



**CITY OF SOUTH PASADENA
FINANCE COMMISSION
SPECIAL MEETING AGENDA
TUESDAY, MAY 16, 2023 at 6:30 P.M.**

**AMEDEE O. "DICK" RICHARDS JR. COUNCIL CHAMBERS
1424 MISSION ST, SOUTH PASADENA, CA 91030**

South Pasadena Finance Commission Statement of Civility

As your appointed governing board, we will treat each other, members of the public, and city employees with patience, civility and courtesy as a model of the same behavior we wish to reflect in South Pasadena for the conduct of all city business and community participation. The decisions made today will be for the benefit of the South Pasadena community and not for personal gain.

NOTICE ON PUBLIC PARTICIPATION & ACCESSIBILITY

The South Pasadena Finance Commission Meeting will be conducted in-person from the Council Chambers, Amedee O. "Dick" Richards, Jr., located at 1424 Mission Street, South Pasadena.

The Meeting will be available:

- In Person – Council Chambers, 1424 Mission St,
- Via Zoom – **Meeting ID:** 854 8248 7302

To maximize public safety while still maintaining transparency and public access, members of the public can observe the meeting via Zoom in one of the three methods below.

1. Go to the Zoom website, <https://zoom.us/join> and enter the Zoom Meeting information; or
2. Click on the following unique Zoom meeting link: <https://us06web.zoom.us/j/85482487302>
3. You may listen to the meeting by calling: +1-669-900-6833 and entering the Meeting ID.

CALL TO ORDER: Chair Ed Elsner

ROLL CALL

Chair	Ed Elsner
Commissioner	Frederick A. Findley
Commissioner	Cynthia Quade
Commissioner	Peter Giulioni Jr.
Commissioner	Sheila Rossi

ELECTED OFFICIALS:

City Treasurer	Zhen Tao
Council Member	Janet Braun

PUBLIC COMMENT GUIDELINES

The City welcomes public input. If you would like to comment on an agenda item, members of the public may participate **by means of one of the following options:**

Option 1:

Participants will be able to “raise their hand” using the Zoom icon during the meeting, and they will have their microphone un-muted during comment portions of the agenda to speak for up to 3 minutes per item.

Option 2:

Email public comment(s) to fcpubliccomment@southpasadenaca.gov

Public Comments received in writing will not be read aloud at the meeting, but will be part of the meeting record. Written public comments will be uploaded online for public viewing under Additional Documents and available at the City Clerk’s Counter for viewing. There is no word limit on emailed Public Comment(s). Please make sure to indicate:

- 1) Agenda item you are submitting public comment on.
- 2) Submit by no later than May 16th at 12PM

NOTE: Pursuant to State law, the Commission may not discuss or take action on issues not on the meeting agenda, except that members of the Commission or staff may briefly respond to statements made or questions posed by persons exercising public testimony rights (Government Code Section 54954.2). Staff may be asked to follow up on such items.

1. General Public Comment

ACTION/DISCUSSION

- 2. **Introduction of Accountant, Charlene Cheng**
- 3. **Fiscal Year 2023-2024 Proposed Budget Review**
- 4. **Insurance 101 Presentation**
- 5. **Selection of a Finance Commission Chair and Vice Chair**
- 6. **Finance Department Performance Measurement**
- 7. **Budget Status Update**
- 8. **Budget Policy**
- 9. **Investment Report**

COMMUNICATIONS

- 10. **City Council Liaison Communications**
- 11. **Staff Liaison Communications**
 - a. Announcement of Community Meeting Budget Workshops
- 12. **Commissioner Communications**

ADJOURNMENT

PUBLIC ACCESS TO AGENDA DOCUMENTS

The complete agenda packet may be viewed on the City’s website, www.southpasadenaca.gov.

Meeting recordings will be available for public viewing after the meeting. Recordings will be uploaded to the City’s YouTube Channel no later than the next business day after the meeting.

The City’s YouTube Channel may be accessed at:

https://www.youtube.com/channel/UCnR169ohzi1AlewD_6sfwDA/featured

ACCOMMODATIONS



The City of South Pasadena wishes to make all of its public meetings accessible to the public. If special assistance is needed to participate in this meeting, please contact the City Clerk's Division at (626) 403-7230 or CityClerk@southpasadenaca.gov. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Notification at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

CERTIFICATION OF POSTING

*I declare under penalty of perjury that I posted this notice of agenda for the meeting to be held on **May 16, 2023**, on the bulletin board in the courtyard of City Hall at 1414 Mission Street, South Pasadena, CA 91030, and on the City’s, website as required by law, on the date listed below.*

5/11/2023

Stephanie Pinto

Date

Stephanie Pinto, Management Analyst



Finance Commission Agenda Report

DATE: May 16, 2023

FROM: John Downs, Interim Director of Finance

SUBJECT: **Fiscal Year 2023-2024 Proposed Budget Review**

Recommendation

It is recommended that the Commission receive a presentation and provide input to staff on the Proposed FY 23-24 Budget.

Executive Summary

The Finance Department is tasked with facilitating an annual budget at the City of South Pasadena. While the last couple years of budget processes have included a significant clean-up effort to address accounting, the development of a Capital Improvement Program (CIP) and funding, grant centralization and reporting/oversight, the agency continues to strive to make improvements in process and final document. This year, the Finance Department embarked on establishing a zero-base budget, and worked with all City Departments in utilizing this process to provide a collaborative product that also addresses any budget inflation and provides a clean start to the budget document in justifying all appropriations.

Discussion/Analysis

The City Manager's FY 23-24 Proposed Budget was posted to the City's website for public review on May 11, 2023 (<https://www.southpasadenaca.gov/home/showdocument?id=32080>). The draft documents include the detailed Proposed Fiscal Year 2023-24 Budget document, Capital Improvement Plan and Miscellaneous Fee Schedule. All City departments contributed to these draft documents, which have been reviewed in draft form by the City Manager and City Council respectively for initial reviews and adjustments. Staff began community input opportunities by hosting an online survey for budget input, which gleaned 165 comments which are being summarized for the City Council Budget Workshop.

Tonight's budget workshop includes a staff presentation and Finance Commission discussion and input. Staff will incorporate the input in producing a more final draft to be presented at the City Council Budget Workshop to be held on Tuesday, May 30, 2023 at a Special City Council meeting. Staff plans to return to the Finance Commission at their June 1, 2023 meeting to seek their recommendation of approval to City Council. The City Council and public will have the opportunity to provide input on the Proposed Budget at the May 30 Budget Workshop, as well as at the June 7, 2023 Regular City Council meeting, ahead of adoption. Adoption of the budget is currently scheduled for June 7, 2023, in time for the beginning of the new fiscal year on July 1.



Finance Commission Agenda Report

DATE: May 16, 2023

FROM: John Downs, Interim Finance Director
Hsiulee Tran, Deputy Finance Director/Controller

SUBJECT: **July 2022 – Feb 2023 Budget Update**

Recommendation

Staff recommends that the Finance Commission receive and file the July 2022 – Feb 2023 Budget Update Report

Executive Summary

As part of the Finance Department's on-going improvements based on best practices and direction from the City Council and Finance Commission, Finance staff will shift from quarterly updates to monthly budget updates to both bodies. These reports will provide the timely and ongoing opportunity for financial oversight, timely proactive recommendations, and regular discussion on the City's budget and related elements.

Background

On June 15, 2022, the City Council adopted the Fiscal Year (FY) 2022-23 Operating and Capital Improvement Program (CIP) budgets. The FY 2022-23 budget is the City's financial operating plans that establishes the City's goals, budget priorities, and desired service levels for the fiscal year, as well as identifies the fiscal resources necessary to achieve them. The adopted budget was based on certain assumptions and meeting expenditure and revenue projections.

To align with our Finance Department Operational Assessment and manage timely responses to changes in the City's financial position, a quarterly budget update report on the City's fiscal performance through February 2023 (July through February), comparing all general fund revenues and expenditures incurred during the first eight months of FY 2022-23 to the same period in FY 2021-22 has been completed. Staff is now shifting to a monthly reporting process. As this is the first of these reports, staff has taken the liberty to provide an accounting of budget efforts and actions from July 2022 to present.

As customary, the Monthly Financial Review primarily focuses on the General Fund since this is the fund that supports traditional municipal services the City provides for residents, such as law enforcement, fire protection, public works services, parks, and recreation.

Discussion/Analysis

FY 2021-22 Audited vs FY 2022-23 Adjusted Budget

FY 2023 GENERAL FUND YEAR-END PERFORMANCE			
	FY 2022 Year- End (Audited)	FY 2023 Adopted Budget	FY 2023 Adjusted Budget
Beginning Fund Balance	\$ 24,355,619	\$ 20,810,029	\$ 24,672,171
Revenues	34,668,783	42,224,170	42,849,230
Expenditures	34,352,231	41,721,612	44,690,482
Operating Surplus (Deficit)	316,552	502,558	(1,841,252)
Ending Fund Balance	\$ 24,672,171	\$ 21,312,587	\$ 22,830,919
Required Reserve Balance	\$ 10,400,635	\$ 12,667,251	\$ 12,854,769

*Required reserve balance is 30% of revenues

FY 2022-23 Changes from Original Approved Budget to Adopted Budget

When staff presented the FY 2022-23 budget to Council for consideration in June 2022, economists were discussing concerns of inflation, a CPI increase of 8%, supply chain issues, and interest rate adjustments by the Federal Reserve Bank. However, actual economic activity as measured by job gains, industrial production, and retail sales were still indicating growth. As mentioned in the FY 2023 budget message, the current climate was not as damaging as it has been to other cities due to the fact that the City of South Pasadena has a diverse revenue base including a healthy property tax base and a City’s return of 24 cents to the property tax dollar.

- The measure A – 75 cents sales transaction tax is now out-performing its traditional counterpart of the Bradley Burns 1% sales tax.
- The American Rescue Plan Act of 2021 created the State and Local Fiscal Recovery Fund (SLFRF). The City received \$6,059,235 SLFRF funds in the General Fund.

The City built a status quo budget for FY 2022-23. The City experienced many closures and unusual expenditures during the pandemic.

Revenue Report

Percentage of Fiscal Year Complete: 66.67% (8 of 12 months)

Revenue Summary - All Fund Types					
66.67% of Fiscal Year Complete (includes budget adjustments made 03.15.23)					
Description	FY 2023 Estimated Revenue	Year-To-Date Actual	Actual as %	Increase/ (Decrease) Over Prior Yr	Prior Year Actual
General Fund	42,849,230	19,082,407	44.53%	351,125	18,731,282
Special Revenue/Grants	14,932,712	9,057,672	60.66%	153,330	8,904,342
Water Enterprise	18,348,241	8,074,713	44.01%	-305,650	8,380,363
Internal Service	2,940,000	610,174	20.75%	-364,162	974,336
Successor Agency	196,500	180,750	91.98%	144,333	36,417
Total All Revenues	79,266,683	37,005,716	46.69%	-21,024	37,026,740

Water Enterprise revenue is lower due to decrease in consumption in the current year.

Internal Service Fund is lower because the internal charges between funds is currently being reviewed and adjustments have not been made. The reimbursements of workers' compensation and general liability is also being reviewed by Finance.

July-February 2023 Financial Report

The table below shows the City's revenues and expenditures incurred through the first eight months of the two fiscal years, from July 1 through February 28 for both fiscal years 2022-23 and 2021-22 for comparison purposes.

GENERAL FUND REVENUES & EXPENDITURES					
JULY - FEBRUARY 2023					
	FY 2023 Budget	FY 2023 July-February Actuals	FY 2022 July-February Actuals	Year over Year 8 Month Dollar Comparison	Year over Year 8 Month Comparison Percentage
Revenues					
Property Taxes	\$ 14,463,414	\$ 7,794,564	\$ 7,717,693	\$ 76,871	1.00%
Sales Taxes	\$ 6,006,000	2,791,585	2,691,928	99,657	3.70%
Utility Users Taxes	\$ 4,299,703	2,160,068	2,278,152	(118,084)	-5.18%
Business Licenses & Permits	\$ 903,280	513,003	516,147	(3,144)	-0.61%
Charges for Current Services	\$ 3,777,200	2,569,680	2,232,552	337,128	15.10%
Fines, Forfeitures & Penalties	\$ 500,000	235,370	224,508	10,862	4.84%
Other Taxes & Revenue	\$ 12,899,633	3,018,137	3,070,302	(52,165)	-1.70%
Total Revenues	\$42,849,230	\$19,082,407	\$18,731,282	\$351,125	1.87%
Expenditures					
Operational Expenditures	\$38,068,183	\$22,352,889	\$22,422,513	(69,624)	-0.31%
Total Expenditures	\$38,068,183	\$22,352,889	\$22,422,513	(69,624)	-0.31%

July-February 2023 Revenue Performance

Overall, revenues for the City are up 1.87% (\$351,125) for the first eight months of FY 2022-23 compared to FY 2021-22. Outlined below is a summary of the revenue performance for the City's major revenues:

The General Fund's Top Revenue Categories 66.67% of Fiscal Year Complete (includes budget adjustments made)					
Description	FY 2023 Estimated Revenue	Year-To-Date Actual	Actual as %	Increase/ (Decrease) Over Prior Yr	Prior Year Actual
Property Taxes	14,463,414	7,794,564	53.89%	76,871	7,717,693
Sales Taxes	6,006,000	2,791,585	46.48%	99,657	2,691,928
Utility Users Taxes	4,299,703	2,160,068	50.24%	-118,084	2,278,152
Business Licenses & Permits	903,280	513,003	56.79%	-3,144	516,147
Charges for Service	3,777,200	2,569,680	68.03%	337,128	2,232,552
Fines, Forfeitures & Penalties	500,000	235,370	47.07%	10,862	224,508
Other Taxes & Revenue	12,899,633	3,018,137	23.40%	-52,165	3,070,302
Total Top Revenue Categories	42,849,230	19,082,407	16.10%	351,125	18,731,282

Property Tax

Through the first eight months in FY 2022-23, the City's largest revenue, Property Tax, was up 1.00% (\$76,871) from FY 2021-22. The City has received 55% of the revenue and expects the largest amount to come in April 2023. For FY 2022-23, the City budgeted \$14,463,414.

In respect to Secured Property Taxes, the City received its Property Tax installment in December 2022, representing 40% of what the State expects to receive for the whole year. Therefore, on an annualized basis, the City's estimated Secured Property Taxes are on track.

In January 2023, the City received \$1,856,596 in Property Tax in Lieu of VLF revenue and expect the next payment of similar amount in May 2023.

Sales Taxes

Taxes (including Sales Tax Measure A) are up 3.70% (\$99,657) through the first eight months of FY 2022-23 from last year. Sales Taxes makes up 14% of total General Fund revenues and is the City's second largest revenue stream. The City budgeted \$6 million for FY 2022-23.

Utility Users Tax (UUT)

UUT revenues are down 5.18% (\$118,084) in FY 2022-23 from prior year. UUT revenues for electric and cable increased the first eight months of the year while UUT revenues for water, gas, and telephone decreased.

Business License & Permits

Business Licenses and Permits are lower by 0.61% (\$3,144) from prior year. There was a decrease in business license, parking permits, street/curb permits, FOG wastewater permit, and street closure permits. Filming permits and fire permits increased in the first six months by \$13,000. Staff is working closely with our business license specialist, HdL, who we contract with for business license and FOG permitting, to gain further compliance. The City Council had adopted emergency declarations related to some business requirements, including penalties on business license, as well as a relaxed signage program, during the pandemic, in an effort to be business-friendly. These declarations and relaxed elements have expired and sunsetted, and staff is working diligently with HdL and the business community toward compliance.

Charges for Current Services

Charges for Services increased by 15.10% (\$337,128) from last year. Charges for Services include various fees such as Plan Check Fees, Paramedic Fees, Filming, Planning Fees, Building Permits, Inspection and Recreation Fees. As we advance out of the Covid-era, the charges for current services revenue will continue to increase as the City is opening more programs and activities for the public. We expect to see this increase continue in FY 23-24. Plan check and paramedic fees makes up the biggest increase from prior year.

Fines, Forfeits, & Penalties

Fines, Forfeitures, and Penalties increased by 4.84% (\$10,862) from last year. The reason for this increase is due to processing of payment to Parking Citations vendor from September 2020 through July 2021 in FY 2021-22. This timing difference of payments caused the revenue to be understated in FY 2021-22.

Other Revenues

Other Taxes and Revenue decreased by 1.70% (\$52,165) from last year. Interest and Rental income increased by \$67,000. In FY 2021-22, there were miscellaneous receivables received of \$108k for prior year which were not adjusted to the correct account when received. In FY 2022-23, clean up of these accounts were made.. Also, the City contracts with San Marino Fire Department for a shared Division Chief. The City will receive a reimbursement from the City of San Marino in the near future for this reimbursement.

July-February 2023 Expenditure Performance

The City expended 0.31% (\$69,624) less than last year. The decrease in expenditures can be attributed to timing differences. The Finance Department will continue to monitor spending, address unanticipated needs for the current year, and help ensure that departments are adhering to the approved budget.

Fiscal Impact

Based on the current data, clean up and one-time expenditures approved during mid-year, it is expected that expenditures will exceed revenues by \$1.8M for FY 2022-23. It should be noted that due to timing differences revenues and expenditures are not received or expended on a proportional basis during the year, so the percentages reported may not accurately reflect their anticipated annual totals. Staff will continue to monitor revenues and expenditures and will provide updated information as it becomes available.

Key Performance Indicators and Strategic Plan

This item is in line with the Finance Department's Key Performance Indicator. The quarterly report is being presented in order to improve financial processes and provide a more transparent Budget update report.

Commission Review and Recommendation

This matter is being presented to the Finance Commission on April 27, 2023, and will be forwarded to the City Council thereafter. Moving forward, the monthly budget update will be provided to both bodies for their review and discussion.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website.

Attachments

None



Finance Commission Staff Report

DATE: May 16, 2023

FROM: John Downs, Interim Finance Director
Hsiulee Tran, Deputy Finance Director/Controller

SUBJECT: **Review Fiscal Year 2022-23 Budget Policy**

Recommendation

It is recommended that the Finance Commission review the City's Fiscal Year 2022-23 Budget Policy.

Background

The Finance Commission is being asked to review the City's Budget Policy, which is usually integrated into the Adopted Budget but was erroneously missed for FY 22-23 Adopted Budget. Upon review of the Policy, it will be forwarded to the City Council for formal approval.

The City annually adopts fiscal policies to establish a framework to ensure a balance budget, maintain healthy reserves, appropriately fund the City's infrastructure needs, establish fees and charges, and ensure compliance with City Council directives. This policy is adopted annually as part of the Budget adoption process and may be revised by City Council action.

Discussion/Analysis

The Finance Commission is being requested to review the updated Budget Policy, before the Policy is forwarded to the City Council.

Fiscal Impact

The City's Budget Policy is used to enhance fiscal transparency and maintain and improve fiscal sustainability. No fiscal impact.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website.

Attachments:

1. Budget Policy FY 2022-23

FY 2022/2023 Budget Policies

PURPOSE STATEMENT

To enhance fiscal transparency and maintain and improve fiscal sustainability, the City of South Pasadena annually adopts fiscal policies to establish a framework to ensure a balance budget, maintain healthy reserves, appropriately fund the City's infrastructure needs, establish fees and charges, and ensure compliance with City Council directives. This policy is adopted annually as part of the Budget adoption process and may be revised by City Council action.

1. ANNUAL BUDGET

The City adopts an annual budget. The City's fiscal year starts on July 1st and concludes on June 30th. The annual budget for the new fiscal year, will be adopted before June 30th.

The following are key elements of the City's budget and budget process:

- Budgetary appropriations are made by the City Council, through formal budget adoption.
- The City Manager submits the Proposed Budget to the City Council no later than the final City Council meeting in May.
- The budget is adopted by the City Council before June 30th, following a public meeting where constituents are given an opportunity to comment on the Proposed Budget.
- Prior to consideration by the City Council, the Proposed Budget will be reviewed by the Finance Commission.

~~The policy was achieved for Fiscal Year 2022/2023, and the Proposed Budget was presented and discussed with City Council at the May 25, 2022, June 1, 2022 and June 15, 2022 City Council Meetings. The budget was formally approved and adopted on June 15, 2022.~~

2. BALANCED BUDGET

The City strives to maintain a balanced operating budget for all governmental funds (all funds except the enterprise funds), with total on-going revenues equal to or greater than total on-going expenditure, so that at year end all these funds have a positive fund balance and the General Fund balance is maintained.

- The budget is balanced at the individual fund level. The estimated revenue sources must be sufficient to cover proposed uses.
- Ongoing operations are funded by recurring revenues.
- City policies on reserve requirements for specific funds are adhered to in the budget.
- If shortfalls are projected after the budget adoption, during quarterly financial reviews, the City Manager will present a plan to address such shortfalls with sustainable measures in order to achieve a balanced budget by fiscal year-end.
- Non-recurring revenues or one-time funding may be used to balance the budget during economic downturns, or as a result of unforeseen events.

~~The Adopted FY 2022/2023 Budget includes a balanced operating budget for the following funds:~~

Attachment C

- ~~The City's General Fund is balanced.~~

Exceptions to this policy include:

- ~~Fund 103 Insurance Fund~~
- ~~Fund 201 Metropolitan Transportation Authority (MTA) Pedestrian Improvement Fund~~
- ~~Fund 207 Successor Agency to California Redevelopment Agency (CRA)~~
- ~~Fund 215 Street Light & Landscape Fund~~
- ~~Fund 220 Business Improvement Fund~~
- ~~Fund 226 Mission Meridian Public Garage Fund~~
- ~~Fund 238 Mobile Source Air Pollution Reduction Review Committee (MSRC) Grant~~
- ~~Fund 239 Measure W~~
- ~~Fund 241 Measure H~~
- ~~Fund 242 Prop C Exchange~~
- ~~Fund 245 Bike & Pedestrian Paths~~
- ~~Fund 248 Bicycle Transportation Account (BTA) Grant~~
- ~~Fund 249 Open Streets Grant~~
- ~~Fund 274 Homeland Security Grant~~
- ~~Fund 277 Highway Safety Improvement Program (HSIP) Grant~~
- ~~Fund 278 Housing Element Grant~~
- ~~Fund 310 Sewer Capital Projects~~
- ~~Fund 505 2016 Water Revenue Bonds~~
- ~~Fund 550 Public Finance Authority~~

3. APPROPRIATIONS AND BUDGETARY CONTROL

The City Council holds public hearings and adopts the City's annual budget and may modify appropriations with majority approval. During the fiscal year, any budget adjustments (increases in appropriations at the fund level) that cannot wait for the Mid-Year review or that exceed the City Manager's budget authority described below, must be submitted by the City's departments for City Council review and approval. The review and approval may occur at any City Council meeting, at the request of staff or the City Council. The City Council approves any revisions that increase the total budgeted expenditures or revenues at the fund level, and any changes to permanent and full-time positions.

The legal level of expenditures is controlled at the fund level, and appropriations lapse at the end of each fiscal year. ~~Re- unless encumbered for~~ re-appropriation by the City Council only occurs for multi-year infrastructure and capital projects and capital outlays.

~~in the following fiscal year.~~ Department Heads may, without Council approval, amend individual line items within any fund in the maintenance and operations portions of the budget without increasing total appropriations for that division. The City Manager may, without Council approval, amend individual line items within any fund, and between divisions and programs, in the personnel costs, maintenance and operations, capital outlay and capital projects portions of the budget without increasing total appropriations for that fund.

Attachment C

~~4. ENTERPRISE FUND~~

~~The City requires the water, sewer, and golf course enterprise funds be self-supporting. The City recognizes that enterprise funds function with accounting practices that are different from those used by governmental funds. Therefore, for enterprise funds, the City will strive to maintain operating budgets that produce annual net revenues that meet or exceed the compliance requirements of debt coverage ratios generally.~~

~~The sewer fund was recognized as an enterprise fund starting in FY 2009/10, with the requirement of self-supporting funding. Water and sewer rate increases will assure that revenues exceed operating expenditures, including debt service. Budgeted water capital projects will be paid from a \$37.8 million 2016 Water Bond issuance. Bond debt service will be paid out of water revenues. Sewer revenues along with a revolving loan from the State will pay for sewer capital improvements.~~

~~The Water Fund will maintain a reserve equal to 30% of revenues. This policy has been met or exceeded. The Sewer fund will maintain a reserve equal to 30% of revenues. This policy has been met or exceeded.~~

~~5.4. GENERAL FUND RESERVES~~

General Fund Reserves are described as:

- Unassigned Fund Balance - These reserves are in spendable form and are either restricted, committed, or assigned. The City strives to attain a General Fund undesignated fund balance equal to a minimum 30% of General Fund revenues at year end.
- Assigned Fund Balance – These reserves are set aside or earmarked for particular purposes, and the authority to designate these reserves can be delegated, and may take less formal action to limit how the reserves are used.
- Restricted Fund Balance – These reserves are subject to restrictions that are legally enforceable by outside parties, such as bondholders.
- Committed Fund Balance – These reserves are designated by the City Council, and are designated for specific purposes, through formal action. Committed balances can be modified by the City Council taking formal action.

~~The current Committed (Designated) Fund Balances, or designated reserves have been established for FY 2022/2023 is as follows:~~

- ~~• Arroyo Golf Course; \$600,000~~
- ~~• CalTrans Vacant Lot Purchases; \$392,000~~
- ~~• Library Expansion; \$200,000~~
- ~~• Renewable Energy Source Reserve; \$700,000~~
- ~~• Stormwater; \$600,000~~
- ~~• CalTrans Housing/626 Prospect Ave Litig. Reserve; \$345,876~~
- ~~• Transportation Projects – Rogan Fund Match; \$1,071,517~~

Attachment C

Committed (Designated) Reserves shall be reviewed and designated annually by the City Council prior to Budget adoption. Upon designation of a reserve for a specific purpose, the Council will ensure the following:

- The purpose of the reserve will be specified at the time of designation.
- The City Council will also identify whether the designation is a one-time designation or whether an amount specified by the City Council will be added to the designated reserve on an annual basis.
- Nothing limits the City Council's authority to un-designate, or re-designate any General Fund Designated Reserve for another governmental purpose, pursuant to formal City Council action.

5. ENTERPRISE FUND

The City requires the water, sewer, and golf course enterprise funds be self-supporting. The City recognizes that enterprise funds function with accounting practices that are different from those used by governmental funds. Therefore, for enterprise funds, the City will strive to maintain operating budgets that produce annual net revenues that meet or exceed the compliance requirements of debt coverage ratios generally.

The sewer fund was recognized as an enterprise fund starting in FY 2009/10, with the requirement of self-supporting funding. Water and sewer rate increases will assure that revenues exceed operating expenditures, including debt service. Budgeted water capital projects will be paid from a \$37.8 million 2016 Water Bond issuance. Bond debt service will be paid out of water revenues. Sewer revenues along with a revolving loan from the State will pay for sewer capital improvements.

The Water Fund will maintain a reserve equal to 30% of revenues. The Sewer fund will maintain a reserve equal to 30% of revenues.

6. INFRASTRUCTURE

The City maintains a long-range fiscal perspective through the use of a Capital Improvement Program to maintain the quality of City infrastructure, including streets, sidewalks, sewers, drains, lighting, buildings, parks, and trees. The City Council adopts capital projects budgets and may modify appropriations with majority approval. All changes in appropriations at the fund level during the year must be submitted to the City Council for approval.

Beginning in FY 2013/14, the City's goal has been to commit a minimum of \$2,000,000 per year towards street improvements. This amount has fluctuated based upon available resources. ~~In Fiscal Year 2023, a total of \$2,504,708 has been budgeted from Fund 104, Street Improvement reserves, and additional funding for street improvements have been budgeted using Prop C funds.~~

7. ACCOUNTING AND REPORTING STANDARDS

The City will comply with all requirements of generally accepted accounting principles, and will publish an Annual Comprehensive Financial Report (ACFR) in compliance with generally accepted accounting principles, prepared in coordination with our independent

Attachment C

auditors, no later than the first quarter of each calendar year. The ACFR, along with the Auditor's report on internal controls and compliance, will be presented to the City Council at a public meeting, after first being presented to the Finance Commission. The City shall endeavor to achieve audits with minimal auditor findings in the form of significant deficiencies. The City shall swiftly and thoroughly respond, to auditor findings of material weakness.

~~The City currently in compliance with this policy. The City completed the FY 2021/2022 ACFR on February 15, 2023.~~

8. MIDYEAR AND INTERIM FINANCIAL REPORTING

The City will publish a midyear budget update in March of each year. The midyear budget update shall present estimated outcomes and the implications for the budget year. The report shall give attention to the financial issues and policy matters anticipated to have the most significant short and long-term financial planning importance to the City Council. Pursuant to the content of the midyear report, the City Council shall provide specific and general direction to staff for short- and long-term budgetary planning.

To comply with the policy, the City Manager will ensure the following:

- The midyear budget update will be presented to the City Council in February or March of each year.
- At the midyear budget update, staff will present to the City Council any necessary adjustments to the budget. The adjustments are based on additional funding, or major changes in revenues or expenditures, or previously approved budget adjustments.
- ~~Quarterly~~ Monthly budget updates will be provided to the City Council starting in the Spring of 2023.

9. RISK MANAGEMENT

The City will identify and quantify all areas of financial and operating risk, and prepare contingencies for those risks, including legal liabilities, infrastructure maintenance, emergency response, and contract and employee obligations. The City will work with the City's insurance providers to seek full coverage of actuarially projected needs.

Liability and Workers Compensation liability is reported in accordance with GASB 10, and further explained below.

- The City manages risk through a combination of purchased insurance and self-insurance.
- The City self-insures workers' compensation claims with a self-insured retention of \$125,000 and general/auto liability claims, with a self-insured retention of \$100,000 per covered claim. Excess workers' compensation and general/auto liability insurance coverage shall be purchased.
- An annual actuarial study shall be conducted to provide an estimate of the self-insured liability to be recorded by the City in accordance with Governmental Accounting Standards Board Statement No. 10. This statement requires the City to accrue a liability on its financial statements for a reasonable estimate of the cost of claims and expenses associated with all reported and unreported claims.

Attachment C

- **The City's goal is to maintain reserves to fund its outstanding self-insured liabilities at the minimum level of 70 percent.** ~~It is anticipated that this goal will be achieved incrementally, and fully achieved by Fiscal Year 2023-2024.~~
- The City shall maintain a Self-Insurance Fund to both fund the liability reserve and workers compensation, and recover all associated risk management costs, including claim payments, insurance premiums and any deductibles, and claim administration (internal and external). The fund's revenues shall be generated through assessments to City funds based on their claim experience and outstanding liabilities. These departmental assessments shall be evaluated annually and adjusted as needed.
- Staff shall report to the Finance Commission and City Council at least annually on the claims processed, amounts paid, and steps taken to manage and reduce the City's risk and liability.

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10. DEBT AND INVESTMENTS

The City will consider the use of debt **for long-term capital assets** when the cost of debt is lower than the City's investment return, and when operating revenues are available to pay the debt. We will maximize the investment return on City Cash balances within the higher concerns of safety and liquidity. An investment policy will be submitted annually to the City Council for review and adoption in September or October of each year. The City shall at all times maintain compliance with the California Government Code with respect to the content and function of its Investment Policy.

Annually, the Investment Policy is reviewed by the City's Finance Commission, prior to being approved by the City Council. Additionally, the City Treasurer shall provide monthly reports to the City Council which shall include all reportable elements specified in the City's Investment Policy.

~~Staff will continue to contract with financial advisory services to evaluate various options to leverage existing revenue streams.~~

11. CONTROL OF FINANCIAL ASSETS

All financial assets will be under the direct authority of the City Treasurer and Finance Director. Regarding Capital Assets, the City will capitalize assets and equipment with individual minimum value of \$5,000 for non-infrastructure assets, and \$25,000 for infrastructure assets.

12. SCHEDULE OF FEES FOR SERVICES

The City will publish, and the Finance Department will update, the schedule of fees for services as a component of the annual budget. The Fee Schedule will be reviewed by the Finance Commission prior to implementation each July 1st.

13. LONG-TERM LIABILITIES

The City shall evaluate long-term liabilities (debt borrowing, compensated absences, claims and judgements, pensions, post-employment benefits (OPEB), on a case by case basis. The City will work with the California Public Employee Retirement System and the City's insurance providers to seek full coverage of actuarially projected needs.

Attachment C

Funding is budgeted on a pay-as-you-go basis for leave liabilities, and retiree health insurance costs. In accordance with GASB 45, a third-party actuarial valuation of the City's liability for annual retiree medical costs has been completed every two years since FY 2008/09.

14. GANN APPROPRIATIONS LIMIT

The City will annually adopt a Resolution establishing the City's appropriation limit (the Gann Limit) calculated in accordance with Article x111-B of the constitution of the State of California Government code and any other voter approved amendments or state legislation that affects the City's appropriations limit. The Gann Limit will be adopted by Resolution.

The City is restricted to an amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules. Alternatively, an excess of one year, may be offset against a deficit in the following year.

FY 2022/2023 Budget Policies

PURPOSE STATEMENT

To enhance fiscal transparency and maintain and improve fiscal sustainability, the City of South Pasadena annually adopts fiscal policies to establish a framework to ensure a balance budget, maintain healthy reserves, appropriately fund the City's infrastructure needs, establish fees and charges, and ensure compliance with City Council directives. This policy is adopted annually as part of the Budget adoption process and may be revised by City Council action.

1. ANNUAL BUDGET

The City adopts an annual budget. The City's fiscal year starts on July 1st and concludes on June 30th. The annual budget for the new fiscal year, will be adopted before June 30th.

The following are key elements of the City's budget and budget process:

- Budgetary appropriations are made by the City Council, through formal budget adoption.
- The City Manager submits the Proposed Budget to the City Council no later than the final City Council meeting in May.
- The budget is adopted by the City Council before June 30th, following a public meeting where constituents are given an opportunity to comment on the Proposed Budget.
- Prior to consideration by the City Council, the Proposed Budget will be reviewed by the Finance Commission.

2. BALANCED BUDGET

The City strives to maintain a balanced operating budget for all governmental funds (all funds except the enterprise funds), with total on-going revenues equal to or greater than total on-going expenditure, so that at year end all these funds have a positive fund balance and the General Fund balance is maintained.

- The budget is balanced at the individual fund level. The estimated revenue sources must be sufficient to cover proposed uses.
- Ongoing operations are funded by recurring revenues.
- City policies on reserve requirements for specific funds are adhered to in the budget.
- If shortfalls are projected after the budget adoption, during quarterly financial reviews, the City Manager will present a plan to address such shortfalls with sustainable measures in order to achieve a balanced budget by fiscal year-end.
- Non-recurring revenues or one-time funding may be used to balance the budget during economic downturns, or as a result of unforeseen events.

3. APPROPRIATIONS AND BUDGETARY CONTROL

The City Council holds public hearings and adopts the City's annual budget and may modify appropriations with majority approval. During the fiscal year, any budget adjustments

(increases in appropriations at the fund level) that cannot wait for the Mid-Year review or that exceed the City Manager's budget authority described below, must be submitted by the City's departments for City Council review and approval. The review and approval may occur at any City Council meeting, at the request of staff or the City Council. The City Council approves any revisions that increase the total budgeted expenditures or revenues at the fund level, and any changes to permanent and full-time positions.

The legal level of expenditures is controlled at the fund level, and appropriations lapse at the end of each fiscal year. Re- re-appropriation by the City Council only occurs for multi-year infrastructure capital projects and capital outlays.

Department Heads may, without Council approval, amend individual line items within any fund in the maintenance and operations portions of the budget without increasing total appropriations for that division. The City Manager may, without Council approval, amend individual line items within any fund, and between divisions and programs, in the personnel costs, maintenance and operations, capital outlay and capital projects portions of the budget without increasing total appropriations for that fund.

4. GENERAL FUND RESERVES

General Fund Reserves are described as:

- Unassigned Fund Balance - These reserves are in spendable form and are either restricted, committed, or assigned. The City strives to attain a General Fund undesignated fund balance equal to a minimum 30% of General Fund revenues at year end.
- Assigned Fund Balance – These reserves are set aside or earmarked for particular purposes, and the authority to designate these reserves can be delegated, and may take less formal action to limit how the reserves are used.
- Restricted Fund Balance – These reserves are subject to restrictions that are legally enforceable by outside parties, such as bondholders.
- Committed Fund Balance – These reserves are designated by the City Council, and are designated for specific purposes, through formal action. Committed balances can be modified by the City Council taking formal action.

Committed (Designated) Reserves shall be reviewed and designated annually by the City Council prior to Budget adoption. Upon designation of a reserve for a specific purpose, the Council will ensure the following:

- The purpose of the reserve will be specified at the time of designation.
- The City Council will also identify whether the designation is a one-time designation or whether an amount specified by the City Council will be added to the designated reserve on an annual basis.

- Nothing limits the City Council's authority to un-designate, or re-designate any General Fund Designated Reserve for another governmental purpose, pursuant to formal City Council action.

5. ENTERPRISE FUND

The City requires the water, sewer, and golf course enterprise funds be self-supporting. The City recognizes that enterprise funds function with accounting practices that are different from those used by governmental funds. Therefore, for enterprise funds, the City will strive to maintain operating budgets that produce annual net revenues that meet or exceed the compliance requirements of debt coverage ratios generally.

The sewer fund was recognized as an enterprise fund starting in FY 2009/10, with the requirement of self-supporting funding. Water and sewer rate increases will assure that revenues exceed operating expenditures, including debt service. Budgeted water capital projects will be paid from a \$37.8 million 2016 Water Bond issuance. Bond debt service will be paid out of water revenues. Sewer revenues along with a revolving loan from the State will pay for sewer capital improvements.

The Water Fund will maintain a reserve equal to 30% of revenues. The Sewer fund will maintain a reserve equal to 30% of revenues.

6. INFRASTRUCTURE

The City maintains a long-range fiscal perspective through the use of a Capital Improvement Program to maintain the quality of City infrastructure, including streets, sidewalks, sewers, drains, lighting, buildings, parks, and trees. The City Council adopts capital projects budgets and may modify appropriations with majority approval. All changes in appropriations at the fund level during the year must be submitted to the City Council for approval.

Beginning in FY 2013/14, the City's goal has been to commit a minimum of \$2,000,000 per year towards street improvements. This amount has fluctuated based upon available resources

7. ACCOUNTING AND REPORTING STANDARDS

The City will comply with all requirements of generally accepted accounting principles, and will publish an Annual Comprehensive Financial Report (ACFR) in compliance with generally accepted accounting principles, prepared in coordination with our independent auditors, no later than the first quarter of each calendar year. The ACFR, along with the Auditor's report on internal controls and compliance, will be presented to the City Council at a public meeting, after first being presented to the Finance Commission. The City shall endeavor to achieve audits with minimal auditor findings in the form of significant deficiencies. The City shall swiftly and thoroughly respond, to auditor findings of material weakness.

8. MIDYEAR AND INTERIM FINANCIAL REPORTING

The City will publish a midyear budget update in March of each year. The midyear budget update shall present estimated outcomes and the implications for the budget year. The report shall give attention to the financial issues and policy matters anticipated to have the most significant short and long-term financial planning importance to the City Council. Pursuant to the content of the midyear report, the City Council shall provide specific and general direction to staff for short- and long-term budgetary planning.

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ITEM # 7 - Investment Report

Exhibit A

**City of South Pasadena
INVESTMENT REPORT
January 31, 2023**

Investment Balances at Month End

INSTITUTION NAME	MATURITY DATE	YIELD ¹	PERCENT OF PORTFOLIO	COST	CURRENT MARKET VALUE *
LOCAL AGENCY INVESTMENT FUND:					
LAIF City	ON DEMAND	2.425%	24.33%	15,745,127.85	15,745,127.85
SUBTOTAL			24.33%	\$ 15,745,127.85	\$ 15,745,127.85
ZIONS BANK					
Money Market	See Exhibit B-1	3.970%	4.32%	2,795,666.07	2,795,666.07
Corporate Bonds	See Exhibit B-1	4.585%	21.48%	13,899,278.34	13,277,448.41
U.S. Treasury Bills	See Exhibit B-1	3.710%	4.13%	2,672,335.80	2,674,228.50
U.S. Treasury Notes & Bonds	See Exhibit B-1	4.282%	44.09%	28,533,176.65	27,480,171.32
U.S. Obligations Variable	See Exhibit B-1	4.690%	1.65%	1,066,455.34	1,065,187.44
SUBTOTAL			75.67%	\$ 48,966,912.20	\$ 47,292,701.74
TOTAL INVESTMENTS			100.00%	\$ 64,712,040.05	\$ 63,037,829.59

BANK ACCOUNTS:

Bank of the West Accounts Balance	\$ 12,370,340.44
BNY Mellon Uninvested Cash Balance ²	\$ 160,914.86

Footnotes:

¹ Yield on LAIF and Zions Money Market is based on Current Yield. Yield on investments held at Zions Bank is based on Yield to Worst (YTW).

² The BNY Mellon Uninvested Cash Balance is information-only as it is funds intended for 2016 Water Revenue Bond.

Required Disclosures:

Average weighted maturity of the portfolio 476 DAYS

Average weighted total yield of the portfolio 3.851%

Projected Expenditures for the next 6 months:

Projected with Prior Year Same Period: \$ 21,740,758

Projected with FY 2023 Adopted Budget: \$ 36,749,639

* Current market valuation is required for investments with maturities of more than twelve months.

In compliance with the California Government Code Section 53646, as the City Treasurer of the City of South Pasadena, based on the information provided I hereby identify that the City is able to meet its expenditure requirements for the next six months and that all investments are in compliance to the City's Statement of Investment Policy.

I also certify that this report reflects all Government Agency pooled investments and all City's bank balances.


Zhen Tao, City Treasurer

4/11/2023
Date

Exhibit B-1

City of South Pasadena
Investments held at Zions Bank (managed by Morgan Stanley/Western Assets Management)
January 31, 2023

Issuer	CUSIP	Par Value	Coupon		Cost	Market Value	Yield or YTW ¹
			Rate	Maturity Date			
Money Market							
Fidelity Gov Port III FCGXX		2,795,666.07	N/A	N/A	2,795,666.07	2,795,666.07	3.9700%
Subtotal Corporate Bonds		2,795,666.07			2,795,666.07	2,795,666.07	3.9700%
Corporate Bonds							
General Dynamics Corp	369550BD9	470,000.00	3.375%	5/15/2023	476,093.05	468,068.56	4.7800%
Burlington Northn Santa Fe	12189LAQ4	466,000.00	3.850%	9/1/2023	471,247.13	464,237.30	4.5100%
Cisco Systems Inc	17275RBH4	237,000.00	2.200%	9/20/2023	235,410.30	233,492.23	4.5800%
Deere John Capital Corp	24422EUM9	473,000.00	3.650%	10/12/2023	482,792.76	470,024.32	4.5700%
State Street Corp	857477AM5	474,000.00	3.700%	11/20/2023	491,415.00	468,804.96	5.1000%
Caterpillar Finl Svcs	14912L5X5	469,000.00	3.750%	11/24/2023	488,541.36	464,823.27	4.8700%
Truist Finl Corp	05531FBF9	594,000.00	3.750%	12/6/2023	610,589.30	589,025.89	4.7600%
3M Co	88579YBB6	237,000.00	3.250%	2/14/2024	233,641.71	233,037.09	4.9200%
Blackrock Inc	09247XAL5	467,000.00	3.500%	3/18/2024	471,794.13	461,187.55	4.6400%
MetLife Inc	59156RBH0	235,000.00	3.600%	4/10/2024	242,189.29	232,311.72	4.5900%
Comcast Corp New	20030NCR0	468,000.00	3.700%	4/15/2024	486,999.46	462,523.01	4.7100%
Ace Ina Hldgs Inc	00440EAR8	470,000.00	3.350%	5/15/2024	455,881.20	462,052.65	4.7100%
Texas Instruments Inc	882508BB9	478,000.00	2.625%	5/15/2024	484,080.02	465,956.14	4.6600%
Paccar Financial Corp	69371RQ25	242,000.00	2.150%	8/15/2024	245,945.38	232,508.32	4.8200%
Unitedhealth Group Inc	91324PDR0	598,000.00	2.375%	8/15/2024	612,447.46	578,107.52	4.6400%
United Parcel Svcs Inc	911312BT2	241,000.00	2.200%	9/1/2024	242,165.57	231,998.10	4.6700%
Coca Cola Co	191216CL2	490,000.00	1.750%	9/6/2024	490,801.14	470,207.83	4.4000%
PNC Finl Svcs Group Inc	693475AY1	610,000.00	2.200%	11/1/2024	612,034.86	586,771.80	4.4900%
Pepsico Inc	713448EQ7	483,000.00	2.250%	3/19/2025	494,354.84	462,608.58	4.3400%
Target Corp	87612EBL9	487,000.00	2.250%	4/15/2025	494,519.29	464,007.55	4.5200%
US Bancorp	91159HHZ6	504,000.00	1.450%	5/12/2025	498,297.09	471,355.07	4.4700%
JPMorgan Chase & Co	46625HMN7	827,000.00	3.900%	7/15/2025	873,558.57	812,617.45	4.6600%
Bank Of America Corp	06051GFS3	585,000.00	3.875%	8/1/2025	624,331.14	576,042.04	4.5300%
Home Depot Inc	437076BK7	472,000.00	3.350%	9/15/2025	499,974.23	460,019.78	4.3800%
Bristol-Myers Squibb Co	110122DN5	513,000.00	0.750%	11/13/2025	473,796.54	464,497.81	4.4000%
Prudential Finl Inc	74432QCH6	257,000.00	1.500%	3/10/2026	249,874.41	234,414.84	4.5600%
Procter & Gamble Co	742718FP9	523,000.00	1.000%	4/23/2026	501,840.38	472,978.36	4.2000%
Schwab Charles Corp	808513BR5	524,000.00	1.150%	5/13/2026	503,714.96	470,411.32	4.5400%
Intel Corp	458140AU4	485,000.00	2.600%	5/19/2026	497,799.65	458,500.24	4.4000%
Amazon Com Inc	023135CP9	351,000.00	4.550%	12/1/2027	353,148.12	354,857.11	4.2900%
Subtotal Corporate Bonds		13,730,000.00			13,899,278.34	13,277,448.41	4.5847%
U.S. Treasury Bills							
U S Treasury Bills	912796CU1	2,700,000.00	0.000%	4/18/2023	2,672,335.80	2,674,228.50	3.7100% *
Subtotal U.S. Treasury Bills		2,700,000.00			2,672,335.80	2,674,228.50	3.7100%
U.S. Treasury Notes & Bonds							
U.S. Treasury Notes	912828S35	2,648,000.00	1.3750%	6/30/2023	2,640,009.54	2,612,209.63	4.7000%
U.S. Treasury Notes	91282CDA6	1,471,000.00	0.2500%	9/30/2023	1,446,948.50	1,427,846.74	4.8100%
U.S. Treasury Notes	9128285P1	2,133,000.00	2.8750%	11/30/2023	2,179,603.78	2,100,254.18	4.7800%
U.S. Treasury Notes	912828W71	2,036,000.00	2.1250%	3/31/2024	2,034,316.55	1,976,829.77	4.7200%
U.S. Treasury Notes	912828X70	2,888,000.00	2.0000%	4/30/2024	2,893,472.33	2,794,928.42	4.6900%
U.S. Treasury Notes	91282CDB4	2,753,000.00	0.6250%	10/15/2024	2,688,117.38	2,585,130.32	4.3800%
U.S. Treasury Notes	912828ZF0	2,539,000.00	0.5000%	3/31/2025	2,466,140.98	2,351,154.62	4.1100%
U.S. Treasury Notes	912828ZW3	2,320,000.00	0.2500%	6/30/2025	2,213,630.56	2,121,892.88	4.0000%
U.S. Treasury Notes	91282CAZ4	2,077,000.00	0.3750%	11/30/2025	1,972,491.75	1,880,333.02	3.9400%
U.S. Treasury Notes	91282CBH3	2,215,000.00	0.3750%	1/31/2026	2,109,604.43	1,995,923.21	3.9000%
U.S. Treasury Notes	91282CBT7	2,062,000.00	0.7500%	3/31/2026	1,982,404.35	1,873,440.41	3.8500%
U.S. Treasury Notes	91282CCW9	2,598,000.00	0.7500%	8/31/2026	2,485,764.10	2,334,141.92	3.8100%
U.S. Treasury Notes	91282CFM8	1,400,000.00	4.1250%	9/30/2027	1,420,672.40	1,426,086.20	3.6900%
Subtotal Treasury Notes & Bonds		29,140,000.00			28,533,176.65	27,480,171.32	4.2816%

Issuer	CUSIP	Par Value	Coupon Rate	Maturity Date	Cost	Market Value	Yield or YTW¹
U.S. Obligations Variable							
U S Treasury Notes Adj Rt	91282CDE8	1,065,000	4.61%	10/31/2023	1,066,455.34	1,065,187.44	4.6900%
Subtotal U.S. Obligations Variable		1,065,000.00			1,066,455.34	1,065,187.44	4.6900%
Grand Total		49,430,666.07			48,966,912.20	47,292,701.74	4.0905%

* Any new investments are italicized and marked with an asterix to the right.

Issuer	CUSIP	Par Value	Coupon Rate	Maturity Date	Cost
Maturities					
U.S. Treasury Bills		2,500,000.00	0.0000%	1/12/2023	2,478,660.00
Bank of New York Mellon		383,000.00	2.9500%	1/29/2023	384,493.77
U S Treasury Notes		2,246,000.00	1.7500%	1/31/2023	2,251,056.92

Withdrawals
None

Sales/Calls
None

¹ YTW was used in place of YTM for conservative approach to looking at the performance of the bonds. YTW considers the possibility to call the bonds if a call option is available, whereby the City's Investors may choose to call a bond to seek for better investments or to redeem the bond at ideal market conditions.

Exhibit B-2

**Funds and Investments
Held by Contracted (Third) Parties
January 31, 2023**

2016 Water Revenue Bonds

Investment Type	Issuer	Settlement Date	Par Value	Coupon Rate	Market Value	Current YTM	Maturity Date	Days to Maturity	CUSIP Account Number
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BNY Mellon Project Fund

1	Cash		360.18	0.010%	360.18	0.010%		1	
2	Morgan Stanley Treasury Portfolio		160,554.68	0.250%	158,291.81	0.250%		1	
Subtotal Cash & Cash Equivalents		0.52%	160,914.86	0.249%	158,651.99	0.249%		1	
Total Project Fund			160,914.86	0.249%	158,651.99	0.249%		1	

Exhibit C

**January 31, 2023
Investment Report**

Summary of Invested Funds -- Last Day of the Month

MONTH	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
JULY	17,332,153	20,958,651	26,306,572	28,541,631	74,033,803	33,187,829	34,119,395	39,309,559	47,220,730	62,091,716
AUGUST	17,330,985	12,658,088	26,294,151	28,405,544	73,122,925	31,258,493	34,245,197	35,205,219	47,188,874	62,035,853
SEPTEMBER	16,331,557	19,715,369	22,058,959	27,049,892	70,952,657	31,219,168	34,211,588	35,108,138	50,651,612	62,025,768
OCTOBER	13,841,158	17,221,779	22,325,114	27,023,005	70,917,973	26,989,542	30,424,551	32,530,753	47,647,956	62,066,381
NOVEMBER	13,836,635	17,221,849	22,287,418	73,246,265	26,547,176	26,916,772	30,394,571	36,836,391	47,638,933	62,383,437
DECEMBER	16,837,192	20,603,990	22,253,300	71,499,585	28,949,643	27,028,835	30,398,333	36,824,546	51,976,067	62,346,272
JANUARY	18,846,359	26,309,319	27,399,997	71,229,735	32,878,042	35,305,506	30,183,446	43,433,939	56,735,289	63,037,830
FEBRUARY	18,845,663	26,260,788	30,108,605	71,084,575	33,013,420	34,571,287	35,784,459	43,636,405	44,768,920	
MARCH	13,145,894	26,315,158	28,939,924	72,604,964	32,833,141	32,568,840	35,894,036	43,608,698	53,763,388	
APRIL	13,153,853	26,326,876	28,276,276	75,018,330	33,064,100	32,242,202	36,081,161	42,158,002	53,442,475	
MAY	23,452,878	26,310,240	28,429,928	76,053,277	32,879,674	36,925,478	34,133,626	42,180,215	53,637,240	
JUNE	22,452,628	29,289,712	26,594,581	75,918,587	33,102,349	38,922,757	34,218,755	42,164,581	53,485,809	



City of South Pasadena

Western Asset Enhanced Cash Portfolios

February 16, 2023

Separately Managed Accounts (SMAs) are investment services provided by Legg Mason Private Portfolio Group, LLC (LMPPG), a federally registered investment advisor. Client portfolios are managed based on investment instructions or advice provided by one or more of the following Franklin Templeton-affiliated sub-advisors: Western Asset Management Company, LLC. Management is implemented by LMPPG, the designated sub-advisor or, in the case of certain programs, the program sponsor or its designee.

These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these materials be preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your Financial Professional or contact your sponsor firm.

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- V. Sample Investment Policy Statement
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About Western Asset

About Western Asset

Western Asset is a globally integrated fixed-income manager, sourcing ideas and investment solutions worldwide.

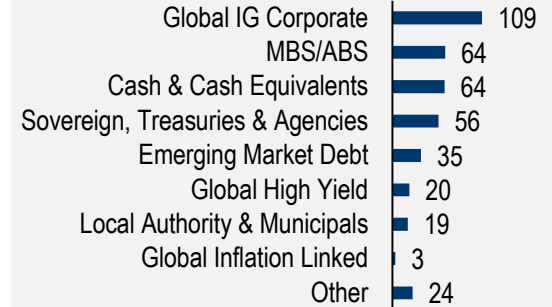
Western Asset At a Glance

- Founded in 1971. Specialist Investment Manager of Franklin Distributors, LLC since July 31, 2020
- Fixed-income value investors
- 394.9 billion (USD) AUM
 - 331.3 billion (USD) long-term assets
 - 63.5 billion (USD) cash and cash equivalent assets
- 746 employees

Organizational Pillars

- Clients first
- Globally integrated
- Team-based
- Active fixed-income
- Integrated risk management

AUM by Sector – Total 394.9 billion (USD)



Western Asset's Deep Global Integration Allows Us to Source Investment Ideas and Investment Solutions Across Regions

Investment Management

- 136 investment professionals on five continents and in seven offices
- 25 years average experience
- 39 portfolio and quantitative analysts in portfolio operations

Client Service & Marketing

- 169 staff dedicated to client service
- Specialized teams to meet individual client needs

Risk Management & Operations

- Independent risk management function with 35 professionals including 13 PhDs
- 288 staff dedicated to globally integrated operations

Global Footprint (AUM in USD billions)



Source: Western Asset. As of 31 Dec 22 ¹Short-Term Fixed-Income assets under management include Money Markets, US Enhanced Liquidity, US Liquidity, US Short Duration, US Short Duration Constrained and local office cash and liquidity strategies. *Splits time between Hong Kong and Singapore offices

Investment Solutions

Western Asset offers a full range of fixed-income products that can be tailored to meet the needs of our clients.

Identifying Investment Solutions to Align With Client Objectives and Risk Tolerances

- Protect from rising rates
- Protect from inflation
- Preserve capital
- Diversify globally
- Hedge liabilities
- Enhance income
- Generate tax-free income
- Generate total return
- Achieve ESG objectives

Selected Investment Strategies

Broad Market

- WA Core Bond Fund (WATFX)
- WA Core Plus Bond Fund (WACPX)
- WA Intermediate Bond Fund (WATIX)
- WA Active Bond Portfolios
- WA Core Portfolios
- WA Core Plus Portfolios
- WA Intermediate Portfolios

Credit

- WA Corporate Bond Fund (SIGYX)
- WA Short Duration High Income Fund (SHIYX)
- WA High Yield Fund (WAHYX)
- WA Corporate Bond Ladders
- WA Intermediate Corporate Portfolios

Mortgage / Asset-Backed

- WA Mortgage Total Return Fund (SGVAX)²

US Municipals

- WA Managed Municipals Fund (SMMYX)
- WA Intermediate Term Municipals Fund (SBTYX)
- WA Short Duration Municipals Income Fund (SMDYX)
- WA Municipal High Income Fund (LMHIX)
- WA California Municipals Fund (LMCUX)
- WA Intermediate Maturity CA Municipals Fund (SICYX)
- WA New York Municipals Fund (SNPYX)
- WA Intermediate Maturity New York Municipals Fund (LMIIX)
- WA Massachusetts Municipals Fund (LHMIX)
- WA New Jersey Municipals Fund (LNJIX)
- WA Pennsylvania Municipals Fund (LPPIX)
- WA Oregon Municipals Fund (LMOOX)
- WA Current Market Muni Portfolios
- WA Managed Municipals Portfolios
- WA Municipal Bond Ladders
- WA Municipal Impact Bond Ladders
- WA Municipal Opportunities
- WA Short-Term Muni Portfolios

Unconstrained / Alternatives

- WA Income Fund¹ (SDSYX)
- WA Macro Opportunities Fund (LAOIX)
- WA Total Return Unconstrained Fund (WAARX)

Emerging Markets Debt

- WA Emerging Markets Debt Fund (SEMDX)

Short Duration

- WA Ultra-Short Income Fund³ (SBAYX)
- WA Short Term Bond Fund (SBSYX)
- WA Enhanced Cash Portfolios

Inflation-Linked

- WA Inflation Indexed Plus Bond Fund (WAIIX)

¹Prior to March 31, 2018, this fund was known as Western Asset Global Strategic Income Fund. ²Prior to September 27, 2019 this fund was known as Western Asset Mortgage Backed Securities Fund. ³Prior to April 22, 2020, this fund was known as the Western Asset Adjustable Rate Income Fund.
The listed products may not be available at all broker/dealer firms.

Before investing, carefully consider a Fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, which is available at www.franklintempleton.com. Please read it carefully.

Business Update

Organizational and Product Updates

- Since 2020, launched four collateralized loan obligations (CLOs) resulting in just under \$1.5 billion in assets
- Fund launched:
 - Western Asset Global Sustainable Corporate Bond Fund

Tools and Resources

- Client portal
- WISER, a proprietary fixed-income risk analysis system
- Liability Driven Investing (LDI) portfolio modelling capabilities
- www.westernasset.com
- www.westernassetfunds.com
- Western Asset App – featuring our latest perspectives at your fingertips, now with notification



Thought Leadership and Industry Recognition



Insights

- 4Q22 Market Commentary by CIO Ken Leech
- Prospects for Inflation's Decline by Michael J. Bazdarich, PhD



Key Convictions

- An at-a-glance dashboard that presents the Firm's overall investment views

Global Outlook

- A high-level summary of our forward-looking investment views each quarter

The Western Asset Blog

- December CPI Data Put the Ball in the Fed's Court by Michael J. Bazdarich
- Reflecting on COP27, and Looking Ahead to 2023 by Bonnie M. Wongtrakool, CFA
- A More Forward-Looking Monetary Policy by John L. Bellows, PhD
- Can CLO Equity Outperform If the Economy Tips Into Recession? by Jeff Helsing



Webcasts

- 1Q23 Market and Strategy Update Featuring CIO Ken Leech
- Strategy Update: Core and Core Plus Featuring John L. Bellows, PhD and Travis M. Carr, CFA – February 9

Recognition

- Western Asset has been named a 2021 Greenwich Quality Leader in U.S. Institutional Investment Management Service



Awards and Rankings are provided from independent third parties or industry publications and are based on unbiased quantitative and/or qualitative information determined independently by each 3rd party or publication. In some cases, Western Asset may subscribe to these 3rd party's standard industry services or publications. These standard subscriptions and services are available to all asset managers and do not influence rankings or awards in any way. 1534711

Philosophy, Process and People

Investment Philosophy

These are the core beliefs that drive our investment decision-making.

Long-term fundamental value

- **Markets often misprice securities.** Prices can deviate from fundamental fair value, but over time, they typically adjust to reflect inflation, credit quality fundamentals and liquidity conditions. Consistently investing in undervalued securities may deliver attractive investment returns.
- **We can systematically identify mispricings.** We believe we can identify and capitalize on markets and securities that are priced below fundamental fair value. We do this through disciplined and rigorous analysis, comparing prices to the fundamental fair values estimated by our macroeconomic and credit research teams around the globe.
- **Our portfolios emphasize our highest convictions.** The greater the difference between our view of fair value and markets' pricing, the bigger the potential value opportunity. The greater the degree of confidence in our view of fundamentals, the greater the emphasis of the strategies in our portfolios.

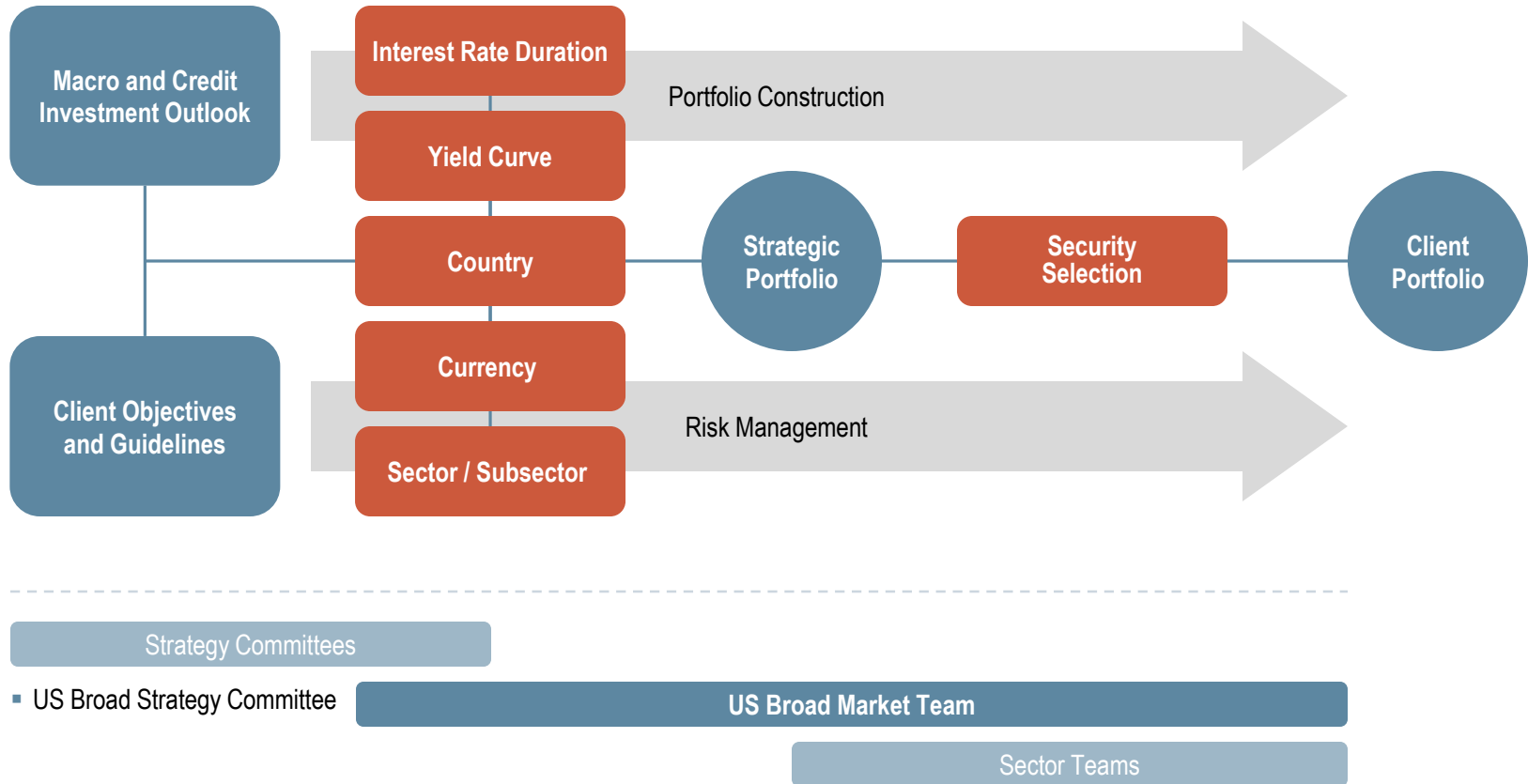
Multiple diversified strategies

- **We seek diversified sources of returns.** Our objective is to meet or exceed our investors' performance objectives within their tolerances for risk. We seek to diversify investments and add value across interest rate duration, yield curve, sector allocation, security selection, country and currency strategies. We deploy multiple diversified strategies that benefit in different environments so no one strategy dominates performance, helping to dampen volatility.

Investment Process

Our time-tested investment process is designed around our value philosophy and our team-based approach.

US Broad Market Investment Process and Team Interaction



People

The US Broad Strategy Committee sets the overall themes for the US broad market investment strategies.

US Broad Strategy Committee

S. Kenneth Leech
Chief Investment Officer

John L. Bellows, CFA
Fed Policy /
US Broad Market

Ryan K. Brist, CFA
Investment-Grade
Credit

Michael C. Buchanan, CFA
Deputy CIO /
Global Credit

Amit Chopra, CFA
Long Duration /
US Broad Market

Greg E. Handler, CFA
Mortgage and
Consumer Credit

Kevin K. Kennedy
Liquidity

Walter E. Kilcullen
High Yield

Chia-Liang Lian, CFA
Emerging Markets

Mark S. Lindbloom
US Broad Market

Frederick R. Marki, CFA
Inflation-Linked

Dennis J. McNamara, CFA
US Broad Market

Rajiv Sachdeva
Portfolio &
Quantitative Analysis

Julien A. Scholnick, CFA
US Broad Market

Bonnie M. Wongtrakool, CFA
ESG Investments

- Sets macro and sector investment themes
- Meets weekly to evaluate and establish the US investment outlook over a 6-9 month horizon.
 - Within the context of our global investment outlook
 - Based on long-term economic developments and market valuations
 - Leveraging sector input and broad top-down analysis
- Evaluates risk factors and potential scenarios. Sets the risk tone for US investment strategies

People

The US Broad Strategy Committee sets the overall themes for the US broad market investment strategies.

US Broad Market Team

Portfolio Management

S. Kenneth Leech
Portfolio Manager / CIO

Scott M. Beatty, CFA
Portfolio Manager

John L. Bellows, PhD, CFA
Portfolio Manager

Amit Chopra, CFA
Portfolio Manager

Eugene J. Kirkwood
Portfolio Manager (SMAs)

Mark S. Lindbloom
Portfolio Manager

Keith A. Luna, CFA
Portfolio Manager

Frederick R. Marki, CFA
Portfolio Manager

Nicholas Mastroianni, CFA
Portfolio Manager

Julien A. Scholnick, CFA
Portfolio Manager

Molly Schwartz, CFA
Portfolio Manager

Stephen Sibley, CFA
Portfolio Manager (SMAs)

Theresa Veres
Portfolio Manager

Bonnie M. Wongtrakool, CFA
Portfolio Manager

Rafael Zielonka, CFA
Portfolio Manager

Derivatives

Scott M. Beatty, CFA¹
Portfolio Manager

Jim K. Huynh
Portfolio Manager

Keith A. Luna, CFA¹
Portfolio Manager

Risk Management

Robert Gingrich, PhD
Manager of Alternatives & Derivatives Risk

Pornatawee Nantamanasikarn, PhD
Portfolio Risk Manager

Product

Travis M. Carr, CFA
Product Specialist

Virgil Esguerra
Product Analyst

Douglas Wade, CFA
Product Specialist

Trading

Nicholas Mastroianni, CFA¹
Trader

Ian J. Smith, CFA²
Trader

Rafael Zielonka, CFA¹
Trader

Portfolio Analysis

Todd R. Cronin³
Portfolio Analyst/Trader (SMAs)

Ryan Jackson
Portfolio Analyst

Zachary Klein, CFA
Portfolio Analyst

Samantha Ritenband
Portfolio Analyst (SMAs)

John Rodli, CFA
Portfolio Analyst

Western Asset Investment Team

Investment Management Professionals

- Chief Investment Officer: S. Kenneth Leech
- Deputy CIO: Michael C. Buchanan
- 136 Investment Professionals on five continents and seven offices, as of December 31, 2022
- 25 years of average experience

Major Investment Committees

- Global Investment Strategy Committee
- Global Credit Committee
- US Broad Strategy Committee
- Global Emerging Markets Strategy Committee
- Unconstrained Asset Allocation Committee

Sector and Regional Teams

- | | |
|------------------------------|-------------------------|
| Global credit | US |
| Investment-grade | Europe |
| High-yield | UK |
| Emerging markets | Japan |
| Mortgage and consumer credit | Asia |
| Long duration | Brazil |
| US municipal | Australia / New Zealand |
| Liquidity | |
| Insurance | |

Independent Risk Management Function

- Chief Risk Officer: Ahmet E. Kocagil
- Independent evaluation of strategies and risks
- Market and Credit Risk Committee
- 35 investment risk professionals

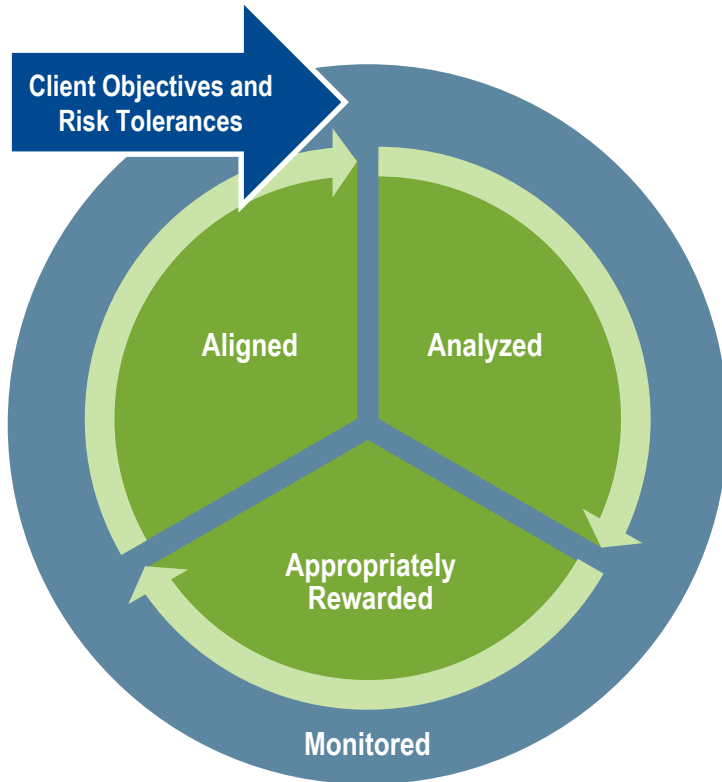
As of 31 Dec 22

¹Dual role with Portfolio Management; ²Dual role with Derivatives; ³Dual role with Trading

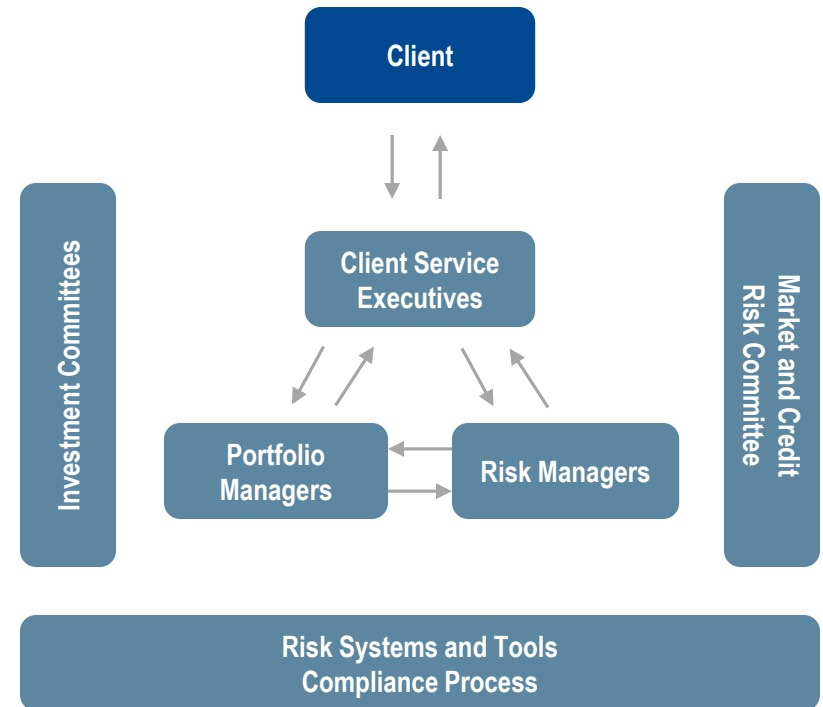
Risk Management

In our culture, effective risk management is critical to successful portfolio management.

Integrating risk management into portfolio construction and in the independent review of portfolio risks strengthens its effectiveness.



Risk management is a team effort. Robust communication and escalation procedures underpin the independence and transparency of risk management.



Why Western Asset for Separately Managed Accounts (SMAs)?

\$22.0 billion of SMA assets under management¹ with long-term track records

SMA suite of offerings allows clients to invest in domestic and global fixed-income markets

- Municipals
 - Short-Term Muni
 - Current Market Muni
 - Municipal Bond Ladders
 - Municipal Impact strategies
 - Municipal Opportunities
 - Managed Municipals
 - Tax-managed strategies
 - Custom portfolios
- Corporates
 - Enhanced Cash
 - Government Securities Management (GSM)
 - Active Bond strategies
 - Core and Core Plus Portfolios
 - Ladders Portfolios
 - Custom portfolios

Incorporation of Western Asset's macro themes within an SMA portfolio

Experienced team across credit, quantitative research and sector-dedicated risk analysts

Analytics and systems tailored to provide scale and reporting to large numbers of SMA portfolios

Flexibility to manage to a variety of custom, individual, client-driven preferences (e.g., state preferences, income considerations)

Access to inventory and competitively-priced securities driven by activity in market

Tax-efficient processes consider ability to harvest gains/losses as beneficial for the client

Ongoing credit analysis of all positions by Western Asset's Research Team

The listed products may not be available at all broker/dealer firms.
¹Assets under management in USD (billions) as of 31 Dec 22.

Western Asset Enhanced Cash Portfolios

IMPORTANT INFORMATION:

RISKS:

All investments involve risk, including the loss of principal, and there is no guarantee that investment objectives will be met.

Fixed income securities are subject to interest rate and credit risk, which is a possibility that the issuer of a security will be unable to make interest payments and repay the principal on its debt. As interest rates rise, the price of fixed income securities falls.

Investments may also be made in mortgage-backed, asset-backed securities and taxable municipal securities. Asset-backed securities generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments. Mortgage-backed securities involve additional risk over more traditional fixed-income investments, including: interest rate risk, implied call and extension risks; and the possibility of premature return of principal due to mortgage prepayment, which can reduce expected yield and lead to price volatility.

Foreign securities, where permitted, are subject to the additional risks of fluctuations in foreign exchange rates, changes in political and economic conditions, foreign taxation, and differences in auditing and financial standards. These risks are magnified in the case of investments in emerging markets.

U.S. Treasuries are direct debt obligations issued and backed by the "full faith and credit" of the U.S. government. The U.S. government guarantees the principal and interest payments on U.S. Treasuries when the securities are held to maturity. Unlike U.S. Treasuries, debt securities issued by the federal agencies and instrumentalities and related investments may or may not be backed by the full faith and credit of the U.S. government. Even when the U.S. government guarantees principal and interest payments on securities, this guarantee does not apply to losses resulting from declines in the market value of these securities.

For tax-exempt securities, certain investors may be subject to the Federal Alternative Minimum Tax, and state and local taxes may apply. Capital gains, if any, are fully taxable. Depends on individual tax situation.

TAX:

Franklin Templeton, its affiliates, and its employees are not in the business of providing tax or legal advice to taxpayers. These materials and any tax-related statements are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties or complying with any applicable tax laws or regulations. Tax-related statements, if any, may have been written in connection with the "promotion or marketing" of the transaction(s) or matter(s) addressed by these materials, to the extent allowed by applicable law. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

BENCHMARK:

The Bloomberg 1-3 Year Government Bond Index is a broad measure of the performance of short-term government bonds. The index is not managed and not subject to management or brokerage commission. Income from coupon is subject to reinvestment. The FTSE 3-Month U.S. Treasury Bill Index is an index based upon the average monthly yield of the 90-day Treasury bills. U.S. Treasury bills are secured by the "full faith and credit" of the U.S. government and offer a fixed rate of return. The portfolio composition typically varies from that of the above-noted, unmanaged indices. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

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Western Asset Enhanced Cash Portfolios

Overview

- The Enhanced Cash SMA invest in short-term investment-grade securities with a maximum portfolio duration of two years or less and benchmarked to a variety of short-term indexes, such as the FTSE 3-Month U.S. Treasury Bill and the Bloomberg 1-3 Year Government Bond Index

Philosophy

- We believe that active portfolio management within a low volatility corporate liquidity framework can help preserve capital, maintain liquidity, and maximize total return

Objectives

- The strategy seeks total return superior to money market investment

Client-focused solutions

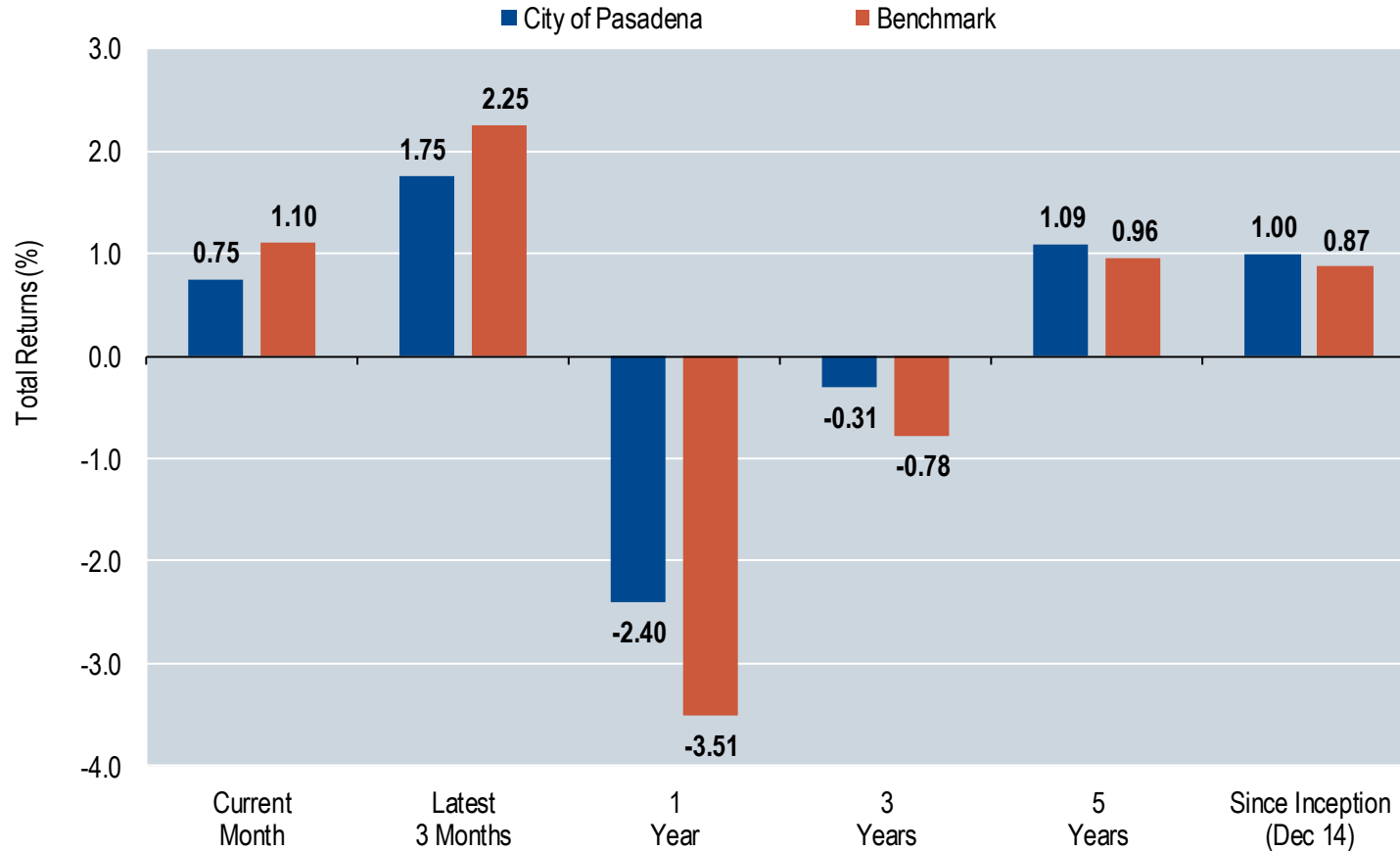
- Portfolios can be tailored to adhere to investment policy statements, client objectives and/or cash flow needs

City of South Pasadena

Investment Results

City of Pasadena vs. Bloomberg 1-5 Year Government Bond Index

Preliminary January 31, 2023



Source: Franklin Templeton

Past performance is not a guarantee of future results. Please see GIPS® Report in the Appendix for important additional information regarding the portfolio performance shown and for effects of fees.

Management and performance of individual accounts may vary for reasons that include the existence of different implementation practices and model requirements in different investment programs. Pure gross of fee returns do not reflect the deduction of any expenses, including transaction costs. Net performance includes the deduction of a 1.5% annual wrap fee, which is the maximum anticipated wrap fee for fixed income portfolios. Actual fees may vary.

For fee schedules, contact your financial professional, or if you enter into an agreement directly with Legg Mason Private Portfolio Group ("LMPPG"), refer to LMPPG's Form ADV disclosure document. Returns reflect the reinvestment of dividends and other earnings. All performance is reported in US dollars. Returns for periods greater than one year are annualized.

Characteristics

City of South Pasadena vs. Bloomberg 1-5 Year Government Bond Index

January 31, 2023

Client Account			
Sector	% Held		
USD	100.00	Communications	0.98
Cash	0.21	Consumer Cyclical	3.21
U.S. Government	70.64	Consumer Non-Cyclical	3.96
Treasury	70.64	Technology	2.45
Nominal Pay	70.64	Transportation	1.49
Agency	0.00	Finance	13.59
Credit	29.15	Banking	8.42
Corporate	29.15	Brokerage/Asset Managers/Exchanges	1.98
Industrial	15.56	Insurance	3.2
Capital Goods	3.47		

Benchmark	
Sector	% Held
USD	100.00
Cash	0.00
U.S. Government	100.00
Treasury	96.14
Nominal Pay	96.14
Agency	3.86

Source: BondEdge, Western Asset

Swaps are not included in maturity years, effective duration years and coupon distribution. Forward Rate Agreements are excluded from all categories except sector.

This information does not constitute, and under no circumstances is to be construed as, investment advice or recommendations with respect to the securities listed and should not be the sole basis for any investment decision. The above summary/prices/quotes/statistics have been obtained from sources we believe to be reliable, but we cannot guarantee its accuracy or completeness. Your Client Statement is the official record of your account. Therefore, if there are any discrepancies between this report and your client statement, you should rely upon the Client Statement and call your financial professional with any questions.

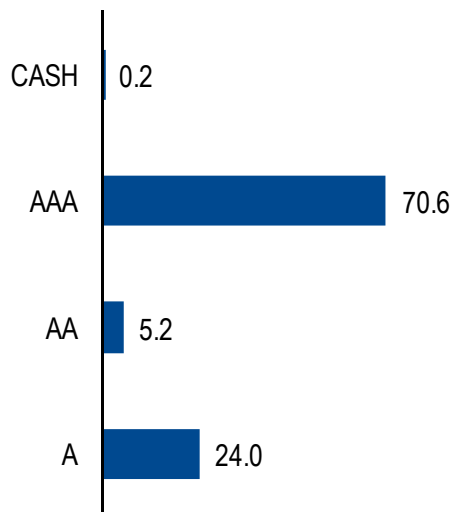
Past investment results are not indicative of future investment results. Please see Definition of Terms and Performance Disclosures for more information.

Characteristics

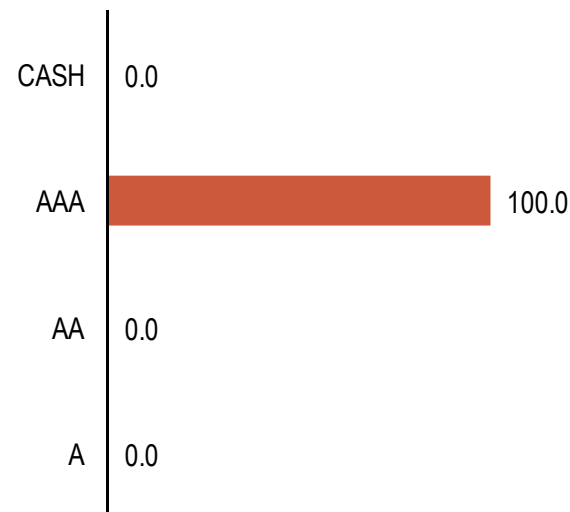
City of South Pasadena vs. Bloomberg 1-5 Year Government Bond Index

January 31, 2023

Client Account (%)



Benchmark (%)



Client Account	
Duration (yrs)	1.87
Average Maturity (yrs)	2.00
Yield to Worst (%)	4.32

Benchmark Characteristics	
Duration (yrs)	2.61
Average Maturity (yrs)	2.76
Yield to Worst (%)	4.07

Source: BondEdge, Western Asset

Swaps are not included in maturity years, effective duration years and coupon distribution. Forward Rate Agreements are excluded from all categories except sector.

Credit quality is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by one of the following Nationally Recognized Statistical Rating Organizations ("NRSRO"): Standard and Poor's ("S&P"), Moody's Investors Service ("Moody's"), Fitch Ratings, Ltd. In the event a portfolio security is rated by more than one NRSRO, the higher rating is shown. In the case where a security is not rated by an NRSRO, these are listed as "Non Rated". The credit quality of the investments in the Portfolio does not apply to the stability or safety of the Portfolio. These ratings may change over time. The Portfolio itself has not been rated by an NRSRO.

Yield to worst (YTW) is based on a portfolio's current holdings on one specific day, is gross of all portfolio expenses, and is calculated based on assumptions that prepayment occurs if the bond has call or put provisions and the issuer can offer a lower coupon rate based on current market rates. If market rates are higher than the current yield of a bond, the YTW calculation will assume no prepayments are made, and YTW will equal the yield to maturity. The YTW will be the lowest of yield to maturity or yield to call (if the bond has prepayment provisions). The YTW of a bond portfolio is the market-weighted average of the YTWs of all the bonds in the portfolio.

This information does not constitute, and under no circumstances is to be construed as, investment advice or recommendations with respect to the securities listed and should not be the sole basis for any investment decision. The above summary/prices/quotes/statistics have been obtained from sources we believe to be reliable, but we cannot guarantee its accuracy or completeness. Your Client Statement is the official record of your account. Therefore, if there are any discrepancies between this report and your client statement, you should rely upon the Client Statement and call your financial professional with any questions.

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City of South Pasadena Holdings

Holdings (1/3)

City of South Pasadena

January 31, 2023

Sector 1	Par (000)	Identifier	Issuer Name	Coupon	Maturity	Moody's	S&P	Price	Curr			Eff Dur		% Held	
									Yield	YTW	YTM	Avg Life	(Par)		Mkt Value
CASH	99			4.49	0.08			100.00	4.49	4.58	4.58	0.08	0.08	99,000	0.21
	99	000000CM9	CASH & EQUIVALENTS	4.49	02/28/2023	Aaa	AAA	100.00	4.49	4.58	4.58	0.08	0.08	99,000	0.21
TSY	35,177			1.35	2.06			95.18	1.42	4.21	4.21	2.07	1.94	33,570,496	70.64
	2,700	912796CU1	UNITED STATES TREAS BILL	0.00	04/18/2023	TSY	TSY	99.22	0.00	3.71	3.71	0.21	0.21	2,679,048	5.64
	2,648	912828S35	UNITED STATES TREAS NTS	1.38	06/30/2023	TSY	TSY	98.65	1.39	4.70	4.70	0.42	0.41	2,615,317	5.50
	1,471	91282CDA6	UNITED STATES TREAS BDS	0.25	09/30/2023	TSY	TSY	97.07	0.26	4.81	4.81	0.67	0.65	1,429,084	3.01
	1,065	91282CDE8	UNITED STATES TREAS NTS	4.66	10/31/2023	TSY	TSY	100.02	4.66	4.69	4.69	0.75	0.01	1,065,192	2.24
	2,133	9128285P1	UNITED STATES TREAS NTS	2.88	11/30/2023	TSY	TSY	98.47	2.92	4.78	4.78	0.83	0.81	2,110,704	4.44
	2,036	912828W71	UNITED STATES TREAS NTS	2.13	03/31/2024	TSY	TSY	97.09	2.19	4.72	4.72	1.17	1.12	1,991,454	4.19
	2,888	912828X70	UNITED STATES TREAS NTS	2.00	04/30/2024	TSY	TSY	96.78	2.07	4.69	4.69	1.25	1.20	2,809,599	5.91
	2,753	91282CDB4	UNITED STATES TREAS NTS	0.63	10/15/2024	TSY	TSY	93.90	0.67	4.38	4.38	1.75	1.66	2,590,227	5.45
	2,539	912828ZF0	UNITED STATES TREAS NTS	0.50	03/31/2025	TSY	TSY	92.60	0.54	4.11	4.11	2.17	2.10	2,355,455	4.96
	2,320	912828ZW3	UNITED STATES TREAS NTS	0.25	06/30/2025	TSY	TSY	91.46	0.27	4.00	4.00	2.42	2.35	2,122,392	4.47
	2,077	91282CAZ4	UNITED STATES TREAS NTS	0.38	11/30/2025	TSY	TSY	90.53	0.41	3.94	3.94	2.83	2.75	1,881,655	3.96
	2,215	91282CBH3	UNITED STATES TREAS NTS	0.38	01/31/2026	TSY	TSY	90.11	0.42	3.90	3.90	3.00	2.91	1,995,914	4.20
	2,062	91282CBT7	UNITED STATES TREAS NTS	0.75	03/31/2026	TSY	TSY	90.86	0.83	3.85	3.85	3.17	3.05	1,878,677	3.95
	2,598	91282CCW9	UNITED STATES TREAS NTS	0.75	08/31/2026	TSY	TSY	89.84	0.84	3.81	3.81	3.58	3.44	2,342,383	4.93
	1,400	91282CFM8	UNITED STATES TREAS NTS	4.13	09/30/2027	TSY	TSY	101.86	4.05	3.69	3.69	4.67	4.14	1,445,596	3.04
	2,272	91282CGH8	UNITED STATES TREAS NTS	3.50	01/31/2028	TSY	TSY	99.38	3.52	3.64	3.64	5.00	4.52	2,257,800	4.75
IND	7,585			2.71	1.82			96.70	2.81	4.54	4.54	1.84	1.70	7,395,578	15.56
	470	369550BD9	GENERAL DYNAMICS CORP	3.38	05/15/2023	A3	A-	99.59	3.39	4.78	4.78	0.33	0.28	471,417	0.99

Source: BondEdge, Western Asset

Current Yield is defined as the coupon of a bond divided by its price.

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Yield to worst (YTW) is based on a portfolio's current holdings on one specific day, is gross of all fund expenses, and calculated based on assumption that prepayment occurs if the bond has call or put provisions and the issuer can offer a lower coupon rate based on current market rates. If market rates are higher than the current yield of a bond, the YTW calculation will assume no prepayments are made, and YTW will equal the yield to maturity. The YTW will be the lowest of yield to maturity or yield to call (if the bond has prepayment provisions). The YTW of a bond fund is the market-weighted average of the YTWs of all the bonds in the portfolio.

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Holdings (2/3)

City of South Pasadena

January 31, 2023

Sector 1	Par (000)	Identifier	Issuer Name	Coupon	Maturity	Moody's	S&P	Price	Curr			Eff Dur		% Held	
									Yield	YTW	YTM	Avg Life	(Par)		Mkt Value
	466	12189LAQ4	BURLINGTON NORTHN SANTA FE	3.85	09/01/2023	A3	AA-	99.62	3.87	4.51	4.51	0.58	0.52	471,714	0.99
	237	17275RBH4	CISCO SYS INC	2.20	09/20/2023	A1	AA-	98.52	2.23	4.58	4.58	0.67	0.62	235,390	0.50
	473	24422EUM9	DEERE JOHN CAPITAL CORP	3.65	10/12/2023	A2	A	99.37	3.67	4.57	4.57	0.67	0.68	475,252	1.00
	469	14912L5X5	CATERPILLAR FINL SVCS MTNS B	3.75	11/24/2023	A2	A	99.11	3.78	4.87	4.87	0.83	0.79	468,094	0.98
	237	88579YBB6	3M CO	3.25	02/14/2024	A1	A+	98.33	3.31	4.92	4.92	1.00	0.98	236,610	0.50
	468	20030NCR0	COMCAST CORP NEW	3.70	04/15/2024	A3	A-	98.83	3.74	4.71	4.71	1.25	1.12	467,623	0.98
	478	882508BB9	TEXAS INSTRS INC	2.63	05/15/2024	Aa3	A+	97.48	2.69	4.66	4.66	1.33	1.23	468,603	0.99
	242	69371RQ25	PACCAR FINANCIAL CORP	2.15	08/15/2024	A1	A+	96.08	2.24	4.82	4.82	1.58	1.47	234,908	0.49
	241	911312BT2	UNITED PARCEL SVCS INC	2.20	09/01/2024	A2	A	96.27	2.29	4.67	4.67	1.58	1.51	234,208	0.49
	490	191216CL2	COCA COLA CO	1.75	09/06/2024	A1	A+	95.96	1.82	4.40	4.40	1.58	1.54	473,663	1.00
	483	713448EQ7	PEPSICO INC	2.25	03/19/2025	A1	A+	95.78	2.35	4.34	4.34	2.17	2.01	466,592	0.98
	487	87612EBL9	TARGET CORP	2.25	04/15/2025	A2	A	95.28	2.36	4.52	4.52	2.25	2.09	467,235	0.98
	472	437076BK7	HOME DEPOT INC	3.35	09/15/2025	A2	A	97.46	3.44	4.38	4.38	2.67	2.34	465,994	0.98
	513	110122DN5	BRISTOL-MYERS SQUIBB CO	0.75	11/13/2025	A2	A+	90.55	0.83	4.40	4.40	2.75	2.68	465,329	0.98
	523	742718FP9	PROCTER & GAMBLE CO	1.00	04/23/2026	Aa3	AA-	90.44	1.11	4.20	4.20	3.25	3.09	474,404	1.00
	485	458140AU4	INTEL CORP	2.60	05/19/2026	A1	A+	94.54	2.75	4.40	4.40	3.33	3.04	461,022	0.97
	351	023135CP9	AMAZON COM INC	4.55	12/01/2027	A1	AA	101.10	4.50	4.29	4.29	4.75	4.20	357,519	0.75
FIN	6,622			3.04	1.89			96.84	3.14	4.68	4.69	1.90	1.77	6,459,048	13.59
	474	857477AM5	STATE STR CORP	3.70	11/20/2023	A1	A	98.90	3.74	5.10	5.10	0.83	0.78	472,264	0.99
	594	05531FBF9	TRUIST FINL CORP	3.75	12/06/2023	A3	A-	99.16	3.78	4.76	4.76	0.83	0.81	592,431	1.25
	467	09247XAL5	BLACKROCK INC	3.50	03/18/2024	Aa3	AA-	98.76	3.54	4.64	4.64	1.17	1.08	467,224	0.98

Source: BondEdge, Western Asset

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Holdings (3/3)

City of South Pasadena

January 31, 2023

Sector 1	Par (000)	Identifier	Issuer Name	Coupon	Maturity	Moody's	S&P	Price	Curr			Eff Dur		% Held	
									Yield	YTW	YTM	Avg Life	(Par)		Mkt Value
	235	59156RBH0	METLIFE INC	3.60	04/10/2024	A3	A-	98.86	3.64	4.59	4.59	1.17	1.14	234,920	0.49
	470	00440EAR8	CHUBB INA HLDGS INC	3.35	05/15/2024	A3	A	98.31	3.41	4.71	4.71	1.33	1.23	465,376	0.98
	598	91324PDR0	UNITEDHEALTH GROUP INC	2.38	08/15/2024	A3	A+	96.67	2.46	4.64	4.64	1.58	1.47	584,659	1.23
	610	693475AY1	PNC FINL SVCS GROUP INC	2.20	11/01/2024	A3	A-	96.19	2.29	4.49	4.49	1.75	1.67	590,126	1.24
	504	91159HHZ6	US BANCORP	1.45	05/12/2025	A2	A+	93.52	1.55	4.47	4.47	2.25	2.18	472,960	1.00
	827	46625HMN7	JPMORGAN CHASE & CO	3.90	07/15/2025	A1	A-	98.26	3.97	4.66	4.66	2.50	2.18	814,052	1.71
	585	06051GFS3	BANK AMERICA CORP	3.88	08/01/2025	A2	A-	98.47	3.94	4.53	4.53	2.50	2.30	587,378	1.24
	257	74432QCH6	PRUDENTIAL FINL INC	1.50	03/10/2026	A3	A	91.21	1.65	4.56	4.56	3.08	2.94	235,925	0.50
	524	808513BR5	CHARLES SCHWAB CORP	1.15	05/13/2026	A2	A	89.77	1.28	4.54	4.54	3.25	3.13	471,716	0.99
	477	06406RBJ5	BANK NEW YORK MELLON CORP	4.41	07/24/2026	A1	A	98.45	4.48	5.08	5.23	2.50	2.31	470,016	0.99
Total:	49,483			1.79	2.00			95.65	1.88	4.32	4.32	2.01	1.87	47,524,122	100.00

Source: BondEdge, Western Asset

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Appendix

Risk Disclosure

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2022-12-31

Exhibit A

**City of South Pasadena
INVESTMENT REPORT
February 28, 2023**

Investment Balances at Month End

INSTITUTION NAME	MATURITY DATE	YIELD ¹	PERCENT OF PORTFOLIO	COST	CURRENT MARKET VALUE *
LOCAL AGENCY INVESTMENT FUND:					
LAIF City	ON DEMAND	2.624%	24.32%	15,745,127.85	15,745,127.85
SUBTOTAL			24.32%	\$ 15,745,127.85	\$ 15,745,127.85
ZIONS BANK					
Money Market	See Exhibit B-1	4.210%	0.48%	309,139.00	309,139.00
Corporate Bonds	See Exhibit B-1	5.108%	22.18%	14,353,532.36	13,638,314.66
U.S. Treasury Notes & Bonds	See Exhibit B-1	4.760%	51.37%	33,254,156.37	31,916,200.24
U.S. Obligations Variable	See Exhibit B-1	4.920%	1.65%	1,066,455.34	1,064,641.10
SUBTOTAL			75.68%	\$ 48,983,283.07	\$ 46,928,295.00
TOTAL INVESTMENTS			100.00%	\$ 64,728,410.92	\$ 62,673,422.85

BANK ACCOUNTS:

Bank of the West Accounts Balance	\$ 13,206,324.58
BNY Mellon Uninvested Cash Balance ²	\$ 161,473.67

Footnotes:

¹ Yield on LAIF and Zions Money Market is based on Current Yield. Yield on investments held at Zions Bank is based on Yield to Worst (YTW).

² The BNY Mellon Uninvested Cash Balance is information-only as it is funds intended for 2016 Water Revenue Bond.

Required Disclosures:

Average weighted maturity of the portfolio 563 DAYS

Average weighted total yield of the portfolio 4.299%

Projected Expenditures for the next 6 months:

Projected with Prior Year Same Period: \$ 21,905,557

Projected with FY 2023 Adopted Budget: \$ 36,749,639

* Current market valuation is required for investments with maturities of more than twelve months.

In compliance with the California Government Code Section 53646, as the City Treasurer of the City of South Pasadena, based on the information provided I hereby identify that the City is able to meet its expenditure requirements for the next six months and that all investments are in compliance to the City's Statement of Investment Policy.

I also certify that this report reflects all Government Agency pooled investments and all City's bank balances.



Zhen Tao, City Treasurer

4/11/2023

Date

Exhibit B-1

City of South Pasadena
Investments held at Zions Bank (managed by Morgan Stanley/Western Assets Management)
February 28, 2023

Issuer	CUSIP	Par Value	Coupon Rate	Maturity Date	Cost	Market Value	Yield or YTW ¹
Money Market							
Fidelity Gov Port III FCGXX		309,139.00	N/A	N/A	309,139.00	309,139.00	4.2100%
Subtotal Corporate Bonds		309,139.00			309,139.00	309,139.00	4.2100%
Corporate Bonds							
General Dynamics Corp	369550BD9	470,000.00	3.375%	5/15/2023	476,093.05	468,122.97	5.210%
Burlington Northn Santa Fe	12189LAQ4	466,000.00	3.850%	9/1/2023	471,247.13	462,858.27	5.210%
Cisco Systems Inc	17275RBH4	237,000.00	2.200%	9/20/2023	235,410.30	233,315.56	5.040%
Deere John Capital Corp	24422EUM9	473,000.00	3.650%	10/12/2023	482,792.76	468,798.08	5.110%
Caterpillar Finl Svcs	14912L5X5	469,000.00	3.750%	11/24/2023	488,541.36	464,713.62	5.020%
Truist Finl Corp	05531FBF9	594,000.00	3.750%	12/6/2023	610,589.30	588,137.78	5.060%
3M Co	88579YBB6	237,000.00	3.250%	2/14/2024	233,641.71	231,979.56	5.540%
Blackrock Inc	09247XAL5	467,000.00	3.500%	3/18/2024	471,794.13	459,347.44	5.110%
MetLife Inc	59156RBH0	235,000.00	3.600%	4/10/2024	242,189.29	229,898.51	5.630%
Comcast Corp New	20030NCR0	468,000.00	3.700%	4/15/2024	486,999.46	459,591.19	5.360%
Ace Ina Hldgs Inc	00440EAR8	470,000.00	3.350%	5/15/2024	455,881.20	459,154.74	5.330%
Texas Instruments Inc	882508BB9	478,000.00	2.625%	5/15/2024	484,080.02	463,980.08	5.150%
Paccar Financial Corp	69371RQ25	242,000.00	2.150%	8/15/2024	245,945.38	231,494.89	5.270%
Unitedhealth Group Inc	91324PDR0	598,000.00	2.375%	8/15/2024	612,447.46	574,015.40	5.260%
United Parcel Svcs Inc	911312BT2	241,000.00	2.200%	9/1/2024	242,165.57	230,710.16	5.180%
Coca Cola Co	191216CL2	490,000.00	1.750%	9/6/2024	490,801.14	470,311.80	4.510%
PNC Finl Svcs Group Inc	693475AY1	610,000.00	2.200%	11/1/2024	612,034.86	581,982.04	5.090%
Pepsico Inc	713448EQ7	483,000.00	2.250%	3/19/2025	494,354.84	457,583.91	4.970%
Target Corp	87612EBL9	487,000.00	2.250%	4/15/2025	494,519.29	460,086.34	5.020%
US Bancorp	91159HHZ6	504,000.00	1.450%	5/12/2025	498,297.09	464,974.69	5.210%
JPMorgan Chase & Co	46625HMN7	827,000.00	3.900%	7/15/2025	873,558.57	803,329.31	5.190%
Bank Of America Corp	06051GFS3	585,000.00	3.875%	8/1/2025	624,331.14	568,335.71	5.140%
Home Depot Inc	437076BK7	472,000.00	3.350%	9/15/2025	499,974.23	453,470.46	5.010%
Bristol-Myers Squibb Co	110122DN5	513,000.00	0.750%	11/13/2025	473,796.54	459,464.98	4.910%
Prudential Finl Inc	74432QCH6	257,000.00	1.500%	3/10/2026	249,874.41	231,641.15	5.050%
Procter & Gamble Co	742718FP9	523,000.00	1.000%	4/23/2026	501,840.38	465,891.44	4.770%
Schwab Charles Corp	808513BR5	524,000.00	1.150%	5/13/2026	503,714.96	462,723.21	5.150%
Intel Corp	458140AU4	485,000.00	2.600%	5/19/2026	497,799.65	450,153.02	5.040%
Bank New York Mellon Corp	06406RBJ5	477,000.00	4.414%	7/24/2026	475,693.02	467,498.75	5.310% *
Amazon Com Inc	023135CP9	351,000.00	4.550%	12/1/2027	353,148.12	347,039.19	4.820%
State Street Corp	857477BS1	520,000.00	2.203%	2/7/2028	469,976.00	467,710.41	5.050% *
Subtotal Corporate Bonds		14,253,000.00			14,353,532.36	13,638,314.66	5.1078%
U.S. Treasury Notes & Bonds							
U.S. Treasury Notes	912828S35	2,648,000.00	1.375%	6/30/2023	2,640,009.54	2,616,555.00	4.950%
U.S. Treasury Notes	91282CDA6	1,471,000.00	0.250%	9/30/2023	1,446,948.50	1,430,145.92	5.130%
U.S. Treasury Notes	9128285P1	2,133,000.00	2.875%	11/30/2023	2,179,603.78	2,098,006.00	5.120%
U.S. Treasury Notes	912828W71	2,036,000.00	2.125%	3/31/2024	2,034,316.55	1,971,181.90	5.180%
U.S. Treasury Notes	912828X70	2,888,000.00	2.000%	4/30/2024	2,893,472.33	2,785,790.79	5.160%
U.S. Treasury Notes	91282CDB4	2,753,000.00	0.625%	10/15/2024	2,688,117.38	2,567,924.07	4.980%
U.S. Treasury Notes	91282CGG0	2,500,000.00	4.125%	1/31/2025	2,475,782.50	2,467,285.00	4.840% *
U.S. Treasury Notes	912828ZF0	2,539,000.00	0.500%	3/31/2025	2,466,140.98	2,326,655.81	4.760%
U.S. Treasury Notes	912828ZW3	2,320,000.00	0.250%	6/30/2025	2,213,630.56	2,097,061.92	4.640%
U.S. Treasury Notes	91282CAZ4	2,077,000.00	0.375%	11/30/2025	1,972,491.75	1,855,263.63	4.550%
U.S. Treasury Notes	91282CBH3	2,215,000.00	0.375%	1/31/2026	2,109,604.43	1,967,542.42	4.500%
U.S. Treasury Notes	91282CBT7	2,062,000.00	0.750%	3/31/2026	1,982,404.35	1,844,927.07	4.440%
U.S. Treasury Notes	91282CCW9	2,598,000.00	0.750%	8/31/2026	2,485,764.10	2,292,633.68	4.410%
U.S. Treasury Notes	91282CFM8	1,400,000.00	4.125%	9/30/2027	1,420,672.40	1,392,452.60	4.260%
U.S. Treasury Notes	91282CGH8	2,272,000.00	3.500%	1/31/2028	2,245,197.22	2,202,774.43	4.190% *
Subtotal Treasury Notes & Bonds		33,912,000.00			33,254,156.37	31,916,200.24	4.7596%

Issuer	CUSIP	Par Value	Coupon Rate	Maturity Date	Cost	Market Value	Yield or YTW¹
U.S. Obligations Variable							
U S Treasury Notes Adj Rt	91282CDE8	1,065,000	4.61%	10/31/2023	1,066,455.34	1,064,641.10	4.9200%
Subtotal U.S. Obligations Variable		1,065,000.00			1,066,455.34	1,064,641.10	4.9200%
Grand Total		49,539,139.00			48,983,283.07	46,928,295.00	4.8331%

* Any new investments are italicized and marked with an asterix to the right.

Issuer	CUSIP	Par Value	Coupon Rate	Maturity Date	Cost
Maturities					
None					
Withdrawals					
None					
Sales/Calls					
U S Treasury Bills	912796CU1	2,700,000.00	0.000%	4/18/2023	2,672,335.80
State Street Corp	857477AM5	474,000.00	3.700%	11/20/2023	491,415.00

Exhibit B-2

**Funds and Investments
Held by Contracted (Third) Parties
February 28, 2023**

2016 Water Revenue Bonds

Investment Type	Issuer	Settlement Date	Par Value	Coupon Rate	Market Value	Current YTM	Maturity Date	Days to Maturity	CUSIP Account Number
BNY Mellon Project Fund									
1	Cash		361.42	0.010%	361.42	0.010%		1	
2	Morgan Stanley Treasury Portfolio		161,112.25	0.250%	161,112.25	0.250%		1	
Subtotal Cash & Cash Equivalents		0.52%	161,473.67	0.249%	161,473.67	0.249%		1	
Total Project Fund			161,473.67	0.249%	161,473.67	0.249%		1	

Exhibit C

**February 28, 2023
Investment Report**

Summary of Invested Funds -- Last Day of the Month

MONTH	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
JULY	17,332,153	20,958,651	26,306,572	28,541,631	74,033,803	33,187,829	34,119,395	39,309,559	47,220,730	62,091,716
AUGUST	17,330,985	12,658,088	26,294,151	28,405,544	73,122,925	31,258,493	34,245,197	35,205,219	47,188,874	62,035,853
SEPTEMBER	16,331,557	19,715,369	22,058,959	27,049,892	70,952,657	31,219,168	34,211,588	35,108,138	50,651,612	62,025,768
OCTOBER	13,841,158	17,221,779	22,325,114	27,023,005	70,917,973	26,989,542	30,424,551	32,530,753	47,647,956	62,066,381
NOVEMBER	13,836,635	17,221,849	22,287,418	73,246,265	26,547,176	26,916,772	30,394,571	36,836,391	47,638,933	62,383,437
DECEMBER	16,837,192	20,603,990	22,253,300	71,499,585	28,949,643	27,028,835	30,398,333	36,824,546	51,976,067	62,346,272
JANUARY	18,846,359	26,309,319	27,399,997	71,229,735	32,878,042	35,305,506	30,183,446	43,433,939	56,735,289	63,037,830
FEBRUARY	18,845,663	26,260,788	30,108,605	71,084,575	33,013,420	34,571,287	35,784,459	43,636,405	44,768,920	62,673,423
MARCH	13,145,894	26,315,158	28,939,924	72,604,964	32,833,141	32,568,840	35,894,036	43,608,698	53,763,388	
APRIL	13,153,853	26,326,876	28,276,276	75,018,330	33,064,100	32,242,202	36,081,161	42,158,002	53,442,475	
MAY	23,452,878	26,310,240	28,429,928	76,053,277	32,879,674	36,925,478	34,133,626	42,180,215	53,637,240	
JUNE	22,452,628	29,289,712	26,594,581	75,918,587	33,102,349	38,922,757	34,218,755	42,164,581	53,485,809	



City of South Pasadena

Western Asset Enhanced Cash Portfolios

February 28, 2023

Separately Managed Accounts (SMAs) are investment services provided by Legg Mason Private Portfolio Group, LLC (LMPPG), a federally registered investment advisor. Client portfolios are managed based on investment instructions or advice provided by one or more of the following Franklin Templeton-affiliated sub-advisors: Western Asset Management Company, LLC. Management is implemented by LMPPG, the designated sub-advisor or, in the case of certain programs, the program sponsor or its designee.

These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these materials be preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your Financial Professional or contact your sponsor firm.

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- II. Philosophy, Process and People
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- IV. City of South Pasadena
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About Western Asset

About Western Asset

Western Asset is a globally integrated fixed-income manager, sourcing ideas and investment solutions worldwide.

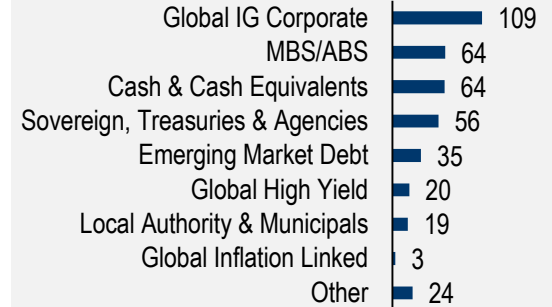
Western Asset At a Glance

- Founded in 1971. Specialist Investment Manager of Franklin Resources, Inc. since July 31, 2020
- Fixed-income value investors
- 394.9 billion (USD) AUM
 - 331.3 billion (USD) long-term assets
 - 63.5 billion (USD) cash and cash equivalent assets
- 746 employees

Organizational Pillars

- Clients first
- Globally integrated
- Team-based
- Active fixed-income
- Integrated risk management

AUM by Sector – Total 394.9 billion (USD)



Western Asset's Deep Global Integration Allows Us to Source Investment Ideas and Investment Solutions Across Regions

Investment Management

- 136 investment professionals on five continents and in seven offices
- 25 years average experience
- 39 portfolio and quantitative analysts in portfolio operations

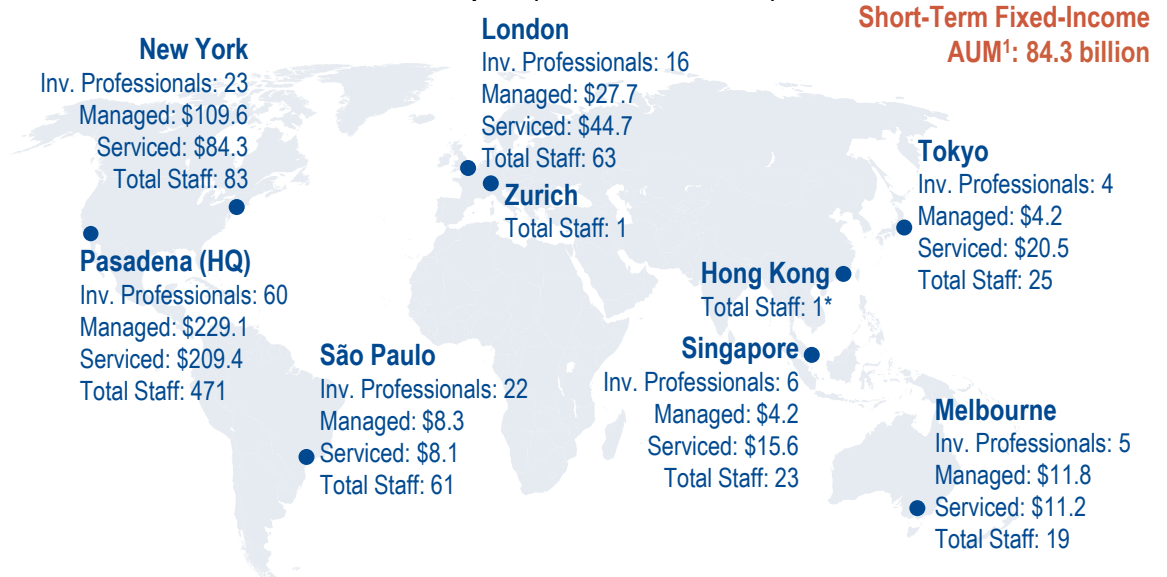
Client Service & Marketing

- 169 staff dedicated to client service
- Specialized teams to meet individual client needs

Risk Management & Operations

- Independent risk management function with 35 professionals including 13 PhDs
- 288 staff dedicated to globally integrated operations

Global Footprint (AUM in USD billions)



Source: Western Asset. As of 31 Dec 22 ¹Short-Term Fixed-Income assets under management include Money Markets, US Enhanced Liquidity, US Liquidity, US Short Duration, US Short Duration Constrained and local office cash and liquidity strategies. *Splits time between Hong Kong and Singapore offices

Investment Solutions

Western Asset offers a full range of fixed-income products that can be tailored to meet the needs of our clients.

Identifying Investment Solutions to Align With Client Objectives and Risk Tolerances

- Protect from rising rates
- Protect from inflation
- Preserve capital
- Diversify globally
- Hedge liabilities
- Enhance income
- Generate tax-free income
- Generate total return
- Achieve ESG objectives

Selected Investment Strategies

Broad Market

- WA Core Bond Fund (WATFX)
- WA Core Plus Bond Fund (WACPX)
- WA Intermediate Bond Fund (WATIX)
- WA Active Bond Portfolios
- WA Core Portfolios
- WA Core Plus Portfolios
- WA Intermediate Portfolios

Credit

- WA Corporate Bond Fund (SIGYX)
- WA Short Duration High Income Fund (SHIYX)
- WA High Yield Fund (WAHYX)
- WA Corporate Bond Ladders
- WA Intermediate Corporate Portfolios

Mortgage / Asset-Backed

- WA Mortgage Total Return Fund (SGVAX)²

US Municipals

- WA Managed Municipals Fund (SMMYX)
- WA Intermediate Term Municipals Fund (SBTYX)
- WA Short Duration Municipals Income Fund (SMDYX)
- WA Municipal High Income Fund (LMHIX)
- WA California Municipals Fund (LMCUX)
- WA Intermediate Maturity CA Municipals Fund (SICYX)
- WA New York Municipals Fund (SNPYX)
- WA Intermediate Maturity New York Municipals Fund (LMIIX)
- WA Massachusetts Municipals Fund (LHMIX)
- WA New Jersey Municipals Fund (LNJIX)
- WA Pennsylvania Municipals Fund (LPPIX)
- WA Oregon Municipals Fund (LMOOX)
- WA Current Market Muni Portfolios
- WA Managed Municipals Portfolios
- WA Municipal Bond Ladders
- WA Municipal Impact Bond Ladders
- WA Municipal Opportunities
- WA Short-Term Muni Portfolios

Unconstrained / Alternatives

- WA Income Fund¹ (SDSYX)
- WA Macro Opportunities Fund (LAOIX)
- WA Total Return Unconstrained Fund (WAARX)

Emerging Markets Debt

- WA Emerging Markets Debt Fund (SEMDX)

Short Duration

- WA Ultra-Short Income Fund³ (SBAYX)
- WA Short Term Bond Fund (SBSYX)
- WA Enhanced Cash Portfolios

Inflation-Linked

- WA Inflation Indexed Plus Bond Fund (WAIIX)

¹Prior to March 31, 2018, this fund was known as Western Asset Global Strategic Income Fund. ²Prior to September 27, 2019 this fund was known as Western Asset Mortgage Backed Securities Fund. ³Prior to April 22, 2020, this fund was known as the Western Asset Adjustable Rate Income Fund.
The listed products may not be available at all broker/dealer firms.

Before investing, carefully consider a Fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, which is available at www.franklintempleton.com. Please read it carefully.

Business Update

Organizational and Product Updates

- Since 2020, launched four collateralized loan obligations (CLOs) resulting in just under \$1.5 billion in assets
- Fund launched:
 - Western Asset Global Sustainable Corporate Bond Fund

Tools and Resources

- Client portal
- WISER, a proprietary fixed-income risk analysis system
- Liability Driven Investing (LDI) portfolio modelling capabilities
- www.westernasset.com
- www.westernassetfunds.com
- Western Asset App – featuring our latest perspectives at your fingertips, now with notification



Thought Leadership and Industry Recognition



Insights

- 4Q22 Market Commentary by CIO Ken Leech
- Prospects for Inflation's Decline by Michael J. Bazdarich, PhD



Key Convictions

- An at-a-glance dashboard that presents the Firm's overall investment views

Global Outlook

- A high-level summary of our forward-looking investment views each quarter

The Western Asset Blog

- December CPI Data Put the Ball in the Fed's Court by Michael J. Bazdarich
- Reflecting on COP27, and Looking Ahead to 2023 by Bonnie M. Wongtrakool, CFA
- A More Forward-Looking Monetary Policy by John L. Bellows, PhD
- Can CLO Equity Outperform If the Economy Tips Into Recession? by Jeff Helsing



Webcasts

- 1Q23 Market and Strategy Update Featuring CIO Ken Leech
- Strategy Update: Core and Core Plus Featuring John L. Bellows, PhD and Travis M. Carr, CFA – February 9

Recognition

- Western Asset has been named a 2021 Greenwich Quality Leader in U.S. Institutional Investment Management Service



Awards and Rankings are provided from independent third parties or industry publications and are based on unbiased quantitative and/or qualitative information determined independently by each 3rd party or publication. In some cases, Western Asset may subscribe to these 3rd party's standard industry services or publications. These standard subscriptions and services are available to all asset managers and do not influence rankings or awards in any way. 1534711

Philosophy, Process and People

Investment Philosophy

These are the core beliefs that drive our investment decision-making.

Long-term fundamental value

- **Markets often misprice securities.** Prices can deviate from fundamental fair value, but over time, they typically adjust to reflect inflation, credit quality fundamentals and liquidity conditions. Consistently investing in undervalued securities may deliver attractive investment returns.
- **We can systematically identify mispricings.** We believe we can identify and capitalize on markets and securities that are priced below fundamental fair value. We do this through disciplined and rigorous analysis, comparing prices to the fundamental fair values estimated by our macroeconomic and credit research teams around the globe.
- **Our portfolios emphasize our highest convictions.** The greater the difference between our view of fair value and markets' pricing, the bigger the potential value opportunity. The greater the degree of confidence in our view of fundamentals, the greater the emphasis of the strategies in our portfolios.

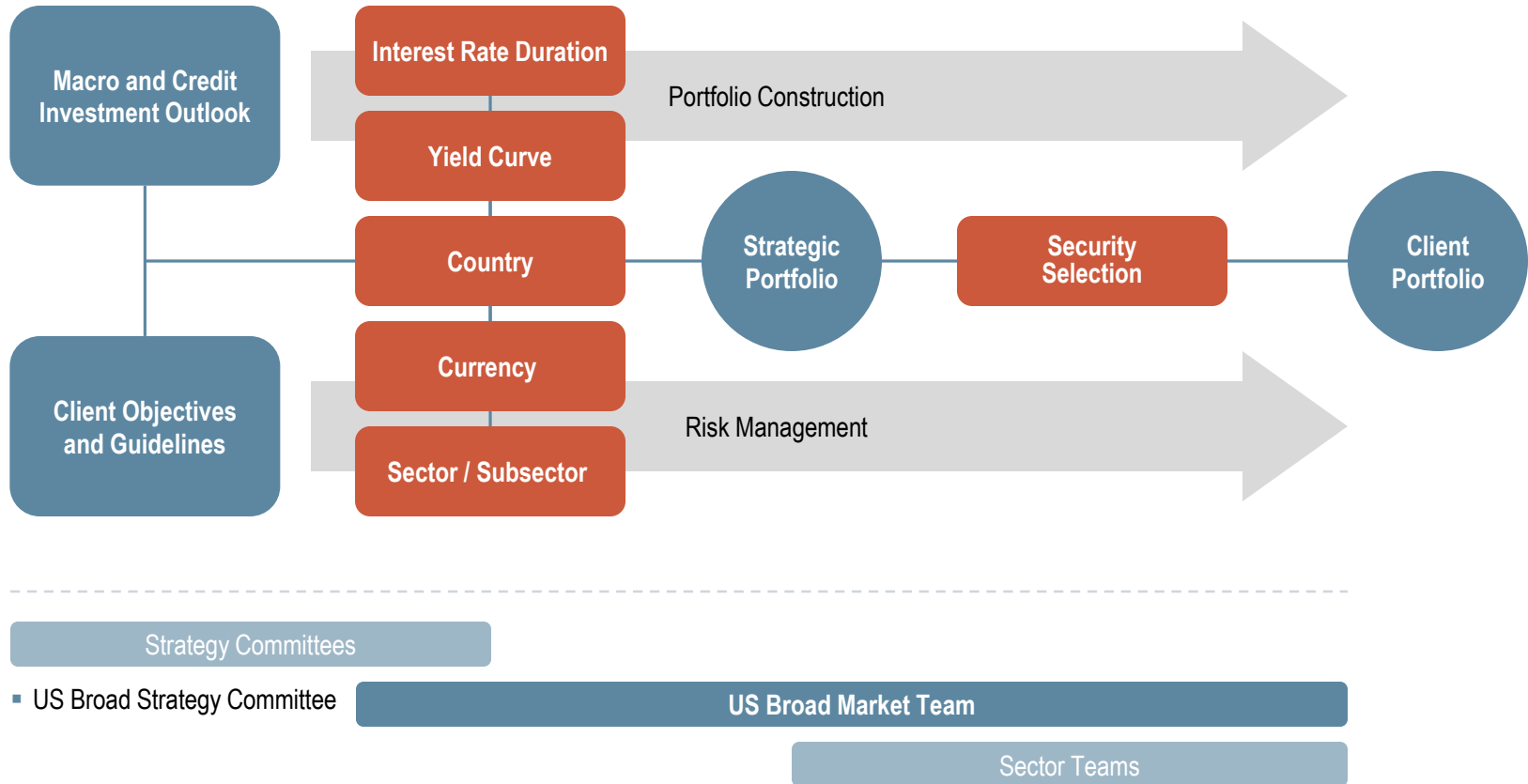
Multiple diversified strategies

- **We seek diversified sources of returns.** Our objective is to meet or exceed our investors' performance objectives within their tolerances for risk. We seek to diversify investments and add value across interest rate duration, yield curve, sector allocation, security selection, country and currency strategies. We deploy multiple diversified strategies that benefit in different environments so no one strategy dominates performance, helping to dampen volatility.

Investment Process

Our time-tested investment process is designed around our value philosophy and our team-based approach.

US Broad Market Investment Process and Team Interaction



People

The US Broad Strategy Committee sets the overall themes for the US broad market investment strategies.

US Broad Strategy Committee

S. Kenneth Leech
Chief Investment Officer

John L. Bellows, CFA
Fed Policy /
US Broad Market

Ryan K. Brist, CFA
Investment-Grade
Credit

Michael C. Buchanan, CFA
Deputy CIO /
Global Credit

Amit Chopra, CFA
Long Duration /
US Broad Market

Greg E. Handler, CFA
Mortgage and
Consumer Credit

Kevin K. Kennedy
Liquidity

Walter E. Kilcullen
High Yield

Chia-Liang Lian, CFA
Emerging Markets

Mark S. Lindbloom
US Broad Market

Frederick R. Marki, CFA
Inflation-Linked

Dennis J. McNamara, CFA
US Broad Market

Rajiv Sachdeva
Portfolio &
Quantitative Analysis

Julien A. Scholnick, CFA
US Broad Market

Bonnie M. Wongtrakool, CFA
ESG Investments

- Sets macro and sector investment themes
- Meets weekly to evaluate and establish the US investment outlook over a 6-9 month horizon.
 - Within the context of our global investment outlook
 - Based on long-term economic developments and market valuations
 - Leveraging sector input and broad top-down analysis
- Evaluates risk factors and potential scenarios. Sets the risk tone for US investment strategies

People

The US Broad Strategy Committee sets the overall themes for the US broad market investment strategies.

US Broad Market Team

Portfolio Management

S. Kenneth Leech
Portfolio Manager / CIO

Scott M. Beatty, CFA
Portfolio Manager

John L. Bellows, PhD, CFA
Portfolio Manager

Amit Chopra, CFA
Portfolio Manager

Eugene J. Kirkwood
Portfolio Manager (SMAs)

Mark S. Lindbloom
Portfolio Manager

Keith A. Luna, CFA
Portfolio Manager

Frederick R. Marki, CFA
Portfolio Manager

Nicholas Mastroianni, CFA
Portfolio Manager

Julien A. Scholnick, CFA
Portfolio Manager

Molly Schwartz, CFA
Portfolio Manager

Stephen Sibley, CFA
Portfolio Manager (SMAs)

Theresa Veres
Portfolio Manager

Bonnie M. Wongtrakool, CFA
Portfolio Manager

Rafael Zielonka, CFA
Portfolio Manager

Derivatives

Scott M. Beatty, CFA¹
Portfolio Manager

Jim K. Huynh
Portfolio Manager

Keith A. Luna, CFA¹
Portfolio Manager

Risk Management

Robert Gingrich, PhD
Manager of Alternatives & Derivatives Risk

Pornatawee Nantamanasikarn, PhD
Portfolio Risk Manager

Product

Travis M. Carr, CFA
Product Specialist

Virgil Esguerra
Product Analyst

Douglas Wade, CFA
Product Specialist

Trading

Nicholas Mastroianni, CFA¹
Trader

Ian J. Smith, CFA²
Trader

Rafael Zielonka, CFA¹
Trader

Portfolio Analysis

Todd R. Cronin³
Portfolio Analyst/Trader (SMAs)

Ryan Jackson
Portfolio Analyst

Zachary Klein, CFA
Portfolio Analyst

Samantha Ritenband
Portfolio Analyst (SMAs)

John Rodli, CFA
Portfolio Analyst

Western Asset Investment Team

Investment Management Professionals

- Chief Investment Officer: S. Kenneth Leech
- Deputy CIO: Michael C. Buchanan
- Investment Professionals on five continents and seven offices, as of
- years of average experience

Major Investment Committees

- Global Investment Strategy Committee
- Global Credit Committee
- US Broad Strategy Committee
- Global Emerging Markets Strategy Committee
- Unconstrained Asset Allocation Committee

Sector and Regional Teams

- | | |
|------------------------------|-------------------------|
| Global credit | US |
| Investment-grade | Europe |
| High-yield | UK |
| Emerging markets | Japan |
| Mortgage and consumer credit | Asia |
| Long duration | Brazil |
| US municipal | Australia / New Zealand |
| Liquidity | |
| Insurance | |

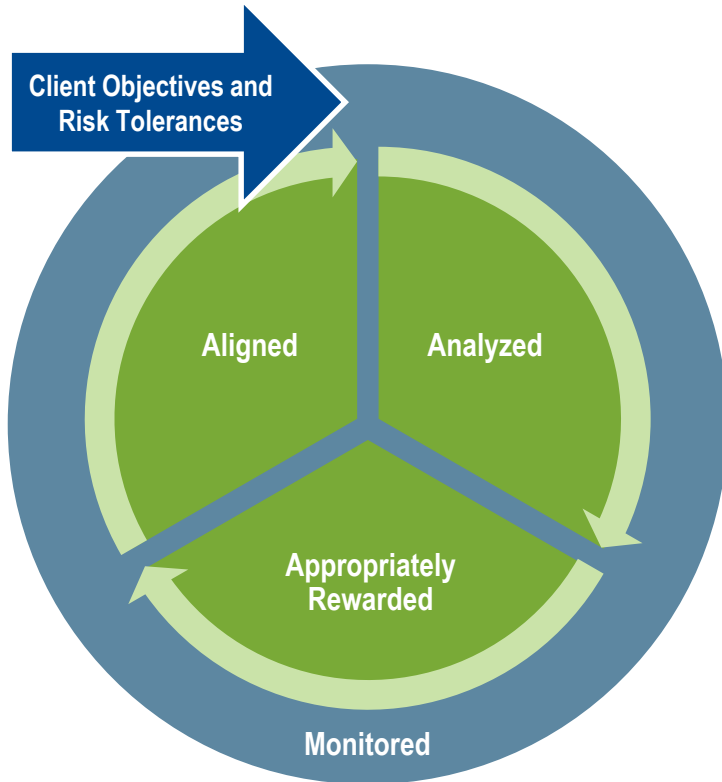
Independent Risk Management Function

- Chief Risk Officer: Ahmet E. Kocagil
- Independent evaluation of strategies and risks
- Market and Credit Risk Committee
- investment risk professionals

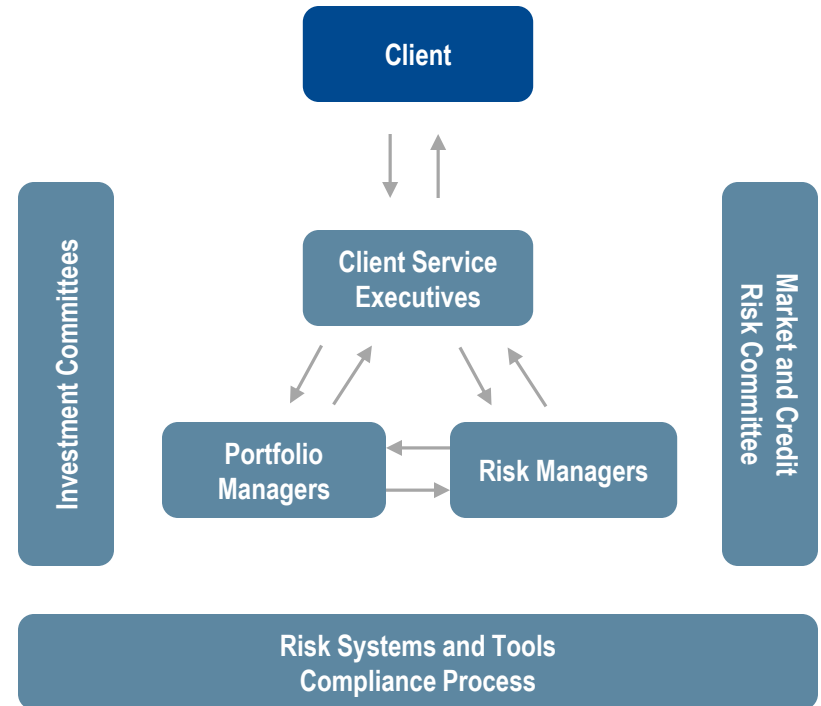
Risk Management

In our culture, effective risk management is critical to successful portfolio management.

Integrating risk management into portfolio construction and in the independent review of portfolio risks strengthens its effectiveness.



Risk management is a team effort. Robust communication and escalation procedures underpin the independence and transparency of risk management.



Why Western Asset for Separately Managed Accounts (SMAs)?

\$22.0 billion of SMA assets under management¹ with long-term track records

SMA suite of offerings allows clients to invest in domestic and global fixed-income markets

- Municipals
 - Short-Term Muni
 - Current Market Muni
 - Municipal Bond Ladders
 - Municipal Impact strategies
 - Municipal Opportunities
 - Managed Municipals
 - Tax-managed strategies
 - Custom portfolios
- Corporates
 - Enhanced Cash
 - Government Securities Management (GSM)
 - Active Bond strategies
 - Core and Core Plus Portfolios
 - Ladders Portfolios
 - Custom portfolios

Incorporation of Western Asset's macro themes within an SMA portfolio

Experienced team across credit, quantitative research and sector-dedicated risk analysts

Analytics and systems tailored to provide scale and reporting to large numbers of SMA portfolios

Flexibility to manage to a variety of custom, individual, client-driven preferences (e.g., state preferences, income considerations)

Access to inventory and competitively-priced securities driven by activity in market

Tax-efficient processes consider ability to harvest gains/losses as beneficial for the client

Ongoing credit analysis of all positions by Western Asset's Research Team

The listed products may not be available at all broker/dealer firms.
¹Assets under management in USD (billions) as of 31 Dec 22.

Western Asset Enhanced Cash Portfolios

IMPORTANT INFORMATION:

RISKS:

All investments involve risk, including the loss of principal, and there is no guarantee that investment objectives will be met.

Fixed income securities are subject to interest rate and credit risk, which is a possibility that the issuer of a security will be unable to make interest payments and repay the principal on its debt. As interest rates rise, the price of fixed income securities falls.

Investments may also be made in mortgage-backed, asset-backed securities and taxable municipal securities. Asset-backed securities generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments. Mortgage-backed securities involve additional risk over more traditional fixed-income investments, including: interest rate risk, implied call and extension risks; and the possibility of premature return of principal due to mortgage prepayment, which can reduce expected yield and lead to price volatility.

Foreign securities, where permitted, are subject to the additional risks of fluctuations in foreign exchange rates, changes in political and economic conditions, foreign taxation, and differences in auditing and financial standards. These risks are magnified in the case of investments in emerging markets.

U.S. Treasuries are direct debt obligations issued and backed by the “full faith and credit” of the U.S. government. The U.S. government guarantees the principal and interest payments on U.S. Treasuries when the securities are held to maturity. Unlike U.S. Treasuries, debt securities issued by the federal agencies and instrumentalities and related investments may or may not be backed by the full faith and credit of the U.S. government. Even when the U.S. government guarantees principal and interest payments on securities, this guarantee does not apply to losses resulting from declines in the market value of these securities.

For tax-exempt securities, certain investors may be subject to the Federal Alternative Minimum Tax, and state and local taxes may apply. Capital gains, if any, are fully taxable. Depends on individual tax situation.

TAX:

Franklin Templeton, its affiliates, and its employees are not in the business of providing tax or legal advice to taxpayers. These materials and any tax-related statements are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties or complying with any applicable tax laws or regulations. Tax-related statements, if any, may have been written in connection with the “promotion or marketing” of the transaction(s) or matter(s) addressed by these materials, to the extent allowed by applicable law. Any such taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor.

BENCHMARK:

The Bloomberg 1-3 Year Government Bond Index is a broad measure of the performance of short-term government bonds. The index is not managed and not subject to management or brokerage commission. Income from coupon is subject to reinvestment. The FTSE 3-Month U.S. Treasury Bill Index is an index based upon the average monthly yield of the 90-day Treasury bills. U.S. Treasury bills are secured by the “full faith and credit” of the U.S. government and offer a fixed rate of return. The portfolio composition typically varies from that of the above-noted, unmanaged indices. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

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Western Asset Enhanced Cash Portfolios

Overview

- The Enhanced Cash SMA invest in short-term investment-grade securities with a maximum portfolio duration of two years or less and benchmarked to a variety of short-term indexes, such as the FTSE 3-Month U.S. Treasury Bill and the Bloomberg 1-3 Year Government Bond Index

Philosophy

- We believe that active portfolio management within a low volatility corporate liquidity framework can help preserve capital, maintain liquidity, and maximize total return

Objectives

- The strategy seeks total return superior to money market investment

Client-focused solutions

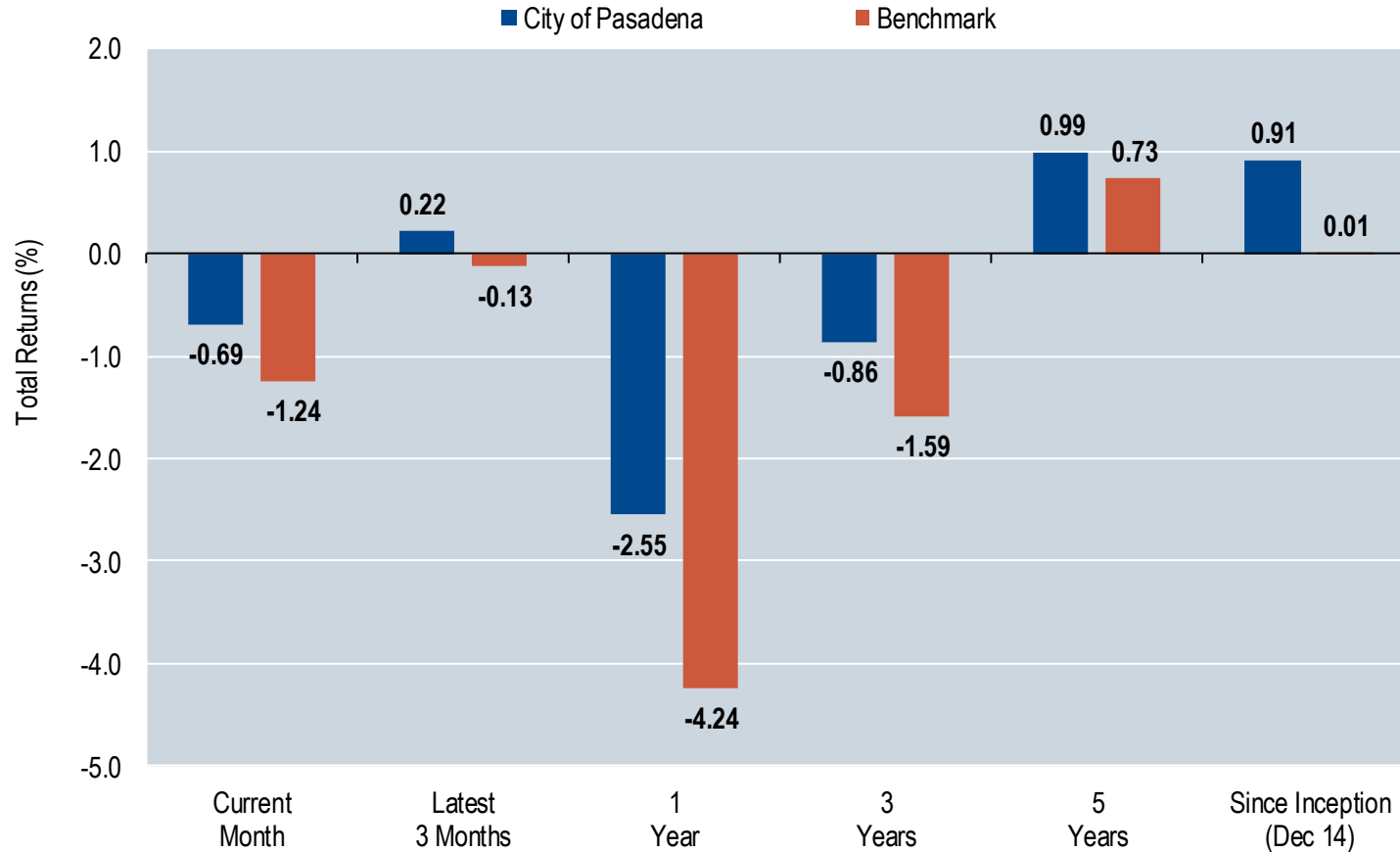
- Portfolios can be tailored to adhere to investment policy statements, client objectives and/or cash flow needs

City of South Pasadena

Investment Results

City of Pasadena vs. Bloomberg 1-5 Year Government Bond Index

Preliminary February 28, 2023



Source: Franklin Templeton

Past performance is not a guarantee of future results. Please see GIPS® Report in the Appendix for important additional information regarding the portfolio performance shown and for effects of fees. Management and performance of individual accounts may vary for reasons that include the existence of different implementation practices and model requirements in different investment programs. Pure gross of fee returns do not reflect the deduction of any expenses, including transaction costs. Net performance includes the deduction of a 1.5% annual wrap fee, which is the maximum anticipated wrap fee for fixed income portfolios. Actual fees may vary. For fee schedules, contact your financial professional, or if you enter into an agreement directly with Legg Mason Private Portfolio Group ("LMPPG"), refer to LMPPG's Form ADV disclosure document. Returns reflect the reinvestment of dividends and other earnings. All performance is reported in US dollars. Returns for periods greater than one year are annualized.

Characteristics

City of South Pasadena vs. Bloomberg 1-5 Year Government Bond Index

February 28, 2023

Client Account			
Sector	% Held		
USD	100.00	Communications	0.98
Cash	0.21	Consumer Cyclical	3.21
U.S. Government	70.64	Consumer Non-Cyclical	3.96
Treasury	70.64	Technology	2.45
Nominal Pay	70.64	Transportation	1.49
Agency	0.00	Finance	13.59
Credit	29.15	Banking	8.42
Corporate	29.15	Brokerage/Asset Managers/Exchanges	1.98
Industrial	15.56	Insurance	3.2
Capital Goods	3.47		

Benchmark	
Sector	% Held
USD	100.00
Cash	0.00
U.S. Government	100.00
Treasury	96.14
Nominal Pay	96.14
Agency	3.86

Source: BondEdge, Western Asset

Swaps are not included in maturity years, effective duration years and coupon distribution. Forward Rate Agreements are excluded from all categories except sector.

This information does not constitute, and under no circumstances is to be construed as, investment advice or recommendations with respect to the securities listed and should not be the sole basis for any investment decision. The above summary/prices/quotes/statistics have been obtained from sources we believe to be reliable, but we cannot guarantee its accuracy or completeness. Your Client Statement is the official record of your account. Therefore, if there are any discrepancies between this report and your client statement, you should rely upon the Client Statement and call your financial professional with any questions.

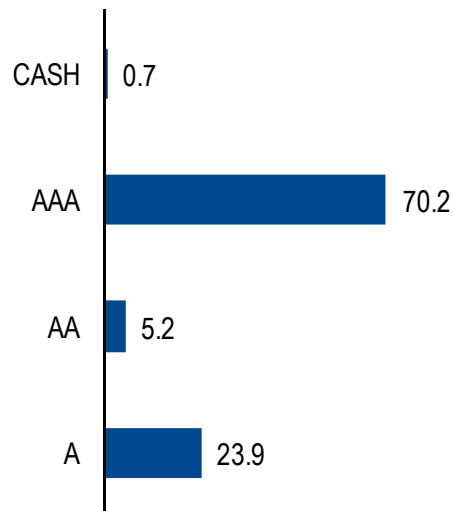
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Characteristics

City of South Pasadena vs. Bloomberg 1-5 Year Government Bond Index

February 28, 2023

Client Account (%)



Benchmark (%)



Client Account	
Duration (yrs)	1.91
Average Maturity (yrs)	2.06
Yield to Worst (%)	4.86

Benchmark Characteristics	
Duration (yrs)	2.63
Average Maturity (yrs)	2.79
Yield to Worst (%)	4.64

Source: BondEdge, Western Asset

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City of South Pasadena Holdings

Holdings (1/3)

City of South Pasadena

February 28, 2023

Sector 1	Par (000)	Identifier	Issuer Name	Coupon	Maturity	Moody's	S&P	Price	Curr			Eff Dur		% Held	
									Yield	YTW	YTM	Avg Life	(Par)		Mkt Value
CASH	321			4.60	0.09			100.00	4.60	4.74	4.74	0.08	0.08	321,000	0.68
	321	000000CM9	CASH & EQUIVALENTS	4.60	03/31/2023	Aaa	AAA	100.00	4.60	4.74	4.74	0.08	0.08	321,000	0.68
TSY	34,977			1.66	2.12			94.29	1.76	4.76	4.76	2.12	1.98	33,104,184	70.18
	2,648	912828S35	UNITED STATES TREAS NTS	1.38	06/30/2023	TSY	TSY	98.81	1.39	4.95	4.95	0.33	0.32	2,622,503	5.56
	1,471	91282CDA6	UNITED STATES TREAS BDS	0.25	09/30/2023	TSY	TSY	97.22	0.26	5.13	5.13	0.58	0.57	1,431,676	3.03
	1,065	91282CDE8	UNITED STATES TREAS NTS	4.73	10/31/2023	TSY	TSY	99.97	4.74	4.92	4.92	0.67	-0.02	1,068,559	2.27
	2,133	9128285P1	UNITED STATES TREAS NTS	2.88	11/30/2023	TSY	TSY	98.36	2.92	5.12	5.12	0.75	0.72	2,113,160	4.48
	2,036	912828W71	UNITED STATES TREAS NTS	2.13	03/31/2024	TSY	TSY	96.82	2.20	5.18	5.18	1.08	1.04	1,989,122	4.22
	2,888	912828X70	UNITED STATES TREAS NTS	2.00	04/30/2024	TSY	TSY	96.46	2.07	5.16	5.16	1.17	1.12	2,804,941	5.95
	2,753	91282CDB4	UNITED STATES TREAS NTS	0.63	10/15/2024	TSY	TSY	93.28	0.67	4.98	4.98	1.67	1.57	2,574,345	5.46
	2,500	91282CGG0	UNITED STATES TREAS NTS	4.13	01/31/2025	TSY	TSY	98.69	4.18	4.84	4.84	1.92	1.82	2,475,252	5.25
	2,539	912828ZF0	UNITED STATES TREAS NTS	0.50	03/31/2025	TSY	TSY	91.64	0.55	4.76	4.76	2.08	2.02	2,331,930	4.94
	2,320	912828ZW3	UNITED STATES TREAS NTS	0.25	06/30/2025	TSY	TSY	90.39	0.28	4.64	4.64	2.33	2.27	2,098,016	4.45
	2,077	91282CAZ4	UNITED STATES TREAS NTS	0.38	11/30/2025	TSY	TSY	89.32	0.42	4.55	4.55	2.75	2.67	1,857,185	3.94
	2,215	91282CBH3	UNITED STATES TREAS NTS	0.38	01/31/2026	TSY	TSY	88.83	0.42	4.50	4.50	2.92	2.83	1,968,183	4.17
	2,062	91282CBT7	UNITED STATES TREAS NTS	0.75	03/31/2026	TSY	TSY	89.47	0.84	4.44	4.44	3.08	2.96	1,851,349	3.92
	2,598	91282CCW9	UNITED STATES TREAS NTS	0.75	08/31/2026	TSY	TSY	88.25	0.85	4.41	4.41	3.50	3.37	2,292,631	4.86
	1,400	91282CFM8	UNITED STATES TREAS NTS	4.13	09/30/2027	TSY	TSY	99.46	4.15	4.26	4.26	4.58	4.04	1,416,411	3.00
	2,272	91282CGH8	UNITED STATES TREAS NTS	3.50	01/31/2028	TSY	TSY	96.95	3.61	4.19	4.19	4.92	4.42	2,208,923	4.68
IND	7,585			2.71	1.74			95.97	2.83	5.04	5.04	1.76	1.63	7,349,784	15.58
	470	369550BD9	GENERAL DYNAMICS CORP	3.38	05/15/2023	A3	A-	99.60	3.39	5.21	5.21	0.25	0.20	472,663	1.00

Source: BondEdge, Western Asset

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Holdings (2/3)

City of South Pasadena

February 28, 2023

Sector 1	Par (000)	Identifier	Issuer Name	Coupon	Maturity	Moody's	S&P	Price	Curr			Eff Dur		% Held	
									Yield	YTW	YTM	Avg Life	(Par)		Mkt Value
	466	12189LAQ4	BURLINGTON NORTHN SANTA FE	3.85	09/01/2023	A3	AA-	99.33	3.88	5.21	5.21	0.50	0.48	471,680	1.00
	237	17275RBH4	CISCO SYS INC	2.20	09/20/2023	A1	AA-	98.45	2.24	5.04	5.04	0.58	0.54	235,603	0.50
	473	24422EUM9	DEERE JOHN CAPITAL CORP	3.65	10/12/2023	A2	A	99.11	3.68	5.11	5.11	0.58	0.59	475,322	1.01
	469	14912L5X5	CATERPILLAR FINL SVCS MTNS B	3.75	11/24/2023	A2	A	99.09	3.79	5.02	5.02	0.75	0.70	469,306	0.99
	237	88579YBB6	3M CO	3.25	02/14/2024	A1	A	97.88	3.32	5.54	5.54	1.00	0.92	232,280	0.49
	468	20030NCR0	COMCAST CORP NEW	3.70	04/15/2024	A3	A-	98.20	3.77	5.36	5.36	1.17	1.06	465,987	0.99
	478	882508BB9	TEXAS INSTRS INC	2.63	05/15/2024	Aa3	A+	97.07	2.70	5.15	5.15	1.25	1.15	467,570	0.99
	242	69371RQ25	PACCAR FINANCIAL CORP	2.15	08/15/2024	A1	A+	95.66	2.25	5.27	5.27	1.50	1.40	231,683	0.49
	241	911312BT2	UNITED PARCEL SVCS INC	2.20	09/01/2024	A2	A	95.73	2.30	5.18	5.18	1.50	1.43	233,316	0.49
	490	191216CL2	COCA COLA CO	1.75	09/06/2024	A1	A+	95.98	1.82	4.51	4.51	1.50	1.46	474,409	1.01
	483	713448EQ7	PEPSICO INC	2.25	03/19/2025	A1	A+	94.74	2.38	4.97	4.97	2.08	1.94	462,384	0.98
	487	87612EBL9	TARGET CORP	2.25	04/15/2025	A2	A	94.47	2.38	5.02	5.02	2.17	2.01	464,137	0.98
	472	437076BK7	HOME DEPOT INC	3.35	09/15/2025	A2	A	96.07	3.49	5.01	5.01	2.58	2.30	460,629	0.98
	513	110122DN5	BRISTOL-MYERS SQUIBB CO	0.75	11/13/2025	A2	A+	89.56	0.84	4.91	4.91	2.75	2.60	460,586	0.98
	523	742718FP9	PROCTER & GAMBLE CO	1.00	04/23/2026	Aa3	AA-	89.08	1.12	4.77	4.77	3.17	3.01	467,710	0.99
	485	458140AU4	INTEL CORP	2.60	05/19/2026	A2	A	92.82	2.80	5.04	5.04	3.25	2.97	453,621	0.96
	351	023135CP9	AMAZON COM INC	4.55	12/01/2027	A1	AA	98.87	4.60	4.82	4.82	4.75	4.11	350,900	0.74
FIN	6,668			2.93	2.19			95.36	3.07	5.18	5.20	2.05	1.92	6,397,626	13.56
	594	05531FBF9	TRUIST FINL CORP	3.75	12/06/2023	A3	A-	99.01	3.79	5.06	5.06	0.75	0.73	593,211	1.26
	467	09247XAL5	BLACKROCK INC	3.50	03/18/2024	Aa3	AA-	98.36	3.56	5.11	5.11	1.08	0.99	466,610	0.99
	235	59156RBH0	METLIFE INC	3.60	04/10/2024	A3	A-	97.83	3.68	5.63	5.63	1.08	1.05	233,141	0.49

Source: BondEdge, Western Asset

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Holdings (3/3)

City of South Pasadena

February 28, 2023

Sector 1	Par (000)	Identifier	Issuer Name	Coupon	Maturity	Moody's	S&P	Price	Curr			Eff Dur		% Held	
									Yield	YTW	YTM	Avg Life	(Par)		Mkt Value
	470	00440EAR8	CHUBB INA HLDGS INC	3.35	05/15/2024	A3	A	97.69	3.43	5.33	5.33	1.25	1.15	463,662	0.98
	598	91324PDR0	UNITEDHEALTH GROUP INC	2.38	08/15/2024	A3	A+	95.99	2.47	5.26	5.26	1.50	1.40	574,527	1.22
	610	693475AY1	PNC FINL SVCS GROUP INC	2.20	11/01/2024	A3	A-	95.41	2.31	5.09	5.09	1.67	1.60	586,344	1.24
	504	91159HHZ6	US BANCORP	1.45	05/12/2025	A2	A+	92.26	1.57	5.21	5.21	2.17	2.10	467,127	0.99
	827	46625HMN7	JPMORGAN CHASE & CO	3.90	07/15/2025	A1	A-	97.14	4.02	5.19	5.19	2.42	2.15	807,184	1.71
	585	06051GFS3	BANK AMER CORP MEDIUM TERM	3.88	08/01/2025	A2	A-	97.15	3.99	5.14	5.14	2.42	2.26	570,034	1.21
	257	74432QCH6	PRUDENTIAL FINL INC	1.50	03/10/2026	A3	A	90.13	1.66	5.05	5.05	3.00	2.86	233,441	0.49
	524	808513BR5	CHARLES SCHWAB CORP	1.15	05/13/2026	A2	A	88.31	1.30	5.15	5.15	3.25	3.05	464,481	0.98
	477	06406RBJ5	BANK NEW YORK MELLON CORP	4.41	07/24/2026	A1	A	98.01	4.50	5.31	5.47	2.42	2.23	469,487	1.00
	520	857477BS1	STATE STR CORP	2.20	02/07/2028	A1	A	89.94	2.45	5.05	5.09	3.92	3.69	468,377	0.99
Total:	49,551			2.01	2.06			94.73	2.13	4.86	4.87	2.04	1.91	47,172,594	100.00

Source: BondEdge, Western Asset

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Appendix

Risk Disclosure

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