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# CITY OF SAN PABLO

March 2017

➤ A BNY MELLON COMPANY<sup>SM</sup>



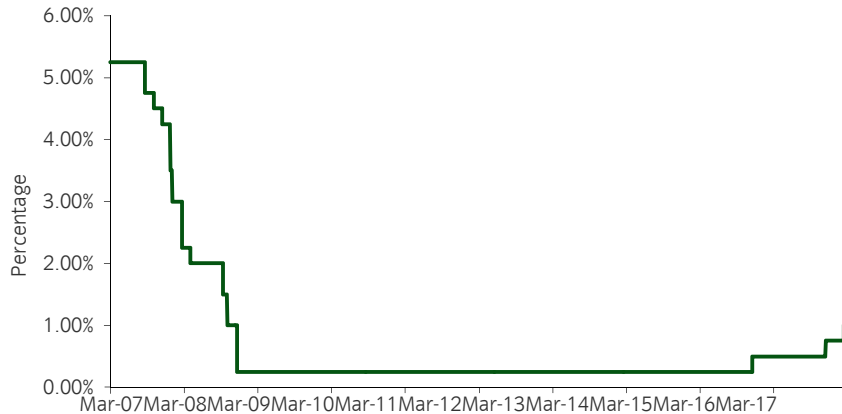
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# FIXED INCOME MARKET REVIEW

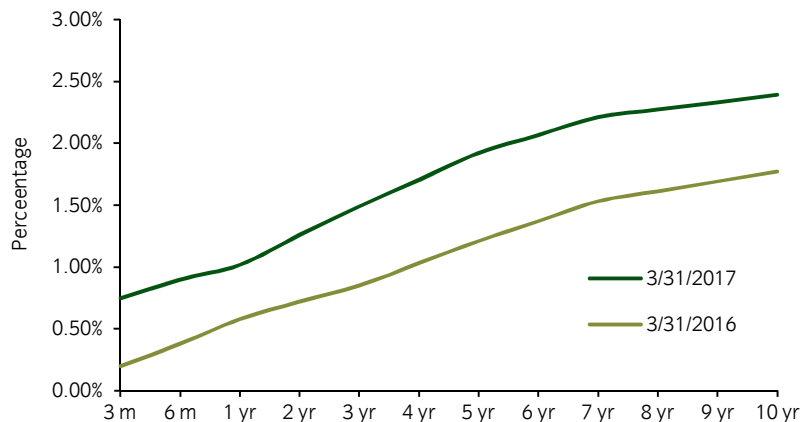
As of March 31, 2017

Chart 1: Fed funds target rate: 3/31/2007—3/31/2017



Source: Bloomberg Finance LP, March 31, 2017.

Chart 2: Treasury yield curve: 3/31/2016 and 3/31/2017



Source: Bloomberg Finance LP, March 31, 2017.

## Economic Indicators and Monetary Policy

The meeting of the Federal Open Market Committee (FOMC) concluded on March 15 with the anticipated decision to increase the fed funds target rate 25 basis points. The range for the overnight rate is now 0.75% - 1.00%. The FOMC statement retained language indicating future increases in the fed funds target rate would be “gradual”. (See Chart 1).

The payroll report released on March 10, showed US employers added 235,000 jobs in February, better than expectations of 200,000 new jobs. January job growth was revised up to 238,000 from the prior release of 227,000 jobs added. The labor force participation rate rose to 63.0% in February from 62.9% in January. The February unemployment rate decreased to 4.7% from 4.8% in January, and the underemployment rate decreased to 9.2% from 9.4%. Average hourly earnings rose by 0.2% in February to a year-over-year rate of 2.8%. Survey expectations were for wage gains of 0.3% in February.

Rising energy prices pushed the headline Producer Price Index (PPI) higher in February. The March 14 release showed February PPI including food and energy increased to 2.2% from 1.6% in January. Excluding food and energy, the core PPI increased 0.3% in February to an annual rate of 1.5%. The Consumer Price Index (CPI) released on March 15 increased to 2.7% in February at the headline level from 2.5% in January, and excluding food and energy the core CPI was 2.2% in February.

The final estimate of fourth quarter 2016 GDP was released on March 30. Largely in response to stronger consumer spending, fourth quarter GDP was revised upward to 2.1% from the previous estimate of 1.9% growth. Personal consumption was revised to 3.5% growth in the fourth quarter from the previous estimate of 3.0%. For the third quarter of last year, GDP was 3.5% and personal consumption was 3.0%.

## Interest Rate Summary

On March 31 the 3-month US Treasury bill yielded 0.75%, the 6-month US Treasury bill yielded 0.90%, the 2-year US Treasury note yielded 1.26%, the 5-year US Treasury note yielded 1.92% and the 10-year US Treasury note yielded 2.39% (See Chart 2).

# ACTIVITY AND PERFORMANCE SUMMARY

CITY OF SAN PABLO

For the period March 1, 2017 - March 31, 2017

## Amortized Cost Basis Activity Summary

<b>Opening balance</b>	26,853,447.39
Income received	72,955.51
<b>Total receipts</b>	72,955.51
<b>Total disbursements</b>	0.00
Interportfolio transfers	0.00
<b>Total Interportfolio transfers</b>	0.00
Realized gain (loss)	0.00
<b>Total amortization expense</b>	(6,464.15)
<b>Total OID/MKT accretion income</b>	1,009.02
Return of capital	0.00
<b>Closing balance</b>	26,920,947.77
<b>Ending fair value</b>	26,837,357.13
Unrealized gain (loss)	(83,590.64)

## Detail of Amortized Cost Basis Return

	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	19.10	0.00	0.00	19.10
Corporate Bonds	14,160.54	(4,266.67)	0.00	9,893.87
Government Agencies	16,419.24	(1,511.11)	0.00	14,908.13
Government Bonds	1,655.89	322.65	0.00	1,978.54
<b>Total</b>	<b>32,254.77</b>	<b>(5,455.13)</b>	<b>0.00</b>	<b>26,799.64</b>

## Comparative Rates of Return (%)

	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.48	0.29	0.07
Overnight Repo	0.49	0.25	0.06
Merrill Lynch 3m US Treas Bill	0.37	0.24	0.06
Merrill Lynch 6m US Treas Bill	0.48	0.30	0.07
ML 1 Year US Treasury Note	0.69	0.41	0.09
ML 2 Year US Treasury Note	0.93	0.56	0.11
ML 5 Year US Treasury Note	1.47	0.88	0.17

\* rates reflected are cumulative

## Summary of Amortized Cost Basis Return for the Period

	Total portfolio
Interest earned	32,254.77
Accretion (amortization)	(5,455.13)
Realized gain (loss) on sales	0.00
Total income on portfolio	26,799.64
Average daily amortized cost	26,891,677.31
Period return (%)	0.10
YTD return (%)	0.26
Weighted average final maturity in days	474

# ACTIVITY AND PERFORMANCE SUMMARY

For the period March 1, 2017 - March 31, 2017

## Fair Value Basis Activity Summary

<b>Opening balance</b>	26,785,735.43
Income received	72,955.51
<b>Total receipts</b>	72,955.51
<b>Total disbursements</b>	0.00
Interportfolio transfers	0.00
<b>Total Interportfolio transfers</b>	0.00
Unrealized gain (loss) on security movements	0.00
Return of capital	0.00
Change in fair value for the period	(21,333.81)
<b>Ending fair value</b>	26,837,357.13

## Detail of Fair Value Basis Return

	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	19.10	0.00	19.10
Corporate Bonds	14,160.54	(11,825.95)	2,334.59
Government Agencies	16,419.24	(9,599.30)	6,819.94
Government Bonds	1,655.89	91.44	1,747.33
<b>Total</b>	<b>32,254.77</b>	<b>(21,333.81)</b>	<b>10,920.96</b>

## Comparative Rates of Return (%)

	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.48	0.29	0.07
Overnight Repo	0.49	0.25	0.06
Merrill Lynch 3m US Treas Bill	0.36	0.19	0.02
Merrill Lynch 6m US Treas Bill	0.58	0.26	0.00
ML 1 Year US Treasury Note	0.56	0.21	(0.04)
ML US Treasury 1-3	0.25	(0.17)	0.03
ML US Treasury 1-5	(0.10)	(0.72)	0.05

\* rates reflected are cumulative

## Summary of Fair Value Basis Return for the Period

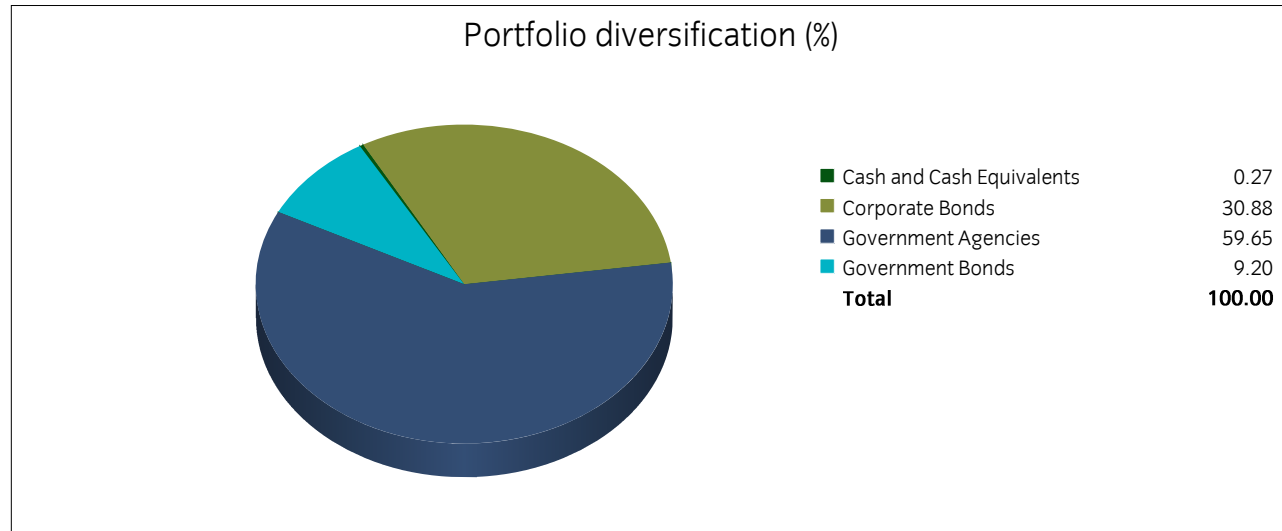
	Total portfolio
Interest earned	32,254.77
Change in fair value	(21,333.81)
Total income on portfolio	10,920.96
Average daily total value *	26,879,888.91
Period return (%)	0.04
YTD return (%)	0.30
Weighted average final maturity in days	474

\* Total value equals market value and accrued interest

# RECAP OF SECURITIES HELD

As of March 31, 2017

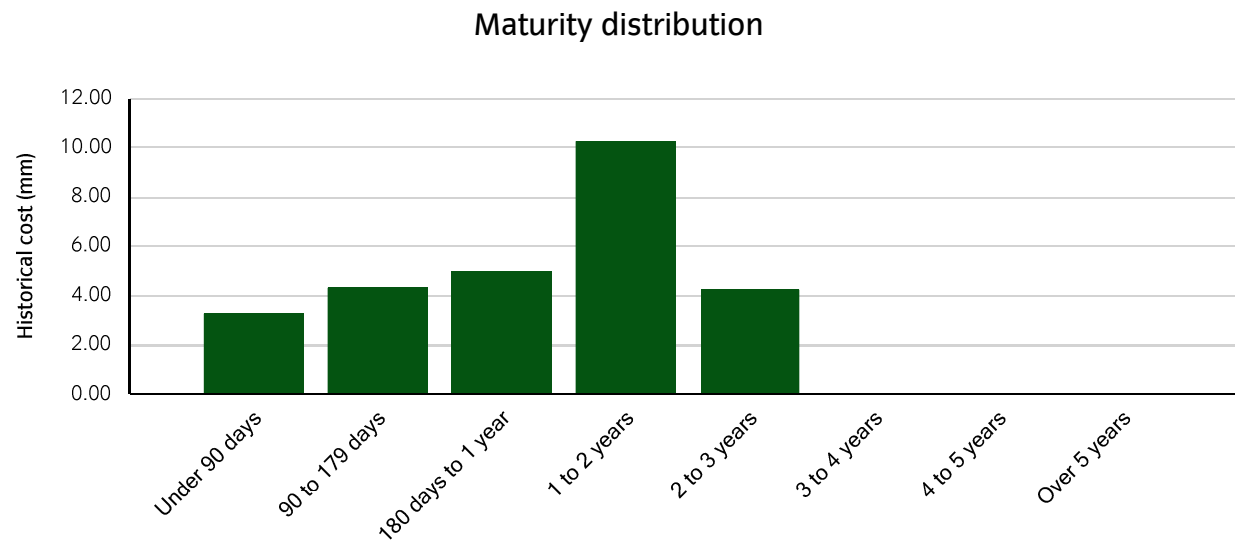
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	72,549.28	72,549.28	72,549.28	0.00	1	0.27	0.00
Corporate Bonds	8,365,310.00	8,229,226.98	8,216,526.15	(12,700.83)	382	30.88	1.02
Government Agencies	16,156,787.50	16,126,921.33	16,056,562.70	(70,358.63)	540	59.65	1.42
Government Bonds	2,491,210.94	2,492,250.18	2,491,719.00	(531.18)	371	9.20	1.01
<b>Total</b>	<b>27,085,857.72</b>	<b>26,920,947.77</b>	<b>26,837,357.13</b>	<b>(83,590.64)</b>	<b>474</b>	<b>100.00</b>	<b>1.25</b>



# MATURITY DISTRIBUTION OF SECURITIES HELD

As of March 31, 2017

Maturity	Historic cost	Percent
Under 90 days	3,299,385.28	12.18
90 to 179 days	4,343,995.00	16.04
180 days to 1 year	5,004,733.88	18.48
1 to 2 years	10,227,199.56	37.76
2 to 3 years	4,210,544.00	15.55
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	27,085,857.72	100.00



# SECURITIES HELD

## As of March 31, 2017

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
<b>Cash and Cash Equivalents</b>											
Cash and Cash Equivalents	0.000		72,549.28	72,549.28 0.00	72,549.28 0.00	72,549.28 0.00	0.00	0.00	0.00	0.00	0.27
<b>Total Cash and Cash Equivalents</b>			<b>72,549.28</b>	<b>72,549.28 0.00</b>	<b>72,549.28 0.00</b>	<b>72,549.28 0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.27</b>
<b>Corporate Bonds</b>											
084664BS9 BERKSHIRE HATHAWAY FIN 1.6% 15/05/2017	1.600	05/15/2017	1,000,000.00	1,018,830.00 0.00	1,000,540.75 (360.49)	1,000,212.00 (1,324.00)	(328.75)	0.00	1,466.66	6,044.44	3.76
717081DJ9 PFIZER INC 1.1% 15/05/2017	1.100	05/15/2017	1,000,000.00	1,003,800.00 0.00	1,000,217.83 (145.23)	999,786.50 (519.50)	(431.33)	0.00	1,008.34	4,155.56	3.71
459200GJ4 IBM CORP 5.7% 14/09/2017	5.700	09/14/2017 09/13/2017	1,000,000.00	1,138,850.00 0.00	1,019,496.06 (3,566.35)	1,020,091.00 (4,614.00)	594.94	28,500.00	5,225.00	2,691.67	4.20
68389XAN5 ORACLE CORP 1.2% 15/10/2017	1.200	10/15/2017	500,000.00	501,065.00 0.00	500,224.03 (34.47)	499,909.25 (545.75)	(314.78)	0.00	550.00	2,766.67	1.85
931142DF7 WAL-MART STORES INC 1.125% 11/04/2018	1.125	04/11/2018	500,000.00	500,215.00 0.00	500,044.29 (3.58)	499,124.00 (426.00)	(920.29)	0.00	515.62	2,656.25	1.85
037833AJ9 APPLE INC 1% 03/05/2018	1.000	05/03/2018	1,000,000.00	991,620.00 0.00	998,153.96 140.92	996,976.00 33.00	(1,177.96)	0.00	916.67	4,111.11	3.66
69353REZ7 PNC BANK NA 1.7% 07/12/2018 (CALLABLE 07/11/18)	1.700	12/07/2018 11/07/2018	500,000.00	499,980.00 0.00	499,982.17 0.88	499,898.00 (816.00)	(84.17)	0.00	779.16	2,644.44	1.85
713448CK2 PEPSICO INC 2.25% 07/01/2019 (CALLABLE 07/12/18)	2.250	01/07/2019 12/07/2018	1,000,000.00	1,011,060.00 (4,250.00)	1,010,756.06 (303.94)	1,011,644.00 584.00	887.94	0.00	1,000.00	5,250.00	3.73



# SECURITIES HELD

## As of March 31, 2017

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
<b>Corporate Bonds</b>											
17275RBB7 CISCO SYSTEMS INC 1.6% 28/02/2019	1.600	02/28/2019	700,000.00	700,630.00 0.00	700,399.54 (17.37)	700,974.40 (448.70)	574.86	0.00	1,026.67	1,026.67	2.59
14912L6R7 CATERPILLAR FINL SERVICE 1.35% 18/05/2019	1.350	05/18/2019	1,000,000.00	999,260.00 0.00	999,412.29 22.96	987,911.00 (3,648.00)	(11,501.29)	0.00	1,237.50	4,987.50	3.69
<b>Total Corporate Bonds</b>			<b>8,200,000.00</b>	<b>8,365,310.00 (4,250.00)</b>	<b>8,229,226.98 (4,266.67)</b>	<b>8,216,526.15 (11,724.95)</b>	<b>(12,700.83)</b>	<b>28,500.00</b>	<b>13,725.62</b>	<b>36,334.31</b>	<b>30.88</b>
<b>Government Agencies</b>											
3133EEN48 FEDERAL FARM CREDIT BANK 0.625% 22/05/2017	0.625	05/22/2017	600,000.00	600,522.00 0.00	600,046.80 (27.00)	599,892.00 (102.00)	(154.80)	0.00	343.75	1,343.75	2.22
313379FW4 FEDERAL HOME LOAN BANK 1% 09/06/2017	1.000	06/09/2017	600,000.00	603,684.00 0.00	600,425.79 (185.12)	600,170.40 (453.60)	(255.39)	0.00	550.00	1,866.67	2.23
3135G0PP2 FANNIE MAE 1% 20/09/2017 CALLABLE	1.000	09/20/2017	2,500,000.00	2,506,020.00 0.00	2,500,000.00 0.00	2,500,145.00 (3,395.00)	145.00	12,500.00	2,291.67	763.89	9.25
3136G1ER6 FANNIE MAE 1.125% 05/03/2018 CALLABLE	1.125	03/05/2018	2,000,000.00	2,005,372.00 0.00	2,000,000.00 0.00	1,997,320.00 (2,300.00)	(2,680.00)	11,250.00	2,062.50	1,625.00	7.40
313379DT3 FEDERAL HOME LOAN BANK 1.25% 08/06/2018	1.250	06/08/2018	750,000.00	754,252.50 0.00	751,803.84 (126.43)	750,675.00 (862.50)	(1,128.84)	0.00	859.38	2,942.71	2.78
3130A6B63 FEDERAL HOME LOAN BANK 1.2% 14/08/2018	1.200	08/14/2018	750,000.00	751,965.00 0.00	750,902.99 (54.83)	750,457.50 (105.00)	(445.49)	0.00	825.00	1,175.00	2.78
3133EGFQ3 FEDERAL FARM CREDIT BANK 0.875% 14/09/2018	0.875	09/14/2018	1,000,000.00	1,000,293.00 0.00	1,000,190.72 (10.92)	995,296.00 (133.00)	(4,894.72)	4,375.00	802.08	413.19	3.69

# SECURITIES HELD

## As of March 31, 2017

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
<b>Government Agencies</b>											
3133EGM69 FEDERAL FARM CREDIT BANK 1.1% 05/12/2018	1.100	12/05/2018	1,000,000.00	997,730.00 0.00	998,095.21 94.45	997,400.00 250.00	(695.21)	0.00	1,008.33	3,544.44	3.68
3133EF3V7 FEDERAL FARM CREDIT BANK 0.875% 15/02/2019	0.875	02/15/2019	1,000,000.00	1,001,200.00 0.00	1,000,888.16 (39.47)	992,730.00 0.00	(8,158.16)	0.00	802.09	1,118.06	3.70
313378QK0 FEDERAL HOME LOAN BANK 1.875% 08/03/2019	1.875	03/08/2019	1,000,000.00	1,026,340.00 0.00	1,019,663.44 (845.14)	1,009,700.00 (961.00)	(9,963.44)	9,375.00	1,718.75	1,197.92	3.79
3137EADZ9 FREDDIE MAC 1.125% 15/04/2019	1.125	04/15/2019	500,000.00	502,545.00 0.00	501,910.70 (77.99)	497,580.50 (604.50)	(4,330.20)	0.00	515.62	2,593.75	1.86
313379EE5 FEDERAL HOME LOAN BANK 1.625% 14/06/2019	1.625	06/14/2019	1,000,000.00	1,020,720.00 0.00	1,015,957.01 (602.91)	1,004,408.00 (1,141.00)	(11,549.01)	0.00	1,489.58	4,829.86	3.77
3137EABE1 FREDDIE MAC 0.875% 19/07/2019	0.875	07/19/2019	700,000.00	689,815.00 (935.76)	690,078.30 263.30	691,494.30 1,679.30	1,416.00	0.00	289.24	1,225.00	2.55
3133EGSC0 FEDERAL FARM CREDIT BANK 1% 26/08/2019	1.000	08/26/2019	1,000,000.00	998,204.00 0.00	998,539.59 50.59	986,250.00 (1,290.00)	(12,289.59)	0.00	916.66	972.22	3.69
3130A9MF5 FEDERAL HOME LOAN BANK 1.125% 03/10/2019 (CALLABLE 03/10/17)	1.125	10/03/2019 10/03/2017	1,000,000.00	999,000.00 0.00	999,162.34 27.83	990,170.00 160.00	(8,992.34)	0.00	1,031.25	5,562.50	3.69
3136G4DA8 FANNIE MAE 1.2% 30/12/2019 (CALLABLE 30/06/17) #0001	1.200	12/30/2019 06/30/2017	700,000.00	699,125.00 0.00	699,256.44 22.53	692,874.00 (301.00)	(6,382.44)	0.00	746.67	2,100.00	2.58
<b>Total Government Agencies</b>			<b>16,100,000.00</b>	<b>16,156,787.50</b> <b>(935.76)</b>	<b>16,126,921.33</b> <b>(1,511.11)</b>	<b>16,056,562.70</b> <b>(9,559.30)</b>	<b>(70,358.63)</b>	<b>37,500.00</b>	<b>16,252.57</b>	<b>33,273.96</b>	<b>59.65</b>

# SECURITIES HELD

As of March 31, 2017

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
<b>Government Bonds</b>											
912828TS9 USA TREASURY 0.625% 30/09/2017	0.625	09/30/2017	500,000.00	497,421.88 0.00	499,490.50 86.31	499,297.00 (351.50)	(193.50)	1,562.50	266.14	0.00	1.84
912828H37 USA TREASURY 0.875% 15/01/2018	0.875	01/15/2018	1,000,000.00	1,001,875.00 0.00	1,000,588.47 (62.91)	998,789.00 (1,133.00)	(1,799.47)	0.00	749.31	1,812.85	3.70
912828T42 USA TREASURY 0.75% 30/09/2018	0.750	09/30/2018	1,000,000.00	991,914.06 (3,420.33)	992,171.21 257.15	993,633.00 1,718.94	1,461.79	3,750.00	329.67	0.00	3.66
<b>Total Government Bonds</b>			<b>2,500,000.00</b>	<b>2,491,210.94 (3,420.33)</b>	<b>2,492,250.18 280.55</b>	<b>2,491,719.00 234.44</b>	<b>(531.18)</b>	<b>5,312.50</b>	<b>1,345.12</b>	<b>1,812.85</b>	<b>9.20</b>
<b>Grand total</b>			<b>26,872,549.28</b>	<b>27,085,857.72 (8,606.09)</b>	<b>26,920,947.77 (5,497.23)</b>	<b>26,837,357.13 (21,049.81)</b>	<b>(83,590.64)</b>	<b>71,312.50</b>	<b>31,323.31</b>	<b>71,421.12</b>	<b>100.00</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of March 31, 2017

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)
<b>Federal National Mortgage Association</b>												
3135G0PP2	FANNIE MAE 1%	1.000	09/20/2017		AA+	Aaa	2,500,000.00	2,506,020.00	9.25	2,500,145.00	9.32	0.47
3136G1ER6	FANNIE MAE 1.125%	1.125	03/05/2018		AA+	Aaa	2,000,000.00	2,005,372.00	7.40	1,997,320.00	7.44	0.92
3136G4DA8	FANNIE MAE 1.2%	1.200	12/30/2019	06/30/2017	AA+	Aaa	700,000.00	699,125.00	2.58	692,874.00	2.58	2.27
<b>Issuer total</b>							<b>5,200,000.00</b>	<b>5,210,517.00</b>	<b>19.24</b>	<b>5,190,339.00</b>	<b>19.34</b>	<b>0.88</b>
<b>Federal Home Loan Banks</b>												
313379FW4	FEDERAL HOME LOAN	1.000	06/09/2017		AA+	Aaa	600,000.00	603,684.00	2.23	600,170.40	2.24	0.19
313379DT3	FEDERAL HOME LOAN	1.250	06/08/2018		AA+	Aaa	750,000.00	754,252.50	2.78	750,675.00	2.80	1.17
3130A6B63	FEDERAL HOME LOAN	1.200	08/14/2018		AA+	Aaa	750,000.00	751,965.00	2.78	750,457.50	2.80	1.35
313378QK0	FEDERAL HOME LOAN	1.875	03/08/2019		AA+	Aaa	1,000,000.00	1,026,340.00	3.79	1,009,700.00	3.76	1.90
313379EE5	FEDERAL HOME LOAN	1.625	06/14/2019		AA+	Aaa	1,000,000.00	1,020,720.00	3.77	1,004,408.00	3.74	2.15
3130A9MF5	FEDERAL HOME LOAN	1.125	10/03/2019	10/03/2017	AA+	Aaa	1,000,000.00	999,000.00	3.69	990,170.00	3.69	2.14
<b>Issuer total</b>							<b>5,100,000.00</b>	<b>5,155,961.50</b>	<b>19.04</b>	<b>5,105,580.90</b>	<b>19.02</b>	<b>1.61</b>
<b>Federal Farm Credit Banks</b>												
3133EEN48	FEDERAL FARM CREDIT	0.625	05/22/2017		AA+	Aaa	600,000.00	600,522.00	2.22	599,892.00	2.24	0.14
3133EGFQ3	FEDERAL FARM CREDIT	0.875	09/14/2018		AA+	Aaa	1,000,000.00	1,000,293.00	3.69	995,296.00	3.71	1.44
3133EGM69	FEDERAL FARM CREDIT	1.100	12/05/2018		AA+	Aaa	1,000,000.00	997,730.00	3.68	997,400.00	3.72	1.65
3133EF3V7	FEDERAL FARM CREDIT	0.875	02/15/2019		AA+	Aaa	1,000,000.00	1,001,200.00	3.70	992,730.00	3.70	1.85
3133EGSCO	FEDERAL FARM CREDIT	1.000	08/26/2019		AA+	Aaa	1,000,000.00	998,204.00	3.69	986,250.00	3.67	2.37
<b>Issuer total</b>							<b>4,600,000.00</b>	<b>4,597,949.00</b>	<b>16.98</b>	<b>4,571,568.00</b>	<b>17.03</b>	<b>1.61</b>
<b>United States Treasury Note/Bond</b>												
912828TS9	USA TREASURY 0.625%	0.625	09/30/2017		AA+	Aaa	500,000.00	497,421.88	1.84	499,297.00	1.86	0.50
912828H37	USA TREASURY 0.875%	0.875	01/15/2018		AA+	Aaa	1,000,000.00	1,001,875.00	3.70	998,789.00	3.72	0.79

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of March 31, 2017

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)
<b>United States Treasury Note/Bond</b>												
912828T42	USA TREASURY 0.75%	0.750	09/30/2018		AA+	Aaa	1,000,000.00	991,914.06	3.66	993,633.00	3.70	1.49
<b>Issuer total</b>							<b>2,500,000.00</b>	<b>2,491,210.94</b>	<b>9.20</b>	<b>2,491,719.00</b>	<b>9.28</b>	<b>1.01</b>
<b>Federal Home Loan Mortgage Corp</b>												
3137EADZ9	FREDDIE MAC 1.125%	1.125	04/15/2019		AA+	Aaa	500,000.00	502,545.00	1.86	497,580.50	1.85	2.00
3137EAE81	FREDDIE MAC 0.875%	0.875	07/19/2019		AA+	Aaa	700,000.00	689,815.00	2.55	691,494.30	2.58	2.27
<b>Issuer total</b>							<b>1,200,000.00</b>	<b>1,192,360.00</b>	<b>4.40</b>	<b>1,189,074.80</b>	<b>4.43</b>	<b>2.16</b>
<b>International Business Machines Corp</b>												
459200GJ4	IBM CORP 5.7%	5.700	09/14/2017	09/13/2017	AA-	Aa3	1,000,000.00	1,138,850.00	4.20	1,020,091.00	3.80	0.45
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,138,850.00</b>	<b>4.20</b>	<b>1,020,091.00</b>	<b>3.80</b>	<b>0.45</b>
<b>PepsiCo Inc</b>												
713448CK2	PEPSICO INC 2.25%	2.250	01/07/2019	12/07/2018	A	A1	1,000,000.00	1,011,060.00	3.73	1,011,644.00	3.77	1.68
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,011,060.00</b>	<b>3.73</b>	<b>1,011,644.00</b>	<b>3.77</b>	<b>1.68</b>
<b>Berkshire Hathaway Finance Corp</b>												
084664BS9	BERKSHIRE HATHAWAY	1.600	05/15/2017		AA	Aa2	1,000,000.00	1,018,830.00	3.76	1,000,212.00	3.73	0.12
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,018,830.00</b>	<b>3.76</b>	<b>1,000,212.00</b>	<b>3.73</b>	<b>0.12</b>
<b>Pfizer Inc</b>												
717081DJ9	PFIZER INC 1.1%	1.100	05/15/2017		AA	A1	1,000,000.00	1,003,800.00	3.71	999,786.50	3.73	0.12
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,003,800.00</b>	<b>3.71</b>	<b>999,786.50</b>	<b>3.73</b>	<b>0.12</b>
<b>Apple Inc</b>												
037833AJ9	APPLE INC 1% 03/05/2018	1.000	05/03/2018		AA+	Aa1	1,000,000.00	991,620.00	3.66	996,976.00	3.71	1.07
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>991,620.00</b>	<b>3.66</b>	<b>996,976.00</b>	<b>3.71</b>	<b>1.07</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of March 31, 2017

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)
<b>Caterpillar Financial Services Corp</b>												
14912L6R7	CATERPILLAR FINL	1.350	05/18/2019		A	A3	1,000,000.00	999,260.00	3.69	987,911.00	3.68	2.09
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>999,260.00</b>	<b>3.69</b>	<b>987,911.00</b>	<b>3.68</b>	<b>2.09</b>
<b>Cisco Systems Inc</b>												
17275RBB7	CISCO SYSTEMS INC 1.6%	1.600	02/28/2019		AA-	A1	700,000.00	700,630.00	2.59	700,974.40	2.61	1.88
<b>Issuer total</b>							<b>700,000.00</b>	<b>700,630.00</b>	<b>2.59</b>	<b>700,974.40</b>	<b>2.61</b>	<b>1.88</b>
<b>Oracle Corp</b>												
68389XAN5	ORACLE CORP 1.2%	1.200	10/15/2017		AA-	A1	500,000.00	501,065.00	1.85	499,909.25	1.86	0.54
<b>Issuer total</b>							<b>500,000.00</b>	<b>501,065.00</b>	<b>1.85</b>	<b>499,909.25</b>	<b>1.86</b>	<b>0.54</b>
<b>PNC Bank NA</b>												
69353REZ7	PNC BANK NA 1.7%	1.700	12/07/2018	11/07/2018	A	A2	500,000.00	499,980.00	1.85	499,898.00	1.86	1.63
<b>Issuer total</b>							<b>500,000.00</b>	<b>499,980.00</b>	<b>1.85</b>	<b>499,898.00</b>	<b>1.86</b>	<b>1.63</b>
<b>Wal-Mart Stores Inc</b>												
931142DF7	WAL-MART STORES INC	1.125	04/11/2018		AA	Aa2	500,000.00	500,215.00	1.85	499,124.00	1.86	1.01
<b>Issuer total</b>							<b>500,000.00</b>	<b>500,215.00</b>	<b>1.85</b>	<b>499,124.00</b>	<b>1.86</b>	<b>1.01</b>
<b>Cash and Cash Equivalents</b>												
	INVESTED CASH	0.000					72,549.28	72,549.28	0.27	72,549.28	0.27	0.00
<b>Issuer total</b>							<b>72,549.28</b>	<b>72,549.28</b>	<b>0.27</b>	<b>72,549.28</b>	<b>0.27</b>	<b>0.00</b>
<b>Grand total</b>							<b>26,872,549.28</b>	<b>27,085,857.72</b>	<b>100.00</b>	<b>26,837,357.13</b>	<b>100.00</b>	<b>1.25</b>

# SECURITIES PURCHASED

For the period March 1, 2017 - March 31, 2017

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
<b>Corporate Bonds</b>							
713448CK2	03/13/2017	2.250	01/07/2019	1,000,000.00	101.11	(1,011,060.00)	(4,250.00)
PEPSICO INC 2.25% 07/01/2019 (CALLABLE 07/12/18)	03/15/2017		12/07/2018				
MORGAN STANLEY AND CO., LLC							
<b>Total Corporate Bonds</b>				<b>1,000,000.00</b>		<b>(1,011,060.00)</b>	<b>(4,250.00)</b>
<b>Government Agencies</b>							
3137EAEB1	03/09/2017	0.875	07/19/2019	700,000.00	98.55	(689,815.00)	(935.76)
FREDDIE MAC 0.875% 19/07/2019	03/14/2017						
CITIGROUP GLOBAL MARKETS INC.							
<b>Total Government Agencies</b>				<b>700,000.00</b>		<b>(689,815.00)</b>	<b>(935.76)</b>
<b>Government Bonds</b>							
912828T42	03/13/2017	0.750	09/30/2018	1,000,000.00	99.19	(991,914.06)	(3,420.33)
USA TREASURY 0.75% 30/09/2018	03/15/2017						
BARCLAYS BANK PLC							
<b>Total Government Bonds</b>				<b>1,000,000.00</b>		<b>(991,914.06)</b>	<b>(3,420.33)</b>
<b>Grand total</b>				<b>2,700,000.00</b>		<b>(2,692,789.06)</b>	<b>(8,606.09)</b>

# SECURITIES SOLD AND MATURED

For the period March 1, 2017 - March 31, 2017

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
<b>Corporate Bonds</b>												
30231GAA0 EXXON MOBIL CORP .921 DUE 03-15-2017	03/15/2017 03/15/2017	0.921		(1,000,000.00)	1,000,000.00	1,000,000.00 0.00	0.00	1,000,000.00 (101.00)	0.00	0.00	4,605.00	434.92
<b>Total (Corporate Bonds)</b>				(1,000,000.00)	1,000,000.00	1,000,000.00 0.00		1,000,000.00 (101.00)	0.00	0.00	4,605.00	434.92
<b>Government Agencies</b>												
3135G0VM2 FNMA .75 DUE 03-14-2017 REG	03/14/2017 03/14/2017	0.750		(500,000.00)	500,000.00	500,000.00 0.00	0.00	500,000.00 (40.00)	0.00	0.00	1,875.00	166.67
<b>Total (Government Agencies)</b>				(500,000.00)	500,000.00	500,000.00 0.00		500,000.00 (40.00)	0.00	0.00	1,875.00	166.67
<b>Government Bonds</b>												
912828C32 UTD STATES TREAS .75% DUE 03-15-2017	03/15/2017 03/15/2017	0.750		(1,000,000.00)	997,187.50	1,000,000.00 42.10	0.00	1,000,000.00 (143.00)	0.00	0.00	3,750.00	310.77
<b>Total (Government Bonds)</b>				(1,000,000.00)	997,187.50	1,000,000.00 42.10		1,000,000.00 (143.00)	0.00	0.00	3,750.00	310.77
<b>Grand total</b>				(2,500,000.00)	2,497,187.50	2,500,000.00 42.10		2,500,000.00 (284.00)	0.00	0.00	10,230.00	912.36



# TRANSACTION REPORT

For the period March 1, 2017 - March 31, 2017

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
03/05/2017 03/05/2017	3136G1ER6	Income	Government Agencies	FANNIE MAE 1.125%	03/05/2018	2,000,000.00	0.00	0.00	11,250.00	11,250.00
03/08/2017 03/08/2017	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
03/09/2017 03/14/2017	3137EAEB1	Bought	Government Agencies	FREDDIE MAC 0.875%	07/19/2019	700,000.00	0.00	(689,815.00)	(935.76)	(690,750.76)
03/13/2017 03/15/2017	713448CK2	Bought	Corporate Bonds	PEPSICO INC 2.25% 07/01/2019	01/07/2019	1,000,000.00	0.00	(1,011,060.00)	(4,250.00)	(1,015,310.00)
03/13/2017 03/15/2017	912828T42	Bought	Government Bonds	USA TREASURY 0.75%	09/30/2018	1,000,000.00	0.00	(991,914.06)	(3,420.33)	(995,334.39)
03/14/2017 03/14/2017	3133EGFQ3	Income	Government Agencies	FEDERAL FARM CREDIT BANK	09/14/2018	1,000,000.00	0.00	0.00	4,375.00	4,375.00
03/14/2017 03/14/2017	3135G0VM2	Income	Government Agencies	FNMA .75 DUE 03-14-2017 REG	03/14/2017	500,000.00	0.00	0.00	1,875.00	1,875.00
03/14/2017 03/14/2017	3135G0VM2	Capital Change	Government Agencies	FNMA .75 DUE 03-14-2017 REG	03/14/2017	(500,000.00)	0.00	500,000.00	0.00	500,000.00
03/14/2017 03/14/2017	459200GJ4	Income	Corporate Bonds	IBM CORP 5.7% 14/09/2017	09/14/2017	1,000,000.00	0.00	0.00	28,500.00	28,500.00
03/15/2017 03/15/2017	30231GAA0	Income	Corporate Bonds	EXXON MOBIL CORP .921 DUE	03/15/2017	1,000,000.00	0.00	0.00	4,605.00	4,605.00
03/15/2017 03/15/2017	30231GAA0	Capital Change	Corporate Bonds	EXXON MOBIL CORP .921 DUE	03/15/2017	(1,000,000.00)	0.00	1,000,000.00	0.00	1,000,000.00
03/15/2017 03/15/2017	912828C32	Income	Government Bonds	UTD STATES TREAS .75% DUE	03/15/2017	1,000,000.00	0.00	0.00	3,750.00	3,750.00
03/15/2017 03/15/2017	912828C32	Capital Change	Government Bonds	UTD STATES TREAS .75% DUE	03/15/2017	(1,000,000.00)	0.00	1,000,000.00	0.00	1,000,000.00
03/20/2017 03/20/2017	3135G0PP2	Income	Government Agencies	FANNIE MAE 1% 20/09/2017	09/20/2017	2,500,000.00	0.00	0.00	12,500.00	12,500.00
03/31/2017 03/31/2017	912828T42	Income	Government Bonds	USA TREASURY 0.75%	09/30/2018	1,000,000.00	0.00	0.00	3,750.00	3,750.00
03/31/2017 03/31/2017	912828TS9	Income	Government Bonds	USA TREASURY 0.625%	09/30/2017	500,000.00	0.00	0.00	1,562.50	1,562.50
03/31/2017		Income	Cash and Cash Equivalents	Cash		0.00	0.00	0.00	19.10	19.10

# ADDITIONAL INFORMATION

## As of March 31, 2017

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. CAMC and CISC charge 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 either CAMC or CISC, 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. CAMCS and CISC's investment advisory fees are discussed in Part 2A of the Firms 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 Moodys, 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 Moodys 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 strategys 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 March 31, 2017

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