

CITY OF SANTA CLARA SUMMARY OF INVESTMENT PORTFOLIO

All securities held by the City of Santa Clara as of November 30, 2022 were in compliance with the City's Investment Policy Statement. All securities held are rated in a rating category of "A" or the equivalent or higher by at least one nationally recognized statistical rating agency. There is adequate cash flow and maturity of investments to meet the City's needs for the next six months.

The following table provides the breakdown of the total portfolio among the City, the Sports and Open Space Authority (SOSA), and the Housing Authority (HA) as of November 30, 2022.

	<u>COST VALUE</u>	<u>PERCENTAGE</u>
City	\$866,040,889	99.51%
SOSA	2,729	0.00%
HA	<u>4,215,567</u>	<u>0.49%</u>
Unrestricted	\$870,259,185	<u>100.00%</u>
Restricted Bond Proceeds	<u>2,172,426</u>	
Total Investments	<u>\$872,431,611</u>	

On November 30, 2022 the cost value and market value of the City's unrestricted pooled investment portfolio were \$870,259,185 and \$829,400,259 respectively.

Market Update and Investment Strategy

Inflationary pressures eased in October as the Consumer Price Index (CPI) rose a lower than expected 7.7%, down from 8.2% the prior month. Markets now expect the Federal Reserve Board to increase short-term interest rates only 0.50% in mid-December after four consecutive 0.75% hikes. The lower than expected CPI reading also caused longer-term bond yields to unexpectedly decline in anticipation of smaller interest rate increases in the future. The one-year and 10-year U.S. Treasury yields finished the month at 4.31% and 3.61%, down 0.17% and 0.44% for November, respectively.

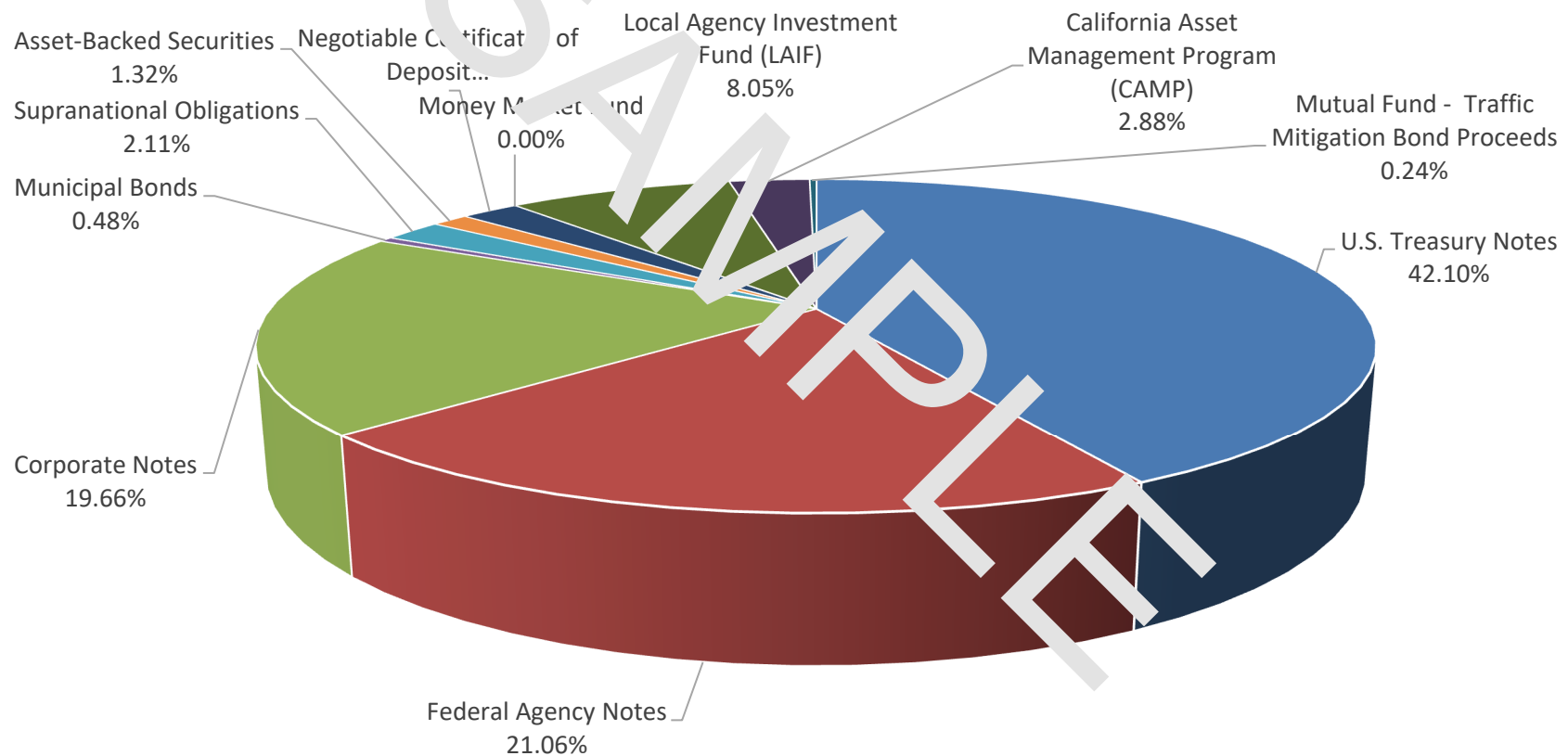
Real gross domestic product (GDP) rose at a 2.9% annualized rate in the third quarter of 2022, as the US economy rebounded following two quarterly contractions due in part to resilient consumers and businesses. This exceeded the expected 2.8% increase and the prior quarter's 0.6% decline. The Consumer Confidence Index (CCI) fell from 102.2 to 100.2 in November, as signs of softening in consumer demand brought to light the vulnerability of the current economic expansion.

The City's investment strategy for November 2022 was to invest funds not required to meet current obligations, in securities listed in the prevailing Investment Policy Statement. This strategy ensures safety of the City's funds, provides liquidity to meet the City's cash needs, and earns a reasonable portfolio return.

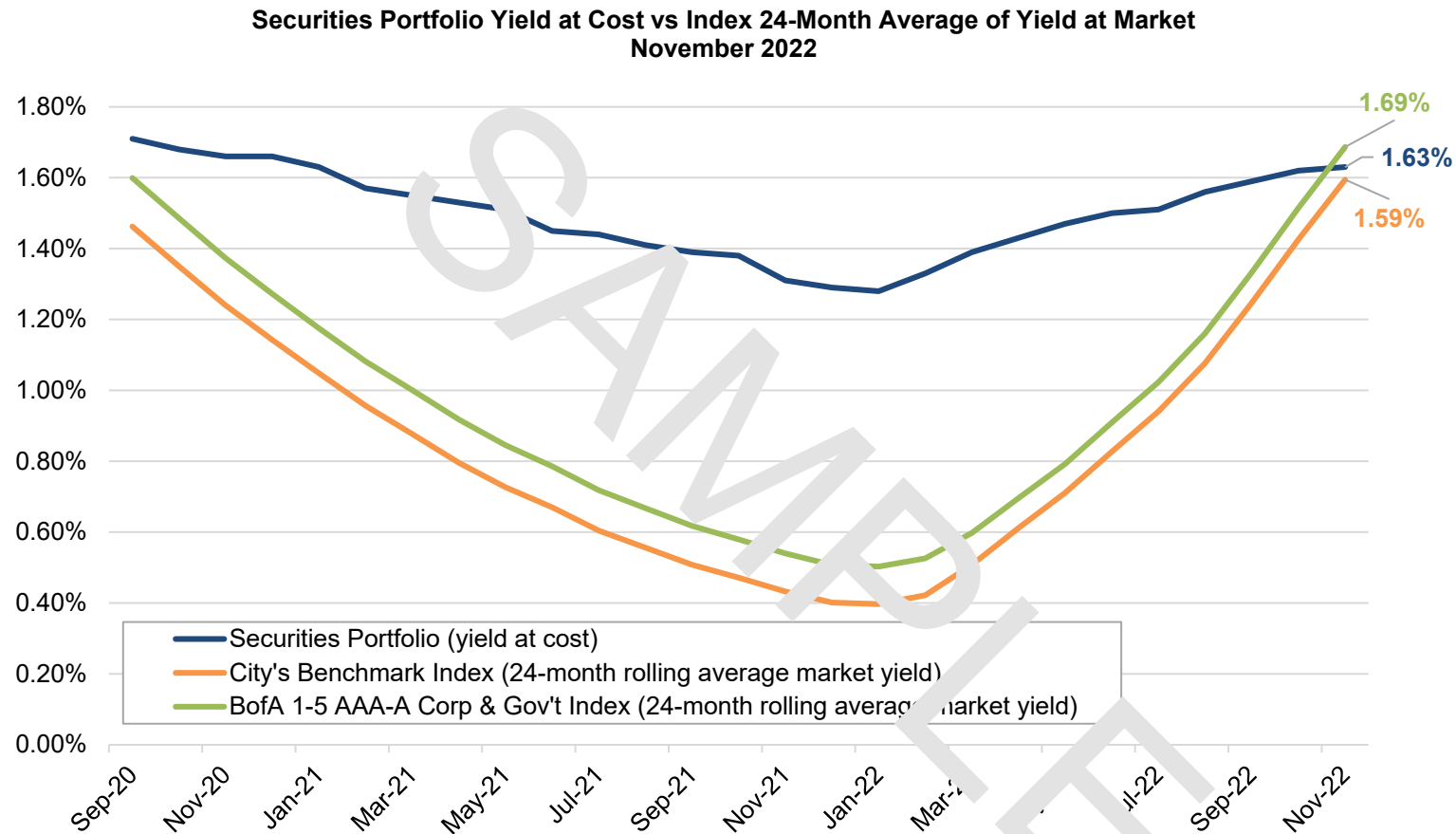
On July 14, 2020, City Council approved entering into a contract with PFM Asset Management LLC ("PFMAM") for the management of the City's investment portfolio. The City has leveraged PFMAM's extensive investment management experience and dedicated

credit and risk management personnel to further diversify the portfolio and enhance returns. PFMAM began actively managing the City's securities portfolio on September 1, 2020.

As of November 30, 2022, 42.10% of the City's portfolio consists of U.S. Treasury Notes, 21.07% consists of Federal Agencies, 19.66% consists of investment grade Corporate Notes, 8.05% consists of Local Agency Investment Fund (LAIF), 2.88% consists of California Asset Management Program (CAMP), 2.11% consists of AAA-rated Supranational Obligations, 2.09% consists of Negotiable Certificates of Deposit, 1.32% consists of AAA-rated Asset-Back Securities, and 0.48% consists of investment grade Municipal Bonds. In addition, City bond proceeds are invested in separate funds and are not included in the calculation of the City's portfolio yield.



The City's securities portfolio is benchmarked against the ICE BAML 1-5 US Treasury Index.



The following table summarizes the investment yields other information of the City's investment portfolio components, along with comparable-maturity market indices. Also shown are the monthly interest income and aggregate year-to-date income.

	Current Month 11/30/2022
Investment Yield	
Liquidity Portfolio ¹	2.53%
<i>LAIF average monthly yield</i>	<i>2.01%</i>
Securities Portfolio ² (at cost)	1.63%
<i>ICE BAML 1-5 US Treasury Index (24-month rolling average market yield)</i>	<i>1.59%</i>
<i>ICE BAML 1-5 AAA-A US Corporate & Government Index (24-month rolling average market yield)</i>	<i>1.69%</i>
City Portfolio (Liquidity + Securities)	1.71%
Investment Total Return	
Securities Portfolio	0.98%
<i>ICE BAML 1-5 US Treasury Index</i>	<i>1.08%</i>
<i>ICE BAML 1-5 AAA-A US Corporate & Government Index</i>	<i>1.22%</i>
Average Maturity of Investments (in years)	
Liquidity Portfolio	0.08
Securities Portfolio	2.19
City Portfolio (Liquidity + Securities)	1.95
<i>ICE BAML 1-5 US Treasury Index</i>	<i>2.17</i>
<i>ICE BAML 1-5 AAA-A US Corporate & Government Index</i>	<i>2.63</i>
Interest Income Current Month	\$ 944,225.06
Interest Income Fiscal Year To Date	\$ 5,447,599.25

1. Consists of CAMP, LAIF, Dreyfus Traffic Mitigation Fund, & Principal Sweep Account
2. Core long term portfolio managed by PFM Asset Management.

**INVESTMENT MATURITY DISTRIBUTION
AS OF NOVEMBER 30, 2022
UNRESTRICTED POOLED PORTFOLIO**

MATURITY (IN MONTHS)	COST VALUE	NUMBER OF INVESTMENTS	DISTRIBUTION
DEMAND	\$ 95,370,431 (a)	3	10.9%
0 TO 6	23,334,362	3	2.68%
7 TO 12	134,114,963	23	15.41%
13 TO 18	109,492,806	23	12.58%
19 TO 24	93,190,501	14	10.71%
25 TO 30	116,236,516	20	13.36%
31 TO 36	89,805,546	18	10.32%
37 TO 42	87,635,823	19	10.07%
43 TO 48	33,660,152	6	3.87%
49 TO 54	56,411,714	13	6.48%
55 TO 60	31,006,371	5	3.56%
TOTAL	\$ 870,259,185	147	100.00%

Average Maturity of Unrestricted Pool: 1.95 Years

(a) \$20 million is earmarked for the City's Electric Utility power-trading.

