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# CITY OF SAN PABLO

June 2018

Part of  BNY MELLON

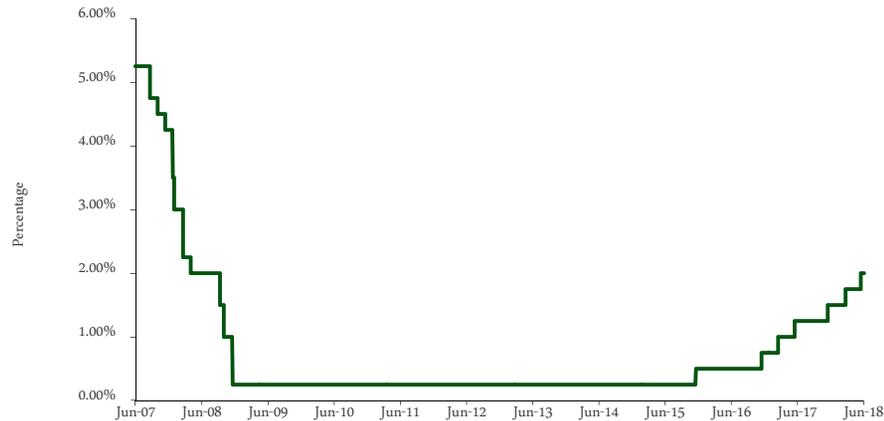


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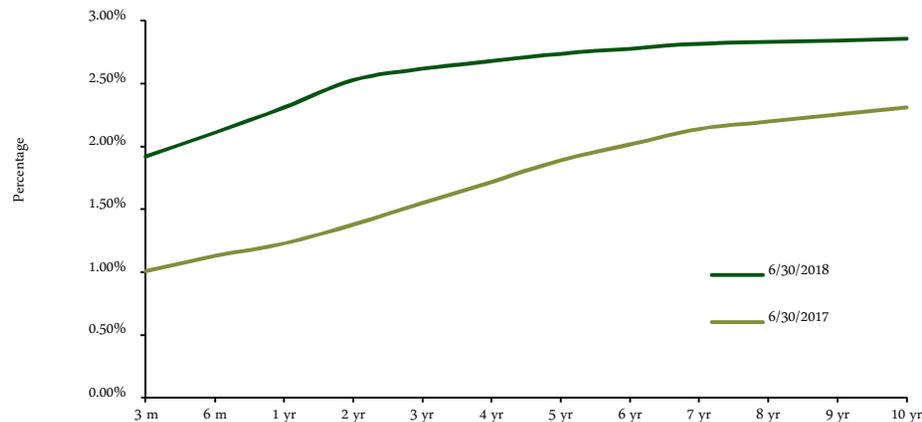
As of June 30, 2018

Chart 1: Fed funds target rate: 6/30/2007—6/30/2018



Source: Bloomberg Finance LP, June 30, 2018.

Chart 2: Treasury yield curve: 6/30/2017 and 6/30/2018



Source: Bloomberg Finance LP, June 30, 2018.

### Economic Indicators and Monetary Policy

On June 13, the Federal Open Market Committee (FOMC) met and unanimously agreed to increase the federal funds target range by 25 basis points to 1.75% to 2%. (See Chart 1). The FOMC statement noted a strengthening labor market and solid economic activity since the May meeting. The statement also reflected that the FOMC expects further gradual increases in the target rate will be consistent with continued economic expansion, strong labor market conditions and inflation near the FOMC’s 2% symmetrical target over the medium-term. Forward guidance from the FOMC meeting revealed that the median forecast for the upper range of the federal funds target rate at year-end 2018 is 2.375%, indicating that one-to-two additional rate increases are expected this year as of the June meeting.

The employment report released on June 1 showed an increase of 223,000 jobs in May, better than expectations for 190,000 jobs added. The unemployment rate decreased 0.1% to 3.8% and the underemployment rate fell 0.2% to 7.6% in May. Average hourly earnings increased 0.1% to 2.7% annual growth, better than expectations for 2.6% growth.

At the start of June, the Institute for Supply Management (ISM) Manufacturing and Non-Manufacturing Indices both pushed higher for May readings of 58.7% and 58.6% respectively. The final estimate for first quarter Gross Domestic Product (GDP) was released on June 28 showing 2% growth, revised down from the second estimate of 2.2% and an original estimate of 2.3% growth. Personal consumption was revised downward to 0.9% growth and inventories and net exports subtracted from the final estimate of first quarter GDP.

The Consumer Price Index (CPI) data released on June 12 showed 0.2% increases in the headline and core readings, in line with expectations. On an annual basis, the headline CPI was 2.8% for May and factoring out food and energy, the core level was 2.2%.

### Interest Rate Summary

At the end of June, the 3-month US Treasury bill yielded 1.92%, the 6-month US Treasury bill yielded 2.11%, the 2-year US Treasury note yielded 2.53%, the 5-year US Treasury note yielded 2.74% and the 10-year US Treasury note yielded 2.86%. (See Chart 2).

# ACTIVITY AND PERFORMANCE SUMMARY

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

<u>Amortized Cost Basis Activity Summary</u>	
<b>Opening balance</b>	27,285,565.25
Income received	26,683.12
<b>Total receipts</b>	26,683.12
<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>	(3,874.89)
<b>Total OID/MKT accretion income</b>	5,136.70
Return of capital	0.00
<b>Closing balance</b>	27,313,510.18
<b>Ending fair value</b>	27,055,926.51
Unrealized gain (loss)	(257,583.67)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	273.02	0.00	0.00	273.02
Corporate Bonds	12,765.19	(682.39)	0.00	12,082.80
Government Agencies	15,558.07	939.60	0.00	16,497.67
Government Bonds	3,900.16	1,004.60	0.00	4,904.76
<b>Total</b>	<b>32,496.44</b>	<b>1,261.81</b>	<b>0.00</b>	<b>33,758.25</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.38	0.79	0.15
Overnight Repo	1.38	0.80	0.15
Merrill Lynch 3m US Treas Bill	1.38	0.83	0.15
Merrill Lynch 6m US Treas Bill	1.51	0.90	0.17
ML 1 Year US Treasury Note	1.74	1.03	0.19
ML 2 Year US Treasury Note	1.95	1.14	0.21
ML 5 Year US Treasury Note	2.29	1.31	0.23

\* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	32,496.44
Accretion (amortization)	1,261.81
Realized gain (loss) on sales	0.00
Total income on portfolio	33,758.25
Average daily amortized cost	27,303,459.86
Period return (%)	0.12
YTD return (%)	0.70
Weighted average final maturity in days	387

# ACTIVITY AND PERFORMANCE SUMMARY

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

<u>Fair Value Basis Activity Summary</u>		
<b>Opening balance</b>		27,043,569.33
Income received	26,683.12	
<b>Total receipts</b>		26,683.12
<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		(14,325.94)
<b>Ending fair value</b>		27,055,926.51

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	273.02	0.00	273.02
Corporate Bonds	12,765.19	(11,456.85)	1,308.34
Government Agencies	15,558.07	(3,066.50)	12,491.57
Government Bonds	3,900.16	197.41	4,097.57
<b>Total</b>	<b>32,496.44</b>	<b>(14,325.94)</b>	<b>18,170.50</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.38	0.79	0.15
Overnight Repo	1.38	0.80	0.15
ICE ML 3m US Treas Bill	1.36	0.81	0.17
ICE ML 6m US Treas Bill	1.39	0.80	0.16
ICE ML 1 Year US Treasury Note	0.92	0.65	0.12
ICE ML US Treasury 1-3	0.08	0.09	0.02
ICE ML US Treasury 1-5	(0.35)	(0.25)	(0.01)

\* rates reflected are cumulative

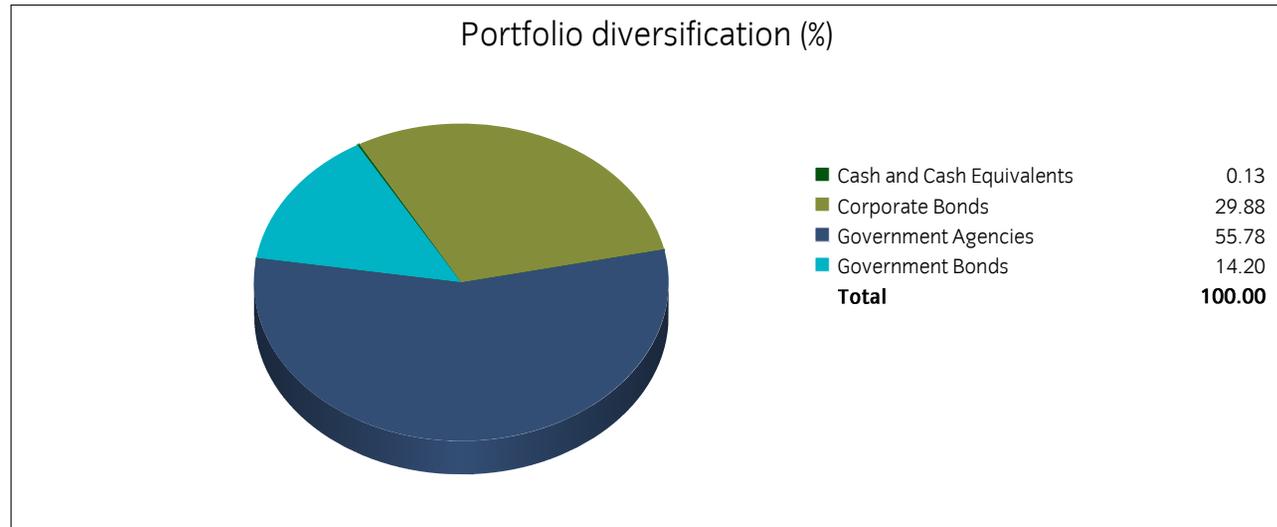
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	32,496.44
Change in fair value	(14,325.94)
Total income on portfolio	18,170.50
Average daily total value *	27,147,297.94
Period return (%)	0.07
YTD return (%)	0.46
Weighted average final maturity in days	387

\* Total value equals market value and accrued interest

# RECAP OF SECURITIES HELD

As of June 30, 2018

	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	36,845.81	36,845.81	36,845.81	0.00	1	0.13	0.00
Corporate Bonds	8,168,389.50	8,156,951.88	8,070,308.30	(86,643.58)	438	29.88	1.16
Government Agencies	15,249,383.61	15,229,939.64	15,077,494.60	(152,445.04)	387	55.78	1.04
Government Bonds	3,882,441.40	3,889,772.85	3,871,277.80	(18,495.05)	281	14.20	0.75
<b>Total</b>	<b>27,337,060.32</b>	<b>27,313,510.18</b>	<b>27,055,926.51</b>	<b>(257,583.67)</b>	<b>387</b>	<b>100.00</b>	<b>1.03</b>

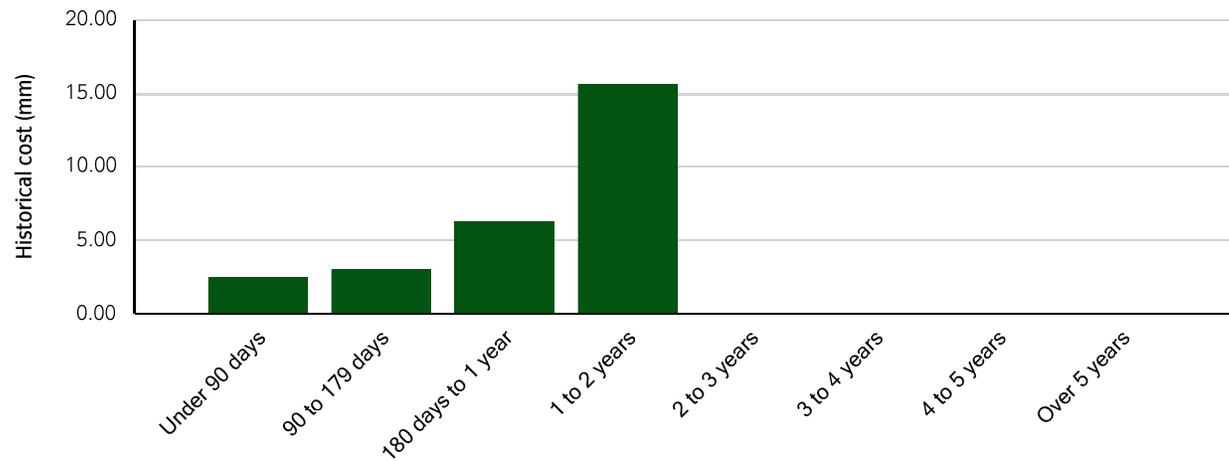


# MATURITY DISTRIBUTION OF SECURITIES HELD

As of June 30, 2018

Maturity	Historic cost	Percent
Under 90 days	2,489,349.90	9.11
90 to 179 days	2,987,807.65	10.93
180 days to 1 year	6,261,755.00	22.91
1 to 2 years	15,598,147.77	57.06
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
	<b>27,337,060.32</b>	<b>100.00</b>

Maturity distribution



# SECURITIES HELD

## As of June 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
<b>Cash and Cash Equivalents</b>											
Cash and Cash Equivalents	0.000		36,845.81	36,845.81 0.00	36,845.81 0.00	36,845.81 0.00	0.00	0.00	0.00	0.00	0.13
<b>Total Cash and Cash Equivalents</b>			<b>36,845.81</b>	<b>36,845.81</b> <b>0.00</b>	<b>36,845.81</b> <b>0.00</b>	<b>36,845.81</b> <b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.13</b>
<b>Corporate Bonds</b>											
69353REZ7 PNC BANK NA 1.7% 07DEC2018 (CALLABLE 07NOV18)	1.700	12/07/2018 11/07/2018	500,000.00	499,980.00 0.00	499,995.39 0.88	498,083.00 202.00	(1,912.39)	4,250.00	684.73	543.06	1.83
713448CK2 PEPSICO INC 2.25% 07JAN2019 (CALLABLE 07DEC18)	2.250	01/07/2019 12/07/2018	1,000,000.00	1,011,060.00 0.00	1,003,157.59 (506.56)	998,382.00 135.00	(4,775.59)	0.00	1,812.50	10,812.50	3.70
17275RBB7 CISCO SYSTEMS INC 1.6% 28FEB2019	1.600	02/28/2019	700,000.00	700,630.00 0.00	700,138.97 (17.37)	695,605.40 (162.40)	(4,533.57)	0.00	902.23	3,795.56	2.56
14912L6R7 CATERPILLAR FINL SERVICE 1.35% 18MAY2019	1.350	05/18/2019	1,000,000.00	999,260.00 0.00	999,756.65 22.96	988,450.00 417.00	(11,306.65)	0.00	1,087.50	1,575.00	3.66
68389XAG0 ORACLE CORP 5% 08JUL2019	5.000	07/08/2019	450,000.00	462,735.00 0.00	460,949.72 (892.64)	460,289.70 (1,826.10)	(660.02)	0.00	1,812.50	10,750.00	1.69
25468PDL7 WALT DISNEY COMPANY/THE 0.875% 12JUL2019	0.875	07/12/2019	500,000.00	490,240.00 0.00	492,002.82 644.93	490,511.50 (959.00)	(1,491.32)	0.00	352.43	2,041.67	1.79
0258M0EC9 AMERICAN EXPRESS CREDIT 1.7% 30OCT2019 (CALLABLE 30SEP19)	1.700	10/30/2019 09/29/2019	500,000.00	491,775.00 0.00	492,688.89 456.95	492,246.50 (892.00)	(442.39)	0.00	708.34	1,416.67	1.80

# SECURITIES HELD

## As of June 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
<b>Corporate Bonds</b>											
594918AY0 MICROSOFT CORP 1.85% 12FEB2020 (CALLABLE 12JAN20)	1.850	02/12/2020 01/12/2020	1,000,000.00	1,002,170.00 0.00	1,001,273.12 (65.63)	987,690.00 (688.00)	(13,583.12)	0.00	1,490.28	7,091.67	3.67
166764AR1 CHEVRON CORP 1.961% 03MAR2020 (CALLABLE 03FEB20)	1.961	03/03/2020 02/03/2020	500,000.00	501,625.00 0.00	501,136.75 (56.55)	493,652.50 (755.50)	(7,484.25)	0.00	789.85	3,186.63	1.83
25468PDP8 WALT DISNEY COMPANY/THE 1.95% 04MAR2020	1.950	03/04/2020	450,000.00	451,624.50 0.00	450,967.65 (48.06)	442,543.95 (2,036.70)	(8,423.70)	0.00	706.87	2,827.50	1.65
30231GAG7 EXXON MOBIL CORPORATION 1.912% 06MAR2020 (CALLABLE 06FEB20)	1.912	03/06/2020 02/06/2020	550,000.00	552,255.00 0.00	551,345.01 (66.58)	542,269.75 (1,145.65)	(9,075.26)	0.00	847.13	3,330.07	2.02
89236TDU6 TOYOTA MOTOR CREDIT CORP 1.95% 17APR2020	1.950	04/17/2020	500,000.00	501,915.00 0.00	501,322.31 (61.31)	491,398.50 (1,381.00)	(9,923.81)	0.00	785.41	1,977.08	1.84
24422ETS8 JOHN DEERE CAPITAL CORP 1.95% 22JUN2020	1.950	06/22/2020	500,000.00	503,120.00 0.00	502,217.01 (93.41)	489,185.50 (2,364.50)	(13,031.51)	4,875.00	785.42	216.67	1.84
<b>Total Corporate Bonds</b>			<b>8,150,000.00</b>	<b>8,168,389.50</b> <b>0.00</b>	<b>8,156,951.88</b> <b>(682.39)</b>	<b>8,070,308.30</b> <b>(11,456.85)</b>	<b>(86,643.58)</b>	<b>9,125.00</b>	<b>12,765.19</b>	<b>49,564.08</b>	<b>29.88</b>
<b>Government Agencies</b>											
3130A6B63 FEDERAL HOME LOAN BANK 1.2% 14AUG2018	1.200	08/14/2018	750,000.00	751,965.00 0.00	750,080.43 (54.84)	749,317.50 525.00	(762.93)	0.00	725.00	3,400.00	2.75
3133EGFQ3 FEDERAL FARM CREDIT BANK 0.875% 14SEP2018	0.875	09/14/2018	1,000,000.00	1,000,293.00 0.00	1,000,026.93 (10.92)	997,810.00 1,010.00	(2,216.93)	0.00	704.86	2,576.39	3.66

# SECURITIES HELD

## As of June 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
<b>Government Agencies</b>											
3133EGM69 FEDERAL FARM CREDIT BANK 1.1% 05DEC2018	1.100	12/05/2018	1,000,000.00	997,730.00 0.00	999,512.00 94.45	995,330.00 840.00	(4,182.00)	5,500.00	886.11	763.89	3.65
3133EF3V7 FEDERAL FARM CREDIT BANK 0.875% 15FEB2019	0.875	02/15/2019	1,000,000.00	1,001,200.00 0.00	1,000,296.05 (39.48)	991,350.00 330.00	(8,946.05)	0.00	704.86	3,281.25	3.66
313378QK0 FEDERAL HOME LOAN BANK 1.875% 08MAR2019	1.875	03/08/2019	1,000,000.00	1,026,340.00 0.00	1,006,986.44 (845.13)	997,350.00 2,120.00	(9,636.44)	0.00	1,510.41	5,833.33	3.75
3137EADZ9 FREDDIE MAC 1.125% 15APR2019	1.125	04/15/2019	500,000.00	502,545.00 0.00	500,740.88 (77.99)	495,390.50 240.00	(5,350.38)	0.00	453.13	1,171.88	1.84
313379EE5 FEDERAL HOME LOAN BANK 1.625% 14JUN2019	1.625	06/14/2019	1,000,000.00	1,020,720.00 0.00	1,006,913.37 (602.91)	992,742.00 (971.00)	(14,171.37)	8,125.00	1,309.03	722.22	3.73
3137EAEB1 FREDDIE MAC 0.875% 19JUL2019	0.875	07/19/2019	700,000.00	689,815.00 0.00	695,464.02 359.04	688,942.10 21.00	(6,521.92)	0.00	493.41	2,739.24	2.52
3135G0N33 FANNIE MAE 0.875% 02AUG2019	0.875	08/02/2019	1,000,000.00	981,984.00 0.00	986,179.51 1,057.69	983,379.00 18.00	(2,800.51)	0.00	704.86	3,597.22	3.59
3133EGSCO FEDERAL FARM CREDIT BANK 1% 26AUG2019	1.000	08/26/2019	1,000,000.00	998,204.00 0.00	999,298.46 50.59	984,060.00 (390.00)	(15,238.46)	0.00	805.55	3,444.44	3.65
3130A9MF5 FEDERAL HOME LOAN BANK 1.125% 03OCT2019 (CALLABLE 12JUL18)	1.125	10/03/2019	1,000,000.00	999,000.00 0.00	999,579.78 27.83	983,830.00 70.00	(15,749.78)	0.00	906.25	2,718.75	3.65
3135G0R39 FANNIE MAE 1% 24OCT2019	1.000	10/24/2019	1,000,000.00	980,380.00 0.00	984,317.23 992.58	980,963.00 (278.00)	(3,354.23)	0.00	805.55	1,833.33	3.59

# SECURITIES HELD

## As of June 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
<b>Government Agencies</b>											
3133EGJ30 FEDERAL FARM CREDIT BANK 1.1% 18NOV2019	1.100	11/18/2019	600,000.00	595,032.00 0.00	597,254.09 165.42	588,702.00 (390.00)	(8,552.09)	0.00	531.67	770.00	2.18
3136G4DA8 FANNIE MAE 1.2% 30DEC2019 (CALLABLE 30SEP18) #0001	1.200	12/30/2019 09/30/2018	700,000.00	699,125.00 0.00	699,594.42 22.53	685,160.00 (2,198.00)	(14,434.42)	0.00	700.00	4,200.00	2.56
3135G0VY6 FANNIE MAE 1.7% 27MAR2020 CALLABLE	1.700	03/27/2020	1,000,000.00	1,004,795.61 0.00	1,003,293.37 (157.58)	985,650.00 (1,410.00)	(17,643.37)	0.00	1,369.45	4,391.67	3.68
3134GBT9 FREDDIE MAC 1.625% 27MAR2020 (CALLABLE 27SEP18)	1.625	03/27/2020 09/27/2018	1,500,000.00	1,499,445.00 0.00	1,499,618.86 18.24	1,477,365.00 (2,055.00)	(22,253.86)	0.00	1,963.55	6,296.88	5.49
3130AECJ7 FEDERAL HOME LOAN BANK 2.625% 28MAY2020	2.625	05/28/2020	500,000.00	500,810.00 (619.79)	500,783.80 (26.20)	500,153.50 (656.50)	(630.30)	0.00	802.09	1,421.88	1.83
<b>Total Government Agencies</b>			<b>15,250,000.00</b>	<b>15,249,383.61 (619.79)</b>	<b>15,229,939.64 973.32</b>	<b>15,077,494.60 (3,174.50)</b>	<b>(152,445.04)</b>	<b>13,625.00</b>	<b>15,375.78</b>	<b>49,162.37</b>	<b>55.78</b>
<b>Government Bonds</b>											
912828VQ0 USA TREASURY 1.375% 31JUL2018	1.375	07/31/2018	700,000.00	700,246.09 0.00	700,024.93 (24.13)	699,750.80 263.90	(274.13)	0.00	797.65	3,988.26	2.56
912828T42 USA TREASURY 0.75% 30SEP2018	0.750	09/30/2018	1,000,000.00	991,914.06 0.00	998,685.68 428.59	996,956.00 1,097.00	(1,729.68)	0.00	614.75	1,864.75	3.63
912828M64 USA TREASURY 1.25% 15NOV2018	1.250	11/15/2018	500,000.00	498,183.59 (407.61)	498,443.08 259.49	498,496.00 312.41	52.92	0.00	373.64	781.25	1.82

# SECURITIES HELD

## As of June 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
<b>Government Bonds</b>											
912828F39 USA TREASURY 1.75% 30SEP2019	1.750	09/30/2019	600,000.00	605,460.94 0.00	602,953.43 (193.88)	594,937.80 (445.20)	(8,015.63)	0.00	860.66	2,610.66	2.21
912828UL2 USA TREASURY 1.375% 31JAN2020	1.375	01/31/2020	1,100,000.00	1,086,636.72 0.00	1,089,665.73 534.53	1,081,137.20 (1,030.70)	(8,528.53)	0.00	1,253.46	6,267.27	3.97
<b>Total Government Bonds</b>			<b>3,900,000.00</b>	<b>3,882,441.40</b> <b>(407.61)</b>	<b>3,889,772.85</b> <b>1,004.60</b>	<b>3,871,277.80</b> <b>197.41</b>	<b>(18,495.05)</b>	<b>0.00</b>	<b>3,900.16</b>	<b>15,512.19</b>	<b>14.20</b>
<b>Grand total</b>			<b>27,336,845.81</b>	<b>27,337,060.32</b> <b>(1,027.40)</b>	<b>27,313,510.18</b> <b>1,295.53</b>	<b>27,055,926.51</b> <b>(14,433.94)</b>	<b>(257,583.67)</b>	<b>22,750.00</b>	<b>32,041.13</b>	<b>114,238.64</b>	<b>100.00</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

## As of June 30, 2018

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
<b>Federal Farm Credit Banks</b>												
3133EGFQ3	FEDERAL FARM CREDIT	0.875	09/14/2018		AA+	Aaa	1,000,000.00	1,000,293.00	3.66	997,810.00	3.69	0.21
3133EGM69	FEDERAL FARM CREDIT	1.100	12/05/2018		AA+	Aaa	1,000,000.00	997,730.00	3.65	995,330.00	3.68	0.43
3133EF3V7	FEDERAL FARM CREDIT	0.875	02/15/2019		AA+	Aaa	1,000,000.00	1,001,200.00	3.66	991,350.00	3.66	0.62
3133EGSCO	FEDERAL FARM CREDIT	1.000	08/26/2019		AA+	Aaa	1,000,000.00	998,204.00	3.65	984,060.00	3.64	1.14
3133EGJ30	FEDERAL FARM CREDIT	1.100	11/18/2019		AA+	Aaa	600,000.00	595,032.00	2.18	588,702.00	2.18	1.36
<b>Issuer total</b>							<b>4,600,000.00</b>	<b>4,592,459.00</b>	<b>16.80</b>	<b>4,557,252.00</b>	<b>16.84</b>	<b>0.70</b>
<b>Federal Home Loan Banks</b>												
3130A6B63	FEDERAL HOME LOAN	1.200	08/14/2018		AA+	Aaa	750,000.00	751,965.00	2.75	749,317.50	2.77	0.13
313378QK0	FEDERAL HOME LOAN	1.875	03/08/2019		AA+	Aaa	1,000,000.00	1,026,340.00	3.75	997,350.00	3.69	0.68
313379EE5	FEDERAL HOME LOAN	1.625	06/14/2019		AA+	Aaa	1,000,000.00	1,020,720.00	3.73	992,742.00	3.67	0.94
3130A9MF5	FEDERAL HOME LOAN	1.125	10/03/2019		AA+	Aaa	1,000,000.00	999,000.00	3.65	983,830.00	3.64	1.24
3130AECJ7	FEDERAL HOME LOAN	2.625	05/28/2020		AA+	Aaa	500,000.00	500,810.00	1.83	500,153.50	1.85	1.85
<b>Issuer total</b>							<b>4,250,000.00</b>	<b>4,298,835.00</b>	<b>15.73</b>	<b>4,223,393.00</b>	<b>15.61</b>	<b>0.91</b>
<b>United States Treasury Note/Bond</b>												
912828VQ0	USA TREASURY 1.375%	1.375	07/31/2018		AA+	Aaa	700,000.00	700,246.09	2.56	699,750.80	2.59	0.09
912828T42	USA TREASURY 0.75%	0.750	09/30/2018		AA+	Aaa	1,000,000.00	991,914.06	3.63	996,956.00	3.68	0.25
912828M64	USA TREASURY 1.25%	1.250	11/15/2018		AA+	Aaa	500,000.00	498,183.59	1.82	498,496.00	1.84	0.38
912828F39	USA TREASURY 1.75%	1.750	09/30/2019		AA+	Aaa	600,000.00	605,460.94	2.21	594,937.80	2.20	1.22
912828UL2	USA TREASURY 1.375%	1.375	01/31/2020		AA+	Aaa	1,100,000.00	1,086,636.72	3.97	1,081,137.20	4.00	1.55
<b>Issuer total</b>							<b>3,900,000.00</b>	<b>3,882,441.40</b>	<b>14.20</b>	<b>3,871,277.80</b>	<b>14.31</b>	<b>0.75</b>
<b>Federal National Mortgage Association</b>												
3135G0N33	FANNIE MAE 0.875%	0.875	08/02/2019		AA+	Aaa	1,000,000.00	981,984.00	3.59	983,379.00	3.63	1.07
3135G0R39	FANNIE MAE 1%	1.000	10/24/2019		AA+	Aaa	1,000,000.00	980,380.00	3.59	980,963.00	3.63	1.29

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2018

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
<b>Federal National Mortgage Association</b>												
3136G4DA8	FANNIE MAE 1.2%	1.200	12/30/2019	09/30/2018	AA+	Aaa	700,000.00	699,125.00	2.56	685,160.00	2.53	1.47
3135G0VY6	FANNIE MAE 1.7%	1.700	03/27/2020		AA+	Aaa	1,000,000.00	1,004,795.61	3.68	985,650.00	3.64	1.70
<b>Issuer total</b>							<b>3,700,000.00</b>	<b>3,666,284.61</b>	<b>13.41</b>	<b>3,635,152.00</b>	<b>13.44</b>	<b>1.38</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	1.84	495,390.50	1.83	0.78
3137EAEB1	FREDDIE MAC 0.875%	0.875	07/19/2019		AA+	Aaa	700,000.00	689,815.00	2.52	688,942.10	2.55	1.03
3134GBTf9	FREDDIE MAC 1.625%	1.625	03/27/2020	09/27/2018	AA+	Aaa	1,500,000.00	1,499,445.00	5.49	1,477,365.00	5.46	1.68
<b>Issuer total</b>							<b>2,700,000.00</b>	<b>2,691,805.00</b>	<b>9.85</b>	<b>2,661,697.60</b>	<b>9.84</b>	<b>1.35</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	3.70	998,382.00	3.69	0.51
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,011,060.00</b>	<b>3.70</b>	<b>998,382.00</b>	<b>3.69</b>	<b>0.51</b>
<b>Caterpillar Financial Services Corp</b>												
14912L6R7	CATERPILLAR FINL	1.350	05/18/2019		A	A3	1,000,000.00	999,260.00	3.66	988,450.00	3.65	0.87
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>999,260.00</b>	<b>3.66</b>	<b>988,450.00</b>	<b>3.65</b>	<b>0.87</b>
<b>Microsoft Corp</b>												
594918AY0	MICROSOFT CORP 1.85%	1.850	02/12/2020	01/12/2020	AAA	Aaa	1,000,000.00	1,002,170.00	3.67	987,690.00	3.65	1.56
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,002,170.00</b>	<b>3.67</b>	<b>987,690.00</b>	<b>3.65</b>	<b>1.56</b>
<b>Walt Disney Co/The</b>												
25468PDL7	WALT DISNEY	0.875	07/12/2019		A+	A2	500,000.00	490,240.00	1.79	490,511.50	1.81	1.01
25468PDP8	WALT DISNEY	1.950	03/04/2020		A+	A2	450,000.00	451,624.50	1.65	442,543.95	1.64	1.62
<b>Issuer total</b>							<b>950,000.00</b>	<b>941,864.50</b>	<b>3.45</b>	<b>933,055.45</b>	<b>3.45</b>	<b>1.30</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2018

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
<b>Cisco Systems Inc</b>												
17275RBB7	CISCO SYSTEMS INC 1.6%	1.600	02/28/2019		AA-	A1	700,000.00	700,630.00	2.56	695,605.40	2.57	0.66
<b>Issuer total</b>							<b>700,000.00</b>	<b>700,630.00</b>	<b>2.56</b>	<b>695,605.40</b>	<b>2.57</b>	<b>0.66</b>
<b>Exxon Mobil Corp</b>												
30231GAG7	EXXON MOBIL	1.912	03/06/2020	02/06/2020	AA+	Aaa	550,000.00	552,255.00	2.02	542,269.75	2.00	1.62
<b>Issuer total</b>							<b>550,000.00</b>	<b>552,255.00</b>	<b>2.02</b>	<b>542,269.75</b>	<b>2.00</b>	<b>1.62</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	1.83	498,083.00	1.84	0.44
<b>Issuer total</b>							<b>500,000.00</b>	<b>499,980.00</b>	<b>1.83</b>	<b>498,083.00</b>	<b>1.84</b>	<b>0.44</b>
<b>Chevron Corp</b>												
166764AR1	CHEVRON CORP 1.961%	1.961	03/03/2020	02/03/2020	AA-	Aa2	500,000.00	501,625.00	1.83	493,652.50	1.82	1.61
<b>Issuer total</b>							<b>500,000.00</b>	<b>501,625.00</b>	<b>1.83</b>	<b>493,652.50</b>	<b>1.82</b>	<b>1.61</b>
<b>American Express Credit Corp</b>												
0258M0EC9	AMERICAN EXPRESS	1.700	10/30/2019	09/29/2019	A-	A2	500,000.00	491,775.00	1.80	492,246.50	1.82	1.30
<b>Issuer total</b>							<b>500,000.00</b>	<b>491,775.00</b>	<b>1.80</b>	<b>492,246.50</b>	<b>1.82</b>	<b>1.30</b>
<b>Toyota Motor Credit Corp</b>												
89236TDU6	TOYOTA MOTOR CREDIT	1.950	04/17/2020		AA-	Aa3	500,000.00	501,915.00	1.84	491,398.50	1.82	1.74
<b>Issuer total</b>							<b>500,000.00</b>	<b>501,915.00</b>	<b>1.84</b>	<b>491,398.50</b>	<b>1.82</b>	<b>1.74</b>
<b>John Deere Capital Corp</b>												
24422ETS8	JOHN DEERE CAPITAL	1.950	06/22/2020		A	A2	500,000.00	503,120.00	1.84	489,185.50	1.81	1.92
<b>Issuer total</b>							<b>500,000.00</b>	<b>503,120.00</b>	<b>1.84</b>	<b>489,185.50</b>	<b>1.81</b>	<b>1.92</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2018

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
<b>Oracle Corp</b>												
68389XAG0	ORACLE CORP 5%	5.000	07/08/2019		AA-	A1	450,000.00	462,735.00	1.69	460,289.70	1.70	0.97
<b>Issuer total</b>							<b>450,000.00</b>	<b>462,735.00</b>	<b>1.69</b>	<b>460,289.70</b>	<b>1.70</b>	<b>0.97</b>
<b>Cash and Cash Equivalents</b>												
	INVESTED CASH	0.000					36,845.81	36,845.81	0.13	36,845.81	0.14	0.00
<b>Issuer total</b>							<b>36,845.81</b>	<b>36,845.81</b>	<b>0.13</b>	<b>36,845.81</b>	<b>0.14</b>	<b>0.00</b>
<b>Grand total</b>							<b>27,336,845.81</b>	<b>27,337,060.32</b>	<b>100.00</b>	<b>27,055,926.51</b>	<b>100.00</b>	<b>1.03</b>

# SECURITIES PURCHASED

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

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
<b>Government Agencies</b>							
3130AECJ7	06/08/2018	2.625	05/28/2020	500,000.00	100.16	(500,810.00)	(619.79)
FEDERAL HOME LOAN BANK 2.625% 28MAY2020	06/08/2018						
JPMORGAN CHASE BANK, N.A.							
<b>Total Government Agencies</b>				<b>500,000.00</b>		<b>(500,810.00)</b>	<b>(619.79)</b>
<b>Government Bonds</b>							
912828M64	06/07/2018	1.250	11/15/2018	500,000.00	99.64	(498,183.59)	(407.61)
USA TREASURY 1.25% 15NOV2018	06/08/2018						
CITIGROUP GLOBAL MARKETS LIMITED							
<b>Total Government Bonds</b>				<b>500,000.00</b>		<b>(498,183.59)</b>	<b>(407.61)</b>
<b>Grand total</b>				<b>1,000,000.00</b>		<b>(998,993.59)</b>	<b>(1,027.40)</b>

# SECURITIES SOLD AND MATURED

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

Cusip/ Description/ Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost at sale or maturity /Accr (amort)	Price	Fair value at sale or maturity / Chg.in fair value	Realized gain (loss)	Accrued interest sold	Interest received	Interest earned
<b>Government Agencies</b>												
313379DT3 FEDERAL HOME LN BKS 1.25 DUE 06-08-2018	06/08/2018 06/08/2018	1.250		(750,000.00)	754,252.50	750,000.00 (33.72)	0.00	750,000.00 108.00	0.00	0.00	4,687.50	182.29
<b>Total (Government Agencies)</b>				<b>(750,000.00)</b>	<b>754,252.50</b>	<b>750,000.00 (33.72)</b>		<b>750,000.00 108.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,687.50</b>	<b>182.29</b>
<b>Grand total</b>				<b>(750,000.00)</b>	<b>754,252.50</b>	<b>750,000.00 (33.72)</b>		<b>750,000.00 108.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,687.50</b>	<b>182.29</b>

# TRANSACTION REPORT

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

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
06/05/2018 06/05/2018	3133EGM69	Income	Government Agencies	FEDERAL FARM CREDIT BANK	12/05/2018	1,000,000.00	0.00	0.00	5,500.00	5,500.00
06/07/2018 06/07/2018	69353REZ7	Income	Corporate Bonds	PNC BANK NA 1.7% 07DEC2018	12/07/2018	500,000.00	0.00	0.00	4,250.00	4,250.00
06/07/2018 06/08/2018	912828M64	Bought	Government Bonds	USA TREASURY 1.25%	11/15/2018	500,000.00	0.00	(498,183.59)	(407.61)	(498,591.20)
06/08/2018 06/08/2018	3130AECJ7	Bought	Government Agencies	FEDERAL HOME LOAN BANK	05/28/2020	500,000.00	0.00	(500,810.00)	(619.79)	(501,429.79)
06/08/2018 06/08/2018	313379DT3	Income	Government Agencies	FEDERAL HOME LN BKS 1.25	06/08/2018	750,000.00	0.00	0.00	4,687.50	4,687.50
06/08/2018 06/08/2018	313379DT3	Capital Change	Government Agencies	FEDERAL HOME LN BKS 1.25	06/08/2018	(750,000.00)	0.00	750,000.00	0.00	750,000.00
06/14/2018 06/14/2018	313379EE5	Income	Government Agencies	FEDERAL HOME LOAN BANK	06/14/2019	1,000,000.00	0.00	0.00	8,125.00	8,125.00
06/22/2018 06/22/2018	24422ETS8	Income	Corporate Bonds	JOHN DEERE CAPITAL CORP	06/22/2020	500,000.00	0.00	0.00	4,875.00	4,875.00
06/30/2018		Income	Cash and Cash Equivalent	Cash		0.00	0.00	0.00	273.02	273.02

# ADDITIONAL INFORMATION

## As of June 30, 2018

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

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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 June 30, 2018

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