



FOR PROFESSIONAL CLIENTS ONLY
NOT TO BE DISTRIBUTED TO RETAIL CLIENTS

THIS DOCUMENT SHOULD NOT BE REPRODUCED IN
ANY FORM WITHOUT PRIOR WRITTEN APPROVAL

CITY OF SAN PABLO

September 2018

Part of  BNY MELLON



Contents

Fixed income market review	3
Activity and performance summary	4
Recap of securities held	6
Maturity distribution of securities held	7
Securities held	8
GASB 40 - Deposit and investment risk disclosure	13
Securities purchased	17
Securities sold and matured	18
Transaction report	19
Additional information	20

FIXED INCOME MARKET REVIEW

CITY OF SAN PABLO

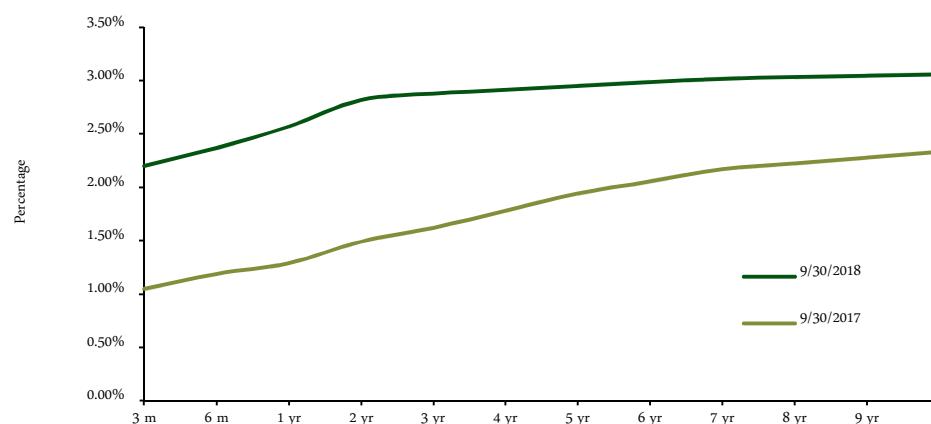
As of September 30, 2018

Chart 1: Consumer Price Index: 8/31/2013—8/31/2018



Source: Bloomberg Finance LP, September 30, 2018.

Chart 2: Treasury yield curve: 9/30/2017 and 9/30/2018



Source: Bloomberg Finance LP, September 30, 2018.

Economic Indicators and Monetary Policy

On September 26, the Federal Open Market Committee (FOMC) voted unanimously to increase the target range for the federal funds rate 25 basis points to 2.00% to 2.25%. The FOMC statement continued to describe a strengthening labor market, rising economic activity and steady longer-term inflation expectations.

Although the language in the FOMC statement was largely unchanged, it no longer characterizes the stance of monetary policy as accommodative. Removing that reference may enable the Committee to more freely adjust policy based on data in the future. In terms of forward guidance, the FOMC signaled it would continue pursuing a gradual hiking path in response to the fundamental backdrop.

The employment report released on September 7 showed employers hired 201,000 workers in August versus expectations for 190,000, and the July payroll report was revised downward by 10,000 jobs added to 147,000. The August unemployment rate was unchanged from the prior month at 3.9% while the underemployment rate fell 0.1% to 7.4%. Average hourly earnings increased to 2.9% year-over-year in August from 2.7% in July.

The Consumer Price Index (CPI) was released on September 13. Medical costs decreased in August and apparel prices fell by the most in nearly 70 years which led to a cooling in the inflation indicator. Gains in the CPI were seen in shelter costs, airfares, fuel costs and prices for used car and trucks. On a year-over-year basis, the CPI decreased to 2.7% in August from 2.9% in July; excluding food and energy the Index decreased 0.2% to 2.2% in August. (See Chart 1).

On September 27, the third and final estimate of second quarter Gross Domestic Product (GDP) was released. The report showed that GDP and personal consumption were 4.2% and 3.8% respectively in the second quarter, unchanged from the second estimate.

Interest Rate Summary

At the end of September, the 3-month US Treasury bill yielded 2.20%, the 6-month US Treasury bill yielded 2.37%, the 2-year US Treasury note yielded 2.82%, the 5-year US Treasury note yielded 2.95% and the 10-year US Treasury note yielded 3.06%. (See Chart 2).

ACTIVITY AND PERFORMANCE SUMMARY

For the period September 1, 2018 - September 30, 2018

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	27,392,418.72
Income received	44,510.14
Total receipts	44,510.14
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Realized gain (loss)	0.00
Total amortization expense	(5,015.73)
Total OID/MKT accretion income	6,852.36
Return of capital	0.00
Closing balance	27,438,765.49
Ending fair value	27,207,765.21
Unrealized gain (loss)	(231,000.28)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	39.85	0.00	0.00	39.85
Corporate Bonds	12,765.19	(682.43)	0.00	12,082.76
Government Agencies	17,358.76	785.32	0.00	18,144.08
Government Bonds	4,293.75	1,733.74	0.00	6,027.49
Total	34,457.55	1,836.63	0.00	36,294.18

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.58	0.91	0.16
Overnight Repo	1.60	0.94	0.16
Merrill Lynch 3m US Treas Bill	1.64	0.96	0.17
Merrill Lynch 6m US Treas Bill	1.79	1.03	0.19
ML 1 Year US Treasury Note	2.05	1.18	0.21
ML 2 Year US Treasury Note	2.28	1.28	0.22
ML 5 Year US Treasury Note	2.54	1.39	0.23

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
Interest earned	34,457.55
Accretion (amortization)	1,836.63
Realized gain (loss) on sales	0.00
Total income on portfolio	36,294.18
Average daily amortized cost	27,415,577.93
Period return (%)	0.13
YTD return (%)	1.10
Weighted average final maturity in days	343

ACTIVITY AND PERFORMANCE SUMMARY

For the period September 1, 2018 - September 30, 2018

<u>Fair Value Basis Activity Summary</u>	
Opening balance	27,174,857.61
Income received	44,510.14
Total receipts	44,510.14
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Unrealized gain (loss) on security movements	0.00
Return of capital	0.00
Change in fair value for the period	(11,602.54)
Ending fair value	27,207,765.21

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	39.85	0.00	39.85
Corporate Bonds	12,765.19	(3,997.10)	8,768.09
Government Agencies	17,358.76	(5,430.00)	11,928.76
Government Bonds	4,293.75	(2,175.44)	2,118.31
Total	34,457.55	(11,602.54)	22,855.01

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.58	0.91	0.16
Overnight Repo	1.60	0.94	0.16
ICE ML 3m US Treas Bill	1.59	0.95	0.15
ICE ML 6m US Treas Bill	1.58	0.98	0.14
ICE ML 1 Year US Treasury Note	1.08	0.81	0.06
ICE ML US Treasury 1-3	0.04	0.42	(0.12)
ICE ML US Treasury 1-5	(0.58)	0.18	(0.28)

* rates reflected are cumulative

<u>Summary of Fair Value Basis Return for the Period</u>	
Interest earned	34,457.55
Change in fair value	(11,602.54)
Total income on portfolio	22,855.01
Average daily total value *	27,286,682.91
Period return (%)	0.08
YTD return (%)	0.95
Weighted average final maturity in days	343

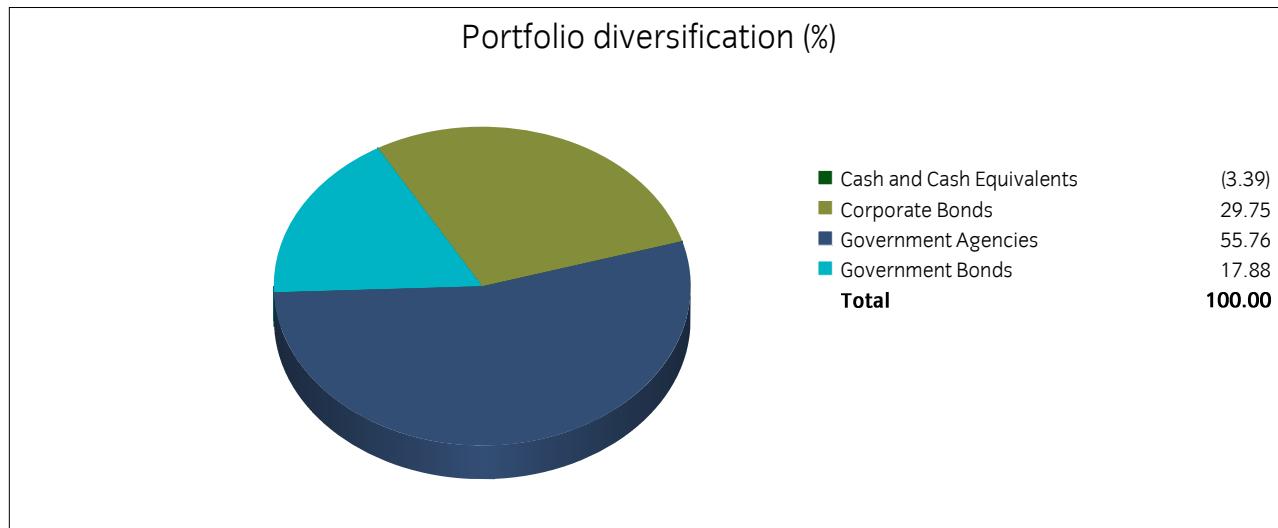
* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

CITY OF SAN PABLO

As of September 30, 2018

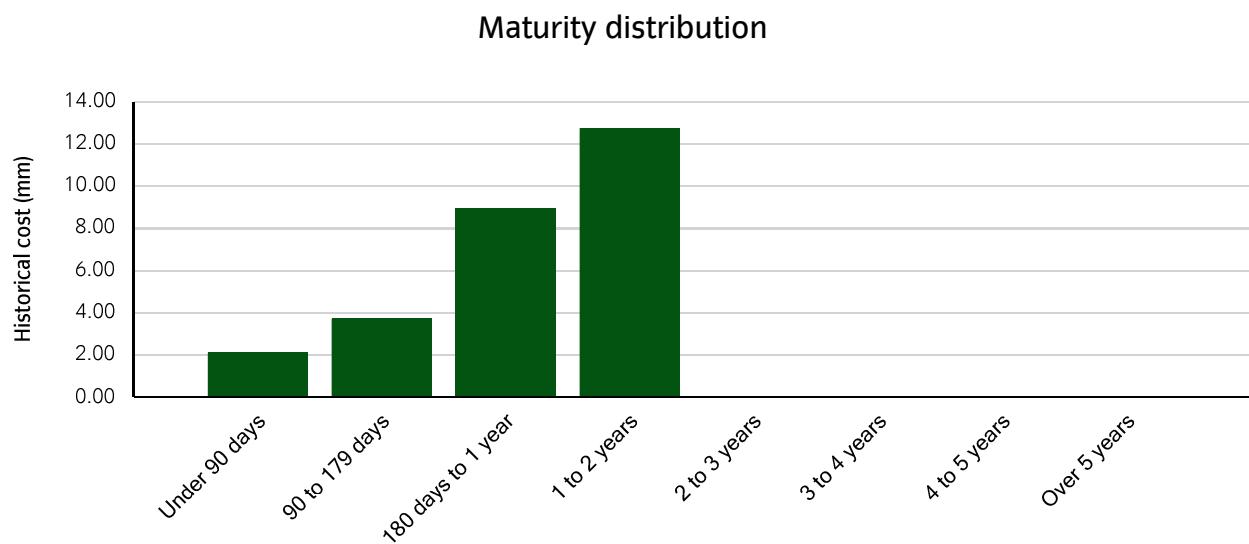
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	(931,161.79)	(931,161.79)	(931,161.79)	0.00	1	(3.39)	0.00
Corporate Bonds	8,168,389.50	8,154,904.63	8,084,426.10	(70,478.53)	347	29.75	0.96
Government Agencies	15,308,922.81	15,295,088.52	15,154,609.00	(140,479.52)	335	55.76	0.91
Government Bonds	4,907,839.84	4,919,934.13	4,899,891.90	(20,042.23)	294	17.88	0.84
Total	27,453,990.36	27,438,765.49	27,207,765.21	(231,000.28)	343	100.00	0.94



MATURITY DISTRIBUTION OF SECURITIES HELD

As of September 30, 2018

Maturity	Historic cost	Percent
Under 90 days	2,056,645.86	7.49
90 to 179 days	3,739,230.00	13.62
180 days to 1 year	8,940,854.89	32.57
1 to 2 years	12,717,259.61	46.32
2 to 3 years	0.00	0.00
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	27,453,990.36	100.00



SECURITIES HELD

CITY OF SAN PABLO

As of September 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Cash and Cash Equivalents											
Cash and Cash Equivalents	0.000		(931,161.79)	(931,161.79)	(931,161.79)	(931,161.79)	0.00	0.00	0.00	0.00	(3.39)
Total Cash and Cash Equivalents			(931,161.79)	(931,161.79)	(931,161.79)	(931,161.79)	0.00	0.00	0.00	0.00	(3.39)
Corporate Bonds											
69353REZ7	1.700	12/07/2018	500,000.00	499,980.00	499,998.03	499,350.00	(648.03)	0.00	684.73	2,668.06	1.82
PNC BANK NA 1.7% 07DEC2018 (CALLABLE 07NOV18)		11/07/2018		0.00	0.88	193.50					
713448CK2	2.250	01/07/2019	1,000,000.00	1,011,060.00	1,001,637.89	999,437.00	(2,200.89)	0.00	1,812.50	5,187.50	3.68
PEPSICO INC 2.25% 07JAN2019 (CALLABLE 07DEC18)		12/07/2018		0.00	(506.57)	29.00					
17275RBB7	1.600	02/28/2019	700,000.00	700,630.00	700,086.86	697,512.90	(2,573.96)	0.00	902.23	995.56	2.55
CISCO SYSTEMS INC 1.6% 28FEB2019				0.00	(17.37)	430.50					
14912L6R7	1.350	05/18/2019	1,000,000.00	999,260.00	999,825.52	991,824.00	(8,001.52)	0.00	1,087.50	4,950.00	3.64
CATERPILLAR FINL SERVICE 1.35% 18MAY2019				0.00	22.96	614.00					
68389XAG0	5.000	07/08/2019	450,000.00	462,735.00	458,271.80	457,779.60	(492.20)	0.00	1,812.50	5,125.00	1.69
ORACLE CORP 5% 08JUL2019				0.00	(892.64)	(1,231.65)					
25468PDL7	0.875	07/12/2019	500,000.00	490,240.00	493,937.62	493,040.00	(897.62)	0.00	352.43	947.92	1.79
WALT DISNEY COMPANY/THE 0.875% 12JUL2019				0.00	644.93	135.00					
0258M0EC9	1.700	10/30/2019	500,000.00	491,775.00	494,059.72	493,800.00	(259.72)	0.00	708.34	3,541.67	1.79
AMERICAN EXPRESS CREDIT 1.7% 30OCT2019 (CALLABLE 30SEP19)		09/29/2019		0.00	456.94	(183.00)					

SECURITIES HELD

CITY OF SAN PABLO

As of September 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Corporate Bonds											
594918AY0	1.850	02/12/2020	1,000,000.00	1,002,170.00	1,001,076.25	987,244.00	(13,832.25)	0.00	1,490.28	2,466.67	3.65
MICROSOFT CORP 1.85% 12FEB2020 (CALLABLE 12JAN20)		01/12/2020		0.00	(65.62)	(1,864.00)					
166764AR1	1.961	03/03/2020	500,000.00	501,625.00	500,967.08	493,578.50	(7,388.58)	4,902.50	789.85	735.38	1.83
CHEVRON CORP 1.961% 03MAR2020 (CALLABLE 03FEB20)		02/03/2020		0.00	(56.56)	(473.50)					
25468PDP8	1.950	03/04/2020	450,000.00	451,624.50	450,823.46	443,879.55	(6,943.91)	4,387.50	706.87	633.75	1.65
WALT DISNEY COMPANY/THE 1.95% 04MAR2020				0.00	(48.07)	(354.15)					
30231GAG7	1.912	03/06/2020	550,000.00	552,255.00	551,145.26	543,406.05	(7,739.21)	5,258.00	847.13	701.07	2.01
EXXON MOBIL CORPORATION 1.912% 06MAR2020 (CALLABLE 06FEB20)		02/06/2020		0.00	(66.58)	(459.80)					
89236TDU6	1.950	04/17/2020	500,000.00	501,915.00	501,138.37	492,449.00	(8,689.37)	0.00	785.41	4,414.58	1.83
TOYOTA MOTOR CREDIT CORP 1.95% 17APR2020				0.00	(61.32)	121.50					
24422ETS8	1.950	06/22/2020	500,000.00	503,120.00	501,936.77	491,125.50	(10,811.27)	0.00	785.42	2,654.17	1.83
JOHN DEERE CAPITAL CORP 1.95% 22JUN2020				0.00	(93.41)	(954.50)					
Total Corporate Bonds			8,150,000.00	8,168,389.50	8,154,904.63	8,084,426.10	(70,478.53)	14,548.00	12,765.19	35,021.33	29.75
Government Agencies											
3133EGM69	1.100	12/05/2018	1,000,000.00	997,730.00	999,795.35	997,770.00	(2,025.35)	0.00	886.11	3,513.89	3.63
FEDERAL FARM CREDIT BANK 1.1% 05DEC2018				0.00	94.45	750.00					
3133EF3V7	0.875	02/15/2019	1,000,000.00	1,001,200.00	1,000,177.63	994,340.00	(5,837.63)	0.00	704.86	1,093.75	3.65
FEDERAL FARM CREDIT BANK 0.875% 15FEB2019				0.00	(39.48)	810.00					

SECURITIES HELD

CITY OF SAN PABLO

As of September 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Government Agencies											
313378QK0	1.875	03/08/2019	1,000,000.00	1,026,340.00	1,004,451.04	997,930.00	(6,521.04)	9,375.00	1,510.41	1,145.83	3.74
FEDERAL HOME LOAN BANK 1.875% 08MAR2019				0.00	(845.13)	510.00					
3137EADZ9	1.125	04/15/2019	500,000.00	502,545.00	500,506.92	496,465.00	(4,041.92)	0.00	453.13	2,578.13	1.83
FREDDIE MAC 1.125% 15APR2019				0.00	(77.99)	194.00					
313379EE5	1.625	06/14/2019	1,000,000.00	1,020,720.00	1,005,104.64	993,701.00	(11,403.64)	0.00	1,309.03	4,784.72	3.72
FEDERAL HOME LOAN BANK 1.625% 14JUN2019				0.00	(602.91)	(386.00)					
3137EAEB1	0.875	07/19/2019	1,500,000.00	1,478,462.20	1,486,805.39	1,480,266.00	(6,539.39)	0.00	1,057.29	2,588.54	5.39
FREDDIE MAC 0.875% 19JUL2019				0.00	1,369.69	258.00					
3135G0N33	0.875	08/02/2019	1,000,000.00	981,984.00	989,352.58	985,967.00	(3,385.58)	0.00	704.86	1,409.72	3.58
FANNIE MAE 0.875% 02AUG2019				0.00	1,057.69	342.00					
3133X8AS1	5.125	08/15/2019	1,000,000.00	1,023,150.00	1,021,898.65	1,021,346.00	(552.65)	0.00	2,277.78	6,406.25	3.73
FEDERAL HOME LOAN BANK 5.125% 15AUG2019				(4,128.47)	(1,251.35)	(1,804.00)					
3133EGSCO	1.000	08/26/2019	1,000,000.00	998,204.00	999,450.24	985,930.00	(13,520.24)	0.00	805.55	944.44	3.64
FEDERAL FARM CREDIT BANK 1% 26AUG2019				0.00	50.59	360.00					
3130A9MF5	1.125	10/03/2019	1,000,000.00	999,000.00	999,663.27	984,710.00	(14,953.27)	0.00	906.25	5,531.25	3.64
FEDERAL HOME LOAN BANK 1.125% 03OCT2019 (CALLABLE 11OCT18)				0.00	27.83	(750.00)					
3135G0R39	1.000	10/24/2019	1,000,000.00	980,380.00	987,294.97	982,491.00	(4,803.97)	0.00	805.55	4,333.33	3.57
FANNIE MAE 1% 24OCT2019				0.00	992.58	(508.00)					
3133EGJ30	1.100	11/18/2019	600,000.00	595,032.00	597,750.34	589,668.00	(8,082.34)	0.00	531.67	2,420.00	2.17
FEDERAL FARM CREDIT BANK 1.1% 18NOV2019				0.00	165.42	72.00					

SECURITIES HELD

CITY OF SAN PABLO

As of September 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Government Agencies											
3136G4DA8	1.200	12/30/2019	700,000.00	699,125.00	699,662.02	685,671.00	(13,991.02)	0.00	700.00	2,100.00	2.55
FANNIE MAE 1.2% 30DEC2019 (CALLABLE 30DEC18) #0001		12/30/2018		0.00	22.54	(511.00)					
3135G0VY6	1.700	03/27/2020	1,000,000.00	1,004,795.61	1,002,820.64	984,770.00	(18,050.64)	8,500.00	1,369.45	141.67	3.66
FANNIE MAE 1.7% 27MAR2020 CALLABLE				0.00	(157.58)	(1,310.00)					
3134GBTF9	1.625	03/27/2020	1,500,000.00	1,499,445.00	1,499,673.57	1,474,995.00	(24,678.57)	12,187.50	1,963.55	203.13	5.46
FREDDIE MAC 1.625% 27MAR2020 (CALLABLE 27DEC18)		12/27/2018		0.00	18.24	(2,475.00)					
3130AECJ7	2.625	05/28/2020	500,000.00	500,810.00	500,681.27	498,589.00	(2,092.27)	0.00	1,057.30	4,703.13	1.82
FEDERAL HOME LOAN BANK 2.625% 28MAY2020				0.00	(34.17)	(1,352.00)					
Total Government Agencies			15,300,000.00	15,308,922.81	15,295,088.52	15,154,609.00	(140,479.52)	30,062.50	17,042.79	43,897.78	55.76
Government Bonds											
912828T42	0.750	09/30/2018	1,000,000.00	991,914.06	1,000,000.00	1,000,000.00	0.00	0.00	614.75	3,750.00	3.61
USA TREASURY 0.75% 30SEP2018				0.00	428.58	884.00					
912828M64	1.250	11/15/2018	500,000.00	498,183.59	499,481.03	499,475.50	(5.53)	0.00	509.51	2,343.75	1.81
USA TREASURY 1.25% 15NOV2018				0.00	338.47	282.00					
9128282G4	0.875	09/15/2019	1,000,000.00	983,554.69	983,694.45	983,359.00	(335.45)	0.00	0.00	386.74	3.58
USA TREASURY 0.875% 15SEP2019				(386.74)	139.76	(195.69)					
912828F39	1.750	09/30/2019	600,000.00	605,460.94	602,358.87	594,609.60	(7,749.27)	0.00	860.66	5,250.00	2.21
USA TREASURY 1.75% 30SEP2019				0.00	(193.88)	(632.40)					

SECURITIES HELD

As of September 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Government Bonds											
9128283H1 USA TREASURY 1.75% 30NOV2019	1.750	11/30/2019	750,000.00	742,089.84 0.00	743,094.82 486.28	741,826.50 (966.75)	(1,268.32)	0.00	1,075.82	4,375.00	2.70
912828UL2 USA TREASURY 1.375% 31JAN2020	1.375	01/31/2020	1,100,000.00	1,086,636.72 0.00	1,091,304.96 534.53	1,080,621.30 (1,546.60)	(10,683.66)	0.00	1,233.01	2,507.13	3.96
Total Government Bonds			4,950,000.00	4,907,839.84 (386.74)	4,919,934.13 1,733.74	4,899,891.90 (2,175.44)	(20,042.23)	0.00	4,293.75	18,612.62	17.88
Grand total			27,468,838.21	27,453,990.36 (4,515.21)	27,438,765.49 1,841.73	27,207,765.21 (11,972.54)	(231,000.28)	44,610.50	34,101.73	97,531.73	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of September 30, 2018

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Federal Home Loan Banks												
313378QK0	FEDERAL HOME LOAN	1.875	03/08/2019		AA+	Aaa	1,000,000.00	1,026,340.00	3.74	997,930.00	3.67	0.44
313379EE5	FEDERAL HOME LOAN	1.625	06/14/2019		AA+	Aaa	1,000,000.00	1,020,720.00	3.72	993,701.00	3.65	0.70
3133X8AS1	FEDERAL HOME LOAN	5.125	08/15/2019		AA+	Aaa	1,000,000.00	1,023,150.00	3.73	1,021,346.00	3.75	0.86
3130A9MF5	FEDERAL HOME LOAN	1.125	10/03/2019		AA+	Aaa	1,000,000.00	999,000.00	3.64	984,710.00	3.62	0.99
3130AEcj7	FEDERAL HOME LOAN	2.625	05/28/2020		AA+	Aaa	500,000.00	500,810.00	1.82	498,589.00	1.83	1.68
Issuer total							4,500,000.00	4,570,020.00	16.65	4,496,276.00	16.53	0.85
United States Treasury Note/Bond												
912828M64	USA TREASURY 1.25%	1.250	11/15/2018		AA+	Aaa	500,000.00	498,183.59	1.81	499,475.50	1.84	0.13
9128282G4	USA TREASURY 0.875%	0.875	09/15/2019		AA+	Aaa	1,000,000.00	983,554.69	3.58	983,359.00	3.61	1.02
912828F39	USA TREASURY 1.75%	1.750	09/30/2019		AA+	Aaa	600,000.00	605,460.94	2.21	594,609.60	2.19	1.05
9128283H1	USA TREASURY 1.75%	1.750	11/30/2019		AA+	Aaa	750,000.00	742,089.84	2.70	741,826.50	2.73	1.22
912828UL2	USA TREASURY 1.375%	1.375	01/31/2020		AA+	Aaa	1,100,000.00	1,086,636.72	3.96	1,080,621.30	3.97	1.39
Issuer total							3,950,000.00	3,915,925.78	14.26	3,899,891.90	14.33	1.05
Federal National Mortgage Association												
3135G0N33	FANNIE MAE 0.875%	0.875	08/02/2019		AA+	Aaa	1,000,000.00	981,984.00	3.58	985,967.00	3.62	0.83
3135G0R39	FANNIE MAE 1%	1.000	10/24/2019		AA+	Aaa	1,000,000.00	980,380.00	3.57	982,491.00	3.61	1.13
3136G4DA8	FANNIE MAE 1.2%	1.200	12/30/2019	12/30/2018	AA+	Aaa	700,000.00	699,125.00	2.55	685,671.00	2.52	1.23
3135G0VY6	FANNIE MAE 1.7%	1.700	03/27/2020		AA+	Aaa	1,000,000.00	1,004,795.61	3.66	984,770.00	3.62	1.46
Issuer total							3,700,000.00	3,666,284.61	13.35	3,638,899.00	13.37	1.16
Federal Farm Credit Banks												
3133EGM69	FEDERAL FARM CREDIT	1.100	12/05/2018		AA+	Aaa	1,000,000.00	997,730.00	3.63	997,770.00	3.67	0.19
3133EF3V7	FEDERAL FARM CREDIT	0.875	02/15/2019		AA+	Aaa	1,000,000.00	1,001,200.00	3.65	994,340.00	3.65	0.38
3133EGSC0	FEDERAL FARM CREDIT	1.000	08/26/2019		AA+	Aaa	1,000,000.00	998,204.00	3.64	985,930.00	3.62	0.90

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of September 30, 2018

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Federal Farm Credit Banks												
3133EGJ30	FEDERAL FARM CREDIT	1.100	11/18/2019		AA+	Aaa	600,000.00	595,032.00	2.17	589,668.00	2.17	1.12
Issuer total							3,600,000.00	3,592,166.00	13.08	3,567,708.00	13.11	0.59
Federal Home Loan Mortgage Corp												
3137EADZ9	FREDDIE MAC 1.125%	1.125	04/15/2019		AA+	Aaa	500,000.00	502,545.00	1.83	496,465.00	1.82	0.54
3137EAEB1	FREDDIE MAC 0.875%	0.875	07/19/2019		AA+	Aaa	1,500,000.00	1,478,462.20	5.39	1,480,266.00	5.44	0.79
3134GBTF9	FREDDIE MAC 1.625%	1.625	03/27/2020	12/27/2018	AA+	Aaa	1,500,000.00	1,499,445.00	5.46	1,474,995.00	5.42	1.46
Issuer total							3,500,000.00	3,480,452.20	12.68	3,451,726.00	12.69	1.04
United States Treasury Note/Bond												
912828T42	USA TREASURY 0.75%	0.750	09/30/2018		AA+	Aaa	1,000,000.00	991,914.06	3.61	1,000,000.00	3.68	0.01
Issuer total							1,000,000.00	991,914.06	3.61	1,000,000.00	3.68	0.01
PepsiCo Inc												
713448CK2	PEPSICO INC 2.25%	2.250	01/07/2019	12/07/2018	A+	A1	1,000,000.00	1,011,060.00	3.68	999,437.00	3.67	0.27
Issuer total							1,000,000.00	1,011,060.00	3.68	999,437.00	3.67	0.27
Caterpillar Financial Services Corp												
14912L6R7	CATERPILLAR FINL	1.350	05/18/2019		A	A3	1,000,000.00	999,260.00	3.64	991,824.00	3.65	0.62
Issuer total							1,000,000.00	999,260.00	3.64	991,824.00	3.65	0.62
Microsoft Corp												
594918AY0	MICROSOFT CORP 1.85%	1.850	02/12/2020	01/12/2020	AAA	Aaa	1,000,000.00	1,002,170.00	3.65	987,244.00	3.63	1.41
Issuer total							1,000,000.00	1,002,170.00	3.65	987,244.00	3.63	1.41
Walt Disney Co/The												
25468PDL7	WALT DISNEY	0.875	07/12/2019		A+	A2	500,000.00	490,240.00	1.79	493,040.00	1.81	0.77

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of September 30, 2018

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Walt Disney Co/The												
25468PDP8	WALT DISNEY	1.950	03/04/2020		A+	A2	450,000.00	451,624.50	1.65	443,879.55	1.63	1.46
Issuer total												
Cisco Systems Inc												
17275RBB7	CISCO SYSTEMS INC 1.6%	1.600	02/28/2019		AA-	A1	700,000.00	700,630.00	2.55	697,512.90	2.56	0.41
Issuer total												
Exxon Mobil Corp												
30231GAG7	EXXON MOBIL	1.912	03/06/2020	02/06/2020	AA+	Aaa	550,000.00	552,255.00	2.01	543,406.05	2.00	1.46
Issuer total												
PNC Bank NA												
69353REZ7	PNC BANK NA 1.7%	1.700	12/07/2018	11/07/2018	A	A2	500,000.00	499,980.00	1.82	499,350.00	1.84	0.19
Issuer total												
American Express Credit Corp												
0258M0EC9	AMERICAN EXPRESS	1.700	10/30/2019	09/29/2019	A-	A2	500,000.00	491,775.00	1.79	493,800.00	1.81	1.13
Issuer total												
Chevron Corp												
166764AR1	CHEVRON CORP 1.961%	1.961	03/03/2020	02/03/2020	AA-	Aa2	500,000.00	501,625.00	1.83	493,578.50	1.81	1.45
Issuer total												
Toyota Motor Credit Corp												
89236TDU6	TOYOTA MOTOR CREDIT	1.950	04/17/2020		AA-	Aa3	500,000.00	501,915.00	1.83	492,449.00	1.81	1.58
Issuer total												

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of September 30, 2018

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
John Deere Capital Corp												
24422ET58	JOHN DEERE CAPITAL	1.950	06/22/2020		A	A2	500,000.00	503,120.00	1.83	491,125.50	1.81	1.76
Issuer total												
Oracle Corp												
68389XAG0	ORACLE CORP 5%	5.000	07/08/2019		AA-	A1	450,000.00	462,735.00	1.69	457,779.60	1.68	0.75
Issuer total												
Cash and Cash Equivalents												
INVESTED CASH												
		0.000					52,779.64	52,779.64	0.19	52,779.64	0.19	0.00
Issuer total												
Others												
PENDING TRADE												
		0.000					(983,941.43)	(983,941.43)	(3.58)	(983,941.43)	(3.62)	0.00
Issuer total												
Grand total												
							27,468,838.21	27,453,990.36	100.00	27,207,765.21	100.00	0.94

SECURITIES PURCHASED

CITY OF SAN PABLO

For the period September 1, 2018 - September 30, 2018

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
Government Agencies							
3133X8AS1	09/13/2018	5.125	08/15/2019	1,000,000.00	102.32	(1,023,150.00)	(4,128.47)
FEDERAL HOME LOAN BANK 5.125% 15AUG2019	09/14/2018						
MORGAN STANLEY AND CO., LLC							
Total Government Agencies				1,000,000.00		(1,023,150.00)	(4,128.47)
Government Bonds							
9128282G4	09/27/2018	0.875	09/15/2019	1,000,000.00	98.36	(983,554.69)	(386.74)
USA TREASURY 0.875% 15SEP2019	10/01/2018						
JPMORGAN CHASE BANK, N.A.							
Total Government Bonds				1,000,000.00		(983,554.69)	(386.74)
Grand total				2,000,000.00		(2,006,704.69)	(4,515.21)

SECURITIES SOLD AND MATURED

For the period September 1, 2018 - September 30, 2018

Cusip/ Description/ Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost at sale or maturity /Accr (amort)	Price	Fair value at sale or maturity / Chg.in fair value	Realized gain (loss)	Accrued interest sold	Interest received	Interest earned
Government Agencies												
3133EGFQ3 FFCB TRANCHE 00135 .875 09-14-2018	09/14/2018 09/14/2018	0.875		(1,000,000.00)	1,000,293.00	1,000,000.00 (5.10)	0.00	1,000,000.00 370.00	0.00	0.00	4,375.00	315.97
Total (Government Agencies)				(1,000,000.00)	1,000,293.00	1,000,000.00 (5.10)		1,000,000.00 370.00	0.00	0.00	4,375.00	315.97
Grand total				(1,000,000.00)	1,000,293.00	1,000,000.00 (5.10)		1,000,000.00 370.00	0.00	0.00	4,375.00	315.97

TRANSACTION REPORT

CITY OF SAN PABLO

For the period September 1, 2018 - September 30, 2018

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain/(loss)	Principal	Interest	Transaction total
09/03/2018 09/03/2018	166764AR1	Income	Corporate Bonds	CHEVRON CORP 1.961%	03/03/2020	500,000.00	0.00	0.00	4,902.50	4,902.50
09/04/2018 09/04/2018	25468PDP8	Income	Corporate Bonds	WALT DISNEY COMPANY/THE	03/04/2020	450,000.00	0.00	0.00	4,387.50	4,387.50
09/06/2018 09/06/2018	30231GAG7	Income	Corporate Bonds	EXXON MOBIL CORPORATION	03/06/2020	550,000.00	0.00	0.00	5,258.00	5,258.00
09/08/2018 09/08/2018	313378QK0	Income	Government Agencies	FEDERAL HOME LOAN BANK	03/08/2019	1,000,000.00	0.00	0.00	9,375.00	9,375.00
09/13/2018 09/14/2018	3133X8AS1	Bought	Government Agencies	FEDERAL HOME LOAN BANK	08/15/2019	1,000,000.00	0.00 (1,023,150.00)	(4,128.47)	(1,027,278.47)	
09/14/2018	3133EGFQ3	Income	Government Agencies	FFCB TRANCHE 00135 .875	09/14/2018	1,000,000.00	0.00	0.00	4,375.00	4,375.00
09/14/2018	3133EGFQ3	Capital Change	Government Agencies	FFCB TRANCHE 00135 .875	09/14/2018	(1,000,000.00)	0.00	1,000,000.00	0.00	1,000,000.00
09/27/2018 09/27/2018	3134GBTF9	Income	Government Agencies	FREDDIE MAC 1.625%	03/27/2020	1,500,000.00	0.00	0.00	12,187.50	12,187.50
09/27/2018 09/27/2018	3135G0VY6	Income	Government Agencies	FANNIE MAE 1.7% 27MAR2020	03/27/2020	1,000,000.00	0.00	0.00	8,500.00	8,500.00
09/27/2018 10/01/2018	9128282G4	Bought	Government Bonds	USA TREASURY 0.875%	09/15/2019	1,000,000.00	0.00 (983,554.69)	(386.74)	(983,941.43)	
09/30/2018		Income	Cash and Cash Equivalents	Cash		0.00	0.00	0.00	39.85	39.85

ADDITIONAL INFORMATION

As of September 30, 2018

Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes) and investors may not get back the amount invested. Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The information contained herein is for your reference only and is being provided in response to your specific request and has been obtained from sources believed to be reliable; however, no representation is made regarding its accuracy or completeness. This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended, or forwarded to a third party without consent from Insight. This is a marketing document intended for professional clients only and should not be made available to or relied upon by retail clients.

Investment advisory services in North America are provided through two different SEC-registered investment advisers using the brand Insight Investment: Insight North America LLC (INA) and Insight Investment International Limited (IIIL). The North American investment advisers are associated with a broader group of global investment managers that also (individually and collectively) use the corporate brand Insight Investment and may be referred to as Insight, Insight Group or Insight Investment.

INA is an investment adviser registered with the Securities and Exchange Commission (SEC), under the Investment Advisers Act of 1940, as amended. Registration with the SEC does not imply a certain level of skill or training. You may request, without charge, additional information about Insight. Moreover, specific information relating to Insights strategies, including investment advisory fees, may be obtained from INA's Form ADV Part 2A, which is available without charge upon request.

Where indicated, performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. INA charges management fees on all portfolios managed and these fees will reduce the returns on the portfolios. For example, assume that \$30 million is invested in an account with INA, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to \$38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be \$38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. INA's investment advisory fees are discussed in Part 2A of its Form ADV.

Unless otherwise stated, the source of information is Insight. Any forecasts or opinions are Insights own at the date of this document (or as otherwise specified) and may change. Material in this publication is for general information only and is not advice, investment advice, or the recommendation of any purchase or sale of any security. Insight makes no implied or expressed recommendations concerning the manner in which an account should or would be handled, as appropriate investment strategies depend upon specific investment guidelines and objectives and should not be construed to be an assurance that any particular security in a strategy will remain in any fund, account, or strategy, or that a previously held security will not be repurchased. It should not be assumed that any of the security transactions or holdings referenced herein have been or will prove to be profitable or that future investment decisions will be profitable or will equal or exceed the past investment performance of the securities listed.

For trading activity the Clearing broker will be reflected. In certain cases the Clearing broker will differ from the Executing broker.

In calculating ratings distributions and weighted average portfolio quality, Insight assigns U.S Treasury and U.S agency securities a quality rating based on the methodology used within the respective benchmark index. When Moody's, S&P and Fitch rate a security, Bank of America and Merrill Lynch indexes assign a simple weighted average statistic while Barclays indexes assign the median statistic. Insight assigns all other securities the lower of Moody's and S&P ratings.

Information about the indices shown here is provided to allow for comparison of the performance of the strategy to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index and the indices represented do not take into account trading commissions and/or other brokerage or custodial costs. The volatility of the indices may be materially different from that of the strategy. In addition, the strategy's holdings may differ substantially from the securities that comprise the indices shown.

The BofA Merrill Lynch 3 Mo US T-Bill index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

The BofA Merrill Lynch 6 Mo US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The BofA Merrill Lynch Current 1-Year US Treasury Index is a one-security index comprised of the most recently issued 1-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 1-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 3-Year US Treasury Index is a one-security index comprised of the most recently issued 3-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 3-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 5-Year US Treasury Index is a one-security index comprised of the most recently issued 5-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 5-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch 1-3 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

The BofA Merrill Lynch 1-5 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than five years.

Insight does not provide tax or legal advice to its clients and all investors are strongly urged to consult their tax and legal advisors regarding any potential strategy or investment.

ADDITIONAL INFORMATION

As of September 30, 2018

Insight is a group of wholly owned subsidiaries of The Bank of New York Mellon Corporation. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation and may also be used as a generic term to reference the Corporation as a whole or its various subsidiaries generally. Products and services may be provided under various brand names and in various countries by subsidiaries, affiliates and joint ventures of The Bank of New York Mellon Corporation where authorized and regulated as required within each jurisdiction. Unless you are notified to the contrary, the products and services mentioned are not insured by the FDIC (or by any governmental entity) and are not guaranteed by or obligations of The Bank of New York Mellon Corporation or any of its affiliates. The Bank of New York Corporation assumes no responsibility for the accuracy or completeness of the above data and disclaims all expressed or implied warranties in connection therewith.

© 2018 Insight Investment. All rights reserved.