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# CITY OF SAN PABLO

January 2019

Part of  BNY MELLON



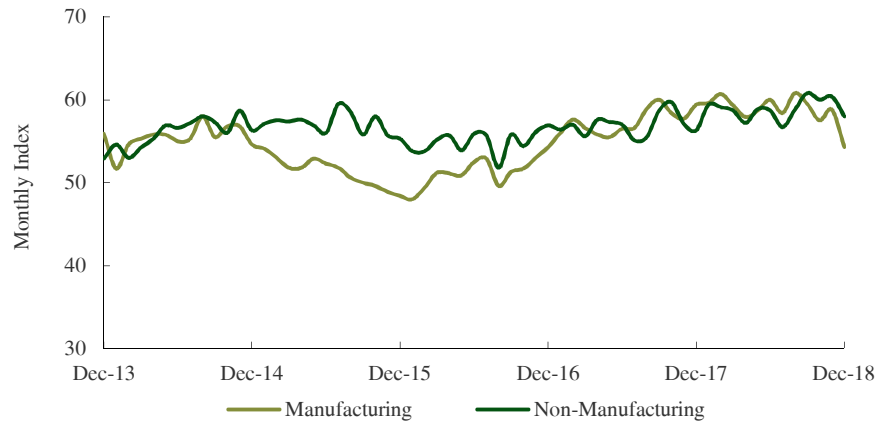
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# FIXED INCOME MARKET REVIEW

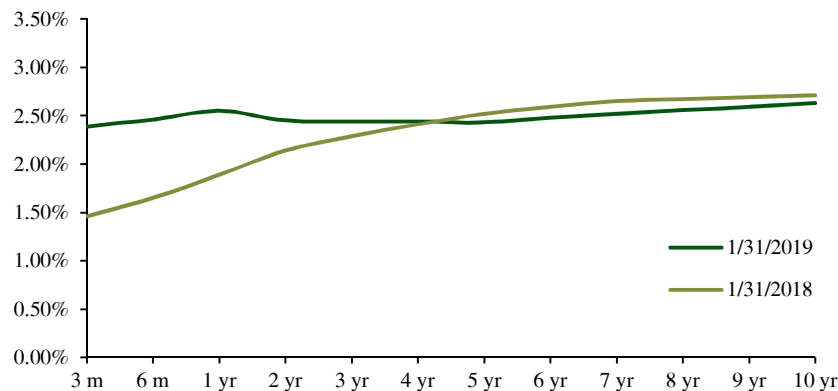
As of January 31, 2019

Chart 1: ISM Manufacturing & Non-Manufacturing Indices: 12/31/2013—12/31/2018



Source: Bloomberg Finance LP, January 31, 2019.

Chart 2: Treasury yield curve: 01/31/2018 and 01/31/2019



Source: Bloomberg Finance LP, January 31, 2019.

## Economic Indicators and Monetary Policy

On January 30 the Federal Open Market Committee (FOMC) voted unanimously to hold the federal funds target rate steady at a range of 2.25% to 2.50%. Although the market did not expect a rate change at the January meeting the accompanying news conference and FOMC statement were more dovish than anticipated. Market expectations for a rate hike at the next two meetings decreased to near zero.

The FOMC guidance at the January meeting indicated that Fed officials would be patient when determining any future changes in interest rates. The FOMC downgraded growth expectations modestly from the meeting in December to solid from strong, while suggesting that the most likely outcomes are sustained economic expansion, strong labor market conditions and inflation near the 2% target. In a separate statement the FOMC noted that the Committee is prepared to adjust the balance sheet normalization plan in light of changing market conditions.

On January 4 the payroll report showed that 312,000 jobs were added in December, exceeding expectations of 184,000 new jobs. The prior month gains were revised upward to 196,000 from 155,000. The unemployment rate increased to 3.9% from 3.7% and the underemployment rate was unchanged at 7.6%. Wage growth increased 0.4% in December for an annual rate of 3.2%, better than expectations for 3.0% growth and the prior month was revised upward to an annual rate of 3.3% from 3.1%.

The Institute for Supply Management (ISM) Manufacturing and Non-Manufacturing Indices trended lower in December. On January 3 the Manufacturing Index was released at 54.1 from a prior reading of 58.8. The Non-manufacturing Index released on January 7 was at 57.6 for December compared to November at 60.4. The impact of continuing trade tensions with China, slowing global growth and the government shut-down were all considered as the market sorted this data. (See Chart 1).

## Interest Rate Summary

At the end of January, the 3-month US Treasury bill yielded 2.39%, the 6-month US Treasury bill yielded 2.46%, the 2-year US Treasury note yielded 2.45%, the 5-year US Treasury note yielded 2.43% and the 10-year US Treasury note yielded 2.63%. (See Chart 2).

# ACTIVITY AND PERFORMANCE SUMMARY

CITY OF SAN PABLO

For the period January 1, 2019 - January 31, 2019

## Amortized Cost Basis Activity Summary

<b>Opening balance</b>	27,527,083.50
Income received	36,517.51
<b>Total receipts</b>	36,517.51
<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>	(5,578.99)
<b>Total OID/MKT accretion income</b>	9,954.37
Return of capital	0.00
<b>Closing balance</b>	27,567,976.39
<b>Ending fair value</b>	27,453,038.59
Unrealized gain (loss)	(114,937.80)

## Detail of Amortized Cost Basis Return

	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	196.68	0.00	0.00	196.68
Corporate Bonds	13,471.52	563.03	0.00	14,034.55
Government Agencies	19,870.83	806.53	0.00	20,677.36
Government Bonds	4,741.95	3,005.82	0.00	7,747.77
<b>Total</b>	<b>38,280.98</b>	<b>4,375.38</b>	<b>0.00</b>	<b>42,656.36</b>

## Comparative Rates of Return (%)

	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.92	1.08	0.20
Overnight Repo	1.99	1.14	0.21
Merrill Lynch 3m US Treas Bill	2.01	1.12	0.20
Merrill Lynch 6m US Treas Bill	2.15	1.19	0.20
ML 1 Year US Treasury Note	2.40	1.30	0.22
ML 2 Year US Treasury Note	2.57	1.36	0.21
ML 5 Year US Treasury Note	2.76	1.40	0.21

\* rates reflected are cumulative

## Summary of Amortized Cost Basis Return for the Period

	Total portfolio
Interest earned	38,280.98
Accretion (amortization)	4,375.38
Realized gain (loss) on sales	0.00
Total income on portfolio	42,656.36
Average daily amortized cost	27,545,472.82
Period return (%)	0.15
YTD return (%)	0.15
Weighted average final maturity in days	273

# ACTIVITY AND PERFORMANCE SUMMARY

For the period January 1, 2019 - January 31, 2019

## Fair Value Basis Activity Summary

<b>Opening balance</b>	27,371,800.03
Income received	36,517.51
<b>Total receipts</b>	36,517.51
<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	44,721.05
<b>Ending fair value</b>	27,453,038.59

## Detail of Fair Value Basis Return

	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	196.68	0.00	196.68
Corporate Bonds	13,471.52	17,646.60	31,118.12
Government Agencies	19,870.83	20,330.50	40,201.33
Government Bonds	4,741.95	6,743.95	11,485.90
<b>Total</b>	<b>38,280.98</b>	<b>44,721.05</b>	<b>83,002.03</b>

## Comparative Rates of Return (%)

	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.92	1.08	0.20
Overnight Repo	1.99	1.14	0.21
ICE ML 3m US Treas Bill	1.95	1.10	0.20
ICE ML 6m US Treas Bill	2.04	1.17	0.23
ICE ML 1 Year US Treasury Note	2.07	1.34	0.26
ICE ML US Treasury 1-3	2.15	1.77	0.27
ICE ML US Treasury 1-5	2.43	2.20	0.32

\* rates reflected are cumulative

## Summary of Fair Value Basis Return for the Period

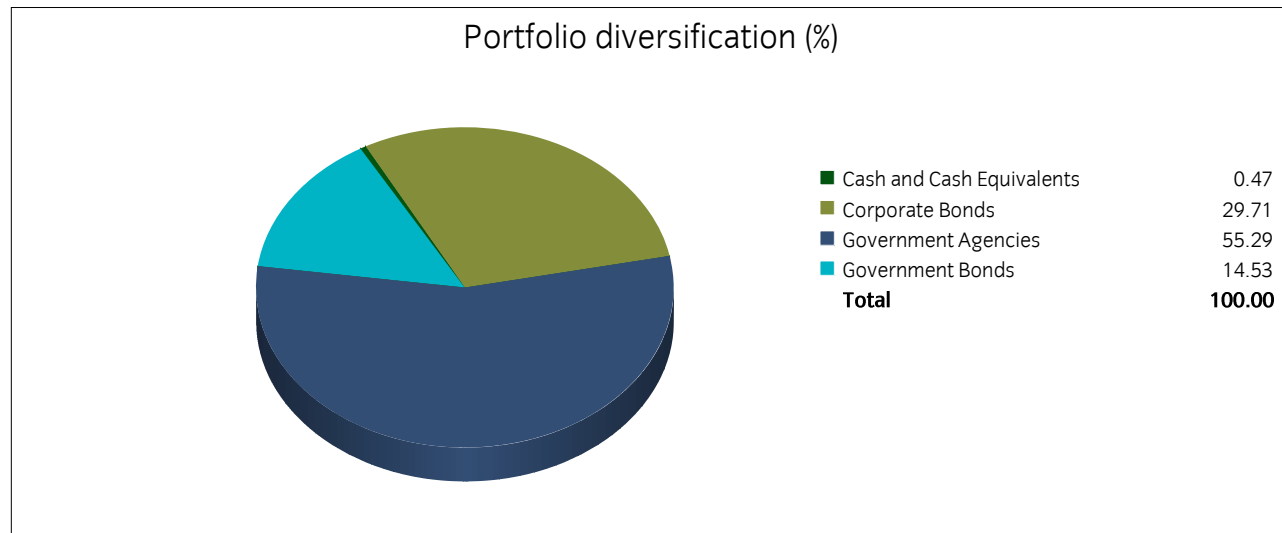
	Total portfolio
Interest earned	38,280.98
Change in fair value	44,721.05
Total income on portfolio	83,002.03
Average daily total value *	27,534,440.60
Period return (%)	0.30
YTD return (%)	0.30
Weighted average final maturity in days	273

\* Total value equals market value and accrued interest

# RECAP OF SECURITIES HELD

As of January 31, 2019

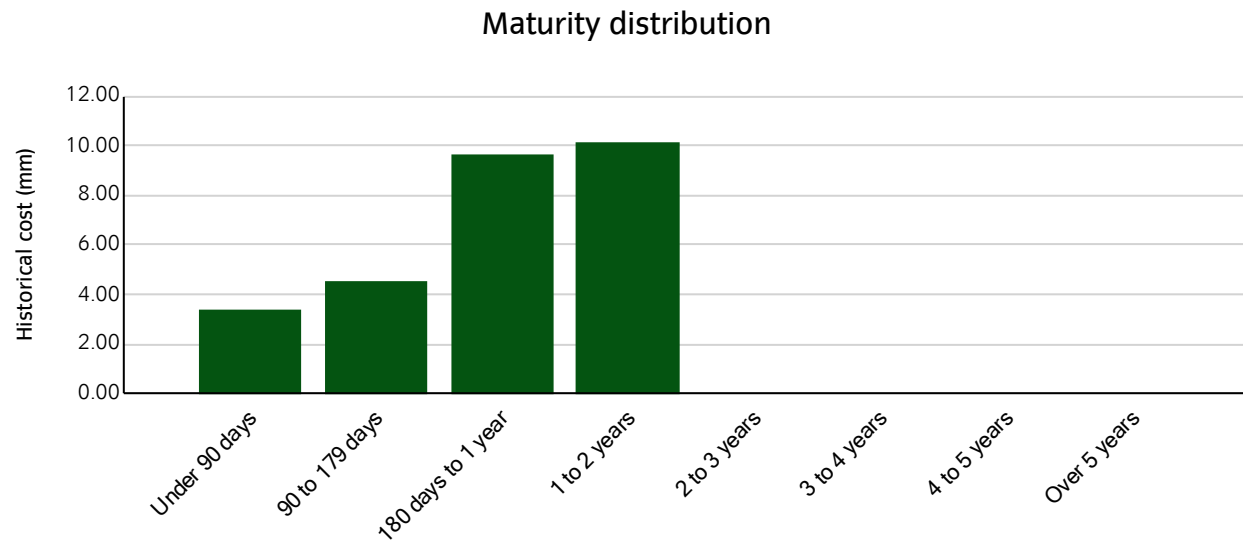
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	129,888.79	129,888.79	129,888.79	0.00	1	0.47	0.00
Corporate Bonds	8,190,906.50	8,187,307.11	8,151,069.95	(36,237.16)	316	29.71	0.84
Government Agencies	15,245,981.41	15,231,323.74	15,161,088.50	(70,235.24)	241	55.29	0.65
Government Bonds	4,006,002.01	4,019,456.75	4,010,991.35	(8,465.40)	314	14.53	0.84
<b>Total</b>	<b>27,572,778.71</b>	<b>27,567,976.39</b>	<b>27,453,038.59</b>	<b>(114,937.80)</b>	<b>273</b>	<b>100.00</b>	<b>0.73</b>



# MATURITY DISTRIBUTION OF SECURITIES HELD

As of January 31, 2019

Maturity	Historic cost	Percent
Under 90 days	3,360,603.79	12.19
90 to 179 days	4,451,417.20	16.14
180 days to 1 year	9,645,487.47	34.98
1 to 2 years	10,115,270.25	36.69
2 to 3 years	0.00	0.00
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	27,572,778.71	100.00



# SECURITIES HELD

## As of January 31, 2019

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		129,888.79	129,888.79 0.00	129,888.79 0.00	129,888.79 0.00	0.00	0.00	0.00	0.00	0.47
<b>Total Cash and Cash Equivalents</b>			<b>129,888.79</b>	<b>129,888.79 0.00</b>	<b>129,888.79 0.00</b>	<b>129,888.79 0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.47</b>
<b>Corporate Bonds</b>											
17275RBB7 CISCO SYSTEMS INC 1.6% 28FEB2019	1.600	02/28/2019	700,000.00	700,630.00 0.00	700,017.37 (17.37)	699,517.00 954.80	(500.37)	0.00	933.33	4,760.00	2.54
14912L6R7 CATERPILLAR FINL SERVICE 1.35% 18MAY2019	1.350	05/18/2019	1,000,000.00	999,260.00 0.00	999,917.35 22.95	995,782.00 1,718.00	(4,135.35)	0.00	1,125.00	2,737.50	3.62
68389XAG0 ORACLE CORP 5% 08JUL2019	5.000	07/08/2019	450,000.00	462,735.00 0.00	454,701.24 (892.64)	454,453.65 (340.65)	(247.59)	11,250.00	1,875.00	1,437.50	1.68
25468PDL7 WALT DISNEY COMPANY/THE 0.875% 12JUL2019	0.875	07/12/2019	500,000.00	490,240.00 0.00	496,517.36 644.94	496,110.50 1,575.50	(406.86)	2,187.50	364.58	230.90	1.78
90331HML4 US BANK NA CINCINNATI 2.125% 28OCT2019 (CALLABLE 28SEP19)	2.125	10/28/2019 09/28/2019	550,000.00	545,732.00 0.00	546,458.75 396.41	547,576.15 1,461.90	1,117.40	0.00	973.96	3,019.27	1.98
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	495,887.50 456.94	496,064.50 1,576.00	177.00	0.00	708.33	2,125.00	1.78
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	1,000,771.46 (107.92)	991,900.00 407.00	(8,871.46)	0.00	1,541.66	8,684.72	3.63



# SECURITIES HELD

## As of January 31, 2019

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>											
166764AR1 CHEVRON CORP 1.961% 03MAR2020 (CALLABLE 03FEB20)	1.961	03/03/2020 02/03/2020	500,000.00	501,625.00 0.00	500,708.98 (88.44)	496,360.00 1,380.00	(4,348.98)	0.00	817.08	4,030.94	1.82
25468PDP8 WALT DISNEY COMPANY/THE 1.95% 04MAR2020	1.950	03/04/2020	450,000.00	451,624.50 0.00	450,631.22 (48.06)	446,421.15 778.05	(4,210.07)	0.00	731.25	3,583.13	1.64
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	550,837.05 (108.45)	545,946.50 891.00	(4,890.55)	0.00	876.33	4,235.61	2.00
89236TDU6 TOYOTA MOTOR CREDIT CORP 1.95% 17APR2020	1.950	04/17/2020	500,000.00	501,915.00 0.00	500,893.12 (61.31)	496,062.00 2,272.00	(4,831.12)	0.00	812.50	2,816.67	1.82
24422ETS8 JOHN DEERE CAPITAL CORP 1.95% 22JUN2020	1.950	06/22/2020	500,000.00	503,120.00 0.00	501,563.11 (93.42)	494,200.00 1,999.50	(7,363.11)	0.00	812.50	1,056.25	1.82
02665WBT7 AMERICAN HONDA FINANCE 1.95% 20JUL2020	1.950	07/20/2020	500,000.00	492,655.00 (4,522.92)	493,023.57 368.57	492,959.50 304.50	(64.07)	4,875.00	650.00	297.92	1.79
06051GFT1 BANK OF AMERICA CORP 2.625% 19OCT2020	2.625	10/19/2020	500,000.00	495,170.00 (2,843.75)	495,379.03 209.03	497,717.00 2,547.00	2,337.97	0.00	875.00	3,718.75	1.80
<b>Total Corporate Bonds</b>			<b>8,200,000.00</b>	<b>8,190,906.50</b> <b>(7,366.67)</b>	<b>8,187,307.11</b> <b>681.23</b>	<b>8,151,069.95</b> <b>17,524.60</b>	<b>(36,237.16)</b>	<b>18,312.50</b>	<b>13,096.52</b>	<b>42,734.16</b>	<b>29.71</b>

### Government Agencies

3133EF3V7 FEDERAL FARM CREDIT BANK 0.875% 15FEB2019	0.875	02/15/2019	1,000,000.00	1,001,200.00 0.00	1,000,019.74 (39.47)	999,450.00 1,130.00	(569.74)	0.00	729.16	4,034.72	3.63
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# SECURITIES HELD

## As of January 31, 2019

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>											
313378QK0 FEDERAL HOME LOAN BANK 1.875% 08MAR2019	1.875	03/08/2019	1,000,000.00	1,026,340.00 0.00	1,001,070.50 (845.14)	999,450.00 490.00	(1,620.50)	0.00	1,562.50	7,447.92	3.72
3137EADZ9 FREDDIE MAC 1.125% 15APR2019	1.125	04/15/2019	500,000.00	502,545.00 0.00	500,194.97 (77.99)	498,641.50 505.50	(1,553.47)	0.00	468.75	1,656.25	1.82
313379EE5 FEDERAL HOME LOAN BANK 1.625% 14JUN2019	1.625	06/14/2019	1,000,000.00	1,020,720.00 0.00	1,002,693.00 (602.91)	997,024.00 1,359.00	(5,669.00)	0.00	1,354.17	2,121.53	3.70
3137EAE81 FREDDIE MAC 0.875% 19JUL2019	0.875	07/19/2019	1,500,000.00	1,478,462.20 0.00	1,492,284.12 1,369.69	1,488,942.00 3,250.50	(3,342.12)	6,562.50	1,093.75	437.50	5.36
3135G0N33 FANNIE MAE 0.875% 02AUG2019	0.875	08/02/2019	1,000,000.00	981,984.00 0.00	993,583.34 1,057.69	991,799.00 1,898.00	(1,784.34)	0.00	729.16	4,350.69	3.56
3133X8A51 FEDERAL HOME LOAN BANK 5.125% 15AUG2019	5.125	08/15/2019	1,000,000.00	1,023,150.00 0.00	1,013,556.31 (2,085.58)	1,014,155.00 (947.00)	598.69	0.00	4,270.83	23,631.94	3.71
3133EGSC0 FEDERAL FARM CREDIT BANK 1% 26AUG2019	1.000	08/26/2019	1,000,000.00	998,204.00 0.00	999,652.60 50.59	991,700.00 2,020.00	(7,952.60)	0.00	833.34	4,305.56	3.62
3130A9MF5 FEDERAL HOME LOAN BANK 1.125% 03OCT2019 (CALLABLE 12FEB19)	1.125	10/03/2019	1,000,000.00	999,000.00 0.00	999,774.58 27.83	990,580.00 2,090.00	(9,194.58)	0.00	937.50	3,687.50	3.62
3135G0R39 FANNIE MAE 1% 24OCT2019	1.000	10/24/2019	1,000,000.00	980,380.00 0.00	991,265.30 992.58	988,709.00 1,964.00	(2,556.30)	0.00	833.33	2,694.44	3.56
3133EGJ30 FEDERAL FARM CREDIT BANK 1.1% 18NOV2019	1.100	11/18/2019	600,000.00	595,032.00 0.00	598,412.00 165.41	593,226.00 1,542.00	(5,186.00)	0.00	550.00	1,338.33	2.16

# SECURITIES HELD

As of January 31, 2019

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>											
3136G4DA8 FANNIE MAE 1.2% 30DEC2019 (CALLABLE 30MAR19) #0001	1.200	12/30/2019 03/30/2019	700,000.00	699,125.00 0.00	699,752.15 22.54	691,803.00 1,512.00	(7,949.15)	0.00	700.00	700.00	2.54
3135G0VY6 FANNIE MAE 1.7% 27MAR2020 CALLABLE	1.700	03/27/2020	1,000,000.00	1,004,795.61 0.00	1,002,190.33 (157.58)	990,650.00 480.00	(11,540.33)	0.00	1,416.67	5,855.56	3.64
3134GBT9 FREDDIE MAC 1.625% 27MAR2020 (CALLABLE 27MAR19)	1.625	03/27/2020 03/27/2019	1,500,000.00	1,499,445.00 0.00	1,499,746.51 18.24	1,484,055.00 1,530.00	(15,691.51)	0.00	2,031.25	8,395.83	5.44
3133EHEZ2 FEDERAL FARM CREDIT BANK 1.6% 06APR2020	1.600	04/06/2020	950,000.00	934,788.60 0.00	936,583.73 944.80	939,996.50 1,320.50	3,412.77	0.00	1,266.67	4,855.56	3.39
3130AECJ7 FEDERAL HOME LOAN BANK 2.625% 28MAY2020	2.625	05/28/2020	500,000.00	500,810.00 0.00	500,544.56 (34.17)	500,907.50 186.00	362.94	0.00	1,093.75	2,296.88	1.82
<b>Total Government Agencies</b>			<b>15,250,000.00</b>	<b>15,245,981.41 0.00</b>	<b>15,231,323.74 806.53</b>	<b>15,161,088.50 20,330.50</b>	<b>(70,235.24)</b>	<b>6,562.50</b>	<b>19,870.83</b>	<b>77,810.21</b>	<b>55.29</b>
<b>Government Bonds</b>											
9128282G4 USA TREASURY 0.875% 15SEP2019	0.875	09/15/2019	1,000,000.00	983,554.69 0.00	989,424.69 1,444.21	989,883.00 2,227.00	458.31	0.00	749.31	3,335.64	3.57
912828F39 USA TREASURY 1.75% 30SEP2019	1.750	09/30/2019	600,000.00	605,460.94 0.00	601,563.96 (200.34)	596,929.80 820.20	(4,634.16)	0.00	894.23	3,548.08	2.20
9128283H1 USA TREASURY 1.75% 30NOV2019	1.750	11/30/2019	750,000.00	742,089.84 0.00	745,088.57 502.49	745,107.75 996.75	19.18	0.00	1,117.79	2,235.58	2.69

# SECURITIES HELD

As of January 31, 2019

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>											
912828UL2 USA TREASURY 1.375% 31JAN2020	1.375	01/31/2020	1,100,000.00	1,086,636.72 0.00	1,093,496.54 570.17	1,087,367.60 1,762.20	(6,128.94)	7,562.50	1,274.12	0.00	3.94
912828K58 USA TREASURY 1.375% 30APR2020	1.375	04/30/2020	600,000.00	588,259.82 0.00	589,882.99 689.29	591,703.20 937.80	1,820.21	0.00	706.50	2,096.69	2.13
<b>Total Government Bonds</b>			<b>4,050,000.00</b>	<b>4,006,002.01 0.00</b>	<b>4,019,456.75 3,005.82</b>	<b>4,010,991.35 6,743.95</b>	<b>(8,465.40)</b>	<b>7,562.50</b>	<b>4,741.95</b>	<b>11,215.99</b>	<b>14.53</b>
<b>Grand total</b>			<b>27,629,888.79</b>	<b>27,572,778.71 (7,366.67)</b>	<b>27,567,976.39 4,493.58</b>	<b>27,453,038.59 44,599.05</b>	<b>(114,937.80)</b>	<b>32,437.50</b>	<b>37,709.30</b>	<b>131,760.36</b>	<b>100.00</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of January 31, 2019

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 Home Loan Banks</b>												
313378QK0	FEDERAL HOME LOAN	1.875	03/08/2019		AA+	Aaa	1,000,000.00	1,026,340.00	3.72	999,450.00	3.64	0.10
313379EE5	FEDERAL HOME LOAN	1.625	06/14/2019		AA+	Aaa	1,000,000.00	1,020,720.00	3.70	997,024.00	3.63	0.36
3133X8AS1	FEDERAL HOME LOAN	5.125	08/15/2019		AA+	Aaa	1,000,000.00	1,023,150.00	3.71	1,014,155.00	3.69	0.52
3130A9MF5	FEDERAL HOME LOAN	1.125	10/03/2019		AA+	Aaa	1,000,000.00	999,000.00	3.62	990,580.00	3.61	0.66
3130AECJ7	FEDERAL HOME LOAN	2.625	05/28/2020		AA+	Aaa	500,000.00	500,810.00	1.82	500,907.50	1.82	1.29
<b>Issuer total</b>							<b>4,500,000.00</b>	<b>4,570,020.00</b>	<b>16.57</b>	<b>4,502,116.50</b>	<b>16.40</b>	<b>0.50</b>
<b>United States Treasury Note/Bond</b>												
9128282G4	USA TREASURY 0.875%	0.875	09/15/2019		AA+	Aaa	1,000,000.00	983,554.69	3.57	989,883.00	3.61	0.61
912828F39	USA TREASURY 1.75%	1.750	09/30/2019		AA+	Aaa	600,000.00	605,460.94	2.20	596,929.80	2.17	0.65
9128283H1	USA TREASURY 1.75%	1.750	11/30/2019		AA+	Aaa	750,000.00	742,089.84	2.69	745,107.75	2.71	0.81
912828UL2	USA TREASURY 1.375%	1.375	01/31/2020		AA+	Aaa	1,100,000.00	1,086,636.72	3.94	1,087,367.60	3.96	0.98
912828K58	USA TREASURY 1.375%	1.375	04/30/2020		AA+	Aaa	600,000.00	588,259.82	2.13	591,703.20	2.16	1.22
<b>Issuer total</b>							<b>4,050,000.00</b>	<b>4,006,002.01</b>	<b>14.53</b>	<b>4,010,991.35</b>	<b>14.61</b>	<b>0.84</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	3.56	991,799.00	3.61	0.49
3135G0R39	FANNIE MAE 1%	1.000	10/24/2019		AA+	Aaa	1,000,000.00	980,380.00	3.56	988,709.00	3.60	0.72
3136G4DA8	FANNIE MAE 1.2%	1.200	12/30/2019	03/30/2019	AA+	Aaa	700,000.00	699,125.00	2.54	691,803.00	2.52	0.90
3135G0VY6	FANNIE MAE 1.7%	1.700	03/27/2020		AA+	Aaa	1,000,000.00	1,004,795.61	3.64	990,650.00	3.61	1.13
<b>Issuer total</b>							<b>3,700,000.00</b>	<b>3,666,284.61</b>	<b>13.30</b>	<b>3,662,961.00</b>	<b>13.34</b>	<b>0.81</b>
<b>Federal Farm Credit Banks</b>												
3133EF3V7	FEDERAL FARM CREDIT	0.875	02/15/2019		AA+	Aaa	1,000,000.00	1,001,200.00	3.63	999,450.00	3.64	0.04
3133EGSCO	FEDERAL FARM CREDIT	1.000	08/26/2019		AA+	Aaa	1,000,000.00	998,204.00	3.62	991,700.00	3.61	0.56
3133EGJ30	FEDERAL FARM CREDIT	1.100	11/18/2019		AA+	Aaa	600,000.00	595,032.00	2.16	593,226.00	2.16	0.78

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of January 31, 2019

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>												
3133EHEZ2	FEDERAL FARM CREDIT	1.600	04/06/2020		AA+	Aaa	950,000.00	934,788.60	3.39	939,996.50	3.42	1.15
<b>Issuer total</b>							<b>3,550,000.00</b>	<b>3,529,224.60</b>	<b>12.80</b>	<b>3,524,372.50</b>	<b>12.84</b>	<b>0.61</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	1.82	498,641.50	1.82	0.20
3137EAE81	FREDDIE MAC 0.875%	0.875	07/19/2019		AA+	Aaa	1,500,000.00	1,478,462.20	5.36	1,488,942.00	5.42	0.46
3134GBT9	FREDDIE MAC 1.625%	1.625	03/27/2020	03/27/2019	AA+	Aaa	1,500,000.00	1,499,445.00	5.44	1,484,055.00	5.41	1.12
<b>Issuer total</b>							<b>3,500,000.00</b>	<b>3,480,452.20</b>	<b>12.62</b>	<b>3,471,638.50</b>	<b>12.65</b>	<b>0.71</b>
<b>Caterpillar Financial Services Corp</b>												
14912L6R7	CATERPILLAR FINL	1.350	05/18/2019		A	A3	1,000,000.00	999,260.00	3.62	995,782.00	3.63	0.29
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>999,260.00</b>	<b>3.62</b>	<b>995,782.00</b>	<b>3.63</b>	<b>0.29</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	3.63	991,900.00	3.61	0.99
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,002,170.00</b>	<b>3.63</b>	<b>991,900.00</b>	<b>3.61</b>	<b>0.99</b>
<b>Walt Disney Co/The</b>												
25468PDL7	WALT DISNEY	0.875	07/12/2019		A+	A2	500,000.00	490,240.00	1.78	496,110.50	1.81	0.44
25468PDP8	WALT DISNEY	1.950	03/04/2020		A+	A2	450,000.00	451,624.50	1.64	446,421.15	1.63	1.06
<b>Issuer total</b>							<b>950,000.00</b>	<b>941,864.50</b>	<b>3.42</b>	<b>942,531.65</b>	<b>3.43</b>	<b>0.74</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	2.54	699,517.00	2.55	0.08
<b>Issuer total</b>							<b>700,000.00</b>	<b>700,630.00</b>	<b>2.54</b>	<b>699,517.00</b>	<b>2.55</b>	<b>0.08</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of January 31, 2019

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>US Bank NA/Cincinnati OH</b>												
90331HML4	US BANK NA CINCINNATI	2.125	10/28/2019	09/28/2019	AA-	A1	550,000.00	545,732.00	1.98	547,576.15	1.99	0.72
<b>Issuer total</b>							<b>550,000.00</b>	<b>545,732.00</b>	<b>1.98</b>	<b>547,576.15</b>	<b>1.99</b>	<b>0.72</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	2.00	545,946.50	1.99	1.05
<b>Issuer total</b>							<b>550,000.00</b>	<b>552,255.00</b>	<b>2.00</b>	<b>545,946.50</b>	<b>1.99</b>	<b>1.05</b>
<b>Bank of America Corp</b>												
06051GFT1	BANK OF AMERICA CORP	2.625	10/19/2020		A-	A3	500,000.00	495,170.00	1.80	497,717.00	1.81	1.65
<b>Issuer total</b>							<b>500,000.00</b>	<b>495,170.00</b>	<b>1.80</b>	<b>497,717.00</b>	<b>1.81</b>	<b>1.65</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	1.82	496,360.00	1.81	1.04
<b>Issuer total</b>							<b>500,000.00</b>	<b>501,625.00</b>	<b>1.82</b>	<b>496,360.00</b>	<b>1.81</b>	<b>1.04</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	1.78	496,064.50	1.81	0.73
<b>Issuer total</b>							<b>500,000.00</b>	<b>491,775.00</b>	<b>1.78</b>	<b>496,064.50</b>	<b>1.81</b>	<b>0.73</b>
<b>Toyota Motor Credit Corp</b>												
89236TDU6	TOYOTA MOTOR CREDIT	1.950	04/17/2020		AA-	Aa3	500,000.00	501,915.00	1.82	496,062.00	1.81	1.18
<b>Issuer total</b>							<b>500,000.00</b>	<b>501,915.00</b>	<b>1.82</b>	<b>496,062.00</b>	<b>1.81</b>	<b>1.18</b>
<b>John Deere Capital Corp</b>												
24422ETS8	JOHN DEERE CAPITAL	1.950	06/22/2020		A	A2	500,000.00	503,120.00	1.82	494,200.00	1.80	1.36
<b>Issuer total</b>							<b>500,000.00</b>	<b>503,120.00</b>	<b>1.82</b>	<b>494,200.00</b>	<b>1.80</b>	<b>1.36</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF SAN PABLO

As of January 31, 2019

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>American Honda Finance Corp</b>												
02665WBT7	AMERICAN HONDA	1.950	07/20/2020		A+	A2	500,000.00	492,655.00	1.79	492,959.50	1.80	1.43
<b>Issuer total</b>							<b>500,000.00</b>	<b>492,655.00</b>	<b>1.79</b>	<b>492,959.50</b>	<b>1.80</b>	<b>1.43</b>
<b>Oracle Corp</b>												
68389XAG0	ORACLE CORP 5%	5.000	07/08/2019		AA-	A1	450,000.00	462,735.00	1.68	454,453.65	1.66	0.43
<b>Issuer total</b>							<b>450,000.00</b>	<b>462,735.00</b>	<b>1.68</b>	<b>454,453.65</b>	<b>1.66</b>	<b>0.43</b>
<b>Cash and Cash Equivalents</b>												
	INVESTED CASH	0.000					129,888.79	129,888.79	0.47	129,888.79	0.47	0.00
<b>Issuer total</b>							<b>129,888.79</b>	<b>129,888.79</b>	<b>0.47</b>	<b>129,888.79</b>	<b>0.47</b>	<b>0.00</b>
<b>Grand total</b>							<b>27,629,888.79</b>	<b>27,572,778.71</b>	<b>100.00</b>	<b>27,453,038.59</b>	<b>100.00</b>	<b>0.73</b>



# SECURITIES PURCHASED

CITY OF SAN PABLO

For the period January 1, 2019 - January 31, 2019

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>							
02665WBT7 AMERICAN HONDA FINANCE 1.95% 20JUL2020 KEYBANK NATIONAL ASSOCIATION	01/03/2019 01/07/2019	1.950	07/20/2020	500,000.00	98.53	(492,655.00)	(4,522.92)
06051GFT1 BANK OF AMERICA CORP 2.625% 19OCT2020 MORGAN STANLEY AND CO., LLC	01/03/2019 01/07/2019	2.625	10/19/2020	500,000.00	99.03	(495,170.00)	(2,843.75)
<b>Total Corporate Bonds</b>				<b>1,000,000.00</b>		<b>(987,825.00)</b>	<b>(7,366.67)</b>
<b>Grand total</b>				<b>1,000,000.00</b>		<b>(987,825.00)</b>	<b>(7,366.67)</b>

# SECURITIES SOLD AND MATURED

CITY OF SAN PABLO

For the period January 1, 2019 - January 31, 2019

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>												
713448CK2 PEPSICO INC 2.25% DUE 01-07-2019	01/07/2019 01/07/2019	2.250		(1,000,000.00)	1,011,060.00	1,000,000.00 (118.20)	0.00	1,000,000.00 122.00	0.00	0.00	11,250.00	375.00
<b>Total (Corporate Bonds)</b>				(1,000,000.00)	1,011,060.00	1,000,000.00 (118.20)		1,000,000.00 122.00	0.00	0.00	11,250.00	375.00
<b>Grand total</b>				(1,000,000.00)	1,011,060.00	1,000,000.00 (118.20)		1,000,000.00 122.00	0.00	0.00	11,250.00	375.00

# TRANSACTION REPORT

For the period January 1, 2019 - January 31, 2019

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
01/03/2019 01/07/2019	02665WBT7	Bought	Corporate Bonds	AMERICAN HONDA FINANCE	07/20/2020	500,000.00	0.00	(492,655.00)	(4,522.92)	(497,177.92)
01/03/2019 01/07/2019	06051GFT1	Bought	Corporate Bonds	BANK OF AMERICA CORP	10/19/2020	500,000.00	0.00	(495,170.00)	(2,843.75)	(498,013.75)
01/07/2019 01/07/2019	713448CK2	Income	Corporate Bonds	PEPSICO INC 2.25% DUE	01/07/2019	1,000,000.00	0.00	0.00	11,250.00	11,250.00
01/07/2019 01/07/2019	713448CK2	Capital Change	Corporate Bonds	PEPSICO INC 2.25% DUE	01/07/2019	(1,000,000.00)	0.00	1,000,000.00	0.00	1,000,000.00
01/08/2019 01/08/2019	68389XAG0	Income	Corporate Bonds	ORACLE CORP 5% 08JUL2019	07/08/2019	450,000.00	0.00	0.00	11,250.00	11,250.00
01/12/2019 01/12/2019	25468PDL7	Income	Corporate Bonds	WALT DISNEY COMPANY/THE	07/12/2019	500,000.00	0.00	0.00	2,187.50	2,187.50
01/19/2019 01/19/2019	3137EAEB1	Income	Government Agencies	FREDDIE MAC 0.875%	07/19/2019	1,500,000.00	0.00	0.00	6,562.50	6,562.50
01/20/2019 01/20/2019	02665WBT7	Income	Corporate Bonds	AMERICAN HONDA FINANCE	07/20/2020	500,000.00	0.00	0.00	4,875.00	4,875.00
01/31/2019 01/31/2019	912828UL2	Income	Government Bonds	USA TREASURY 1.375%	01/31/2020	1,100,000.00	0.00	0.00	7,562.50	7,562.50
01/31/2019		Income	Cash and Cash Equivalents	Cash		0.00	0.00	0.00	196.68	196.68

# ADDITIONAL INFORMATION

## As of January 31, 2019

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

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

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

In calculating ratings distributions and weighted average portfolio quality, Insight assigns U.S Treasury and U.S agency securities a quality rating based on the methodology used within the respective benchmark index. When 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 strategies 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 January 31, 2019

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