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CITY OF SAN PABLO

July 2018

Part of  BNY MELLON

Insight
INVESTMENT

Contents

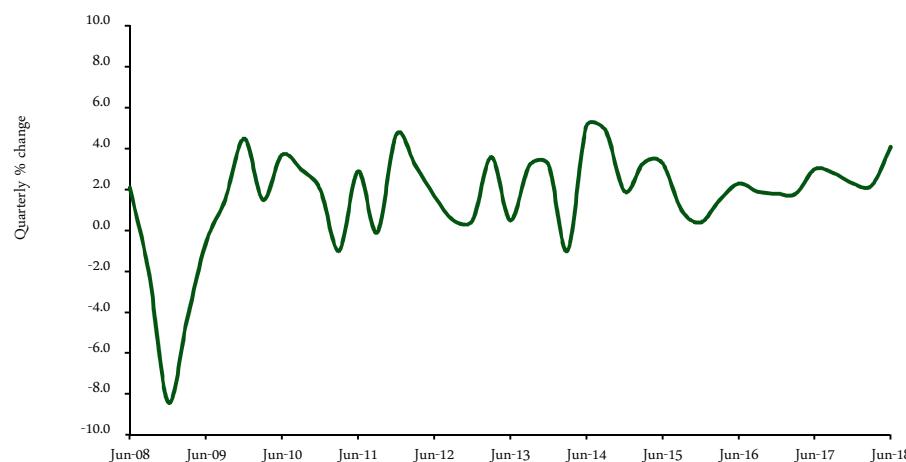
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FIXED INCOME MARKET REVIEW

CITY OF SAN PABLO

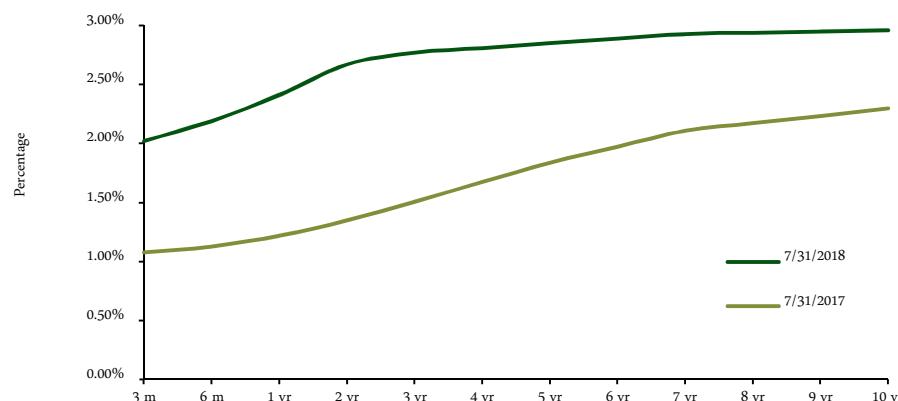
As of July 31, 2018

Chart 1: Gross Domestic Product: 6/30/2008—6/30/2018



Source: Bloomberg Finance LP, July 21, 2018.

Chart 2: Treasury yield curve: 7/31/2017 and 7/31/2018



Source: Bloomberg Finance LP, July 31, 2018.

Economic Indicators and Monetary Policy

The economic backdrop in the US continues to be one of robust growth and the Federal Reserve remains on track to gradually tighten monetary policy further. Some easing in global trade tensions followed a meeting between President Trump and representatives from the European Union in July and US 10-year Treasury yields have increased back towards the 3% level. Moves above this level could be met by demand from US pension funds.

The employment report released on July 6 showed employers hired 213,000 workers in June, better than expectations for 195,000 jobs added and job gains for May were revised upward to 244,000 from 223,000. The unemployment rate and the underemployment rate each increased 0.2% to 4.0% and 7.8% respectively. The Labor Force Participation Rate increased to 62.9% in June from 62.7% as more workers entered the labor force. Average hourly earnings were unchanged at 2.7% year-over-year in June, less than expectations for 2.8% growth.

The Consumer Price Index (CPI) data released on July 12 increased 0.1% at the headline level and 0.2% excluding food and energy in June. Year-over-year, the CPI was 2.9% including food and energy and the core CPI was 2.3%. On July 11, the Producer Price Index (PPI) data was released. The headline and core readings each increased 0.3% in June and year-over-year the PPI rose 3.4% at the headline level and 2.8% at the core level excluding food and energy.

On July 27, the first estimate of second quarter Gross Domestic Product (GDP) was released showing 4.1% growth, the fastest since 2014. The GDP reading was less than forecasts for 4.2% growth and higher than the first quarter reading of 2.2%. Personal consumption, net exports and business investment contributed to the strong GDP estimate for second quarter activity while decreases in inventories were a drag on the GDP estimate, subtracting 1% from growth. (See Chart 1).

Interest Rate Summary

At the end of July, the 3-month US Treasury bill yielded 2.02%, the 6-month US Treasury bill yielded 2.19%, the 2-year US Treasury note yielded 2.67%, the 5-year US Treasury note yielded 2.85% and the 10-year US Treasury note yielded 2.96%. (See Chart 2).

ACTIVITY AND PERFORMANCE SUMMARY

CITY OF SAN PABLO

For the period July 1, 2018 - July 31, 2018

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	27,313,510.18
Income received	42,234.57
Total receipts	42,234.57
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Realized gain (loss)	0.00
Total amortization expense	(3,856.42)
Total OID/MKT accretion income	5,275.26
Return of capital	0.00
Closing balance	27,357,163.59
Ending fair value	27,106,769.44
Unrealized gain (loss)	(250,394.15)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	97.07	0.00	0.00	97.07
Corporate Bonds	13,596.64	(682.42)	0.00	12,914.22
Government Agencies	16,660.68	965.36	0.00	17,626.04
Government Bonds	4,170.56	1,135.90	0.00	5,306.46
Total	34,524.95	1,418.84	0.00	35,943.79

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.45	0.83	0.16
Overnight Repo	1.45	0.85	0.16
Merrill Lynch 3m US Treas Bill	1.46	0.88	0.16
Merrill Lynch 6m US Treas Bill	1.60	0.95	0.18
ML 1 Year US Treasury Note	1.84	1.08	0.20
ML 2 Year US Treasury Note	2.05	1.19	0.22
ML 5 Year US Treasury Note	2.37	1.34	0.23

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
Interest earned	34,524.95
Accretion (amortization)	1,418.84
Realized gain (loss) on sales	0.00
Total income on portfolio	35,943.79
Average daily amortized cost	27,338,025.73
Period return (%)	0.13
YTD return (%)	0.83
Weighted average final maturity in days	368

ACTIVITY AND PERFORMANCE SUMMARY

For the period July 1, 2018 - July 31, 2018

<u>Fair Value Basis Activity Summary</u>	
Opening balance	27,055,926.51
Income received	42,234.57
Total receipts	42,234.57
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	8,608.36
Ending fair value	27,106,769.44

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	97.07	0.00	97.07
Corporate Bonds	13,596.64	6,517.90	20,114.54
Government Agencies	16,660.68	1,352.60	18,013.28
Government Bonds	4,170.56	737.86	4,908.42
Total	34,524.95	8,608.36	43,133.31

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.45	0.83	0.16
Overnight Repo	1.45	0.85	0.16
ICE ML 3m US Treas Bill	1.43	0.85	0.16
ICE ML 6m US Treas Bill	1.46	0.86	0.17
ICE ML 1 Year US Treasury Note	0.92	0.73	0.13
ICE ML US Treasury 1-3	(0.14)	0.38	0.00
ICE ML US Treasury 1-5	(0.72)	0.23	(0.09)

* rates reflected are cumulative

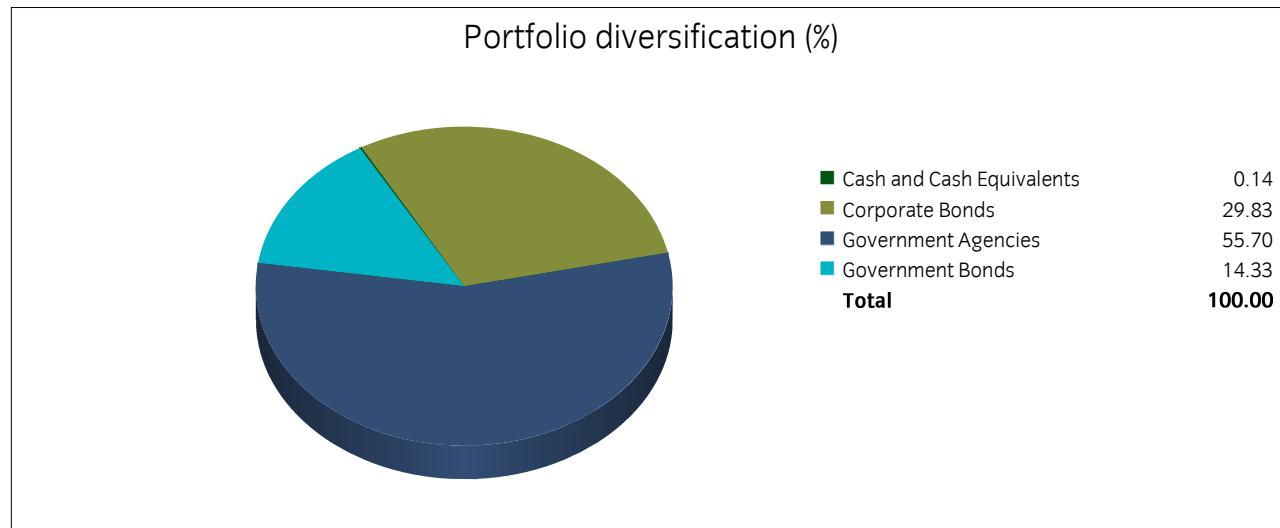
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	34,524.95
Change in fair value	8,608.36
Total income on portfolio	43,133.31
Average daily total value *	27,191,108.71
Period return (%)	0.16
YTD return (%)	0.61
Weighted average final maturity in days	368

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of July 31, 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	36,990.54	36,990.54	36,990.54	0.00	1	0.14	0.00
Corporate Bonds	8,168,389.50	8,156,269.46	8,076,826.20	(79,443.26)	406	29.83	1.08
Government Agencies	15,249,383.61	15,230,905.00	15,078,847.20	(152,057.80)	355	55.70	0.95
Government Bonds	3,924,285.15	3,932,998.59	3,914,105.50	(18,893.09)	339	14.33	0.91
Total	27,379,048.80	27,357,163.59	27,106,769.44	(250,394.15)	368	100.00	0.98

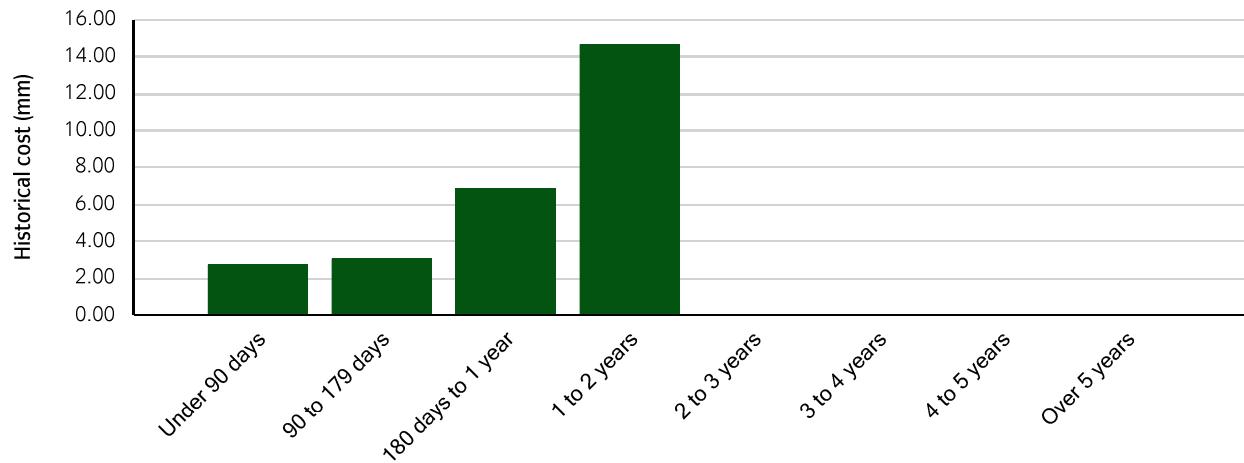


MATURITY DISTRIBUTION OF SECURITIES HELD

As of July 31, 2018

Maturity	Historic cost	Percent
Under 90 days	2,781,162.60	10.16
90 to 179 days	3,006,953.59	10.98
180 days to 1 year	6,893,485.00	25.18
1 to 2 years	14,697,447.61	53.68
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
	27,379,048.80	100.00

Maturity distribution



SECURITIES HELD

CITY OF SAN PABLO

As of July 31, 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		36,990.54	36,990.54 0.00	36,990.54 0.00	36,990.54 0.00	0.00	0.00	0.00	0.00	0.14
Total Cash and Cash Equivalents			36,990.54	36,990.54 0.00	36,990.54 0.00	36,990.54 0.00	0.00	0.00	0.00	0.00	0.14
Corporate Bonds											
69353REZ7	1.700	12/07/2018	500,000.00	499,980.00	499,996.27	498,518.50	(1,477.77)	0.00	731.94	1,275.00	1.83
PNC BANK NA 1.7% 07DEC2018 (CALLABLE 07NOV18)		11/07/2018		0.00	0.88	435.50					
713448CK2	2.250	01/07/2019	1,000,000.00	1,011,060.00	1,002,651.02	998,943.00	(3,708.02)	11,250.00	1,937.50	1,500.00	3.69
PEPSICO INC 2.25% 07JAN2019 (CALLABLE 07DEC18)		12/07/2018		0.00	(506.57)	561.00					
17275RBB7	1.600	02/28/2019	700,000.00	700,630.00	700,121.60	696,575.60	(3,546.00)	0.00	964.44	4,760.00	2.56
CISCO SYSTEMS INC 1.6% 28FEB2019				0.00	(17.37)	970.20					
14912L6R7	1.350	05/18/2019	1,000,000.00	999,260.00	999,779.61	989,890.00	(9,889.61)	0.00	1,162.50	2,737.50	3.65
CATERPILLAR FINL SERVICE 1.35% 18MAY2019				0.00	22.96	1,440.00					
68389XAG0	5.000	07/08/2019	450,000.00	462,735.00	460,057.08	459,835.65	(221.43)	11,250.00	1,937.50	1,437.50	1.69
ORACLE CORP 5% 08JUL2019				0.00	(892.64)	(454.05)					
25468PDL7	0.875	07/12/2019	500,000.00	490,240.00	492,647.75	491,804.00	(843.75)	2,187.50	376.73	230.90	1.79
WALT DISNEY COMPANY/THE 0.875% 12JUL2019				0.00	644.93	1,292.50					
0258M0EC9	1.700	10/30/2019	500,000.00	491,775.00	493,145.83	492,757.50	(388.33)	0.00	708.33	2,125.00	1.80
AMERICAN EXPRESS CREDIT 1.7% 30OCT2019 (CALLABLE 30SEP19)		09/29/2019		0.00	456.94	511.00					

SECURITIES HELD

CITY OF SAN PABLO

As of July 31, 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	1,001,207.50	988,199.00	(13,008.50)	0.00	1,593.05	8,684.72	3.66
MICROSOFT CORP 1.85% 12FEB2020 (CALLABLE 12JAN20)		01/12/2020		0.00	(65.62)	509.00					
166764AR1	1.961	03/03/2020	500,000.00	501,625.00	501,080.19	493,746.50	(7,333.69)	0.00	844.31	4,030.94	1.83
CHEVRON CORP 1.961% 03MAR2020 (CALLABLE 03FEB20)		02/03/2020		0.00	(56.56)	94.00					
25468PDP8	1.950	03/04/2020	450,000.00	451,624.50	450,919.59	442,846.35	(8,073.24)	0.00	755.63	3,583.13	1.65
WALT DISNEY COMPANY/THE 1.95% 04MAR2020				0.00	(48.06)	302.40					
30231GAG7	1.912	03/06/2020	550,000.00	552,255.00	551,278.43	542,554.10	(8,724.33)	0.00	905.54	4,235.61	2.02
EXXON MOBIL CORPORATION 1.912% 06MAR2020 (CALLABLE 06FEB20)		02/06/2020		0.00	(66.58)	284.35					
89236TDU6	1.950	04/17/2020	500,000.00	501,915.00	501,261.00	490,290.50	(10,970.50)	0.00	839.59	2,816.67	1.83
TOYOTA MOTOR CREDIT CORP 1.95% 17APR2020				0.00	(61.31)	(1,108.00)					
24422ETS8	1.950	06/22/2020	500,000.00	503,120.00	502,123.59	490,865.50	(11,258.09)	0.00	839.58	1,056.25	1.84
JOHN DEERE CAPITAL CORP 1.95% 22JUN2020				0.00	(93.42)	1,680.00					
Total Corporate Bonds			8,150,000.00	8,168,389.50	8,156,269.46	8,076,826.20	(79,443.26)	24,687.50	13,596.64	38,473.22	29.83
Government Agencies											
3130A6B63	1.200	08/14/2018	750,000.00	751,965.00	750,025.59	749,737.50	(288.09)	0.00	775.00	4,175.00	2.75
FEDERAL HOME LOAN BANK 1.2% 14AUG2018				0.00	(54.84)	420.00					
3133EGFQ3	0.875	09/14/2018	1,000,000.00	1,000,293.00	1,000,016.01	998,580.00	(1,436.01)	0.00	753.47	3,329.86	3.65
FEDERAL FARM CREDIT BANK 0.875% 14SEP2018				0.00	(10.92)	770.00					

SECURITIES HELD

CITY OF SAN PABLO

As of July 31, 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											
3133EGM69	1.100	12/05/2018	1,000,000.00	997,730.00	999,606.45	996,140.00	(3,466.45)	0.00	947.22	1,711.11	3.64
FEDERAL FARM CREDIT BANK 1.1% 05DEC2018				0.00	94.45	810.00					
3133EF3V7	0.875	02/15/2019	1,000,000.00	1,001,200.00	1,000,256.58	992,060.00	(8,196.58)	0.00	753.47	4,034.72	3.66
FEDERAL FARM CREDIT BANK 0.875% 15FEB2019				0.00	(39.47)	710.00					
313378QK0	1.875	03/08/2019	1,000,000.00	1,026,340.00	1,006,141.30	998,230.00	(7,911.30)	0.00	1,614.59	7,447.92	3.75
FEDERAL HOME LOAN BANK 1.875% 08MAR2019				0.00	(845.14)	880.00					
3137EADZ9	1.125	04/15/2019	500,000.00	502,545.00	500,662.90	495,702.00	(4,960.90)	0.00	484.37	1,656.25	1.84
FREDDIE MAC 1.125% 15APR2019				0.00	(77.98)	311.50					
313379EE5	1.625	06/14/2019	1,000,000.00	1,020,720.00	1,006,310.46	993,120.00	(13,190.46)	0.00	1,399.31	2,121.53	3.73
FEDERAL HOME LOAN BANK 1.625% 14JUN2019				0.00	(602.91)	378.00					
3137EAEB1	0.875	07/19/2019	700,000.00	689,815.00	695,823.07	689,595.20	(6,227.87)	3,062.50	527.43	204.17	2.52
FREDDIE MAC 0.875% 19JUL2019				0.00	359.05	653.10					
3135G0N33	0.875	08/02/2019	1,000,000.00	981,984.00	987,237.20	984,298.00	(2,939.20)	0.00	753.47	4,350.69	3.59
FANNIE MAE 0.875% 02AUG2019				0.00	1,057.69	919.00					
3133EGSC0	1.000	08/26/2019	1,000,000.00	998,204.00	999,349.06	984,170.00	(15,179.06)	0.00	861.12	4,305.56	3.65
FEDERAL FARM CREDIT BANK 1% 26AUG2019				0.00	50.60	110.00					
3130A9MF5	1.125	10/03/2019	1,000,000.00	999,000.00	999,607.61	983,720.00	(15,887.61)	0.00	968.75	3,687.50	3.65
FEDERAL HOME LOAN BANK 1.125% 03OCT2019 (CALLABLE 10AUG18)				0.00	27.83	(110.00)					
3135G0R39	1.000	10/24/2019	1,000,000.00	980,380.00	985,309.81	980,709.00	(4,600.81)	0.00	861.11	2,694.44	3.58
FANNIE MAE 1% 24OCT2019				0.00	992.58	(254.00)					

SECURITIES HELD

CITY OF SAN PABLO

As of July 31, 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											
3133EGJ30	1.100	11/18/2019	600,000.00	595,032.00	597,419.51	588,858.00	(8,561.51)	0.00	568.33	1,338.33	2.17
FEDERAL FARM CREDIT BANK 1.1% 18NOV2019				0.00	165.42	156.00					
3136G4DA8	1.200	12/30/2019	700,000.00	699,125.00	699,616.95	684,719.00	(14,897.95)	4,200.00	700.00	700.00	2.55
FANNIE MAE 1.2% 30DEC2019 (CALLABLE 30SEP18) #0001		09/30/2018		0.00	22.53	(441.00)					
3135G0VY6	1.700	03/27/2020	1,000,000.00	1,004,795.61	1,003,135.79	984,550.00	(18,585.79)	0.00	1,463.89	5,855.56	3.67
FANNIE MAE 1.7% 27MAR2020 CALLABLE				0.00	(157.58)	(1,100.00)					
3134GBTF9	1.625	03/27/2020	1,500,000.00	1,499,445.00	1,499,637.09	1,475,205.00	(24,432.09)	0.00	2,098.95	8,395.83	5.48
FREDDIE MAC 1.625% 27MAR2020 (CALLABLE 27SEP18)		09/27/2018		0.00	18.23	(2,160.00)					
3130AECJ7	2.625	05/28/2020	500,000.00	500,810.00	500,749.62	499,453.50	(1,296.12)	0.00	1,130.20	2,552.08	1.83
FEDERAL HOME LOAN BANK 2.625% 28MAY2020				0.00	(34.18)	(700.00)					
Total Government Agencies			15,250,000.00	15,249,383.61	15,230,905.00	15,078,847.20	(152,057.80)	7,262.50	16,660.68	58,560.55	55.70
Government Bonds											
912828T42	0.750	09/30/2018	1,000,000.00	991,914.06	999,128.55	997,966.00	(1,162.55)	0.00	635.25	2,500.00	3.62
USA TREASURY 0.75% 30SEP2018				0.00	442.87	1,010.00					
912828M64	1.250	11/15/2018	500,000.00	498,183.59	498,792.82	498,832.50	39.68	0.00	526.50	1,307.75	1.82
USA TREASURY 1.25% 15NOV2018				0.00	349.74	336.50					
912828F39	1.750	09/30/2019	600,000.00	605,460.94	602,753.09	594,796.80	(7,956.29)	0.00	889.34	3,500.00	2.21
USA TREASURY 1.75% 30SEP2019				0.00	(200.34)	(141.00)					

SECURITIES HELD

As of July 31, 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 (2,187.50)	742,106.05 16.21	742,060.50 (29.34)	(45.55)	0.00	0.00	2,187.50	2.71
912828UL2 USA TREASURY 1.375% 31JAN2020	1.375	01/31/2020	1,100,000.00	1,086,636.72 0.00	1,090,218.08 552.35	1,080,449.70 (687.50)	(9,768.38)	7,562.50	1,295.23	0.00	3.97
Total Government Bonds			3,950,000.00	3,924,285.15 (2,187.50)	3,932,998.59 1,160.83	3,914,105.50 488.66	(18,893.09)	7,562.50	3,346.32	9,495.25	14.33
Grand total			27,386,990.54	27,379,048.80 (2,187.50)	27,357,163.59 1,443.77	27,106,769.44 8,359.16	(250,394.15)	39,512.50	33,603.64	106,529.02	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of July 31, 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												
3133EGFQ3	FEDERAL FARM CREDIT	0.875	09/14/2018		AA+	Aaa	1,000,000.00	1,000,293.00	3.65	998,580.00	3.68	0.12
3133EGM69	FEDERAL FARM CREDIT	1.100	12/05/2018		AA+	Aaa	1,000,000.00	997,730.00	3.64	996,140.00	3.67	0.34
3133EF3V7	FEDERAL FARM CREDIT	0.875	02/15/2019		AA+	Aaa	1,000,000.00	1,001,200.00	3.66	992,060.00	3.66	0.54
3133EGSCO	FEDERAL FARM CREDIT	1.000	08/26/2019		AA+	Aaa	1,000,000.00	998,204.00	3.65	984,170.00	3.63	1.05
3133EGJ30	FEDERAL FARM CREDIT	1.100	11/18/2019		AA+	Aaa	600,000.00	595,032.00	2.17	588,858.00	2.17	1.28
Issuer total							4,600,000.00	4,592,459.00	16.77	4,559,808.00	16.82	0.61
Federal Home Loan Banks												
3130A6B63	FEDERAL HOME LOAN	1.200	08/14/2018		AA+	Aaa	750,000.00	751,965.00	2.75	749,737.50	2.77	0.04
313378QK0	FEDERAL HOME LOAN	1.875	03/08/2019		AA+	Aaa	1,000,000.00	1,026,340.00	3.75	998,230.00	3.68	0.59
313379EE5	FEDERAL HOME LOAN	1.625	06/14/2019		AA+	Aaa	1,000,000.00	1,020,720.00	3.73	993,120.00	3.66	0.86
3130A9MF5	FEDERAL HOME LOAN	1.125	10/03/2019		AA+	Aaa	1,000,000.00	999,000.00	3.65	983,720.00	3.63	1.15
3130AEJC7	FEDERAL HOME LOAN	2.625	05/28/2020		AA+	Aaa	500,000.00	500,810.00	1.83	499,453.50	1.84	1.76
Issuer total							4,250,000.00	4,298,835.00	15.70	4,224,261.00	15.58	0.82
United States Treasury Note/Bond												
912828T42	USA TREASURY 0.75%	0.750	09/30/2018		AA+	Aaa	1,000,000.00	991,914.06	3.62	997,966.00	3.68	0.17
912828M64	USA TREASURY 1.25%	1.250	11/15/2018		AA+	Aaa	500,000.00	498,183.59	1.82	498,832.50	1.84	0.29
912828F39	USA TREASURY 1.75%	1.750	09/30/2019		AA+	Aaa	600,000.00	605,460.94	2.21	594,796.80	2.19	1.14
9128283H1	USA TREASURY 1.75%	1.750	11/30/2019		AA+	Aaa	750,000.00	742,089.84	2.71	742,060.50	2.74	1.30
912828UL2	USA TREASURY 1.375%	1.375	01/31/2020		AA+	Aaa	1,100,000.00	1,086,636.72	3.97	1,080,449.70	3.99	1.47
Issuer total							3,950,000.00	3,924,285.15	14.33	3,914,105.50	14.44	0.91
Federal National Mortgage Association												
3135G0N33	FANNIE MAE 0.875%	0.875	08/02/2019		AA+	Aaa	1,000,000.00	981,984.00	3.59	984,298.00	3.63	0.98
3135G0R39	FANNIE MAE 1%	1.000	10/24/2019		AA+	Aaa	1,000,000.00	980,380.00	3.58	980,709.00	3.62	1.21

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of July 31, 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 National Mortgage Association												
3136G4DA8	FANNIE MAE 1.2%	1.200	12/30/2019	09/30/2018	AA+	Aaa	700,000.00	699,125.00	2.55	684,719.00	2.53	1.39
3135G0VY6	FANNIE MAE 1.7%	1.700	03/27/2020		AA+	Aaa	1,000,000.00	1,004,795.61	3.67	984,550.00	3.63	1.61
Issuer total							3,700,000.00	3,666,284.61	13.39	3,634,276.00	13.41	1.29
Federal Home Loan Mortgage Corp												
3137EADZ9	FREDDIE MAC 1.125%	1.125	04/15/2019		AA+	Aaa	500,000.00	502,545.00	1.84	495,702.00	1.83	0.70
3137EAEB1	FREDDIE MAC 0.875%	0.875	07/19/2019		AA+	Aaa	700,000.00	689,815.00	2.52	689,595.20	2.54	0.95
3134GBTF9	FREDDIE MAC 1.625%	1.625	03/27/2020	09/27/2018	AA+	Aaa	1,500,000.00	1,499,445.00	5.48	1,475,205.00	5.44	1.60
Issuer total							2,700,000.00	2,691,805.00	9.83	2,660,502.20	9.81	1.27
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	3.69	998,943.00	3.69	0.43
Issuer total							1,000,000.00	1,011,060.00	3.69	998,943.00	3.69	0.43
Caterpillar Financial Services Corp												
14912L6R7	CATERPILLAR FINL	1.350	05/18/2019		A	A3	1,000,000.00	999,260.00	3.65	989,890.00	3.65	0.78
Issuer total							1,000,000.00	999,260.00	3.65	989,890.00	3.65	0.78
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	3.66	988,199.00	3.65	1.48
Issuer total							1,000,000.00	1,002,170.00	3.66	988,199.00	3.65	1.48
Walt Disney Co/The												
25468PDL7	WALT DISNEY	0.875	07/12/2019		A+	A2	500,000.00	490,240.00	1.79	491,804.00	1.81	0.93
25468PDP8	WALT DISNEY	1.950	03/04/2020		A+	A2	450,000.00	451,624.50	1.65	442,846.35	1.63	1.54
Issuer total							950,000.00	941,864.50	3.44	934,650.35	3.45	1.22

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of July 31, 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)
Cisco Systems Inc												
17275RBB7	CISCO SYSTEMS INC 1.6%	1.600	02/28/2019		AA-	A1	700,000.00	700,630.00	2.56	696,575.60	2.57	0.57
Issuer total												
Exxon Mobil Corp												
30231GAG7	EXXON MOBIL	1.912	03/06/2020	02/06/2020	AA+	Aaa	550,000.00	552,255.00	2.02	542,554.10	2.00	1.54
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	1.83	498,518.50	1.84	0.35
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	493,746.50	1.82	1.53
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	1.80	492,757.50	1.82	1.22
Issuer total												
John Deere Capital Corp												
24422ETS8	JOHN DEERE CAPITAL	1.950	06/22/2020		A	A2	500,000.00	503,120.00	1.84	490,865.50	1.81	1.84
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	490,290.50	1.81	1.66
Issuer total												

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of July 31, 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)
Oracle Corp												
68389XAG0	ORACLE CORP 5%	5.000	07/08/2019		AA-	A1	450,000.00	462,735.00	1.69	459,835.65	1.70	0.91
Issuer total												
Cash and Cash Equivalents												
INVESTED CASH												
0.000												
Issuer total												
Grand total												
								27,386,990.54	27,379,048.80	100.00	27,106,769.44	100.00
												0.98

SECURITIES PURCHASED

CITY OF SAN PABLO

For the period July 1, 2018 - July 31, 2018

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
Government Bonds							
9128283H1	07/30/2018	1.750	11/30/2019	750,000.00	98.95	(742,089.84)	(2,187.50)
USA TREASURY 1.75% 30NOV2019	07/31/2018						
JPMORGAN CHASE BANK, N.A.							
Total Government Bonds				750,000.00		(742,089.84)	(2,187.50)
Grand total				750,000.00		(742,089.84)	(2,187.50)

SECURITIES SOLD AND MATURED

For the period July 1, 2018 - July 31, 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 Bonds												
912828VQ0	07/31/2018	1.375		(700,000.00)	700,246.09	700,000.00	0.00	700,000.00	0.00	0.00	4,812.50	824.24
USA TREASURY 1.375%	07/31/2018					(24.93)		249.20				
31JUL2018												
Total (Government Bonds)				(700,000.00)	700,246.09	700,000.00		700,000.00	0.00	0.00	4,812.50	824.24
Grand total				(700,000.00)	700,246.09	700,000.00		700,000.00	0.00	0.00	4,812.50	824.24

TRANSACTION REPORT

CITY OF SAN PABLO

For the period July 1, 2018 - July 31, 2018

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain/(loss)	Principal	Interest	Transaction total
06/30/2018 06/30/2018	3136G4DA8	Income	Government Agencies	FANNIE MAE 1.2% 30DEC2019	12/30/2019	700,000.00	0.00	0.00	4,200.00	4,200.00
07/07/2018 07/07/2018	713448CK2	Income	Corporate Bonds	PEPSICO INC 2.25% 07JAN2019	01/07/2019	1,000,000.00	0.00	0.00	11,250.00	11,250.00
07/08/2018 07/08/2018	68389XAG0	Income	Corporate Bonds	ORACLE CORP 5% 08JUL2019	07/08/2019	450,000.00	0.00	0.00	11,250.00	11,250.00
07/12/2018 07/12/2018	25468PDL7	Income	Corporate Bonds	WALT DISNEY COMPANY/THE	07/12/2019	500,000.00	0.00	0.00	2,187.50	2,187.50
07/19/2018 07/19/2018	3137EAEB1	Income	Government Agencies	FREDDIE MAC 0.875%	07/19/2019	700,000.00	0.00	0.00	3,062.50	3,062.50
07/30/2018 07/31/2018	9128283H1	Bought	Government Bonds	USA TREASURY 1.75%	11/30/2019	750,000.00	0.00	(742,089.84)	(2,187.50)	(744,277.34)
07/31/2018	912828UL2	Income	Government Bonds	USA TREASURY 1.375%	01/31/2020	1,100,000.00	0.00	0.00	7,562.50	7,562.50
07/31/2018	912828VQ0	Income	Government Bonds	USA TREASURY 1.375%	07/31/2018	700,000.00	0.00	0.00	4,812.50	4,812.50
07/31/2018	912828VQ0	Capital Change	Government Bonds	USA TREASURY 1.375%	07/31/2018	(700,000.00)	0.00	700,000.00	0.00	700,000.00
07/31/2018		Income	Cash and Cash Equivalents	Cash		0.00	0.00	0.00	97.07	97.07

ADDITIONAL INFORMATION

As of July 31, 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.

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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.

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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.

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ADDITIONAL INFORMATION

As of July 31, 2018

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