process deadlines, staff normally submits this to Council at the first regularly scheduled meeting after 30 days from the end of each quarter. However, since the November 6 City Council meeting is now cancelled, staff is submitting the current investment report through this informational memo. Going forward, staff will explore whether continuing this process or an alternative is most beneficial and meets the needs of the City Council. State Government Code and the City's Investment Policy only requires that the quarterly investment report be submitted to the City Council, but it does not require that this report be placed onto a formal City Council agenda.

The attached Council Staff Report and Portfolio Summary Report, originally scheduled to be placed on the November 6 City Council meeting agenda, provides an overview of the City's investments by type. It also lists the par value, market value, book value, percentage of portfolio, term, days to maturity, and the equivalent yields for each type of investment. The Portfolio Details Report provides the same information for each individual investment in the City's portfolio as of September 30, 2018.

COUNCIL STAFF REPORT

Receive City of Milpitas Investment Portfolio Status Report for the Quarter Ended September 30, 2018 (Staff Contact: Will Fuentes, 408-586-3111)

In compliance with the State of California Government Code and the City's Investment policy, the City of Milpitas Investment Report for the quarter ended September 30, 2018 is submitted for the Council's review and acceptance.

The Portfolio Summary Report included in the Council's packet provides a summary of the City's investments by type. It lists the par value, market value, book value, percentage of portfolio, term, days to maturity and the equivalent yields for each type of investment. The Portfolio Details Report provides the same information for each individual investment in the City's portfolio as of September 30, 2018.

As of September 30, 2018, the principal cost (book value) and market value of the City's investment portfolio was \$277,340,452 and \$274,370,269 respectively. When market interest rates increase after an investment is purchased, the market value of that investment decreases. Conversely, when market interest rates decline after an investment is purchased, the market value of that investment increases. If the investments are not sold prior to the maturity date, there is no market risk. Therefore, in accordance with the City's investment policy, all investments are held until maturity to ensure the return of all invested principal.

The City's effective rate of return for the period ended September 30, 2018 was 1.86%. The comparative benchmarks for the same period were 2.06% for LAIF (Local Agency Investment Fund) and 2.40% for the 12-month average yield of the Three-year Treasury Note. The weighted average maturity of the portfolio was 510 days. As the City shifts towards a new weighted average maturity goal of 3 years, investment returns should increase as result of longer duration. However, this will take time to achieve and requires a dedicated, highly focused, and long-term investment strategy.

The investment portfolio is in compliance with the City's investment policy. A combination of securities maturing, new revenues, and tax receipts will adequately cover the anticipated cash flow needs for the next six months. Cash flow requirements are continually monitored and are considered paramount in the selection of maturity dates of securities.

The market values of the securities were provided by BNY Mellon, the safekeeping bank of the City's securities. All the securities owned by the City are held in the trust department of BNY Mellon under the terms of a custody agreement.

Four charts are included with the agenda packet that show investment by maturity levels, comparison of the City's portfolio yields to other benchmark yields as well as a trend of the type of securities in the City's portfolio, weighted average maturity and average yield.

Attachment: Reports and graphs

Exhibit 1

***CITY OF MILPITAS
INVESTMENT PORTFOLIO STATUS***

PERCENT OF TOTAL DOLLARS INVESTED AT QUARTER ENDED

<u>TYPE OF SECURITY</u>	<u>Sep-18</u>	<u>Jun-18</u>	<u>Mar-18</u>	<u>Dec-17</u>
LAIF & Money Market	26	31	32	25
Corporate Medium Term Notes	8	8	6	7
Treasury Notes / Bills	12	11	13	12
Federal Agency	53	49	48	55
Negotiable CD's	1	1	1	1
	100	100	100	100

	<u>Sep-18</u>	<u>Jun-18</u>	<u>Mar-18</u>	<u>Dec-17</u>
Market Value	274,370,269	290,861,753	276,229,094	236,576,769
Cost	277,340,453	293,520,837	278,747,300	238,165,386

<u>Days</u>				
Weighted Average Maturity	510	481	436	505

<u>Rates</u>				
Average Yield	1.86%	1.72%	1.46%	1.32%

<u>Benchmarks:</u>				
LAIF	2.06%	1.85%	1.52%	1.24%
3 Year Treasury - (12 Month Average)	2.40%	2.09%	1.81%	1.59%

City of Milpitas

Investment Portfolio By Type as of September 30, 2018

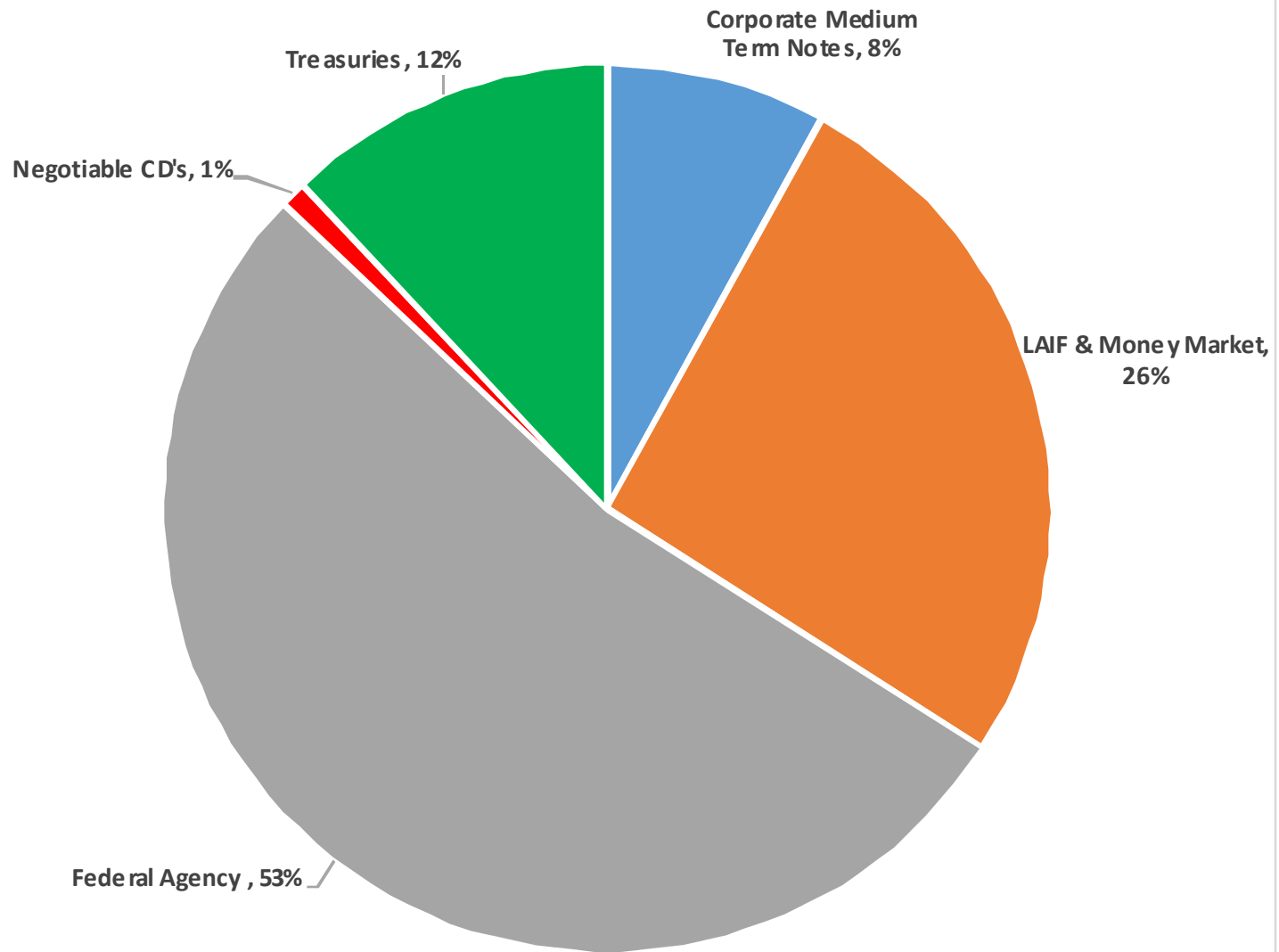
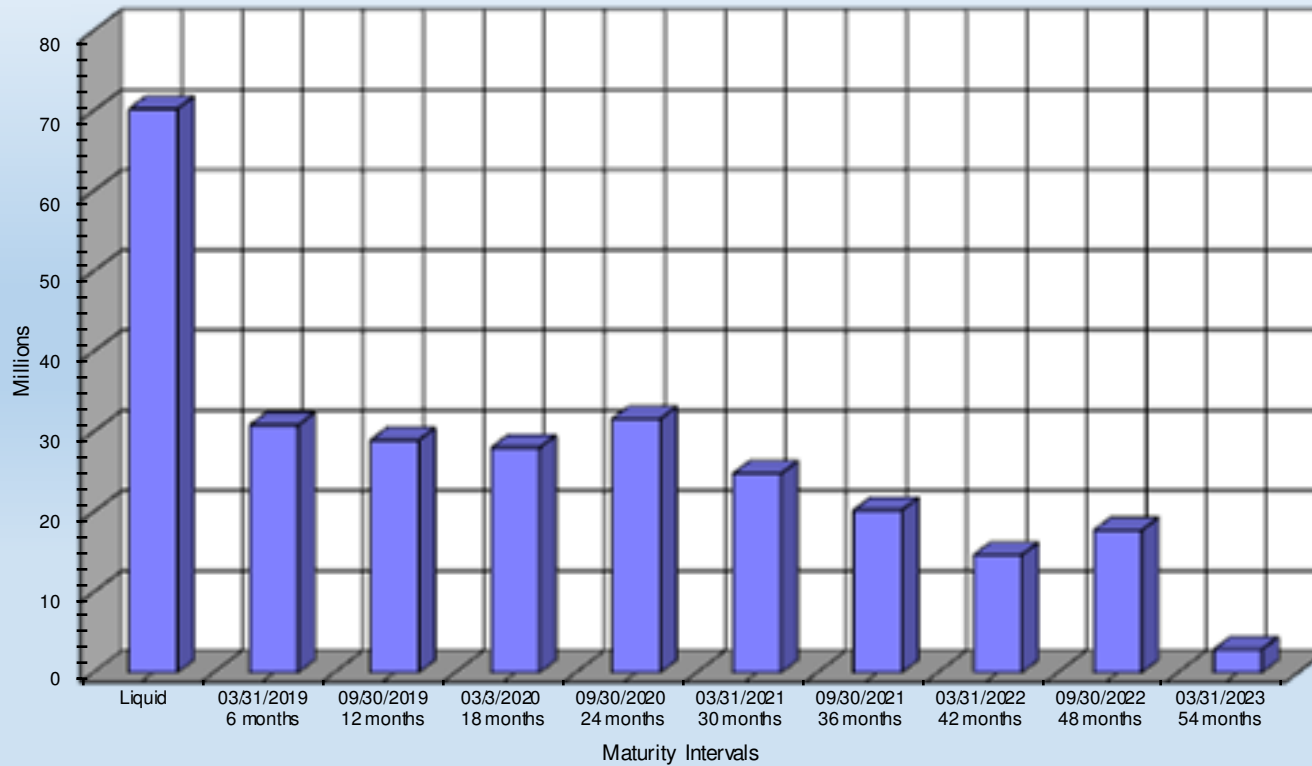


Exhibit 2

**City of Milpitas Investment Portfolio
Maturity by Six Month Intervals as of 09/30/2018**



City of Milpitas Investment Portfolio Yields Compared to Benchmarks for the Quarters Ended 12/31/15– 09/30/18

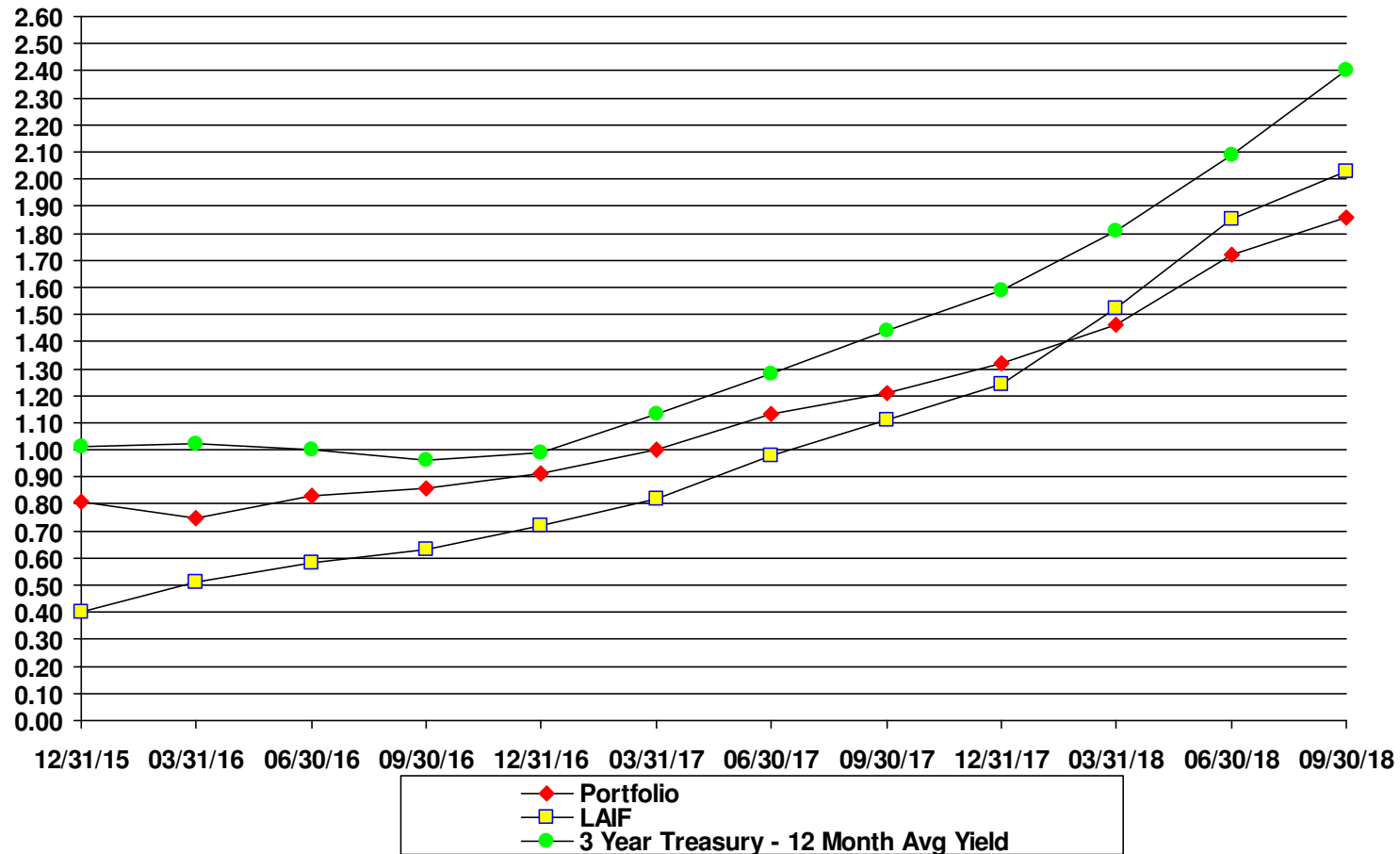
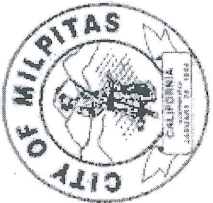


Exhibit 4



City of Milpitas
Portfolio Management
Portfolio Summary
September 30, 2018

City of Milpitas
 455 E Calaveras Blvd
 Milpitas, CA 95035
 (408)586-3100

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
LAIF	70,800,000.00	70,646,534.21	70,800,000.00	25.53	1	1	2.035	2.063
Money Market Funds	70,925.94	70,925.94	70,925.94	0.03	1	1	1.864	1.890
Corporate Notes	23,500,000.00	23,160,340.70	23,333,695.13	8.41	1,160	768	2.217	2.248
Federal Agency	147,500,000.00	145,235,858.33	147,487,594.29	53.18	1,157	722	1.817	1.842
Treasury Coupon Securities	27,000,000.00	26,613,913.88	26,965,460.46	9.72	1,067	538	1.602	1.625
Treasury Discounts	6,000,000.00	5,925,180.00	5,932,776.79	2.14	364	192	2.135	2.165
Negotiable CDs -2	2,750,000.00	2,717,515.50	2,750,000.00	0.99	1,047	548	1.943	1.970
Investments	277,620,925.94	274,370,268.56	277,340,452.61	100.00%	835	510	1.894	1.920

Cash								
Passbook/Checking (not included in yield calculations)	4,056,583.92	4,056,583.92	4,056,583.92		1	1	0.373	0.378
Total Cash and Investments	281,677,509.86	278,426,852.48	281,397,036.53		835	510	1.894	1.920

Total Earnings	September 30	Month Ending	Fiscal Year To Date
Current Year	438,565.18		1,319,221.66
Average Daily Balance	287,046,051.28		287,645,727.34
Effective Rate of Return	1.86%		1.82%

To the best of my knowledge, this report accurately reflects all City and Successor Agency investments and is in conformity with all State laws and the City's investment policy. A copy of the policy is available at the office of the City Clerk. This investment program herein shown provides sufficient cash flow liquidity to meet next six months' estimated expenditures.

[Signature]
 Will Fuentes, Director of Finance

[Signature]
 10/18/18

Reporting period 09/01/2018-09/30/2018

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City of Milpitas
Portfolio Management
Portfolio Details - Investments
September 30, 2018

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
LAIF												
SYS82000010	82000010	Local Agency Invest. Fd - City			38,800,000.00	38,715,997.28	38,800,000.00	2.063		2.063	1	
SYS97090401	97090401	Local Agency Invest. Fd - MPFA			32,000,000.00	31,930,636.93	32,000,000.00	2.063		2.063	1	
	Subtotal and Average		71,600,000.00		70,800,000.00	70,646,534.21	70,800,000.00			2.063	1	
Money Market Funds												
SYS	150601930	Dreyfus Treasury & Agency Fund			70,925.94	70,925.94	70,925.94	1.890	AAA	1.890	1	
	Subtotal and Average		11,364,038.40		70,925.94	70,925.94	70,925.94			1.890	1	
Corporate Notes												
037833AQ3	16092202	Apple Inc		09/22/2016	1,000,000.00	997,460.00	1,005,311.23	2.100	AA+	1.194	217	05/06/2019
037833DJ6	18012201	Apple Inc		01/22/2018	1,000,000.00	982,200.00	994,038.16	2.000	AA+	2.292	774	11/13/2020
037833AR1	18041701	Apple Inc		04/17/2018	1,000,000.00	995,010.00	1,002,450.23	2.850	AA+	2.751	948	05/06/2021
084664CG4	16091201	Berkshire Hathaway Inc		09/12/2016	1,000,000.00	996,560.00	1,002,851.38	1.700	AA	1.064	165	03/15/2019
084664CK5	16091202	Berkshire Hathaway Inc		09/12/2016	1,000,000.00	987,940.00	1,000,990.01	1.300	AA	1.184	318	08/15/2019
084670BQ0	18051003	Berkshire Hathaway Inc		05/10/2018	1,000,000.00	980,540.00	987,667.12	2.200	AA	2.725	896	03/15/2021
19416QEL0	18042501	Colgate- Palmolive Co		04/25/2018	1,000,000.00	965,660.00	971,288.22	2.250	AA-	3.000	1,506	11/15/2022
478160BG8	16020301	Johnson & Johnson		02/03/2016	1,000,000.00	998,510.00	1,000,933.07	1.650	AAA	1.115	65	12/05/2018
478160BR4	16042901	Johnson & Johnson		04/29/2016	1,000,000.00	976,350.00	1,500,766.14	1.125	AAA	1.000	151	03/01/2019
478160CD4	18051002	Johnson & Johnson		05/10/2018	1,000,000.00	998,810.00	978,733.87	2.250	AAA	2.911	1,249	03/03/2022
594918AV6	15052601	Microsoft Corp		05/26/2015	1,000,000.00	998,810.00	1,000,836.30	1.625	AAA	1.151	66	12/06/2018
594918BG8	18050202	Microsoft Corp		05/02/2018	1,000,000.00	982,300.00	986,420.60	2.000	AAA	2.676	764	11/03/2020
742718EG0	16091203	Proctor & Gamble Co		09/12/2016	1,000,000.00	990,920.00	1,008,881.22	1.900	AA-	1.064	396	11/01/2019
742718EU9	18051004	Proctor & Gamble Co		05/10/2018	1,000,000.00	962,580.00	970,084.59	2.150	AA-	2.980	1,410	08/11/2022
89236TDU6	18012202	Toyota Motor Credit		01/22/2018	1,000,000.00	984,900.00	995,793.74	1.950	AA-	2.230	564	04/17/2020
89236TDP7	18041601	Toyota Motor Credit		04/16/2018	1,000,000.00	978,460.00	987,656.06	2.600	AA-	3.000	1,198	01/11/2022
89233P5T9	18042402	Toyota Motor Credit		04/24/2018	1,000,000.00	999,960.00	1,005,190.04	3.300	AA-	3.130	1,199	01/12/2022
931142DU4	18042401	Walmart Stores		04/24/2018	2,000,000.00	1,933,440.00	1,949,243.40	2.350	AA	3.000	1,536	12/15/2022
18062801	18062801	Walmart Stores		06/28/2018	1,000,000.00	1,002,096.81	1,004,617.71	3.125	AA	2.950	996	06/23/2021
931142EA7	18062902	Walmart Stores		06/29/2018	1,000,000.00	979,458.89	983,801.42	1.900	AA	2.699	806	12/15/2020
94988J5N3	18012301	Wells Fargo Financial		01/23/2018	1,000,000.00	983,160.00	1,000,659.51	2.600	AA-	2.590	837	01/15/2021
94988J5L7	18050201	Wells Fargo Financial		05/02/2018	1,000,000.00	992,110.00	995,481.11	2.400	A+	2.760	471	01/15/2020
	Subtotal and Average		23,334,562.79		23,500,000.00	23,160,340.70	23,333,695.13			2.248	768	
Federal Agency												
3133EFNF0	15110601	Federal Farm Credit Bank		11/06/2015	2,000,000.00	1,997,740.00	2,000,000.00	1.080	AA+	1.080	36	11/06/2018
3133EFVQ7	16031101	Federal Farm Credit Bank		03/11/2016	1,000,000.00	996,700.00	1,000,331.60	1.250	AA+	1.140	113	01/22/2019

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City of Milpitas
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Federal Agency												
3133EFW52	16121202	Federal Farm Credit Bank		12/12/2016	2,000,000.00	1,978,500.00	1,997,649.62	1.150	AA+	1.310	273	07/01/2019
3133EG3J2	17011001	Federal Farm Credit Bank		01/10/2017	2,000,000.00	1,969,980.00	2,000,017.00	1.550	AA+	1.549	466	01/10/2020
3133EG2S3	17011301	Federal Farm Credit Bank		01/13/2017	2,000,000.00	1,994,880.00	2,000,552.00	1.280	AA+	1.170	94	01/03/2019
3133EGW92	17011302A	Federal Farm Credit Bank		01/13/2017	1,550,000.00	1,528,083.00	1,551,285.80	1.500	AA+	1.430	444	12/19/2019
3133EGW92	17011302B	Federal Farm Credit Bank		01/13/2017	450,000.00	443,637.00	450,373.30	1.500	AA+	1.430	444	12/19/2019
3133EHA9	17022301	Federal Farm Credit Bank		02/23/2017	1,000,000.00	969,460.00	1,000,000.00	2.000	AA+	2.000	1,241	02/23/2022
3133EHB0	17030201	Federal Farm Credit Bank		03/02/2017	2,000,000.00	1,965,500.00	2,000,000.00	1.520	AA+	1.520	518	03/02/2020
3133EHEC3	17033001	Federal Farm Credit Bank		03/30/2017	2,000,000.00	1,948,260.00	2,000,000.00	1.800	AA+	1.800	911	03/30/2021
3133EHK8	17060501	Federal Farm Credit Bank		06/05/2017	2,000,000.00	1,937,920.00	2,001,520.53	1.670	AA+	1.640	966	05/24/2021
3133EHNK5	17061501	Federal Farm Credit Bank		06/15/2017	1,000,000.00	978,910.00	1,000,000.00	1.540	AA+	1.540	623	06/15/2020
3133EHQB2	170706301	Federal Farm Credit Bank		07/06/2017	2,000,000.00	1,956,560.00	2,000,000.00	1.550	AA+	1.550	644	07/06/2020
3133EHWN9	17082802	Federal Farm Credit Bank		08/28/2017	2,000,000.00	1,978,720.00	2,000,000.00	1.400	AA+	1.400	331	08/28/2019
3133EHW11	17090101	Federal Farm Credit Bank		09/01/2017	2,000,000.00	1,932,040.00	2,000,000.00	1.700	AA+	1.700	1,066	09/01/2021
3133EHD91	17100501	Federal Farm Credit Bank		10/05/2017	2,000,000.00	1,953,620.00	2,000,000.00	1.650	AA+	1.650	735	10/05/2020
3133EHU84	17112201	Federal Farm Credit Bank		11/22/2017	2,000,000.00	1,942,760.00	2,000,000.00	1.980	AA+	1.980	1,148	11/22/2021
3133EJBZ1	18020801	Federal Farm Credit Bank		02/08/2018	2,000,000.00	1,994,260.00	2,000,000.00	2.000	AA+	2.001	219	05/08/2019
3133EJLZ0	18042301	Federal Farm Credit Bank		04/23/2018	2,000,000.00	1,987,100.00	2,000,000.00	2.625	AA+	2.625	935	04/23/2021
3133EJNS4	18051001	Federal Farm Credit Bank		05/10/2018	2,000,000.00	1,990,360.00	2,000,000.00	2.700	AA+	2.700	952	05/10/2021
3133EJUH0	18071601	Federal Farm Credit Bank		07/16/2018	2,000,000.00	1,988,740.00	2,000,000.00	2.700	AA+	2.700	1,019	07/16/2021
3133EJUJ6	18071801	Federal Farm Credit Bank		07/18/2018	2,000,000.00	1,987,600.00	2,000,000.00	2.800	AA+	2.800	1,386	07/18/2022
3133EJXV6	18082301	Federal Farm Credit Bank		08/23/2018	2,000,000.00	1,991,300.00	2,000,000.00	2.700	AA+	2.700	876	02/23/2021
3133EJZH5	18092801	Federal Farm Credit Bank		09/28/2018	2,000,000.00	1,989,173.33	1,989,201.04	2.800	AA+	2.977	1,443	09/13/2022
3130A5K73	15061201	Federal Home Loan Bank		06/12/2015	0.00	0.00	0.00	1.200	AA+	1.220	-5	09/26/2018
3133782M2	16020101	Federal Home Loan Bank		02/01/2016	1,000,000.00	996,310.00	1,001,692.28	1.500	AA+	1.104	158	03/08/2019
3130AA5P9	16112101	Federal Home Loan Bank		11/21/2016	2,000,000.00	1,996,760.00	2,000,000.00	1.020	AA+	1.020	51	11/21/2018
3130A9ZV6	16112801	Federal Home Loan Bank		11/28/2016	2,000,000.00	1,956,760.00	2,000,000.00	1.200	AA+	1.200	515	02/28/2020
3130A9ZY0	16113001	Federal Home Loan Bank		11/30/2016	2,000,000.00	1,980,120.00	2,000,000.00	1.000	AA+	1.000	241	05/30/2019
3130AADN5	16122801	Federal Home Loan Bank		12/28/2016	2,000,000.00	1,982,180.00	2,000,640.80	1.375	AA+	1.331	270	06/28/2019
3130AAE46	17010601	Federal Home Loan Bank		01/06/2017	2,000,000.00	1,994,080.00	2,000,115.07	1.250	AA+	1.230	107	01/16/2019
3130AAL89	17010901	Federal Home Loan Bank		01/09/2017	2,000,000.00	1,979,240.00	2,000,000.00	1.422	AA+	1.422	326	08/23/2019
3130AAS41	17020801	Federal Home Loan Bank		02/08/2017	2,000,000.00	1,992,720.00	2,000,000.00	1.270	AA+	1.270	130	02/08/2019
3130AAX52	17031001	Federal Home Loan Bank		03/10/2017	2,000,000.00	1,960,020.00	1,998,890.22	1.750	AA+	1.780	694	08/25/2020
3130AB3R5	17040301	Federal Home Loan Bank		04/03/2017	2,000,000.00	1,958,540.00	2,000,000.00	1.625	AA+	1.625	648	07/10/2020
3130AB3F1	17041301	Federal Home Loan Bank		04/13/2017	2,000,000.00	1,964,160.00	2,000,000.00	1.600	AA+	1.600	560	04/13/2020
3130AB3D6	17042601	Federal Home Loan Bank		04/26/2017	2,000,000.00	1,935,920.00	2,000,000.00	2.000	AA+	2.000	1,121	10/26/2021
3130AB3N4	17042801	Federal Home Loan Bank		04/28/2017	2,000,000.00	1,974,480.00	2,000,000.00	1.550	AA+	1.550	393	10/29/2019

Portfolio MILP
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City of Milpitas
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Federal Agency												
3130ABHH2	17060502	Federal Home Loan Bank		06/05/2017	2,000,000.00	1,959,140.00	2,001,936.22	1.550	AA+	1.490	605	05/28/2020
3130A66T9	17060902	Federal Home Loan Bank		06/09/2017	2,000,000.00	1,954,240.00	2,002,854.95	1.625	AA+	1.549	711	09/11/2020
313383HU8	17061201	Federal Home Loan Bank		06/12/2017	1,000,000.00	981,940.00	1,003,021.06	1.750	AA+	1.567	620	06/12/2020
313382K69	17061202	Federal Home Loan Bank		06/12/2017	2,000,000.00	1,947,380.00	2,002,727.84	1.750	AA+	1.692	893	03/12/2021
3130ABWU6	17082401	Federal Home Loan Bank		08/24/2017	1,000,000.00	964,470.00	1,000,000.00	2.000	AA+	2.000	1,423	08/24/2022
3130AC6T6	17082402	Federal Home Loan Bank		08/24/2017	1,000,000.00	973,200.00	1,000,000.00	1.720	AA+	1.720	877	02/24/2021
3130ABZE9	17082801	Federal Home Loan Bank		08/28/2017	2,000,000.00	1,955,980.00	2,000,000.00	1.650	AA+	1.650	697	08/28/2020
313382K69	17091502	Federal Home Loan Bank		09/15/2017	2,000,000.00	1,947,380.00	2,005,887.35	1.750	AA+	1.626	893	03/12/2021
3130A66T9	17091503	Federal Home Loan Bank		09/15/2017	2,000,000.00	1,954,240.00	2,003,669.14	1.625	AA+	1.528	711	09/11/2020
3130ACHG2	17092701	Federal Home Loan Bank		09/27/2017	2,000,000.00	1,917,420.00	2,000,000.00	2.000	AA+	2.000	1,457	09/27/2022
3130ACPN8	17103001	Federal Home Loan Bank		10/30/2017	2,000,000.00	1,964,820.00	2,000,000.00	1.700	AA+	1.700	592	05/15/2020
3130ACPN8	17103002	Federal Home Loan Bank		10/30/2017	2,000,000.00	1,938,300.00	2,000,000.00	2.000	AA+	2.000	1,305	04/28/2022
3130ADEB4	18011201	Federal Home Loan Bank		01/12/2018	2,000,000.00	1,966,820.00	2,000,000.00	2.125	AA+	2.125	834	01/12/2021
3130A0XD7	18030902	Federal Home Loan Bank		03/09/2018	2,000,000.00	1,976,020.00	1,994,139.68	2.375	AA+	2.500	893	03/12/2021
313383VN8	18061502	Federal Home Loan Bank		06/15/2018	2,000,000.00	1,988,080.00	1,993,129.46	2.000	AA+	2.368	347	09/13/2019
3130AEFE5	18061503	Federal Home Loan Bank		06/15/2018	2,000,000.00	1,991,500.00	2,000,262.84	2.700	AA+	2.718	980	06/07/2021
3130AEJE1	18062901	Federal Home Loan Bank		06/29/2018	1,000,000.00	990,860.00	1,000,000.00	3.030	AA+	3.030	1,732	06/29/2023
3130AERE2	18080701	Federal Home Loan Bank		08/07/2018	2,000,000.00	1,996,460.00	2,000,000.00	2.375	AA+	2.375	310	08/07/2019
3130AEXR6	18091701	Federal Home Loan Bank		09/17/2018	2,000,000.00	1,998,460.00	2,000,000.00	2.500	AA+	2.500	351	09/17/2019
3134GQB8	16032901	Fed Home Loan Mortgage Corp		03/29/2016	1,500,000.00	1,491,570.00	1,500,000.00	1.270	AA+	1.270	179	03/29/2019
3134GQB8	16032902	Fed Home Loan Mortgage Corp		03/29/2016	1,500,000.00	1,491,570.00	1,500,000.00	1.270	AA+	1.270	179	03/29/2019
3137EADM8	16111503	Fed Home Loan Mortgage Corp		11/15/2016	2,000,000.00	1,972,440.00	2,002,652.67	1.250	AA+	1.115	366	10/02/2019
3137EADZ9	16121203	Fed Home Loan Mortgage Corp		12/12/2016	2,000,000.00	1,985,860.00	1,998,674.45	1.125	AA+	1.250	196	04/15/2019
3134G3A91	17010602	Fed Home Loan Mortgage Corp		01/06/2017	1,000,000.00	989,320.00	999,558.88	1.400	AA+	1.450	325	08/22/2019
3134GA4Q4	17022801	Fed Home Loan Mortgage Corp		02/28/2017	3,000,000.00	2,913,930.00	3,000,000.00	2.050	AA+	2.050	1,246	02/28/2022
3137EADR7	17031002	Fed Home Loan Mortgage Corp		03/10/2017	2,000,000.00	1,956,440.00	1,990,625.99	1.375	AA+	1.680	578	05/01/2020
3134GBAX0	17032801	Fed Home Loan Mortgage Corp		03/28/2017	1,500,000.00	1,462,575.00	1,500,000.00	2.070	AA+	2.070	1,093	09/28/2021
3134GBNV0	17053001	Fed Home Loan Mortgage Corp		05/30/2017	1,000,000.00	967,240.00	1,000,000.00	2.000	AA+	1.947	1,331	05/24/2022
3134GBTQ5	17060901	Fed Home Loan Mortgage Corp		06/09/2017	2,000,000.00	1,954,220.00	2,000,000.00	1.500	AA+	1.500	653	07/15/2020
3134GBF80	17092601	Fed Home Loan Mortgage Corp		09/26/2017	1,000,000.00	970,180.00	1,000,000.00	1.650	AA+	1.650	907	03/26/2021
3134GB5W8	17122801	Fed Home Loan Mortgage Corp		12/28/2017	3,000,000.00	2,932,140.00	3,000,000.00	2.050	AA+	2.050	1,001	06/28/2021
3134GSFN0	18031501	Fed Home Loan Mortgage Corp		03/15/2018	2,000,000.00	1,977,680.00	2,000,000.00	2.700	AA+	2.700	1,261	03/15/2022
3134GSLZ6	18053001	Fed Home Loan Mortgage Corp		05/30/2018	2,000,000.00	1,979,680.00	2,000,000.00	3.000	AA+	3.000	1,702	05/30/2023
3134GSMF9	18053002	Fed Home Loan Mortgage Corp		05/30/2018	1,000,000.00	988,890.00	1,000,000.00	3.000	AA+	3.000	1,698	05/26/2023
3134GSMU6	18061501	Fed Home Loan Mortgage Corp		06/15/2018	3,000,000.00	2,975,550.00	3,000,000.00	3.000	AA+	3.000	1,353	06/15/2022
3134GSRW7	18073001	Fed Home Loan Mortgage Corp		07/30/2018	2,000,000.00	1,983,460.00	2,000,000.00	3.000	AA+	3.000	1,394	07/26/2022

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Federal Agency												
3134GSWS0	18092701	Fed Home Loan Mortgage Corp		09/27/2018	2,000,000.00	1,990,820.00	2,000,000.00	3.000	AA+	3.000	1,457	09/27/2022
3136G35A9	16090901	Federal Nat'l. Mortgage Assoc		09/09/2016	2,000,000.00	1,973,820.00	2,000,000.00	1.150	AA+	1.150	331	08/28/2019
3136G3R56	16092001	Federal Nat'l. Mortgage Assoc		09/20/2016	1,000,000.00	987,380.00	1,000,000.00	1.050	AA+	1.050	298	07/26/2019
3136G35W1	16092701	Federal Nat'l. Mortgage Assoc		09/27/2016	2,000,000.00	1,956,500.00	2,000,000.00	1.250	AA+	1.250	543	03/27/2020
3135G0R39	16110902	Federal Nat'l. Mortgage Assoc		11/09/2016	2,000,000.00	1,964,980.00	1,998,532.73	1.000	AA+	1.070	388	10/24/2019
3135G0D75	16121201	Federal Nat'l. Mortgage Assoc		12/12/2016	2,000,000.00	1,957,300.00	1,997,897.40	1.500	AA+	1.563	630	06/22/2020
3136G4NR0	17081601	Federal Nat'l. Mortgage Assoc		08/16/2017	1,000,000.00	973,090.00	1,000,000.00	1.750	AA+	1.750	869	02/16/2021
912828RP7	18031601	United States Treasury Note		03/16/2018	2,000,000.00	1,999,480.00	1,999,754.37	1.750	AA+	1.901	30	10/31/2018
Subtotal and Average			144,567,842.87		147,500,000.00	145,235,858.33	147,487,594.29			1.842	722	

Federal Agency Discounts												
313385E77	18030501	Federal Home Loan Bank Discoun		03/05/2018	0.00	0.00	0.00	1.780	AA+	1.846	-25	09/06/2018
Subtotal and Average			333,300.37		0.00	0.00	0.00			0.000	0	

Treasury Coupon Securities												
912828M64	15111601	United States Treasury Note		11/16/2015	3,000,000.00	2,996,850.00	3,000,108.51	1.250	AA+	1.220	45	11/15/2018
912828P53	16031102	United States Treasury Note		03/11/2016	1,000,000.00	994,020.00	998,800.77	0.750	AA+	1.076	137	02/15/2019
912828T59	16110901	United States Treasury Note		11/09/2016	2,000,000.00	1,965,860.00	1,999,778.62	1.000	AA+	1.011	379	10/15/2019
912828U32	16111501	United States Treasury Note		11/15/2016	2,000,000.00	1,962,740.00	1,999,889.62	1.000	AA+	1.005	410	11/15/2019
912828H52	16111502	United States Treasury Note		11/15/2016	2,000,000.00	1,961,260.00	2,002,337.35	1.250	AA+	1.160	487	01/31/2020
912828V31	17011701	United States Treasury Note		01/17/2017	2,000,000.00	1,966,020.00	1,998,363.43	1.375	AA+	1.440	471	01/15/2020
912828V56	17013101	United States Treasury Note		01/31/2017	2,000,000.00	1,992,100.00	1,999,477.74	1.125	AA+	1.204	122	01/31/2019
912828W55	17030801	United States Treasury Note		03/08/2017	2,000,000.00	1,933,200.00	1,990,790.36	1.875	AA+	2.017	1,246	02/28/2022
912828V1	17091501	United States Treasury Note		09/15/2017	3,000,000.00	2,917,980.00	2,996,850.06	1.375	AA+	1.430	715	09/15/2020
9128283N8	18011601	United States Treasury Note		01/16/2018	2,000,000.00	1,979,380.00	1,996,806.72	1.875	AA+	2.006	456	12/31/2019
9128283Q1	18013001	United States Treasury Note		01/30/2018	2,000,000.00	1,962,180.00	1,990,260.97	2.000	AA+	2.221	837	01/15/2021
9128284J6	18050801	United States Treasury Note		05/08/2018	2,000,000.00	1,988,452.61	1,997,790.48	2.375	AA+	2.481	577	04/30/2020
9128285A4	18092601	United States Treasury Note		09/26/2018	2,000,000.00	1,993,871.27	1,994,205.83	2.750	AA+	2.882	1,080	09/15/2021
Subtotal and Average			25,302,949.98		27,000,000.00	26,613,913.88	26,965,460.46			1.625	538	

Treasury Discounts												
912796PT0	18030101	US TREASURY BILL		03/01/2018	3,000,000.00	2,971,500.00	2,975,687.50	1.945	AA+	2.029	150	02/28/2019
912796QA0	18032902	US TREASURY BILL		03/29/2018	0.00	0.00	0.00	1.790	AA+	1.857	-4	09/27/2018
912796QH5	18052401	US TREASURY BILL		05/24/2018	3,000,000.00	2,953,680.00	2,957,089.29	2.201	AA+	2.301	234	05/23/2019
Subtotal and Average			7,660,023.53		6,000,000.00	5,925,180.00	5,932,776.79			2.165	192	

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Negotiable CDs -2												
02587DC71	15100701	American Express Centurion Bnk		10/07/2015	250,000.00	247,663.80	250,000.00	2.000	A-	2.001	371	10/07/2019
06740KJH1	15091601	Barclays Bank Delaware		09/16/2015	0.00	0.00	0.00	1.600	NR	1.379	-14	09/17/2018
05580ALE2	17111717	BMW Bank of North America		11/17/2017	250,000.00	244,850.03	250,000.00	2.000		2.002	778	11/17/2020
05584CCQ7	18022701	Bank of New York - Mellon		02/27/2018	250,000.00	249,396.63	250,000.00	1.900	A	1.900	149	02/27/2019
17312QH77	18032901	Citibank NA		03/29/2018	250,000.00	248,090.95	250,000.00	2.700	A+	2.703	910	03/29/2021
14042RAG6	15093001	Capital One NA		09/30/2015	250,000.00	249,987.53	250,000.00	1.650	BBB+	1.422	0	10/01/2018
149159ME2	18030901	Cathay Bank		03/09/2018	250,000.00	248,550.98	250,000.00	2.250		2.256	343	09/09/2019
1404206P0	17112203	Capital One Bank USA		11/22/2017	250,000.00	245,073.65	250,000.00	2.050	BBB+	1.768	784	11/23/2020
254673HJ8	17120601	Discover Bank		12/06/2017	250,000.00	245,228.60	250,000.00	2.100	BBB	1.811	798	12/07/2020
38148PWH6	18011701	Goldman Sachs Bank USA		01/17/2018	250,000.00	246,077.25	250,000.00	2.300	A+	2.302	841	01/19/2021
94986TUG0	15063002	Wells Fargo Bank		06/30/2015	250,000.00	245,805.15	250,000.00	2.000	AA-	1.700	638	06/30/2020
61747MB67	17112202	Morgan Stanley Bank NA		11/22/2017	250,000.00	246,790.93	250,000.00	1.800	A+	1.800	417	11/22/2019
Subtotal and Average					2,750,000.00	2,717,515.50	2,750,000.00			1.970	548	
Total and Average					277,620,925.94	274,370,268.56	277,340,452.61			1.920	510	

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
Money Market Funds											
SYS1000	1000	Cash in Wells Fargo Bank			3,722,785.34	3,722,785.34	3,722,785.34	0.400		0.400	1
SYS1000	131127930	Cash in Wells Fargo Bank			250,515.42	250,515.42	250,515.42	0.180		0.180	1
SYS1030	1030A	Cash w/ US Bank -Fiscal Agent		07/01/2018	25.18	25.18	25.18	0.000		0.000	1
SYS1030	1030B	Cash w/ US Bank -Fiscal Agent			1,384.52	1,384.52	1,384.52	0.000		0.000	1
HBOC	150701103	Heritage Bank of Commerce		07/01/2018	81,873.46	81,873.46	81,873.46	0.000		0.000	1
		Average Balance	0.00								1
		Total Cash and Investments	287,046,051.28		281,677,509.86	278,426,852.48	281,397,036.53			1.920	510

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CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
LAIF (Monthly Summary)							
SYS82000010	82000010	Local Agency Invest. Fd - City	2.063		0.00	1,200,000.00	
		Subtotal			0.00	1,200,000.00	70,800,000.00
Money Market Funds (Monthly Summary)							
SYS1000	1000	Cash in Wells Fargo Bank	0.400		3,722,785.34	2,064,128.92	
SYS1000	131127930	Cash in Wells Fargo Bank	0.180		37.06	0.00	
SYS	150601930	Dreyfus Treasury & Agency Fund	1.890		108.17	0.00	
SYS1030	1030A	Cash w/ US Bank -Fiscal Agent			25.18	25.15	
SYS1030	1030B	Cash w/ US Bank -Fiscal Agent			1,384.52	9,146,250.21	
		Subtotal			3,724,340.27	11,210,404.28	70,925.94
Corporate Notes							
		Subtotal					23,333,695.13
Federal Agency							
3133EJZH5	18092801	Federal Farm Credit Bank	2.800	09/28/2018	1,986,840.00	0.00	
3130A5K73	15061201	Federal Home Loan Bank	1.200	09/26/2018	0.00	2,000,000.00	
3130AEXR6	18091701	Federal Home Loan Bank	2.500	09/17/2018	2,000,000.00	0.00	
3134GWSW0	18092701	Fed Home Loan Mortgage Corp	3.000	09/27/2018	2,000,000.00	0.00	
		Subtotal			5,986,840.00	2,000,000.00	147,487,594.29
Federal Agency Discounts							
313385E77	18030501	Federal Home Loan Bank Discoun	1.780	09/06/2018	0.00	2,000,000.00	
		Subtotal			0.00	2,000,000.00	0.00
Treasury Coupon Securities							
9128285A4	18092601	United States Treasury Note	2.750	09/26/2018	1,992,500.00	0.00	
		Subtotal			1,992,500.00	0.00	26,965,460.46
Treasury Discounts							
912796QA0	18032902	US TREASURY BILL	1.790	09/27/2018	0.00	2,000,000.00	
		Subtotal			0.00	2,000,000.00	5,932,776.79
Negotiable CDs -2							
06740KJH1	15091601	Barclays Bank Delaware	1.600	09/17/2018	0.00	250,000.00	

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CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Negotiable CDs -2							
		Subtotal			0.00	250,000.00	2,750,000.00
		Total			11,703,680.27	18,660,404.28	277,340,452.61

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Investment Broker Dealer List

Dreyfus Institutional Services

Mischler Financial Group, Inc.

Morgan Stanley

State of California Local Agency Investment Fund

US Bank, N.A.

Vining Sparks IBG, L.P.