*RA7

CITY OF MILPITAS
INVESTMENT PORTFOLIO STATUS

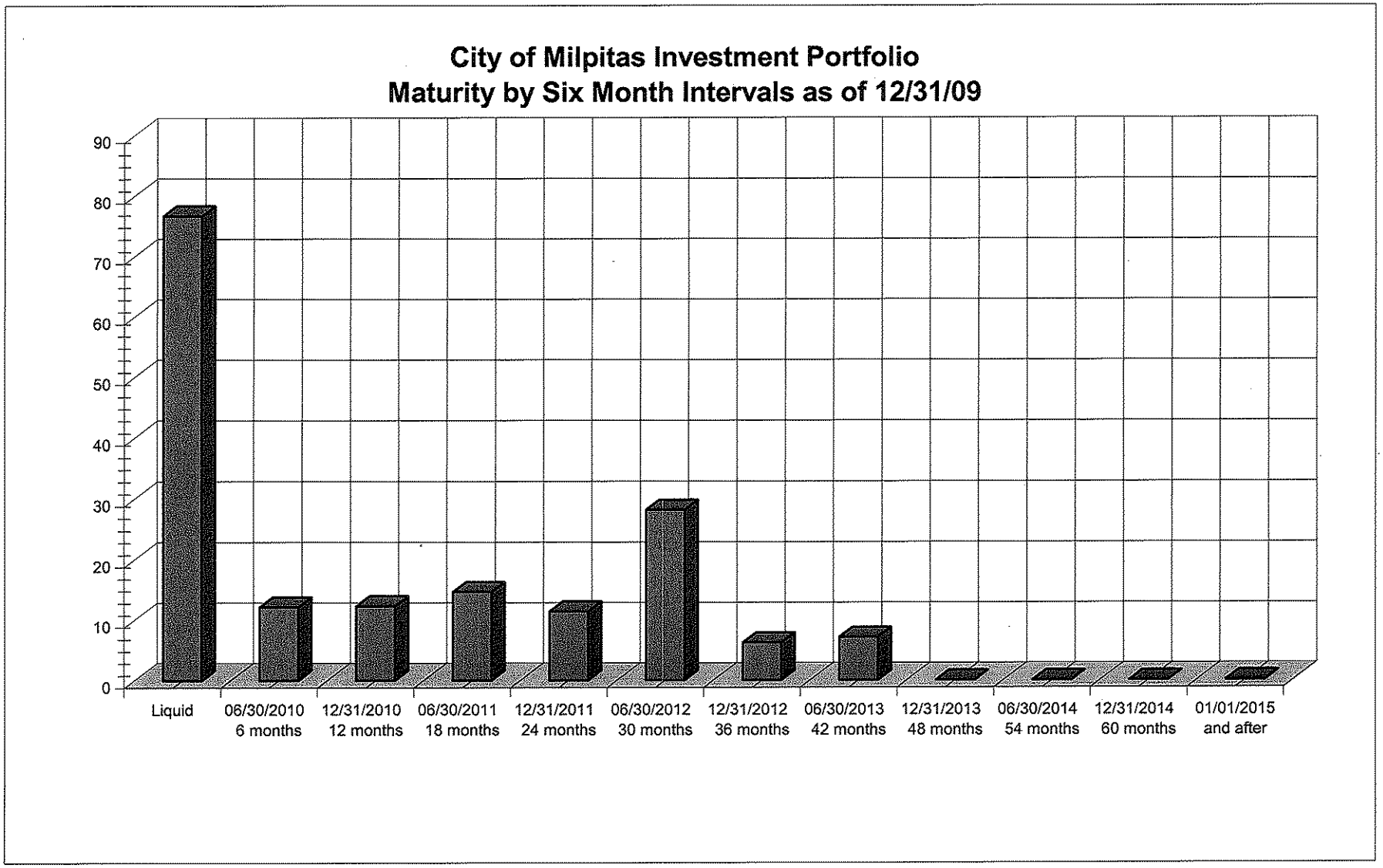
PERCENT OF TOTAL DOLLARS INVESTED AT QUARTER ENDED

TYPE OF SECURITY	Dec-09	Sep-09	Jun-09	Mar-09
LAIF & Money Market	47	48	54	49
Corporate Medium Term Notes	5	6	7	8
Treasury Notes / Bills	4	4	3	4
Federal Agency	44	42	36	39
	100	100	100	100

	Dec-09	Sep-09	Jun-09	Mar-09
Market Value	168,831,383	174,689,747	207,288,394	195,552,285
Cost	166,408,431	171,691,153	204,171,401	192,491,850
Days				
Weighted Average Maturity (1)	355	375	341	408
Rates				
Average Yield	2.15%	2.21%	2.58%	2.85%
Benchmarks:				
LAIF	0.31%	0.50%	1.12%	1.57%
2 Year Treasury - (12 Month Average)	0.95%	1.01%	1.33%	1.71%

(1) Excludes GNMA & Bond Proceeds

Exhibit 2



Maturity by Six Month Intervals As of 12-31-09

City of Milpitas Investment Portfolio Yields Compared to Benchmarks for the Quarters Ended 03/31/07 – 12/31/09

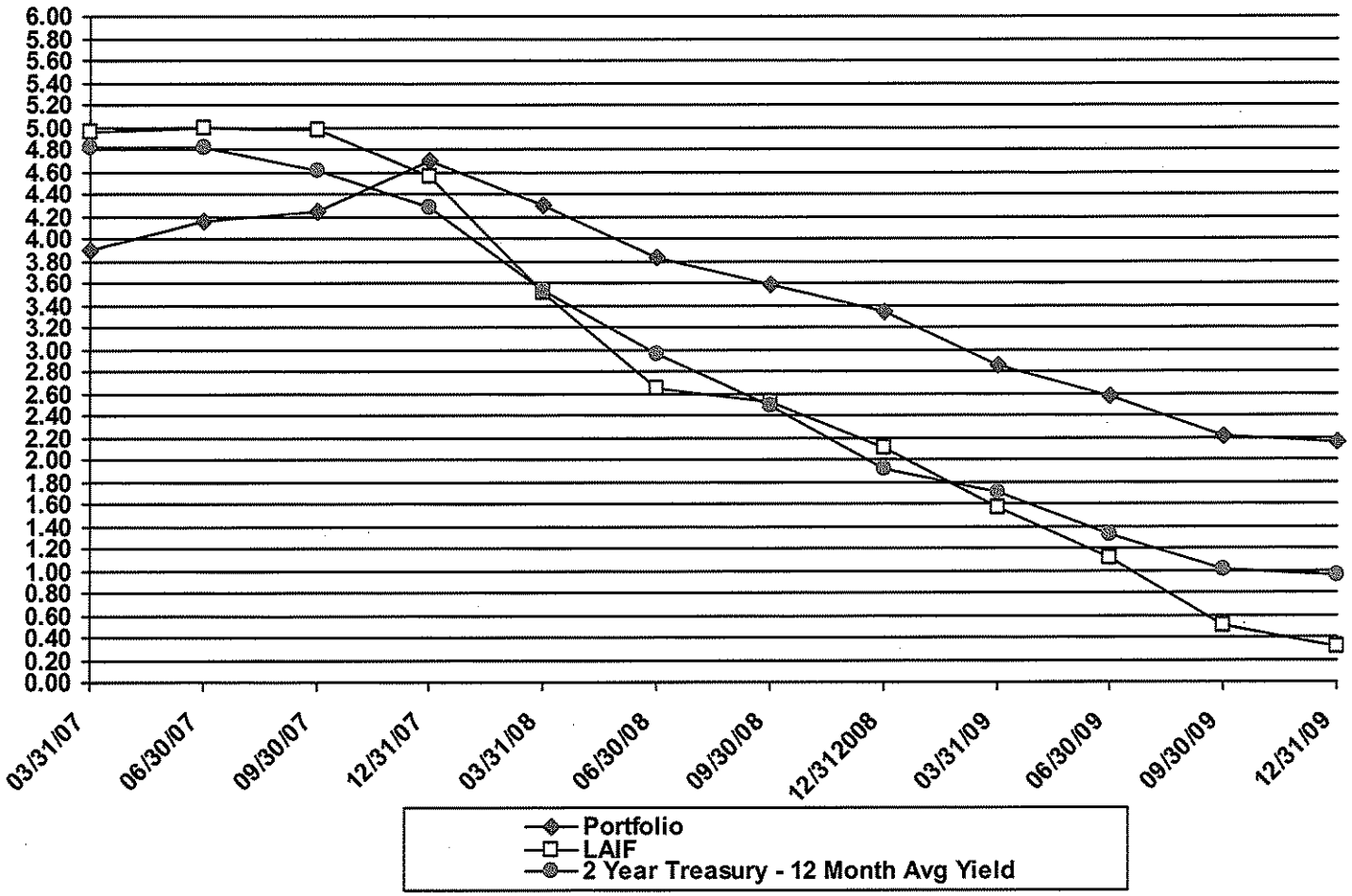


Exhibit 3

City of Milpitas
Portfolio Management
Portfolio Summary
December 31, 2009

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
LAIF	75,913,954.26	75,985,907.40	75,913,954.26	45.62	1	1	0.306	0.310
Money Market Funds	1,400,951.41	1,400,951.41	1,400,951.41	0.84	1	1	0.010	0.010
Corporate Notes	9,000,000.00	9,261,240.00	9,012,223.66	5.42	1,334	275	4.669	4.734
Federal Agency	73,000,000.00	74,714,420.00	73,057,919.97	43.90	1,200	624	3.261	3.307
Treasury Coupon Securities	7,000,000.00	7,411,860.00	6,972,007.47	4.19	1,507	802	3.850	3.904
GNMA	51,374.53	57,004.30	51,374.53	0.03	7,186	2,619	8.174	8.287
Investments	**166,366,280.20**	**168,831,383.11**	**166,408,431.30**	**100.00%**	**665**	**324**	**1.988**	**2.016**
Cash								
Passbook/Checking (not included in yield calculations)	3,501,716.62	3,501,716.62	3,501,716.62		1	1	0.010	0.010
Total Cash and Investments	**169,867,996.82**	**172,333,099.73**	**169,910,147.92**		**665**	**324**	**1.988**	**2.016**

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	298,924.32	2,026,715.97
Average Daily Balance	**163,810,188.94**	**181,412,100.58**
Effective Rate of Return	**2.15%**	**2.22%**

To the best of my knowledge, this report accurately reflects all City and RDA pooled 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.

Emma C. Karlen, Director of Finance

1/21/10

Reporting period 12/01/2009-12/31/2009

Run Date: 01/21/2010 - 14:23

Portfolio MILP
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PM (PRF_PM1) 7.2.5
Report Ver. 7.3.1

City of Milpitas
Portfolio Management
Portfolio Details - Investments
December 31, 2009

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			18,000,000.00	18,017,060.85	18,000,000.00	0.310		0.310	1	
SYS97090401	97090401	Local Agency Invest. Fd - MPFA			20,600,000.00	20,619,525.19	20,600,000.00	0.310		0.310	1	
SYS07111602	07111602	Local Agency Invest. Fd - RDA			14,913,954.26	14,928,090.08	14,913,954.26	0.310		0.310	1	
SYS82000900	82000900	Local Agency Invest. Fd - RDA			22,400,000.00	22,421,231.28	22,400,000.00	0.310		0.310	1	
		Subtotal and Average	**70,403,405.87**		**75,913,954.26**	**75,985,907.40**	**75,913,954.26**			**0.310**	**1**	
Money Market Funds												
SYS98122102	98122102	Dreyfus Treasury Fund			1,400,951.41	1,400,951.41	1,400,951.41	0.010	AAA	0.010	1	
		Subtotal and Average	**4,569,259.77**		**1,400,951.41**	**1,400,951.41**	**1,400,951.41**			**0.010**	**1**	
Corporate Notes												
931142BX0	06041102	Walmart Stores		04/11/2006	1,000,000.00	1,000,910.00	999,570.07	4.000	AA	5.230	14	01/15/2010
931142BZ5	07012302	Walmart Stores		01/23/2007	1,000,000.00	1,019,660.00	995,575.61	4.125	AA	5.100	181	07/01/2010
172967DA6	07012301	Citigroup Inc		01/23/2007	1,000,000.00	1,020,340.00	997,361.19	4.625	A	5.120	214	08/03/2010
931142CA9	06041101	Walmart Stores		04/11/2006	1,000,000.00	1,028,140.00	997,363.27	4.750	AA	5.227	226	08/15/2010
36962GS62	08031401	General Electric Capital Corp		03/14/2008	1,000,000.00	1,034,150.00	1,013,193.92	4.875	AA +	3.155	293	10/21/2010
060505BF0	06100201	Bank of America Corp		10/02/2006	1,000,000.00	1,032,360.00	994,630.02	4.375	A	5.030	334	12/01/2010
892332AM9	07041801	Toyota Motor Credit		04/18/2007	1,000,000.00	1,035,330.00	994,115.17	4.350	AA	5.030	348	12/15/2010
949746NB3	06092802	Wells Fargo Financial		09/28/2006	1,000,000.00	1,036,100.00	998,745.71	4.875	AA -	5.010	376	01/12/2011
36962GW59	08031402	General Electric Capital Corp		03/14/2008	1,000,000.00	1,054,250.00	1,021,668.70	5.500	AA +	3.750	482	04/28/2011
		Subtotal and Average	**9,011,868.02**		**9,000,000.00**	**9,261,240.00**	**9,012,223.66**			**4.734**	**275**	
Federal Agency												
3133MWBM2	08102001	Federal Home Loan Bank		10/20/2008	1,000,000.00	1,004,060.00	1,000,749.64	3.875	AAA	3.195	42	02/12/2010
3133XS2E7	08082601	Federal Home Loan Bank		08/26/2008	2,000,000.00	2,008,120.00	2,000,000.00	3.050	AAA	3.050	56	02/26/2010
3133XKXD2	07051801	Federal Home Loan Bank		05/18/2007	2,000,000.00	2,034,380.00	1,999,703.35	4.875	AAA	4.919	133	05/14/2010
3133XTRL2	09060101A	Federal Home Loan Bank		06/01/2009	1,620,000.00	1,622,527.20	1,620,000.00	0.520	AAA	0.520	151	06/01/2010
3133XTRL2	09060101B	Federal Home Loan Bank		06/01/2009	1,380,000.00	1,382,152.80	1,380,000.00	0.520	AAA	0.520	151	06/01/2010
31331XH39	07062801	Federal Farm Credit Bank		06/28/2007	2,000,000.00	2,048,120.00	1,999,908.22	5.250	AAA	5.260	178	06/28/2010
3133X06Q7	08022101	Federal Home Loan Bank		02/21/2008	2,000,000.00	2,043,120.00	2,013,265.25	4.125	AAA	3.001	224	08/13/2010
3133XRWL0	08072801	Federal Home Loan Bank		07/28/2008	3,000,000.00	3,052,500.00	2,999,773.47	3.375	AAA	3.387	224	08/13/2010
3133XQYX4	08042401	Federal Home Loan Bank		04/24/2008	2,000,000.00	2,033,120.00	1,999,854.56	3.000	AAA	3.012	252	09/10/2010
31331YNJ5	08013102	Federal Farm Credit Bank		01/31/2008	2,000,000.00	2,059,380.00	2,009,992.09	3.500	AAA	2.998	382	01/18/2011
31331XNE8	07020101	Federal Farm Credit Bank		02/01/2007	3,000,000.00	3,141,570.00	3,000,000.00	5.050	AAA	5.050	396	02/01/2011
3133XEMR7	08013101	Federal Home Loan Bank		01/31/2008	2,000,000.00	2,089,380.00	2,038,341.99	4.850	AAA	3.000	399	02/04/2011
31331YQ45	08051901	Federal Farm Credit Bank		05/19/2008	3,000,000.00	3,092,820.00	3,000,000.00	3.150	AAA	3.150	503	05/19/2011

City of Milpitas
Portfolio Management
Portfolio Details - Investments
December 31, 2009

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												
31331XA36	07052501	Federal Farm Credit Bank		05/25/2007	2,000,000.00	2,114,380.00	2,000,252.00	5.050	AAA	5.040	509	05/25/2011
31331Y3N8	08071501	Federal Farm Credit Bank		07/15/2008	2,000,000.00	2,079,380.00	2,000,000.00	3.625	AAA	3.625	560	07/15/2011
3133XT3T1	09021101	Federal Home Loan Bank		02/11/2009	3,000,000.00	3,042,180.00	3,000,000.00	2.050	AAA	2.050	587	08/11/2011
31331GDC0	08101401	Federal Farm Credit Bank		10/14/2008	2,000,000.00	2,085,620.00	2,000,000.00	3.600	AAA	3.600	651	10/14/2011
31331YER7	07112101	Federal Farm Credit Bank		11/21/2007	2,000,000.00	2,115,620.00	2,000,000.00	4.350	AAA	4.350	689	11/21/2011
3133XSTE8	09010901	Federal Home Loan Bank		01/09/2009	2,000,000.00	2,030,000.00	2,000,000.00	2.000	AAA	2.000	738	01/09/2012
3133XJKM9	07011201	Federal Home Loan Bank		01/12/2007	2,000,000.00	2,001,880.00	2,000,000.00	5.100	AAA	5.100	741	01/12/2012
31331XMN9	07020501	Federal Farm Credit Bank		02/05/2007	2,000,000.00	2,149,380.00	1,996,382.52	5.040	AAA	5.140	753	01/24/2012
3133XSZK7	09020601	Federal Home Loan Bank		02/06/2009	3,000,000.00	3,052,500.00	3,000,000.00	2.150	AAA	2.150	766	02/06/2012
3133XVWF4	09121501	Federal Home Loan Bank		12/15/2009	2,000,000.00	1,985,620.00	2,000,000.00	1.050	AAA	1.050	804	03/15/2012
31331YC24	08040901	Federal Farm Credit Bank		04/09/2008	2,000,000.00	2,078,760.00	2,000,000.00	3.250	AAA	3.250	829	04/09/2012
3133XKF83	07041901	Federal Home Loan Bank		04/19/2007	3,000,000.00	3,040,320.00	3,000,000.00	5.020	AAA	5.020	839	04/19/2012
3133XTQH2	09052201	Federal Home Loan Bank		05/22/2009	2,000,000.00	2,013,120.00	2,000,000.00	1.800	AAA	1.800	872	05/22/2012
31331YU40	08060401	Federal Farm Credit Bank		06/04/2008	2,000,000.00	2,108,120.00	1,999,696.88	3.875	AAA	3.882	885	06/04/2012
3133XLAS2	07061501	Federal Home Loan Bank		06/15/2007	2,000,000.00	2,044,380.00	2,000,000.00	5.420	AAA	5.420	896	06/15/2012
3133XT3A2	09021001	Federal Home Loan Bank		02/10/2009	3,000,000.00	3,061,890.00	3,000,000.00	2.500	AAA	2.500	952	08/10/2012
3133XT4J2	09021301	Federal Home Loan Bank		02/13/2009	3,000,000.00	3,058,140.00	3,000,000.00	2.450	AAA	2.450	955	08/13/2012
31331GG37	09080401	Federal Farm Credit Bank		08/04/2009	2,000,000.00	2,010,620.00	2,000,000.00	2.150	AAA	2.150	1,130	02/04/2013
3133XVER8	09102601	Federal Home Loan Bank		10/26/2009	2,000,000.00	1,995,620.00	2,000,000.00	2.050	AAA	2.050	1,211	04/26/2013
3136F9LC5	08042901	Federal Nat'l. Mortgage Assoc		04/29/2008	3,000,000.00	3,035,640.00	3,000,000.00	4.000	AAA	4.000	1,214	04/29/2013
		Subtotal and Average	**72,802,564.15**		**73,000,000.00**	**74,714,420.00**	**73,057,919.97**			**3.307**	**624**	
Treasury Coupon Securities												
912828LG3	09073101	United States Treasury Note		07/31/2009	2,000,000.00	2,003,040.00	1,997,975.48	1.000	AAA	1.065	576	07/31/2011
912828GU8	07061101	United States Treasury Note		06/11/2007	3,000,000.00	3,239,760.00	2,979,647.74	4.750	AAA	5.071	881	05/31/2012
912828GW4	07070201	United States Treasury Note		07/02/2007	2,000,000.00	2,169,060.00	1,994,384.25	4.875	AAA	5.004	911	06/30/2012
		Subtotal and Average	**6,971,515.75**		**7,000,000.00**	**7,411,860.00**	**6,972,007.47**			**3.904**	**802**	
GNMA												
36216NNL3	88021601A	GNMA		07/01/1997	4,214.16	4,685.94	4,214.16	9.500	AAA	9.615	2,479	10/15/2016
36217ENG3	87052601C	GNMA		07/01/1997	8,592.77	9,391.47	8,592.77	8.500	AAA	8.588	2,540	12/15/2016
36217KGX0	87052601D	GNMA		07/01/1997	0.00	0.00	0.00	8.500	AAA	8.588	0	02/15/2017
362174T46	87042001C	GNMA		07/01/1997	11,550.15	12,855.66	11,550.15	8.000	AAA	8.075	2,630	03/15/2017
36217FKE8	87042001A	GNMA		07/01/1997	27,017.45	30,071.23	27,017.45	8.000	AAA	8.076	2,661	04/15/2017
		Subtotal and Average	**51,575.38**		**51,374.53**	**57,004.30**	**51,374.53**			**8.287**	**2,619**	

City of Milpitas
Portfolio Management
Portfolio Details - Investments
December 31, 2009

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
		Total and Average	163,810,188.94		166,366,280.20	168,831,383.11	166,408,431.30			2.016	324

City of Milpitas
Portfolio Management
Portfolio Details - Cash
December 31, 2009

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 Bank			599,996.00	599,996.00	599,996.00	0.060		0.060	1
SYS1030	1030	Cash with Fiscal Agent			2,901,720.62	2,901,720.62	2,901,720.62			0.000	1
		Average Balance	**0.00**								**1**
		Total Cash and Investments	**163,810,188.94**		**169,867,996.82**	**172,333,099.73**	**169,910,147.92**			**2.016**	**324**

City of Milpitas
Portfolio Management
Activity By Type
December 1, 2009 through December 31, 2009

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
LAIF (Monthly Summary)							
SYS82000010	82000010	Local Agency Invest. Fd - City	0.310		9,000,000.00	0.00	
SYS97090401	97090401	Local Agency Invest. Fd - MPFA	0.310		0.00	500,000.00	
SYS07111602	07111602	Local Agency Invest. Fd - RDA	0.310		0.00	1,521,000.00	
SYS82000900	82000900	Local Agency Invest. Fd - RDA	0.310		4,200,000.00	600,000.00	
		Subtotal			**13,200,000.00**	**2,621,000.00**	**75,913,954.26**
Money Market Funds (Monthly Summary)							
SYS1000	1000	Cash in Bank	0.060		599,996.00	698,808.00	
SYS98122102	98122102	Dreyfus Treasury Fund	0.010		800,000.54	300,000.00	
SYS1030	1030	Cash with Fiscal Agent			2,901,720.62	2,901,720.62	
		Subtotal			**4,301,717.16**	**3,900,528.62**	**1,400,951.41**
Corporate Notes							
		Subtotal					**9,012,223.66**
Federal Agency							
3133XGYT5	06091502	Federal Home Loan Bank	5.000	12/11/2009	0.00	2,000,000.00	
3133XVWF4	09121501	Federal Home Loan Bank	1.050	12/15/2009	2,000,000.00	0.00	
		Subtotal			**2,000,000.00**	**2,000,000.00**	**73,057,919.97**
Treasury Coupon Securities							
		Subtotal					**6,972,007.47**
GNMA							
36217FKE8	87042001A	GNMA	8.000	12/15/2009	0.00	226.39	
362174T46	87042001C	GNMA	8.000	12/15/2009	0.00	98.88	
36217ENG3	87052601C	GNMA	8.500	12/15/2009	0.00	80.89	
36216NNL3	88021601A	GNMA	9.500	12/15/2009	0.00	38.58	
		Subtotal			**0.00**	**444.74**	**51,374.53**
		Total			**19,501,717.16**	**8,521,973.36**	**166,408,431.30**

City of Milpitas

Investment Broker Dealer List

Morgan Stanley Smith Barney - formerly

Citigroup Global Markets Inc. (Smith Barney)

Morgan Stanley Dean Witter

Mischler Financial Group, Inc.

Vining Sparks IBG, L.P.

Dreyfus Institutional Services

State of California Local Agency Investment Fund