

CITY OF MILPITAS
INVESTMENT PORTFOLIO STATUS

PERCENT OF TOTAL DOLLARS INVESTED AT QUARTER ENDED

<u>TYPE OF SECURITY</u>	<u>Dec-11</u>	<u>Sep-11</u>	<u>Jun-11</u>	<u>Mar-11</u>
LAIF & Money Market	47	42	48	43
Corporate Medium Term Notes	2	3	2	2
Treasury Notes / Bills	8	7	8	8
Federal Agency	43	48	42	47
	100	100	100	100

	<u>Dec-11</u>	<u>Sep-11</u>	<u>Jun-11</u>	<u>Mar-11</u>
Market Value	160,766,483	153,665,829	171,125,740	158,424,506
Cost	159,744,101	152,417,366	169,734,083	157,258,939

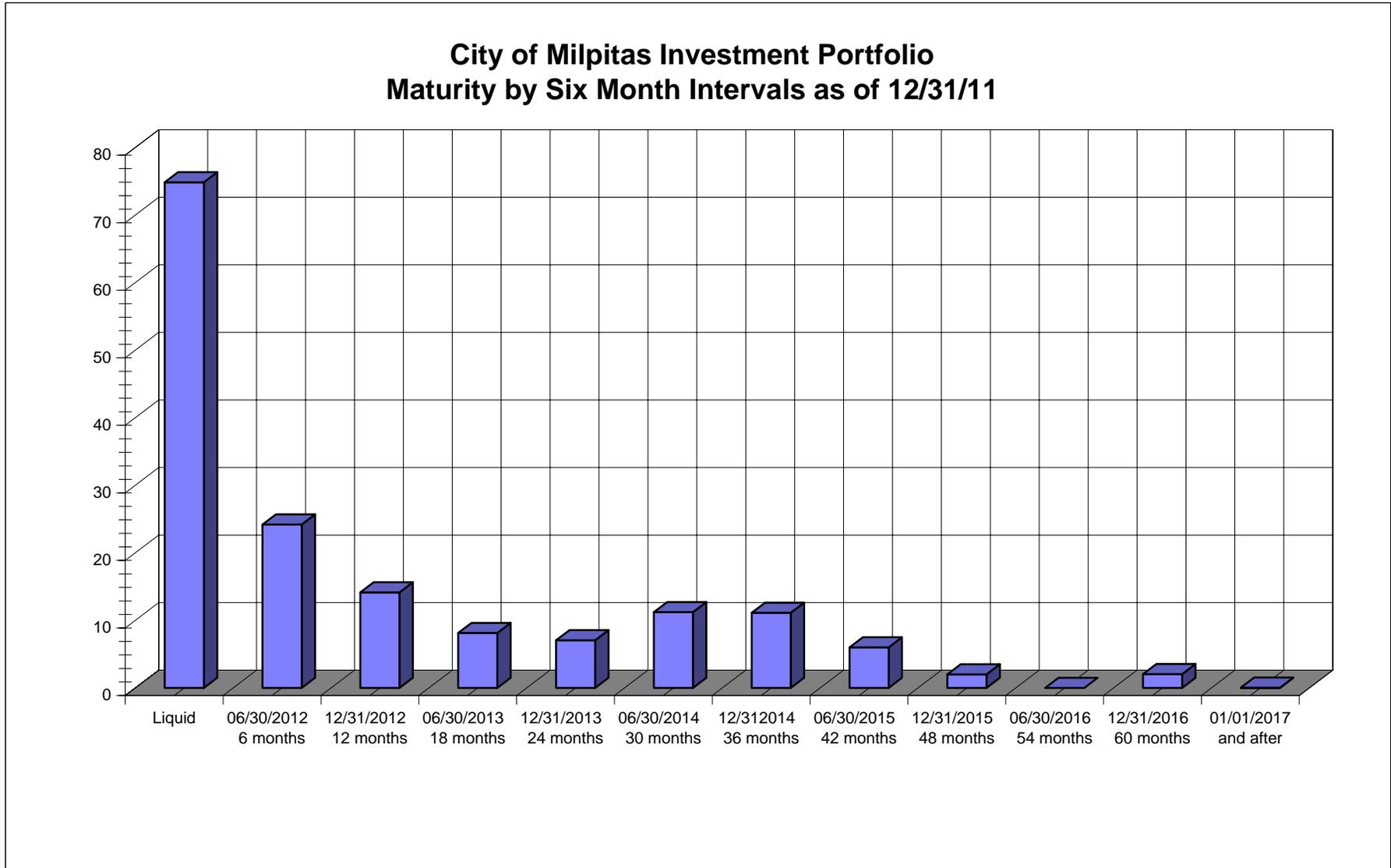
<u>Days</u>	<u>Dec-11</u>	<u>Sep-11</u>	<u>Jun-11</u>	<u>Mar-11</u>
Weighted Average Maturity (1)	294	328	311	350

<u>Rates</u>	<u>Dec-11</u>	<u>Sep-11</u>	<u>Jun-11</u>	<u>Mar-11</u>
Average Yield	1.14%	1.29%	1.30%	1.47%

<u>Benchmarks:</u>	<u>Dec-11</u>	<u>Sep-11</u>	<u>Jun-11</u>	<u>Mar-11</u>
LAIF	0.38%	0.38%	0.45%	0.50%
2 Year Treasury - (12 Month Average)	0.43%	0.48%	0.53%	0.60%

(1) In calculating the Weighted Average Maturity, bond proceeds investment was excluded from the calculation for the quarters prior to September 2011.

Exhibit 2



City of Milpitas Investment Portfolio Yields Compared to Benchmarks for the Quarters Ended 03/31/09 – 12/31/11

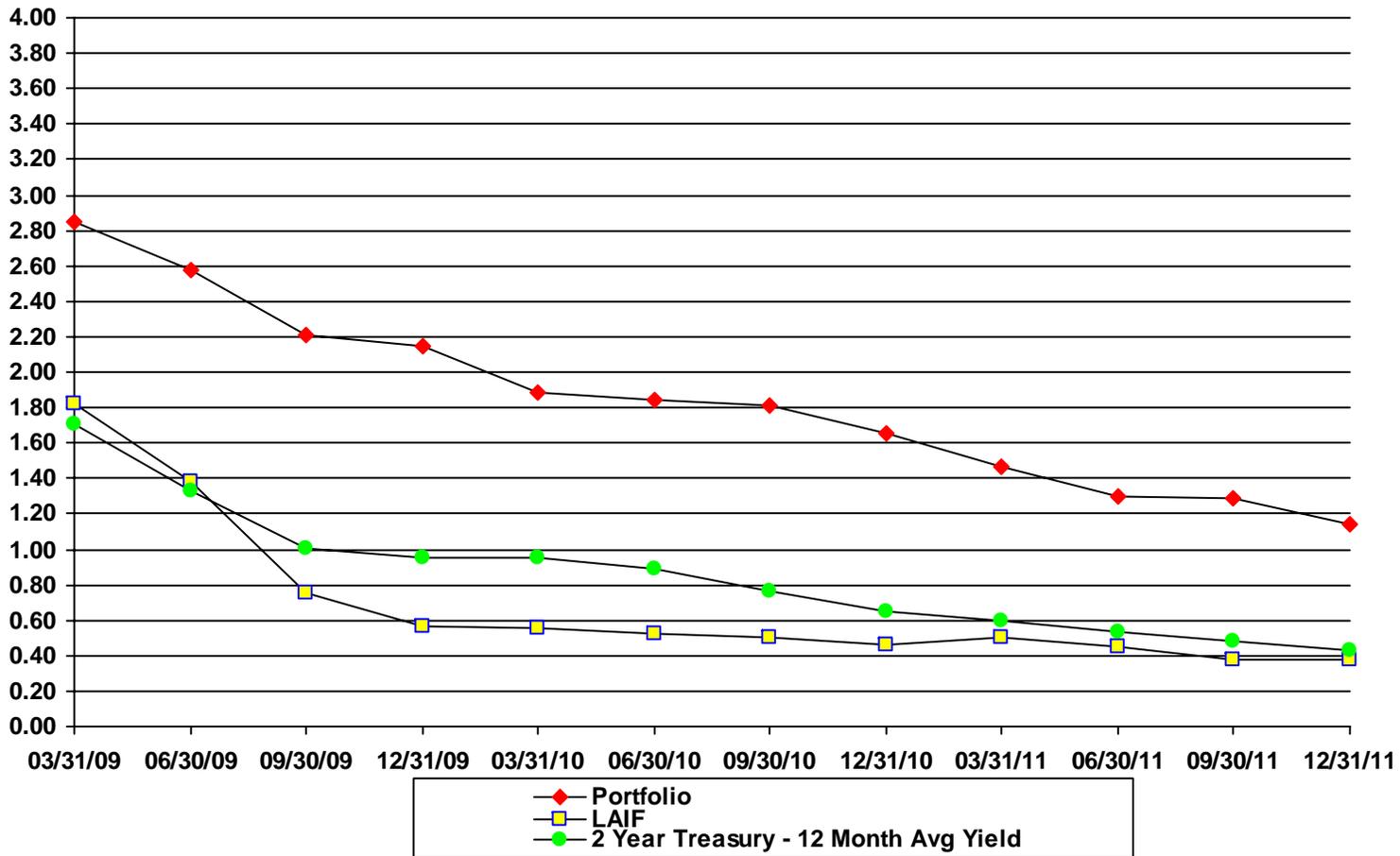


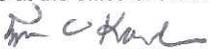
Exhibit 3

**City of Milpitas
Portfolio Management
Portfolio Summary
December 31, 2011**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
LAIF	74,212,663.81	74,335,262.91	74,212,663.81	46.46	1	1	0.377	0.382
Money Market Funds	525,048.85	525,048.85	525,048.85	0.33	1	1	0.010	0.010
Corporate Notes	4,000,000.00	4,048,290.00	4,007,106.81	2.51	948	655	1.550	1.571
Federal Agency	68,000,000.00	68,637,140.00	67,986,258.67	42.56	1,171	550	1.686	1.709
Treasury Coupon Securities	13,000,000.00	13,179,901.09	12,973,504.48	8.12	1,427	525	2.640	2.676
GNMA	39,518.82	40,840.62	39,518.82	0.02	7,187	1,890	8.170	8.283
Investments	159,777,231.48	160,766,483.47	159,744,101.44	100.00%	640	294	1.148	1.164
Cash								
Passbook/Checking (not included in yield calculations)	2,990,192.46	2,988,969.60	2,990,192.46		1	1	0.004	0.004
Total Cash and Investments	162,767,423.94	163,756,675.93	162,734,293.90		640	294	1.148	1.164

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	153,983.88	982,705.18
Average Daily Balance	159,243,490.14	159,816,460.33
Effective Rate of Return	1.14%	1.22%

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

Reporting period 12/01/2011-12/31/2011

Run Date: 01/20/2012 - 13:55

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 Report Ver. 7.3.1

**City of Milpitas
Portfolio Management
Portfolio Details - Investments
December 31, 2011**

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			26,500,000.00	26,543,777.92	26,500,000.00	0.382		0.382	1	
SYS97090401	97090401	Local Agency Invest. Fd - MPFA			14,200,000.00	14,223,458.36	14,200,000.00	0.382		0.382	1	
SYS07111602	07111602	Local Agency Invest. Fd - RDA			3,512,663.81	3,518,466.72	3,512,663.81	0.382		0.382	1	
SYS82000900	82000900	Local Agency Invest. Fd - RDA			30,000,000.00	30,049,559.91	30,000,000.00	0.382		0.382	1	
Subtotal and Average			71,661,502.52		74,212,663.81	74,335,262.91	74,212,663.81			0.382	1	
Money Market Funds												
SYS98122102	98122102	Dreyfus Treasury & Agency Fund			525,048.85	525,048.85	525,048.85	0.010	AAA	0.010	1	
Subtotal and Average			3,544,185.97		525,048.85	525,048.85	525,048.85			0.010	1	
Corporate Notes												
36962G4Q4	11050301	General Electric Capital Corp		05/03/2011	2,000,000.00	2,024,640.00	2,011,852.99	1.875	AA+	1.520	624	09/16/2013
594918AF1	11020801	Microsoft Corp		02/08/2011	1,000,000.00	1,008,680.00	996,490.71	0.875	AAA	1.080	635	09/27/2013
36962G4X9	11010701	General Electric Capital Corp		01/07/2011	1,000,000.00	1,014,970.00	998,763.11	2.100	AA+	2.164	737	01/07/2014
Subtotal and Average			4,007,274.68		4,000,000.00	4,048,290.00	4,007,106.81			1.571	655	
Federal Agency												
3133XSTE8	09010901	Federal Home Loan Bank		01/09/2009	2,000,000.00	2,000,620.00	2,000,000.00	2.000	AA+	2.000	8	01/09/2012
31331XMN9	07020501	Federal Farm Credit Bank		02/05/2007	2,000,000.00	2,005,740.00	1,999,888.02	5.040	AA+	5.140	23	01/24/2012
3133XSZK7	09020601	Federal Home Loan Bank		02/06/2009	3,000,000.00	3,005,580.00	3,000,000.00	2.150	AA+	2.150	36	02/06/2012
3133XX4L8	10022201	Federal Home Loan Bank		02/22/2010	2,000,000.00	2,002,400.00	2,000,000.00	1.000	AA+	1.000	52	02/22/2012
3133XVWF4	09121501	Federal Home Loan Bank		12/15/2009	2,000,000.00	2,003,720.00	2,000,000.00	1.050	AA+	1.050	74	03/15/2012
31331YC24	08040901	Federal Farm Credit Bank		04/09/2008	2,000,000.00	2,016,680.00	2,000,000.00	3.250	AA+	3.250	99	04/09/2012
3133XTQH2	09052201	Federal Home Loan Bank		05/22/2009	2,000,000.00	2,012,960.00	2,000,000.00	1.800	AA+	1.800	142	05/22/2012
31331YU40	08060401	Federal Farm Credit Bank		06/04/2008	2,000,000.00	2,031,400.00	1,999,946.88	3.875	AA+	3.882	155	06/04/2012
3133XXTU1	10041201	Federal Home Loan Bank		04/12/2010	2,000,000.00	2,011,120.00	2,000,000.00	1.260	AA+	1.260	193	07/12/2012
3133XXP68	10032201	Federal Home Loan Bank		03/22/2010	2,000,000.00	2,011,600.00	2,000,000.00	1.250	AA+	1.250	208	07/27/2012
3133XT3A2	09021001	Federal Home Loan Bank		02/10/2009	3,000,000.00	3,040,920.00	3,000,000.00	2.500	AA+	2.500	222	08/10/2012
3133XT4J2	09021301	Federal Home Loan Bank		02/13/2009	3,000,000.00	3,040,560.00	3,000,000.00	2.450	AA+	2.450	225	08/13/2012
3133XYTY1	10061801	Federal Home Loan Bank		06/18/2010	2,000,000.00	2,014,420.00	2,000,000.00	1.150	AA+	1.150	295	10/22/2012
3133XYFC4	10051001	Federal Home Loan Bank		05/10/2010	2,000,000.00	2,018,960.00	2,000,000.00	1.375	AA+	1.375	302	10/29/2012
31331GG37	09080401	Federal Farm Credit Bank		08/04/2009	2,000,000.00	2,040,400.00	2,000,000.00	2.150	AA+	2.150	400	02/04/2013
313372PA6	11021601	Federal Home Loan Bank		02/16/2011	2,000,000.00	2,018,080.00	2,000,000.00	1.000	AA+	1.000	501	05/16/2013
3133XYHD0	10050701	Federal Home Loan Bank		05/07/2010	2,000,000.00	2,036,720.00	1,999,091.66	1.625	AA+	1.657	530	06/14/2013
3136FPGA9	10092001	Federal Nat'l. Mortgage Assoc		09/20/2010	2,000,000.00	2,000,680.00	2,000,000.00	1.000	AA+	1.000	628	09/20/2013
31331KAQ3	11020401	Federal Farm Credit Bank		02/04/2011	2,000,000.00	2,027,600.00	1,992,088.09	1.125	AA+	1.320	757	01/27/2014

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**City of Milpitas
Portfolio Management
Portfolio Details - Investments
December 31, 2011**

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												
313372GZ1	11021401	Federal Home Loan Bank		02/14/2011	3,000,000.00	3,003,300.00	3,000,000.00	1.300	AA+	1.300	775	02/14/2014
31331KAH3	11020701	Federal Farm Credit Bank		02/07/2011	2,000,000.00	2,027,600.00	1,991,365.24	1.125	AA+	1.330	788	02/27/2014
3133XWE70	10060101A	Federal Home Loan Bank		06/01/2010	1,600,000.00	1,675,296.00	1,616,046.08	2.500	AA+	2.071	894	06/13/2014
3133XWE70	10060101B	Federal Home Loan Bank		06/01/2010	1,400,000.00	1,465,884.00	1,414,040.32	2.500	AA+	2.071	894	06/13/2014
313371WB8	10112401	Federal Home Loan Bank		11/24/2010	2,000,000.00	2,028,880.00	2,000,000.00	1.150	AA+	1.150	935	07/24/2014
313374RB8	11072801	Federal Home Loan Bank		07/28/2011	2,000,000.00	2,017,180.00	2,000,000.00	1.000	AA+	1.000	939	07/28/2014
313373XN7	11052701	Federal Home Loan Bank		05/27/2011	3,000,000.00	3,046,800.00	3,003,898.28	1.250	AA+	1.200	970	08/28/2014
3135G0CU5	11091201	Federal Nat'l. Mortgage Assoc		09/12/2011	2,000,000.00	1,998,180.00	2,000,000.00	0.625	AAA	0.625	985	09/12/2014
31331JQ55	11020402	Federal Farm Credit Bank		02/04/2011	2,000,000.00	2,027,900.00	1,969,894.10	1.150	AA+	1.714	1,009	10/06/2014
313373VZ2	11060901	Federal Home Loan Bank		06/09/2011	2,000,000.00	2,004,140.00	2,000,000.00	1.500	AA+	1.500	1,163	03/09/2015
3134G22F8-	11110101	Fed Home Loan Mortgage Corp		11/01/2011	2,000,000.00	2,000,000.00	2,000,000.00	1.000	AA+	1.000	1,216	05/01/2015
3134G3CL2	11121601	Fed Home Loan Mortgage Corp		12/16/2011	2,000,000.00	2,000,720.00	2,000,000.00	1.000	AA+	1.000	1,262	06/16/2015
3135G0DH3	11092101	Federal Nat'l. Mortgage Assoc		09/21/2011	2,000,000.00	2,001,100.00	2,000,000.00	1.000	AA+	1.000	1,359	09/21/2015
Subtotal and Average			67,018,225.45		68,000,000.00	68,637,140.00	67,986,258.67			1.709	550	
Treasury Coupon Securities												
912828NB2	10043001	United States Treasury Note		04/30/2010	2,000,000.00	2,006,260.00	1,999,352.30	1.000	AA+	1.100	120	04/30/2012
912828GU8	07061101	United States Treasury Note		06/11/2007	3,000,000.00	3,057,420.00	2,996,511.70	4.750	AA+	5.071	151	05/31/2012
912828GW4	07070201	United States Treasury Note		07/02/2007	2,000,000.00	2,047,180.00	1,998,884.25	4.875	AA+	5.004	181	06/30/2012
912828MT4	10031501	United States Treasury Note		03/15/2010	2,000,000.00	2,028,520.00	1,996,995.89	1.375	AA+	1.503	439	03/15/2013
912828PL8	10122801	United States Treasury Note		12/28/2010	2,000,000.00	2,019,300.00	1,985,784.28	0.750	AA+	1.121	714	12/15/2013
912828RJ1	11101101	United States Treasury Note		10/11/2011	2,000,000.00	2,021,221.09	1,995,976.06	1.000		1.050	1,734	09/30/2016
Subtotal and Average			12,972,543.22		13,000,000.00	13,179,901.09	12,973,504.48			2.676	525	
GNMA												
36216NNL3	88021601A	GNMA		07/01/1997	3,185.31	3,199.39	3,185.31	9.500	AA+	9.615	1,749	10/15/2016
36217ENG3	87052601C	GNMA		07/01/1997	6,458.47	6,482.30	6,458.47	8.500	AA+	8.588	1,810	12/15/2016
362174T46	87042001C	GNMA		07/01/1997	8,813.01	9,604.68	8,813.01	8.000	AA+	8.075	1,900	03/15/2017
36217FKE8	87042001A	GNMA		07/01/1997	21,062.03	21,554.25	21,062.03	8.000	AA+	8.076	1,931	04/15/2017
Subtotal and Average			39,758.30		39,518.82	40,840.62	39,518.82			8.283	1,890	

**City of Milpitas
Portfolio Management
Portfolio Details - Investments
December 31, 2011**

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	159,243,490.14		159,777,231.48	160,766,483.47	159,744,101.44			1.164	294

**City of Milpitas
Portfolio Management
Portfolio Details - Cash
December 31, 2011**

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			544,482.00	544,482.00	544,482.00	0.020		0.020	1
SYS1030	1030	Cash with Fiscal Agent			2,445,710.46	2,444,487.60	2,445,710.46			0.000	1
		Average Balance	0.00								1
Total Cash and Investments			159,243,490.14		162,767,423.94	163,756,675.93	162,734,293.90			1.164	294

**City of Milpitas
Portfolio Management
Activity By Type
December 1, 2011 through December 31, 2011**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
LAIF (Monthly Summary)							
SYS82000010	82000010	Local Agency Invest. Fd - City	0.382		9,000,000.00	3,900,000.00	
SYS07111602	07111602	Local Agency Invest. Fd - RDA	0.382		0.00	78,000.00	
Subtotal					9,000,000.00	3,978,000.00	74,212,663.81
Money Market Funds (Monthly Summary)							
SYS1000	1000	Cash in Bank	0.020		544,482.00	574,396.00	
SYS98122102	98122102	Dreyfus Treasury & Agency Fund	0.010		4.52	0.00	
Subtotal					544,486.52	574,396.00	525,048.85
Corporate Notes							
Subtotal							4,007,106.81
Federal Agency							
3134G3CL2	11121601	Fed Home Loan Mortgage Corp	1.000	12/16/2011	2,000,000.00	0.00	
Subtotal					2,000,000.00	0.00	67,986,258.67
Treasury Coupon Securities							
Subtotal							12,973,504.48
GNMA							
36217FKE8	87042001A	GNMA	8.000	12/15/2011	0.00	268.28	
362174T46	87042001C	GNMA	8.000	12/15/2011	0.00	118.14	
36217ENG3	87052601C	GNMA	8.500	12/15/2011	0.00	96.78	
36216NNL3	88021601A	GNMA	9.500	12/15/2011	0.00	47.08	
Subtotal					0.00	530.28	39,518.82
Total					11,544,486.52	4,552,926.28	159,744,101.44

City of Milpitas

Investment Broker Dealer List

Cantor Fitzgerald & Co.

Dreyfus Institutional Services

Mischler Financial Group, Inc.

Morgan Stanley Smith Barney

State of California Local Agency Investment Fund

Vining Sparks IBG, L.P.