



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 2017

➤ A BNY MELLON COMPANYSM



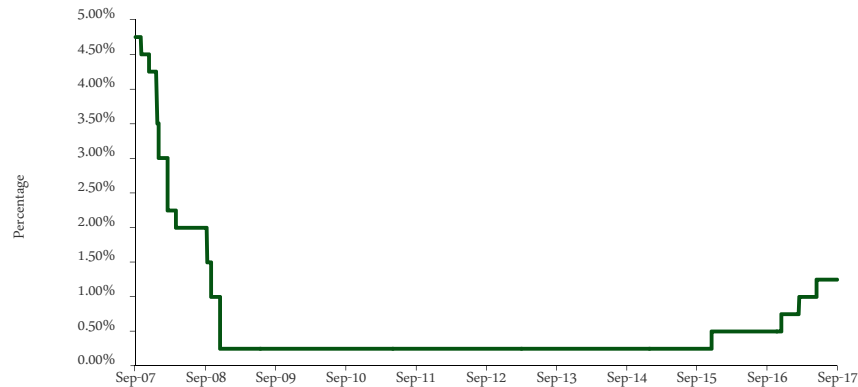
Contents

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	12
Securities purchased	16
Securities sold and matured	17
Transaction report	18
Additional information	19

FIXED INCOME MARKET REVIEW

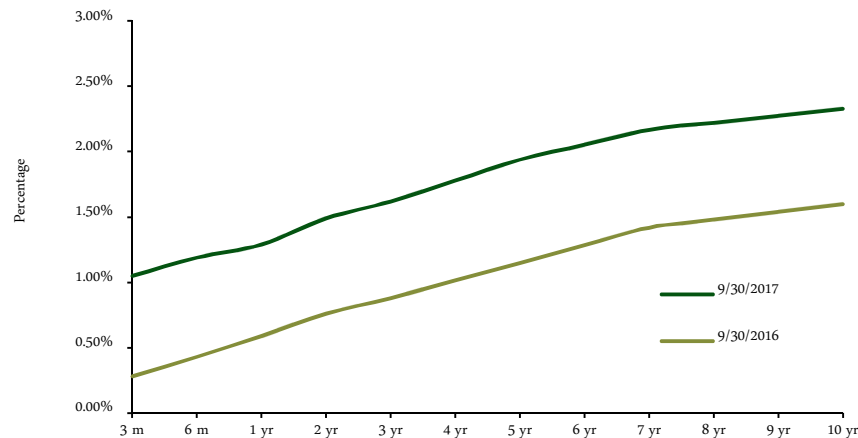
As of September 30, 2017

Chart 1: Fed funds target rate: 9/30/2007—9/30/2017



Source: Bloomberg Finance LP, September 30, 2017.

Chart 2: Treasury yield curve: 9/30/2016 and 9/30/2017



Source: Bloomberg Finance LP, September 30, 2017.

Economic Indicators and Monetary Policy

The Federal Open Market Committee (FOMC) met on September 20 and voted unanimously to maintain the current Fed funds target rate in a range of 1% to 1.25%. The FOMC has increased the target rate four times in this tightening cycle in order to normalize interest rates. Rate increases occurred in March and June in 2017, and December rate increases were implemented in 2015 and 2016. (See Chart 1.)

Federal Reserve (Fed) Chair Janet Yellen's comments during a press conference helped push rates higher as she noted: "We continue to expect that the ongoing strength of the economy will warrant gradual increases in that rate to sustain a healthy labor market and stabilize inflation around our 2% longer-run objective." Fed rate projections revealed expectations for one more rate hike this year and three quarter-point increases next year. The longer-run forecast for the Fed funds target rate decreased by 25 bp to a 2.75% terminal rate.

At the September meeting the FOMC also announced that the balance sheet normalization program will begin in October. The Fed's \$4.5 trillion balance sheet will be reduced by \$10 billion a month to start, with runoff of \$6 billion in Treasuries and \$4 billion in mortgage-backed securities per month. The amounts will increase every three months until they reach \$30 billion of Treasuries and \$20 billion of mortgage-backed securities per month. The balance sheet reduction program and its implementation have been well communicated to the markets by the FOMC, with specific details released in June. The vote to begin implementation of the balance sheet normalization program in October was also unanimous.

Interest Rate Summary

At the end of September the 3-month US Treasury bill yielded 1.05%, the 6-month US Treasury bill yielded 1.19%, the 2-year US Treasury note yielded 1.49%, the 5-year US Treasury note yielded 1.94% and the 10-year US Treasury note yielded 2.33%. (See Chart 2).

ACTIVITY AND PERFORMANCE SUMMARY

For the period September 1, 2017 - September 30, 2017

Amortized Cost Basis Activity Summary

Opening balance	27,003,680.93
Income received	68,630.48
Total receipts	68,630.48
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Realized gain (loss)	0.00
Total amortization expense	(4,607.83)
Total OID/MKT accretion income	1,406.46
Return of capital	0.00
Closing balance	27,069,110.04
Ending fair value	26,970,522.22
Unrealized gain (loss)	(98,587.82)

Detail of Amortized Cost Basis Return

	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	79.05	0.00	0.00	79.05
Corporate Bonds	12,198.25	(2,344.97)	0.00	9,853.28
Government Agencies	14,766.75	(1,112.15)	0.00	13,654.60
Government Bonds	2,444.87	255.75	0.00	2,700.62
Total	29,488.92	(3,201.37)	0.00	26,287.55

Comparative Rates of Return (%)

	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.81	0.53	0.09
Overnight Repo	0.76	0.51	0.09
Merrill Lynch 3m US Treas Bill	0.71	0.47	0.08
Merrill Lynch 6m US Treas Bill	0.82	0.51	0.09
ML 1 Year US Treasury Note	1.00	0.59	0.10
ML 2 Year US Treasury Note	1.23	0.66	0.11
ML 5 Year US Treasury Note	1.79	0.91	0.15

* rates reflected are cumulative

Summary of Amortized Cost Basis Return for the Period

	Total portfolio
Interest earned	29,488.92
Accretion (amortization)	(3,201.37)
Realized gain (loss) on sales	0.00
Total income on portfolio	26,287.55
Average daily amortized cost	27,040,325.88
Period return (%)	0.10
YTD return (%)	0.84
Weighted average final maturity in days	536

ACTIVITY AND PERFORMANCE SUMMARY

For the period September 1, 2017 - September 30, 2017

Fair Value Basis Activity Summary

Opening balance	26,944,519.39
Income received	68,630.48
Total receipts	68,630.48
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	(42,627.65)
Ending fair value	26,970,522.22

Detail of Fair Value Basis Return

	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	79.05	0.00	79.05
Corporate Bonds	12,198.25	(14,379.00)	(2,180.75)
Government Agencies	14,766.75	(26,006.86)	(11,240.11)
Government Bonds	2,444.87	(2,241.79)	203.08
Total	29,488.92	(42,627.65)	(13,138.73)

Comparative Rates of Return (%)

	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.81	0.53	0.09
Overnight Repo	0.76	0.51	0.09
Merrill Lynch 3m US Treas Bill	0.66	0.47	0.09
Merrill Lynch 6m US Treas Bill	0.81	0.55	0.08
ML 1 Year US Treasury Note	0.59	0.38	0.01
ML US Treasury 1-3	0.23	0.41	(0.17)
ML US Treasury 1-5	(0.07)	0.66	(0.34)

* rates reflected are cumulative

Summary of Fair Value Basis Return for the Period

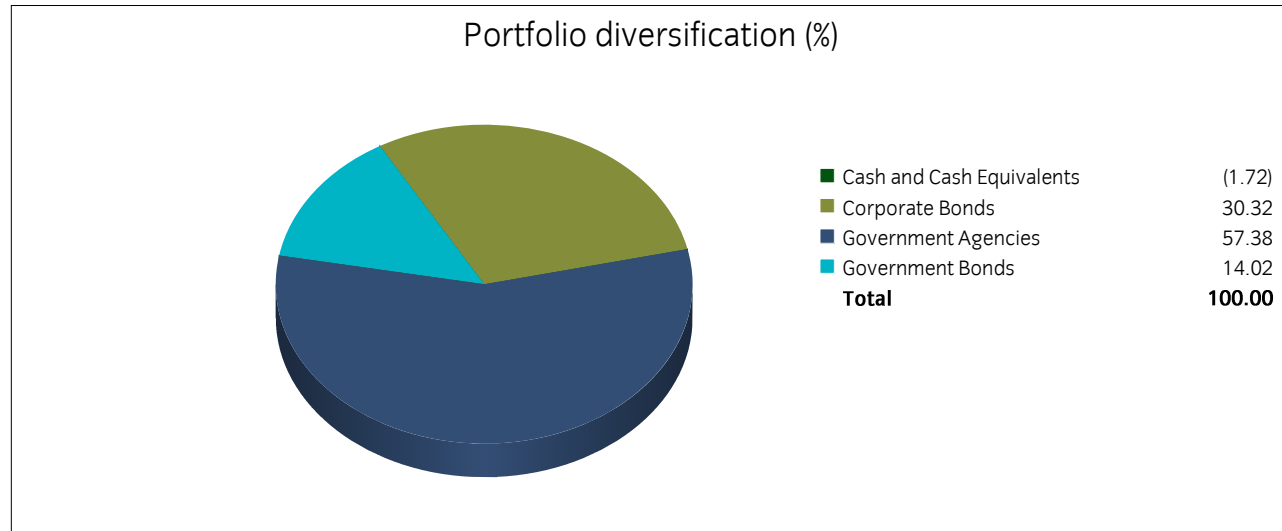
	Total portfolio
Interest earned	29,488.92
Change in fair value	(42,627.65)
Total income on portfolio	(13,138.73)
Average daily total value *	27,060,389.45
Period return (%)	(0.05)
YTD return (%)	0.83
Weighted average final maturity in days	536

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of September 30, 2017

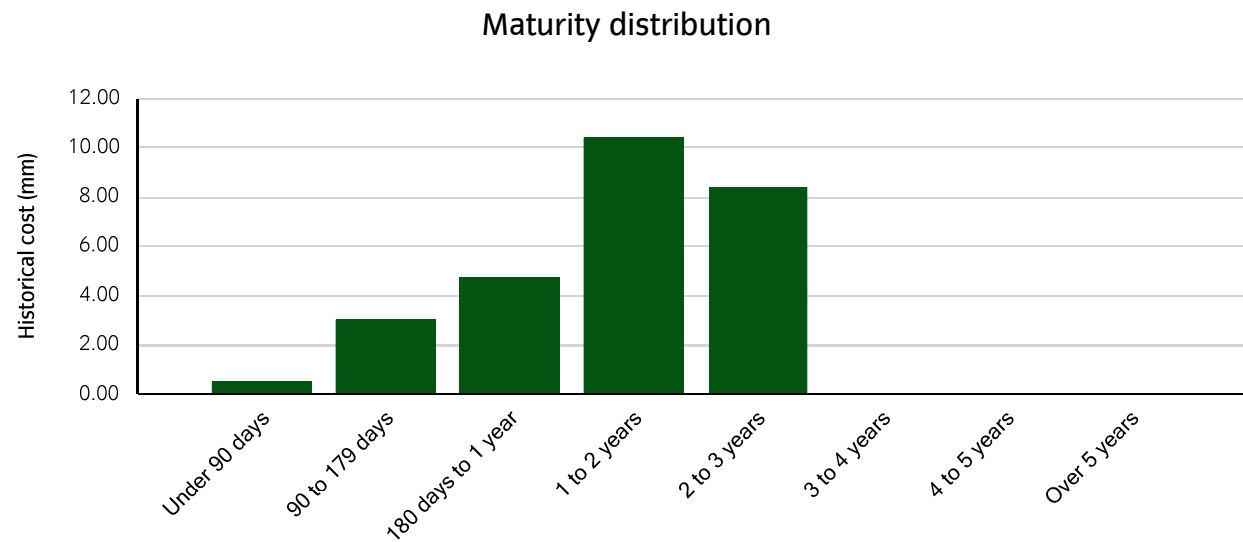
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	(466,744.83)	(466,744.83)	(466,744.83)	0.00	1	(1.72)	0.00
Corporate Bonds	8,214,914.50	8,216,729.04	8,205,573.20	(11,155.84)	571	30.32	1.51
Government Agencies	15,545,834.11	15,519,160.91	15,435,323.35	(83,837.56)	559	57.38	1.41
Government Bonds	3,796,917.97	3,799,964.92	3,796,370.50	(3,594.42)	297	14.02	0.80
Total	27,090,921.75	27,069,110.04	26,970,522.22	(98,587.82)	536	100.00	1.38



MATURITY DISTRIBUTION OF SECURITIES HELD

As of September 30, 2017

Maturity	Historic cost	Percent
Under 90 days	531,742.05	1.96
90 to 179 days	3,007,247.00	11.10
180 days to 1 year	4,698,591.59	17.34
1 to 2 years	10,439,398.06	38.54
2 to 3 years	8,413,943.05	31.06
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	27,090,921.75	100.00



SECURITIES HELD

As of September 30, 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
Cash and Cash Equivalents											
Cash and Cash Equivalents	0.000		(466,744.83)	(466,744.83) 0.00	(466,744.83) 0.00	(466,744.83) 0.00	0.00	0.00	0.00	0.00	(1.72)
Total Cash and Cash Equivalents			(466,744.83)	(466,744.83) 0.00	(466,744.83) 0.00	(466,744.83) 0.00	0.00	0.00	0.00	0.00	(1.72)
Corporate Bonds											
68389XAN5 ORACLE CORP 1.2% 15/10/2017	1.200	10/15/2017	500,000.00	501,065.00 0.00	500,017.23 (34.47)	499,942.50 20.50	(74.73)	0.00	483.33	2,750.00	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	500,022.80 (3.58)	499,328.50 96.00	(694.30)	0.00	453.13	2,640.63	1.85
037833AJ9 APPLE INC 1% 03/05/2018	1.000	05/03/2018	1,000,000.00	991,620.00 0.00	998,999.47 140.92	997,660.00 110.00	(1,339.47)	0.00	805.55	4,083.33	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	499,987.46 0.88	499,432.00 (990.50)	(555.46)	0.00	684.73	2,668.06	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 0.00	1,007,716.67 (506.57)	1,007,980.00 (1,436.00)	263.33	0.00	1,812.50	5,187.50	3.73
17275RBB7 CISCO SYSTEMS INC 1.6% 28/02/2019	1.600	02/28/2019	700,000.00	700,630.00 0.00	700,295.31 (17.37)	699,526.80 (967.40)	(768.51)	0.00	902.23	995.56	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	999,550.03 22.96	993,477.00 (876.00)	(6,073.03)	0.00	1,087.50	4,950.00	3.69
594918AY0 MICROSOFT CORP 1.85% 12/02/2020 (CALLABLE 12/01/20)	1.850	02/12/2020 01/12/2020	1,000,000.00	1,002,170.00 0.00	1,001,863.75 (65.63)	1,004,548.00 (1,050.00)	2,684.25	0.00	1,490.28	2,466.67	3.70

SECURITIES HELD

As of September 30, 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
Corporate Bonds											
25468PDP8 WALT DISNEY COMPANY/THE 1.95% 04/03/2020	1.950	03/04/2020	450,000.00	451,624.50 0.00	451,400.21 (48.06)	451,499.85 (2,038.95)	99.64	4,338.75	706.87	633.75	1.67
30231GAG7 EXXON MOBIL CORPORATION 1.912% 06/03/2020 (CALLABLE 06/02/20)	1.912	03/06/2020 02/06/2020	550,000.00	552,255.00 0.00	551,944.27 (66.59)	551,491.05 (1,943.15)	(453.22)	5,258.00	847.13	701.07	2.04
89236TDU6 TOYOTA MOTOR CREDIT CORP 1.95% 17/04/2020	1.950	04/17/2020	500,000.00	501,915.00 (3,981.25)	501,874.12 (40.88)	500,182.50 (1,732.50)	(1,691.62)	0.00	433.33	4,414.58	1.85
24422ETS8 JOHN DEERE CAPITAL CORP 1.95% 22/06/2020	1.950	06/22/2020	500,000.00	503,120.00 (2,220.83)	503,057.72 (62.28)	500,505.00 (2,615.00)	(2,552.72)	0.00	433.34	2,654.17	1.86
Total Corporate Bonds			8,200,000.00	8,214,914.50 (6,202.08)	8,216,729.04 (680.67)	8,205,573.20 (13,423.00)	(11,155.84)	9,596.75	10,139.92	34,145.32	30.32
Government Agencies											
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	1,998,520.00 (160.00)	(1,480.00)	11,250.00	1,812.50	1,562.50	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	751,045.21 (126.44)	749,808.75 (288.75)	(1,236.46)	0.00	755.21	2,916.67	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	750,573.96 (54.84)	749,040.00 (397.50)	(1,533.96)	0.00	725.00	1,150.00	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	1,000,125.21 (10.92)	995,006.00 (824.00)	(5,119.21)	4,375.00	704.86	388.89	3.69

SECURITIES HELD

As of September 30, 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
Government Agencies											
3133EGM69 FEDERAL FARM CREDIT BANK 1.1% 05/12/2018	1.100	12/05/2018	1,000,000.00	997,730.00 0.00	998,661.93 94.45	995,860.00 (1,460.00)	(2,801.93)	0.00	886.11	3,513.89	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	1,000,651.32 (39.47)	992,270.00 (1,550.00)	(8,381.32)	0.00	704.86	1,093.75	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	1,014,592.64 (845.14)	1,005,766.00 (1,940.00)	(8,826.64)	9,375.00	1,510.41	1,145.83	3.79
3137EADZ9 FREDDIE MAC 1.125% 15/04/2019	1.125	04/15/2019	500,000.00	502,545.00 0.00	501,442.77 (77.99)	497,460.50 (902.00)	(3,982.27)	0.00	453.13	2,578.13	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	1,012,339.55 (602.91)	1,001,652.00 (2,333.00)	(10,687.55)	0.00	1,309.03	4,784.72	3.77
3137EABE1 FREDDIE MAC 0.875% 19/07/2019	0.875	07/19/2019	700,000.00	689,815.00 0.00	692,232.59 359.05	691,896.10 (1,557.50)	(336.49)	0.00	493.41	1,207.99	2.55
3133EGSCO FEDERAL FARM CREDIT BANK 1% 26/08/2019	1.000	08/26/2019	1,000,000.00	998,204.00 0.00	998,843.14 50.59	985,790.00 (2,110.00)	(13,053.14)	0.00	805.55	944.44	3.68
3130A9MF5 FEDERAL HOME LOAN BANK 1.125% 03/10/2019 (CALLABLE 12/10/17)	1.125	10/03/2019	1,000,000.00	999,000.00 0.00	999,329.31 27.83	989,730.00 (1,820.00)	(9,599.31)	0.00	906.25	5,531.25	3.69
3133EGJ30 FEDERAL FARM CREDIT BANK 1.1% 18/11/2019	1.100	11/18/2019	600,000.00	595,032.00 0.00	595,765.35 165.42	593,568.00 (1,572.00)	(2,197.35)	0.00	531.67	2,420.00	2.20
3136G4DA8 FANNIE MAE 1.2% 30/12/2019 (CALLABLE 30/12/17) #0001	1.200	12/30/2019 12/30/2017	700,000.00	699,125.00 0.00	699,391.63 22.53	692,041.00 (1,939.00)	(7,350.63)	0.00	700.00	2,100.00	2.58

SECURITIES HELD

As of September 30, 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
Government Agencies											
3135G0VY6 FANNIE MAE 1.7% 27/03/2020 CALLABLE	1.700	03/27/2020	1,000,000.00	1,004,795.61 (8,169.44)	1,004,711.57 (84.04)	1,001,790.00 (3,005.61)	(2,921.57)	8,500.00	472.23	141.67	3.71
3134GBT9 FREDDIE MAC 1.625% 27/03/2020 (CALLABLE 27/12/17)	1.625	03/27/2020 12/27/2017	1,500,000.00	1,499,445.00 (5,619.79)	1,499,454.73 9.73	1,495,125.00 (4,320.00)	(4,329.73)	6,093.75	677.09	203.13	5.53
Total Government Agencies			15,500,000.00	15,545,834.11 (13,789.23)	15,519,160.91 (1,112.15)	15,435,323.35 (26,179.36)	(83,837.56)	39,593.75	13,447.31	31,682.86	57.38
Government Bonds											
912828TS9 USA TREASURY 0.625% 30/09/2017	0.625	09/30/2017	500,000.00	497,421.88 0.00	500,000.00 83.52	500,000.00 165.00	0.00	0.00	256.15	1,562.50	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	1,000,217.13 (60.87)	999,183.00 89.00	(1,034.13)	0.00	713.31	1,830.84	3.70
912828VQ0 USA TREASURY 1.375% 31/07/2018	1.375	07/31/2018	700,000.00	700,246.09 (1,647.76)	700,244.48 (1.61)	700,219.10 (26.99)	(25.38)	0.00	0.00	1,647.76	2.58
912828T42 USA TREASURY 0.75% 30/09/2018	0.750	09/30/2018	1,000,000.00	991,914.06 0.00	994,785.57 428.58	993,945.00 (547.00)	(840.57)	0.00	614.75	3,750.00	3.66
912828F39 USA TREASURY 1.75% 30/09/2019	1.750	09/30/2019	600,000.00	605,460.94 0.00	604,717.74 (193.87)	603,023.40 (1,921.80)	(1,694.34)	0.00	860.66	5,250.00	2.23
Total Government Bonds			3,800,000.00	3,796,917.97 (1,647.76)	3,799,964.92 255.75	3,796,370.50 (2,241.79)	(3,594.42)	0.00	2,444.87	14,041.10	14.02
Grand total			27,033,255.17	27,090,921.75 (21,639.07)	27,069,110.04 (1,537.07)	26,970,522.22 (41,844.15)	(98,587.82)	49,190.50	26,032.10	79,869.28	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of September 30, 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)
Federal Farm Credit Banks												
3133EGFQ3	FEDERAL FARM CREDIT	0.875	09/14/2018		AA+	Aaa	1,000,000.00	1,000,293.00	3.69	995,006.00	3.69	0.95
3133EGM69	FEDERAL FARM CREDIT	1.100	12/05/2018		AA+	Aaa	1,000,000.00	997,730.00	3.68	995,860.00	3.69	1.16
3133EF3V7	FEDERAL FARM CREDIT	0.875	02/15/2019		AA+	Aaa	1,000,000.00	1,001,200.00	3.70	992,270.00	3.68	1.36
3133EGSCO	FEDERAL FARM CREDIT	1.000	08/26/2019		AA+	Aaa	1,000,000.00	998,204.00	3.68	985,790.00	3.66	1.88
3133EGJ30	FEDERAL FARM CREDIT	1.100	11/18/2019		AA+	Aaa	600,000.00	595,032.00	2.20	593,568.00	2.20	2.09
Issuer total							4,600,000.00	4,592,459.00	16.95	4,562,494.00	16.92	1.43
Federal Home Loan Banks												
313379DT3	FEDERAL HOME LOAN	1.250	06/08/2018		AA+	Aaa	750,000.00	754,252.50	2.78	749,808.75	2.78	0.68
3130A6B63	FEDERAL HOME LOAN	1.200	08/14/2018		AA+	Aaa	750,000.00	751,965.00	2.78	749,040.00	2.78	0.86
313378QK0	FEDERAL HOME LOAN	1.875	03/08/2019		AA+	Aaa	1,000,000.00	1,026,340.00	3.79	1,005,766.00	3.73	1.41
313379EE5	FEDERAL HOME LOAN	1.625	06/14/2019		AA+	Aaa	1,000,000.00	1,020,720.00	3.77	1,001,652.00	3.71	1.67
3130A9MF5	FEDERAL HOME LOAN	1.125	10/03/2019		AA+	Aaa	1,000,000.00	999,000.00	3.69	989,730.00	3.67	1.85
Issuer total							4,500,000.00	4,552,277.50	16.80	4,495,996.75	16.67	1.35
Federal National Mortgage Association												
3136G1ER6	FANNIE MAE 1.125%	1.125	03/05/2018		AA+	Aaa	2,000,000.00	2,005,372.00	7.40	1,998,520.00	7.41	0.42
3136G4DA8	FANNIE MAE 1.2%	1.200	12/30/2019	12/30/2017	AA+	Aaa	700,000.00	699,125.00	2.58	692,041.00	2.57	2.04
3135G0VY6	FANNIE MAE 1.7%	1.700	03/27/2020		AA+	Aaa	1,000,000.00	1,004,795.61	3.71	1,001,790.00	3.71	2.43
Issuer total							3,700,000.00	3,709,292.61	13.69	3,692,351.00	13.69	1.27
United States Treasury Note/Bond												
912828H37	USA TREASURY 0.875%	0.875	01/15/2018		AA+	Aaa	1,000,000.00	1,001,875.00	3.70	999,183.00	3.70	0.29
912828VQ0	USA TREASURY 1.375%	1.375	07/31/2018		AA+	Aaa	700,000.00	700,246.09	2.58	700,219.10	2.60	0.82
912828T42	USA TREASURY 0.75%	0.750	09/30/2018		AA+	Aaa	1,000,000.00	991,914.06	3.66	993,945.00	3.69	0.99

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of September 30, 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)
United States Treasury Note/Bond												
912828F39	USA TREASURY 1.75%	1.750	09/30/2019		AA+	Aaa	600,000.00	605,460.94	2.23	603,023.40	2.24	1.96
Issuer total							3,300,000.00	3,299,496.09	12.18	3,296,370.50	12.22	0.92
Federal Home Loan Mortgage Corp												
3137EADZ9	FREDDIE MAC 1.125%	1.125	04/15/2019		AA+	Aaa	500,000.00	502,545.00	1.86	497,460.50	1.84	1.51
3137EAE81	FREDDIE MAC 0.875%	0.875	07/19/2019		AA+	Aaa	700,000.00	689,815.00	2.55	691,896.10	2.57	1.77
3134GBTF9	FREDDIE MAC 1.625%	1.625	03/27/2020	12/27/2017	AA+	Aaa	1,500,000.00	1,499,445.00	5.53	1,495,125.00	5.54	1.67
Issuer total							2,700,000.00	2,691,805.00	9.94	2,684,481.60	9.95	1.67
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	3.73	1,007,980.00	3.74	1.18
Issuer total							1,000,000.00	1,011,060.00	3.73	1,007,980.00	3.74	1.18
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	3.70	1,004,548.00	3.72	2.27
Issuer total							1,000,000.00	1,002,170.00	3.70	1,004,548.00	3.72	2.27
Apple Inc												
037833AJ9	APPLE INC 1% 03/05/2018	1.000	05/03/2018		AA+	Aa1	1,000,000.00	991,620.00	3.66	997,660.00	3.70	0.58
Issuer total							1,000,000.00	991,620.00	3.66	997,660.00	3.70	0.58
Caterpillar Financial Services Corp												
14912L6R7	CATERPILLAR FINL	1.350	05/18/2019		A	A3	1,000,000.00	999,260.00	3.69	993,477.00	3.68	1.60
Issuer total							1,000,000.00	999,260.00	3.69	993,477.00	3.68	1.60
Cisco Systems Inc												
17275RBB7	CISCO SYSTEMS INC 1.6%	1.600	02/28/2019		AA-	A1	700,000.00	700,630.00	2.59	699,526.80	2.59	1.39
Issuer total							700,000.00	700,630.00	2.59	699,526.80	2.59	1.39

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of September 30, 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)
Exxon Mobil Corp												
30231GAG7	EXXON MOBIL	1.912	03/06/2020	02/06/2020	AA+	Aaa	550,000.00	552,255.00	2.04	551,491.05	2.04	2.34
Issuer total							550,000.00	552,255.00	2.04	551,491.05	2.04	2.34
John Deere Capital Corp												
24422ETS8	JOHN DEERE CAPITAL	1.950	06/22/2020		A	A2	500,000.00	503,120.00	1.86	500,505.00	1.86	2.64
Issuer total							500,000.00	503,120.00	1.86	500,505.00	1.86	2.64
Toyota Motor Credit Corp												
89236TDU6	TOYOTA MOTOR CREDIT	1.950	04/17/2020		AA-	Aa3	500,000.00	501,915.00	1.85	500,182.50	1.85	2.46
Issuer total							500,000.00	501,915.00	1.85	500,182.50	1.85	2.46
United States Treasury Note/Bond												
912828TS9	USA TREASURY 0.625%	0.625	09/30/2017		AA+	Aaa	500,000.00	497,421.88	1.84	500,000.00	1.85	0.01
Issuer total							500,000.00	497,421.88	1.84	500,000.00	1.85	0.01
Oracle Corp												
68389XAN5	ORACLE CORP 1.2%	1.200	10/15/2017		AA-	A1	500,000.00	501,065.00	1.85	499,942.50	1.85	0.04
Issuer total							500,000.00	501,065.00	1.85	499,942.50	1.85	0.04
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	1.85	499,432.00	1.85	1.14
Issuer total							500,000.00	499,980.00	1.85	499,432.00	1.85	1.14
Wal-Mart Stores Inc												
931142DF7	WAL-MART STORES INC	1.125	04/11/2018		AA	Aa2	500,000.00	500,215.00	1.85	499,328.50	1.85	0.52
Issuer total							500,000.00	500,215.00	1.85	499,328.50	1.85	0.52

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of September 30, 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)
Walt Disney Co/The												
25468PDP8	WALT DISNEY	1.950	03/04/2020		A+	A2	450,000.00	451,624.50	1.67	451,499.85	1.67	2.36
Issuer total							450,000.00	451,624.50	1.67	451,499.85	1.67	2.36
Cash and Cash Equivalents												
	INVESTED CASH	0.000					235,149.02	235,149.02	0.87	235,149.02	0.87	0.00
Issuer total							235,149.02	235,149.02	0.87	235,149.02	0.87	0.00
Others												
	PENDING TRADE	0.000					(701,893.85)	(701,893.85)	(2.59)	(701,893.85)	(2.60)	0.00
Issuer total							(701,893.85)	(701,893.85)	(2.59)	(701,893.85)	(2.60)	0.00
Grand total							27,033,255.17	27,090,921.75	100.00	26,970,522.22	100.00	1.38

SECURITIES PURCHASED

For the period September 1, 2017 - September 30, 2017

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
Corporate Bonds							
89236TDU6 TOYOTA MOTOR CREDIT CORP 1.95% 17/04/2020 BARCLAYS BANK PLC	09/11/2017 09/14/2017	1.950	04/17/2020	500,000.00	100.38	(501,915.00)	(3,981.25)
24422ETS8 JOHN DEERE CAPITAL CORP 1.95% 22/06/2020 JEFFERIES LLC.	09/11/2017 09/14/2017	1.950	06/22/2020	500,000.00	100.62	(503,120.00)	(2,220.83)
Total Corporate Bonds				1,000,000.00		(1,005,035.00)	(6,202.08)
Government Agencies							
3134GBTF9 FREDDIE MAC 1.625% 27/03/2020 (CALLABLE 27/12/17) MORGAN STANLEY AND CO., LLC	09/15/2017 09/20/2017	1.625	03/27/2020 12/27/2017	1,500,000.00	99.96	(1,499,445.00)	(5,619.79)
3135G0VY6 FANNIE MAE 1.7% 27/03/2020 CALLABLE MORGAN STANLEY AND CO., LLC	09/15/2017 09/20/2017	1.700	03/27/2020	1,000,000.00	100.48	(1,004,795.61)	(8,169.44)
Total Government Agencies				2,500,000.00		(2,504,240.61)	(13,789.23)
Government Bonds							
912828VQ0 USA TREASURY 1.375% 31/07/2018 JEFFERIES LLC.	09/28/2017 10/02/2017	1.375	07/31/2018	700,000.00	100.04	(700,246.09)	(1,647.76)
Total Government Bonds				700,000.00		(700,246.09)	(1,647.76)
Grand total				4,200,000.00		(4,209,521.70)	(21,639.07)

SECURITIES SOLD AND MATURED

For the period September 1, 2017 - September 30, 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
Corporate Bonds												
459200GJ4 INTL BUSINESS 5.7% DUE 09-14-2017	09/14/2017 09/14/2017	5.700		(1,000,000.00)	1,138,850.00	1,000,000.00 (1,664.30)	0.00	1,000,000.00 (956.00)	0.00	0.00	28,500.00	2,058.33
Total (Corporate Bonds)				(1,000,000.00)	1,138,850.00	1,000,000.00 (1,664.30)		1,000,000.00 (956.00)	0.00	0.00	28,500.00	2,058.33
Government Agencies												
3135G0PP2 FNMA 1 09-20-2017	09/20/2017 09/20/2017	1.000		(2,500,000.00)	2,506,020.00	2,500,000.00 0.00	0.00	2,500,000.00 172.50	0.00	0.00	12,500.00	1,319.44
Total (Government Agencies)				(2,500,000.00)	2,506,020.00	2,500,000.00 0.00		2,500,000.00 172.50	0.00	0.00	12,500.00	1,319.44
Grand total				(3,500,000.00)	3,644,870.00	3,500,000.00 (1,664.30)		3,500,000.00 (783.50)	0.00	0.00	41,000.00	3,377.77

TRANSACTION REPORT

For the period September 1, 2017 - September 30, 2017

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
09/04/2017 09/04/2017	25468PDP8	Income	Corporate Bonds	WALT DISNEY COMPANY/THE	03/04/2020	450,000.00	0.00	0.00	4,338.75	4,338.75
09/05/2017 09/05/2017	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
09/06/2017 09/06/2017	30231GAG7	Income	Corporate Bonds	EXXON MOBIL CORPORATION	03/06/2020	550,000.00	0.00	0.00	5,258.00	5,258.00
09/08/2017 09/08/2017	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
09/11/2017 09/14/2017	24422ETS8	Bought	Corporate Bonds	JOHN DEERE CAPITAL CORP	06/22/2020	500,000.00	0.00	(503,120.00)	(2,220.83)	(505,340.83)
09/11/2017 09/14/2017	89236TDU6	Bought	Corporate Bonds	TOYOTA MOTOR CREDIT CORP	04/17/2020	500,000.00	0.00	(501,915.00)	(3,981.25)	(505,896.25)
09/14/2017 09/14/2017	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
09/14/2017 09/14/2017	459200GJ4	Income	Corporate Bonds	INTL BUSINESS 5.7% DUE	09/14/2017	1,000,000.00	0.00	0.00	28,500.00	28,500.00
09/14/2017 09/14/2017	459200GJ4	Capital Change	Corporate Bonds	INTL BUSINESS 5.7% DUE	09/14/2017	(1,000,000.00)	0.00	1,000,000.00	0.00	1,000,000.00
09/15/2017 09/20/2017	3134GBTF9	Bought	Government Agencies	FREDDIE MAC 1.625%	03/27/2020	1,500,000.00	0.00	(1,499,445.00)	(5,619.79)	(1,505,064.79)
09/15/2017 09/20/2017	3135G0VY6	Bought	Government Agencies	FANNIE MAE 1.7% 27/03/2020	03/27/2020	1,000,000.00	0.00	(1,004,795.61)	(8,169.44)	(1,012,965.05)
09/20/2017 09/20/2017	3135G0PP2	Income	Government Agencies	FNMA 1 09-20-2017	09/20/2017	2,500,000.00	0.00	0.00	12,500.00	12,500.00
09/20/2017 09/20/2017	3135G0PP2	Capital Change	Government Agencies	FNMA 1 09-20-2017	09/20/2017	(2,500,000.00)	0.00	2,500,000.00	0.00	2,500,000.00
09/27/2017 09/27/2017	3134GBTF9	Income	Government Agencies	FREDDIE MAC 1.625%	03/27/2020	1,500,000.00	0.00	0.00	6,093.75	6,093.75
09/27/2017 09/27/2017	3135G0VY6	Income	Government Agencies	FANNIE MAE 1.7% 27/03/2020	03/27/2020	1,000,000.00	0.00	0.00	8,500.00	8,500.00
09/28/2017 10/02/2017	912828VQ0	Bought	Government Bonds	USA TREASURY 1.375%	07/31/2018	700,000.00	0.00	(700,246.09)	(1,647.76)	(701,893.85)
09/30/2017		Income	Cash and Cash Equivalents	Cash		0.00	0.00	0.00	79.05	79.05

ADDITIONAL INFORMATION

As of September 30, 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.

Investment advisory services in North America are provided through four different SEC-registered investment advisers using the brand Insight Investment: Cutwater Asset Management Corp. (CAMC), Cutwater Investor Services Corp. (CISC), Insight North America LLC (INA) and Pareto Investment Management Limited (PIML). 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.

Both CISC and CAMC are investment advisers 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 CAMCs and CISCs Forms ADV Part 2A, which are 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. 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.

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 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 September 30, 2017

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.

© 2017 Insight Investment. All rights reserved.