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## CITY OF ANN ARBOR

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Reports for the period September 1, 2010 – September 30, 2010

Please contact Accounting by calling the number above or email [camreports@cutwater.com](mailto:camreports@cutwater.com) with questions concerning this report.

## Fixed Income Market Review September 30, 2010

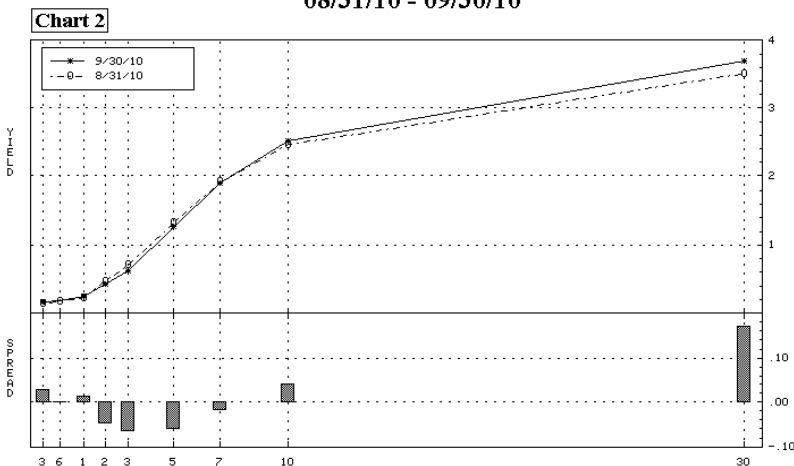
**Fed Funds Effective Rate & Two-Year Treasury Yield**  
09/30/00 - 09/30/10



**Economic Indicators & Monetary Policy** – It has been over three years since the Federal Open Market Committee (FOMC) entered the current easing cycle by reducing the federal funds target rate from 5.25 percent to 4.75 percent on September 18, 2007. By the end of April 2008, the FOMC had lowered the target rate to 2 percent with cumulative rate cuts of 325 basis points in just over 6 months. The FOMC eventually cut the target rate to a target range of zero to 0.25 percent by the end of 2008, where it still stands today. With a strong correlation to the federal funds rate, the two-year Treasury yield also moved lower. (See Chart 1.) The two-year Treasury yield has averaged 1.46 percent since September 2007, and it is currently trading at 0.42 percent, very close to the all-time low of 0.39 percent reached in intraday trading on September 22<sup>nd</sup>.

Inflation remains benign, giving the Federal Reserve room to keep interest rates low. Both producer and consumer price indices increased in August for a second consecutive month, an indication that the economy isn't facing an immediate threat of deflation. Over the past year, producer prices increased 3.1 percent compared to a 1.1 percent gain in consumer prices. With the economic recovery weakening and high unemployment, businesses have been unable to pass on higher costs to consumers.

**Treasury Yield Curves**  
08/31/10 - 09/30/10



At its latest meeting on September 21<sup>st</sup>, the FOMC kept the federal funds target rate at a targeted range of zero to 0.25 percent and restated its willingness to keep interest rates “exceptionally low” for “an extended period” of time. The FOMC said that it “will maintain its existing policy of reinvesting principal payments from its securities holdings” and “is prepared to provide additional accommodation if needed.” The statement also acknowledged that the economic recovery has slowed recently and that “household spending is increasing gradually, but remains constrained by high unemployment.”

**Yield Curve & Spreads** – Treasury yields were mixed in September. After rising for the majority of the month, long-term yields moved lower following the FOMC announcement.

At the end of September, three-month Treasury bills yielded 0.16 percent, six-month Treasury bills yielded 0.19 percent, two-year Treasuries yielded 0.42 percent, five-year Treasuries yielded 1.27 percent, 10-year Treasuries yielded 2.51 percent, and 30-year bonds yielded 3.69 percent. (See Chart 2.)

**Additional Information**  
**September 30, 2010**

A current version of the investment adviser brochure, for Cutwater Investors Service Corporation, in the form of the Firm's ADV Part II is available for your review. Please contact our Client Service Desk at 1-800-395-5505 or mail your request to:

Cutwater Investor Service Corporation  
Attention: Client Services  
113 King Street  
Armonk NY 10504

A copy of the brochure will be sent to you either by mail or electronically at your option.

**City of Ann Arbor**  
**Activity and Performance Summary**  
**for the period September 1, 2010 - September 30, 2010**

<u>Amortized Cost Basis Activity Summary</u>	
<b>Beginning Amortized Cost Value</b>	234,069,225.73
Additions	
Contributions	0.00
Interest Received	448,400.00
Accrued Interest Sold	48,793.69
Gain on Sales	1,295.61
<b>Total Additions</b>	498,489.30
Deductions	
Withdrawals	8,916,700.24
Fees Paid	17,569.45
Accrued Interest Purchased	24,640.97
Loss on Sales	0.00
<b>Total Deductions</b>	(8,958,910.66)
Accretion (Amortization) for the Period	(121,640.43)
<b>Ending Amortized Cost Value</b>	225,487,163.94
Ending Fair Value	229,548,632.89
Unrealized Gain (Loss)	4,061,468.95

<u>Detail of Amortized Cost Basis Return</u>				
	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
<b>Current Holdings</b>				
Repurchase Agreement	33.65	0.00	0.00	33.65
Commercial Paper	0.00	4,066.67	0.00	4,066.67
U.S. Treasury	135,828.11	(38,359.92)	0.00	97,468.19
U.S. Instrumentality	347,866.36	(85,653.05)	0.00	262,213.31
<b>Sales and Maturities</b>				
Repurchase Agreement	2,172.35	0.00	0.00	2,172.35
U.S. Instrumentality	27,394.16	(1,694.13)	1,295.61	26,995.64
<b>Total</b>	513,294.63	(121,640.43)	1,295.61	392,949.81

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.16%	0.19%	0.19%
Overnight Repo	0.09%	0.14%	0.16%
3 Month T-Bill	0.12%	0.15%	0.15%
6 Month T-Bill	0.19%	0.21%	0.19%
1 Year T-Note	0.34%	0.32%	0.26%
2 Year T-Note	0.80%	0.71%	0.49%
5 Year T-Note	2.13%	1.90%	1.41%

<u>Summary of Amortized Cost Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	513,294.63	513,294.63
Accretion (Amortization)	(121,640.43)	(121,640.43)
Realized Gain (Loss) on Sales	<u>1,295.61</u>	<u>1,295.61</u>
Total Income on Portfolio	392,949.81	392,949.81
Average Daily Historical Cost	233,168,482.06	226,233,841.60
Annualized Return	2.05%	2.11%
Annualized Return Net of Fees	1.97%	2.03%
Annualized Return Year to Date Net of Fees	2.32%	2.38%
Weighted Average Effective Maturity in Days	635	654

**City of Ann Arbor**  
**Activity and Performance Summary**  
**for the period September 1, 2010 - September 30, 2010**

<u>Fair Value Basis Activity Summary</u>		
<b>Beginning Fair Value</b>		238,072,909.50
Additions		
Contributions	0.00	
Interest Received	448,400.00	
Accrued Interest Sold	48,793.69	
<b>Total Additions</b>		497,193.69
Deductions		
Withdrawals	8,916,700.24	
Fees Paid	17,569.45	
Accrued Interest Purchased	24,640.97	
<b>Total Deductions</b>		(8,958,910.66)
Change in Fair Value for the Period		(62,559.64)
<b>Ending Fair Value</b>		229,548,632.89

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
<b>Current Holdings</b>			
Repurchase Agreement	33.65	0.00	33.65
Commercial Paper	0.00	8,320.00	8,320.00
U.S. Treasury	135,828.11	89,332.81	225,160.92
U.S. Instrumentality	347,866.36	(139,313.67)	208,552.69
<b>Sales and Maturities</b>			
Repurchase Agreement	2,172.35	0.00	2,172.35
U.S. Instrumentality	27,394.16	(20,898.78)	6,495.38
<b>Total</b>	513,294.63	(62,559.64)	450,734.99

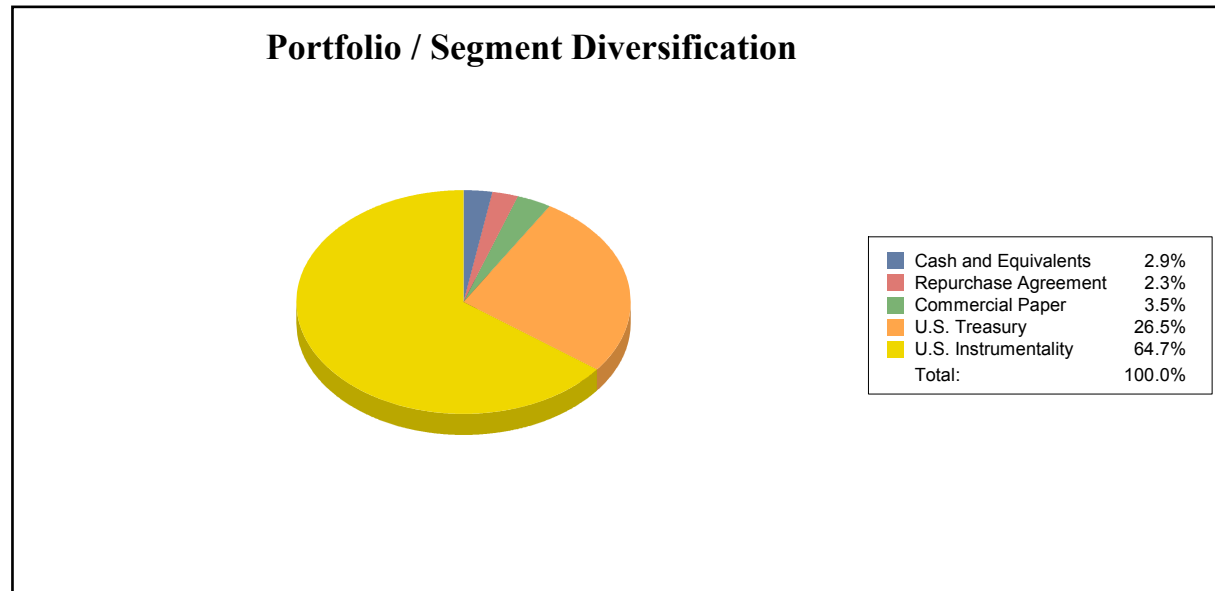
<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.16%	0.19%	0.19%
Overnight Repo	0.09%	0.14%	0.16%
3 Month T-Bill	0.13%	0.16%	0.12%
6 Month T-Bill	0.36%	0.42%	0.36%
1 Year T-Note	0.68%	0.78%	0.36%
2 Year T-Note	2.62%	3.55%	2.07%
5 Year T-Note	9.03%	15.80%	6.45%

<u>Summary of Fair Value Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	513,294.63	513,294.63
Change in Fair Value	<u>(62,559.64)</u>	<u>(62,559.64)</u>
Total Income on Portfolio	450,734.99	450,734.99
Average Daily Historical Cost	233,168,482.06	226,233,841.60
Annualized Return	2.35%	2.42%
Annualized Return Net of Fees	2.28%	2.35%
Annualized Return Year to Date Net of Fees	2.58%	2.65%
Weighted Average Effective Maturity in Days	635	654

**City of Ann Arbor  
Recap of Securities Held  
September 30, 2010**

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	6,587,829.76	6,587,829.76	6,587,829.76	0.00	1	1	2.91	0.00	0.00
Repurchase Agreement	5,267,408.96	5,267,408.96	5,267,408.96	0.00	1	1	2.32	0.23	0.00
Commercial Paper	7,963,671.11	7,968,686.67	7,977,056.00	8,369.33	232	232	3.51	0.62	0.63
U.S. Treasury	60,140,820.34	60,080,013.37	60,908,070.00	828,056.63	1,392	1,392	26.53	2.07	3.55
U.S. Instrumentality	146,710,999.47	145,583,225.18	148,808,268.17	3,225,042.99	1,117	398	64.72	2.28	1.19
<b>TOTAL</b>	<b>226,670,729.64</b>	<b>225,487,163.94</b>	<b>229,548,632.89</b>	<b>4,061,468.95</b>	<b>1,100</b>	<b>635</b>	<b>100.00</b>	<b>2.05</b>	<b>1.74</b>

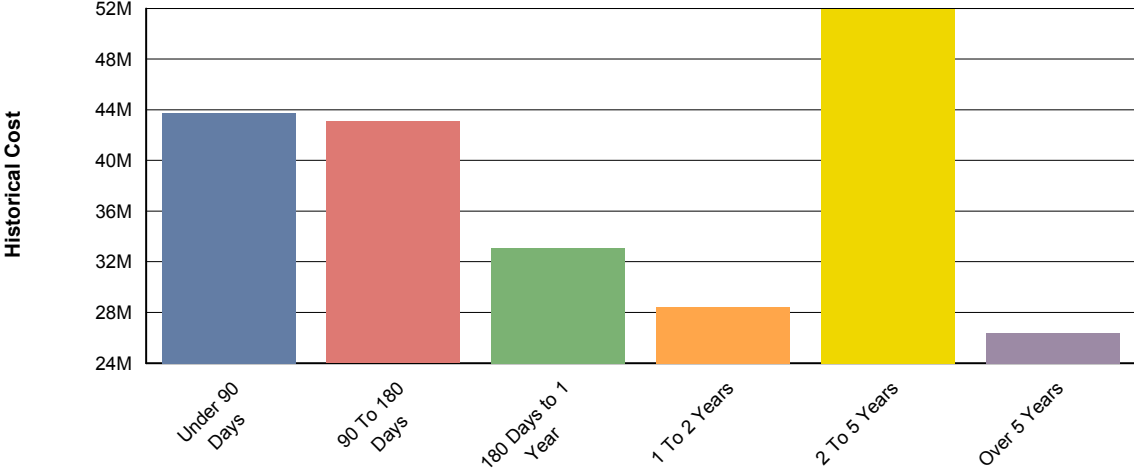
\* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Ann Arbor  
Maturity Distribution of Securities Held  
September 30, 2010**

Maturity	Historical Cost	Percent
Under 90 Days	43,750,469.92	19.30%
90 To 180 Days	43,067,061.88	19.00%
180 Days to 1 Year	33,101,914.86	14.60%
1 To 2 Years	28,419,621.43	12.54%
2 To 5 Years	51,973,175.60	22.93%
Over 5 Years	26,358,485.95	11.63%
	<b>226,670,729.64</b>	<b>100.00%</b>

**Maturity Distribution**



**City of Ann Arbor  
Securities Held  
September 30, 2010**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
<b><u>Cash and Equivalents</u></b>													
BankOne	09/30/10	0.000V		6,587,829.76	6,587,829.76 0.00	6,587,829.76 0.00	6,587,829.76 0.00	0.00	0.00	0.00	0.00	2.91	0.00
<b>TOTAL</b>				6,587,829.76	6,587,829.76 0.00	6,587,829.76 0.00	6,587,829.76 0.00	0.00	0.00	0.00	0.00	2.91	
<b><u>Repurchase Agreement</u></b>													
Morgan Stanley	09/30/10	0.230V		5,267,408.96	5,267,408.96 0.00	5,267,408.96 0.00	5,267,408.96 0.00	0.00	0.00	33.65	33.65	2.32	0.23
Collateral: 5,085,000 912828MR8 T-Note 2.375% 2/28/2015				5,267,408.96	5,267,408.96 0.00	5,267,408.96 0.00	5,267,408.96 0.00	0.00	0.00	33.65	33.65	2.32	
<b>TOTAL</b>				5,267,408.96	5,267,408.96 0.00	5,267,408.96 0.00	5,267,408.96 0.00	0.00	0.00	33.65	33.65	2.32	
<b><u>Commercial Paper</u></b>													
4497W1SL1 ING Funding	08/25/10	0.000	05/20/11	8,000,000.00	7,963,671.11 0.00	7,968,686.67 4,066.67	7,977,056.00 8,320.00	8,369.33	0.00	0.00	0.00	3.51	0.62
<b>TOTAL</b>				8,000,000.00	7,963,671.11 0.00	7,968,686.67 4,066.67	7,977,056.00 8,320.00	8,369.33	0.00	0.00	0.00	3.51	
<b><u>U.S. Treasury</u></b>													
912828EX4 T-Note	09/01/06	4.500	02/28/11	5,000,000.00	4,958,203.13 0.00	4,996,179.45 764.12	5,089,260.00 (16,795.00)	93,080.55	0.00	18,646.41	19,267.96	2.19	4.71
912828FK1 T-Note	08/15/06	5.125	06/30/11	5,000,000.00	5,046,093.75 0.00	5,007,043.54 (776.86)	5,181,445.00 (19,920.00)	174,401.46	0.00	20,889.94	64,758.83	2.23	4.91
912828MM9 T-Note	03/12/10	0.750	11/30/11	5,000,000.00	4,994,140.63 0.00	4,996,034.66 279.90	5,025,195.00 1,560.00	29,160.34	0.00	3,073.77	12,602.46	2.20	0.82
912828JD3 T-Note	07/17/08	3.375	06/30/13	5,000,000.00	5,035,937.50 0.00	5,019,925.55 (595.97)	5,384,375.00 0.00	364,449.45	0.00	13,756.79	42,646.06	2.22	3.22
912828KF6 T-Note	08/26/10	1.875	02/28/14	5,000,000.00	5,173,046.88 0.00	5,168,187.53 (4,049.46)	5,183,205.00 11,330.00	15,017.47	0.00	7,769.33	8,028.31	2.28	0.87
912828LZ1 T-Note	08/26/10	2.125	11/30/14	5,000,000.00	5,207,031.25 25,256.15	5,202,244.40 (3,989.04)	5,225,780.00 18,360.00	23,535.60	0.00	8,709.02	35,706.97	2.30	1.13
912828MR8 T-Note	08/26/10	2.375	02/28/15	5,000,000.00	5,258,593.75 0.00	5,252,941.43 (4,710.27)	5,274,200.00 16,400.00	21,258.57	0.00	9,841.16	10,169.20	2.32	1.19
912828EN6 T-Note	08/26/10	4.500	11/15/15	5,000,000.00	5,795,312.50 62,975.54	5,780,298.73 (12,511.48)	5,802,345.00 9,375.00	22,046.27	0.00	18,342.39	84,986.41	2.56	1.33



**City of Ann Arbor  
Securities Held  
September 30, 2010**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield	
<b>U.S. Treasury</b>														
912828KS8 T-Note	08/26/10	2.625	02/29/16	5,000,000.00	5,287,890.63 0.00	5,282,742.06 (4,290.48)	5,313,670.00 24,610.00	30,927.94	0.00	10,877.07	11,239.64	2.33	1.53	
912828KZ2 T-Note	09/30/10	3.250	06/30/16	2,500,000.00	2,732,617.19 20,312.50	2,732,506.42 (110.77)	2,738,750.00 6,132.81	6,243.58	0.00	220.79	20,533.29	1.21	1.55	
912828MA5 T-Note	08/26/10	2.750	11/30/16	5,000,000.00	5,291,796.88 32,684.43	5,287,205.67 (3,826.01)	5,312,500.00 20,310.00	25,294.33	0.00	11,270.50	46,209.02	2.33	1.76	
912828MS6 T-Note	08/26/10	3.000	02/28/17	5,000,000.00	5,360,156.25 0.00	5,354,703.93 (4,543.60)	5,377,345.00 17,970.00	22,641.07	0.00	12,430.94	12,845.30	2.36	1.82	
<b>TOTAL</b>				57,500,000.00	60,140,820.34 141,228.62	60,080,013.37 (38,359.92)	60,908,070.00 89,332.81	828,056.63	0.00	135,828.11	368,993.45	26.53		
<b>U.S. Instrumentality</b>														
3128X2EV3 FHLMC	Call	08/26/04	4.750	12/08/10 12/08/10	3,000,000.00	3,017,250.00 0.00	3,000,000.00 0.00	3,025,320.00 (11,421.00)	25,320.00	0.00	11,875.00	44,729.17	1.33	4.75
31331TZN4 FFCB		03/28/08	3.750	04/07/11	5,000,000.00	5,131,700.00 0.00	5,022,406.88 (3,575.56)	5,090,025.00 (12,930.00)	67,618.12	0.00	15,625.00	90,625.00	2.26	2.84
3133XR4U1 FHLB		05/23/08	3.125	06/10/11	5,000,000.00	4,940,350.00 0.00	4,986,494.34 1,607.82	5,087,575.00 (10,260.00)	101,080.66	0.00	13,020.83	48,177.08	2.18	3.54
3133XHB43 FHLB		02/19/09	4.875	10/05/11	6,765,000.00	7,242,676.65 0.00	6,948,990.28 (14,958.55)	7,074,201.09 (23,163.36)	125,210.81	0.00	27,482.81	161,232.50	3.20	2.10
31331XG30 FFCB		11/15/07	5.450	06/21/12	3,885,000.00	4,039,584.15 0.00	3,942,877.04 (2,760.43)	4,211,316.69 (11,643.35)	268,439.65	0.00	17,644.37	58,814.58	1.78	4.48
3128X8DF6 FHLMC	Call	08/21/09	2.200	06/29/12 12/29/10	4,000,000.00	4,014,000.00 0.00	4,002,517.17 (848.49)	4,015,824.00 (4,632.00)	13,306.83	0.00	7,333.33	22,488.89	1.77	1.94
3128X9TD2 FHLMC	Call	01/15/10	1.570	06/29/12 12/29/10	2,500,000.00	2,498,750.00 0.00	2,499,111.33 41.85	2,507,282.50 (2,007.50)	8,171.17	0.00	3,270.84	10,030.56	1.10	1.59
3134G1KZ6 FHLMC	Call	07/20/10	1.000	07/20/12 01/20/11	5,000,000.00	5,004,300.00 0.00	5,002,594.02 (701.09)	5,007,830.00 (775.00)	5,235.98	0.00	4,166.67	9,861.11	2.21	0.83
31331Y3X6 FFCB		08/01/08	3.950	07/23/12	5,000,000.00	4,988,100.00 0.00	4,994,582.71 245.86	5,303,340.00 (8,140.00)	308,757.29	0.00	16,458.34	37,305.56	2.20	4.02
31331YGE4 FFCB		12/31/07	4.250	12/04/12	5,000,000.00	5,040,100.00 0.00	5,017,710.83 (668.34)	5,388,460.00 (6,345.00)	370,749.17	0.00	17,708.33	69,062.50	2.22	4.07
31398ALB6 FNMA	Call	01/18/08	4.000	01/18/13 01/18/11	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,046,630.00 (12,425.00)	46,630.00	0.00	16,666.67	40,555.56	2.21	4.00
313370D96 FHLB	Call	09/01/10	1.000	02/04/13 11/04/10	4,475,000.00	4,475,000.00 3,356.25	4,475,000.00 0.00	4,477,165.90 2,165.90	2,165.90	0.00	3,729.17	7,085.42	1.97	1.00

**City of Ann Arbor  
Securities Held  
September 30, 2010**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield	
<b>U.S. Instrumentality</b>														
31359MQV8 FNMA	Call	09/18/06	4.750	02/21/13 02/21/13	5,000,000.00	4,902,300.00 0.00	4,963,632.96 1,248.29	5,474,545.00 (2,300.00)	510,912.04	0.00	19,791.67	26,388.89	2.16	5.11
31359MQV8 FNMA	Call	08/07/09	4.750	02/21/13 02/21/13	3,418,000.00	3,691,234.92 0.00	3,602,549.71 (6,334.65)	3,742,398.96 (1,572.28)	139,849.25	0.00	13,529.58	18,039.44	1.63	2.38
31359MQV8 FNMA	Call	12/09/09	4.750	02/21/13 02/21/13	2,870,000.00	3,151,231.30 0.00	3,080,082.18 (7,211.06)	3,142,388.83 (1,320.20)	62,306.65	0.00	11,360.41	15,147.22	1.39	1.60
31331GZL6 FFCB		07/01/09	2.800	06/03/13	3,000,000.00	3,018,360.00 0.00	3,012,504.79 (384.37)	3,159,240.00 2,526.00	146,735.21	0.00	7,000.00	27,533.33	1.33	2.64
31331GS83 FFCB		10/15/09	2.350	09/23/13	3,300,000.00	3,322,770.00 0.00	3,317,215.96 (474.70)	3,444,652.20 6,784.80	127,436.24	38,775.00	6,462.50	1,723.33	1.47	2.17
31398A4A7 FNMA	Call	09/27/10	1.200	09/27/13 09/27/11	5,000,000.00	5,007,750.00 0.00	5,007,665.07 (84.93)	5,013,050.00 5,300.00	5,384.93	0.00	666.67	666.67	2.21	1.04
31331GDF3 FFCB	Call	12/18/09	4.250	10/15/13 10/15/10	3,000,000.00	3,088,680.00 0.00	3,004,124.65 (8,838.54)	3,004,176.00 (9,087.00)	51.35	0.00	10,625.00	58,791.67	1.36	0.65
31331XSR4 FFCB		05/23/08	4.875	03/14/14	5,000,000.00	5,182,500.00 0.00	5,108,415.84 (2,581.33)	5,650,110.00 1,310.00	541,694.16	121,875.00	20,312.50	11,510.42	2.29	4.16
31331JQA4 FFCB		06/11/10	1.900	06/02/14	3,000,000.00	2,990,070.00 1,425.00	2,990,835.95 205.16	3,084,405.00 7,170.00	93,569.05	0.00	4,750.00	18,841.67	1.32	1.99
31398A2Y7 FNMA	Call	08/26/10	1.500	08/26/14 08/26/11	5,000,000.00	5,012,350.00 0.00	5,011,131.92 (1,015.07)	5,022,960.00 (5,335.00)	11,828.08	0.00	6,250.00	7,291.67	2.21	1.25
3133XV3P4 FHLB	Call	10/15/09	1.500V	10/15/14 10/15/10	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,002,000.00 (4,475.00)	2,000.00	0.00	6,250.00	34,583.33	2.21	1.50
3133XV3P4 FHLB	Call	10/15/09	1.500V	10/15/14 10/15/10	8,835,000.00	8,835,000.00 0.00	8,835,000.00 0.00	8,838,534.00 (7,907.32)	3,534.00	0.00	11,043.75	61,108.75	3.90	1.50
3128X96B1 FHLMC	Call	05/19/10	2.000V	04/22/15 10/22/10	7,464,000.00	7,479,301.20 11,196.00	7,466,059.78 (2,942.54)	7,471,240.08 (10,121.18)	5,180.30	0.00	12,440.00	65,932.00	3.30	1.51
3136FMK29 FNMA	Call	06/30/10	3.000	06/30/15 12/30/11	7,000,000.00	7,155,120.00 0.00	7,128,794.89 (8,491.97)	7,188,853.00 (7,924.00)	60,058.11	0.00	17,500.00	53,083.33	3.16	1.50
3134G1UE2 FHLMC	Call	09/30/10	1.000V	09/23/15 03/23/11	5,000,000.00	5,000,000.00 972.22	5,000,000.00 0.00	5,002,500.00 2,500.00	2,500.00	0.00	138.89	1,111.11	2.21	1.00
3134G1TY0 FHLMC	Call	09/24/10	1.250V	09/24/15 03/24/11	5,000,000.00	4,996,250.00 0.00	4,996,264.38 14.38	5,013,550.00 17,300.00	17,285.62	0.00	1,215.28	1,215.28	2.20	2.33
31331GY29 FFCB		10/15/09	2.900	10/09/15	1,905,000.00	1,890,712.50 0.00	1,893,007.65 196.16	2,023,298.60 1,905.00	130,290.95	0.00	4,603.75	26,394.83	0.83	3.04
3136FMR30 FNMA	Call	07/22/10	2.000V	01/21/16 01/21/11	4,117,000.00	4,132,438.75 228.72	4,126,448.85 (2,530.95)	4,132,212.32 (4,792.18)	5,763.47	0.00	6,861.67	16,010.56	1.82	1.29

**City of Ann Arbor  
Securities Held  
September 30, 2010**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
<b><u>U.S. Instrumentality</u></b>													
3128X4W72 FHLMC	Call	09/14/09	03/28/16 03/28/11	7,000,000.00	7,463,120.00 0.00	7,147,206.00 (24,810.00)	7,163,184.00 (27,699.00)	15,978.00	192,500.00	32,083.33	3,208.33	3.29	1.15
<b>TOTAL</b>				144,534,000.00	146,710,999.47 17,178.19	145,583,225.18 (85,653.05)	148,808,268.17 (139,313.67)	3,225,042.99	353,150.00	347,866.36	1,048,549.76	64.72	
<b>GRAND TOTAL</b>				221,889,238.72	226,670,729.64 158,406.81	225,487,163.94 (119,946.30)	229,548,632.89 (41,660.86)	4,061,468.95	353,150.00	483,728.12	1,417,576.86	100.00	

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Ann Arbor**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**September 30, 2010**

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<b><u>T-Note</u></b>												
912828EX4	U.S. Treasury	4.500	02/28/2011		AAA	Aaa	5,000,000.00	4,958,203.13	2.19	5,089,260.00	2.22	0.42
912828FK1	U.S. Treasury	5.125	06/30/2011		AAA	Aaa	5,000,000.00	5,046,093.75	2.23	5,181,445.00	2.26	0.74
912828MM9	U.S. Treasury	0.750	11/30/2011		AAA	Aaa	5,000,000.00	4,994,140.63	2.20	5,025,195.00	2.19	1.16
912828JD3	U.S. Treasury	3.375	06/30/2013		AAA	Aaa	5,000,000.00	5,035,937.50	2.22	5,384,375.00	2.35	2.63
912828KF6	U.S. Treasury	1.875	02/28/2014		AAA	Aaa	5,000,000.00	5,173,046.88	2.28	5,183,205.00	2.26	3.31
912828LZ1	U.S. Treasury	2.125	11/30/2014		AAA	Aaa	5,000,000.00	5,207,031.25	2.30	5,225,780.00	2.28	3.97
912828MR8	U.S. Treasury	2.375	02/28/2015		AAA	Aaa	5,000,000.00	5,258,593.75	2.32	5,274,200.00	2.30	4.20
912828EN6	U.S. Treasury	4.500	11/15/2015		AAA	Aaa	5,000,000.00	5,795,312.50	2.56	5,802,345.00	2.53	4.58
912828KS8	U.S. Treasury	2.625	02/29/2016		AAA	Aaa	5,000,000.00	5,287,890.63	2.33	5,313,670.00	2.31	5.05
912828KZ2	U.S. Treasury	3.250	06/30/2016		AAA	Aaa	2,500,000.00	2,732,617.19	1.21	2,738,750.00	1.19	5.24
912828MA5	U.S. Treasury	2.750	11/30/2016		AAA	Aaa	5,000,000.00	5,291,796.88	2.33	5,312,500.00	2.31	5.64
912828MS6	U.S. Treasury	3.000	02/28/2017		AAA	Aaa	5,000,000.00	5,360,156.25	2.36	5,377,345.00	2.34	5.84
<b>ISSUER TOTAL</b>							57,500,000.00	60,140,820.34	26.53	60,908,070.00	26.53	3.53
<b><u>FHLMC</u></b>												
3128X96B1	U.S. Instrumentality	2.000	04/22/2015	10/22/2010	AAA	Aaa	7,464,000.00	7,479,301.20	3.30	7,471,240.08	3.25	0.06
3128X2EV3	U.S. Instrumentality	4.750	12/08/2010	12/08/2010	AAA	Aaa	3,000,000.00	3,017,250.00	1.33	3,025,320.00	1.32	0.19
3128X8DF6	U.S. Instrumentality	2.200	06/29/2012	12/29/2010	AAA	Aaa	4,000,000.00	4,014,000.00	1.77	4,015,824.00	1.75	0.25
3128X9TD2	U.S. Instrumentality	1.570	06/29/2012	12/29/2010	AAA	Aaa	2,500,000.00	2,498,750.00	1.10	2,507,282.50	1.09	0.25
3134G1KZ6	U.S. Instrumentality	1.000	07/20/2012	01/20/2011	AAA	Aaa	5,000,000.00	5,004,300.00	2.21	5,007,830.00	2.18	0.31
3134G1TY0	U.S. Instrumentality	1.250	09/24/2015	03/24/2011	AAA	Aaa	5,000,000.00	4,996,250.00	2.20	5,013,550.00	2.18	0.48
3128X4W72	U.S. Instrumentality	5.500	03/28/2016	03/28/2011	AAA	Aaa	7,000,000.00	7,463,120.00	3.29	7,163,184.00	3.12	0.49
3134G1UE2	U.S. Instrumentality	1.000	09/23/2015	03/23/2011	AAA	Aaa	5,000,000.00	5,000,000.00	2.21	5,002,500.00	2.18	4.74
<b>ISSUER TOTAL</b>							38,964,000.00	39,472,971.20	17.41	39,206,730.58	17.08	0.86
<b><u>FFCB</u></b>												
31331GDF3	U.S. Instrumentality	4.250	10/15/2013	10/15/2010	AAA	Aaa	3,000,000.00	3,088,680.00	1.36	3,004,176.00	1.31	0.04
31331TZN4	U.S. Instrumentality	3.750	04/07/2011		AAA	Aaa	5,000,000.00	5,131,700.00	2.26	5,090,025.00	2.22	0.51
31331XG30	U.S. Instrumentality	5.450	06/21/2012		AAA	Aaa	3,885,000.00	4,039,584.15	1.78	4,211,316.69	1.83	1.65
31331Y3X6	U.S. Instrumentality	3.950	07/23/2012		AAA	Aaa	5,000,000.00	4,988,100.00	2.20	5,303,340.00	2.31	1.75
31331YGE4	U.S. Instrumentality	4.250	12/04/2012		AAA	Aaa	5,000,000.00	5,040,100.00	2.22	5,388,460.00	2.35	2.07
31331GZL6	U.S. Instrumentality	2.800	06/03/2013		AAA	Aaa	3,000,000.00	3,018,360.00	1.33	3,159,240.00	1.38	2.57
31331GS83	U.S. Instrumentality	2.350	09/23/2013		AAA	Aaa	3,300,000.00	3,322,770.00	1.47	3,444,652.20	1.50	2.88
31331XSR4	U.S. Instrumentality	4.875	03/14/2014		AAA	Aaa	5,000,000.00	5,182,500.00	2.29	5,650,110.00	2.46	3.22
31331JQA4	U.S. Instrumentality	1.900	06/02/2014		AAA	Aaa	3,000,000.00	2,990,070.00	1.32	3,084,405.00	1.34	3.53
31331GY29	U.S. Instrumentality	2.900	10/09/2015		AAA	Aaa	1,905,000.00	1,890,712.50	0.83	2,023,298.60	0.88	4.63

**City of Ann Arbor**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**September 30, 2010**

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<b>ISSUER TOTAL</b>							38,090,000.00	38,692,576.65	17.07	40,359,023.49	17.58	2.15
<b><u>FNMA</u></b>												
31398ALB6	U.S. Instrumentality	4.000	01/18/2013	01/18/2011	AAA	Aaa	5,000,000.00	5,000,000.00	2.21	5,046,630.00	2.20	0.30
3136FMR30	U.S. Instrumentality	2.000	01/21/2016	01/21/2011	AAA	Aaa	4,117,000.00	4,132,438.75	1.82	4,132,212.32	1.80	0.31
31398A2Y7	U.S. Instrumentality	1.500	08/26/2014	08/26/2011	AAA	Aaa	5,000,000.00	5,012,350.00	2.21	5,022,960.00	2.19	0.90
31398A4A7	U.S. Instrumentality	1.200	09/27/2013	09/27/2011	AAA	Aaa	5,000,000.00	5,007,750.00	2.21	5,013,050.00	2.18	0.98
3136FMK29	U.S. Instrumentality	3.000	06/30/2015	12/30/2011	AAA	Aaa	7,000,000.00	7,155,120.00	3.16	7,188,853.00	3.13	1.22
31359MQV8	U.S. Instrumentality	4.750	02/21/2013	02/21/2013	AAA	Aaa	11,288,000.00	11,744,766.22	5.18	12,359,332.79	5.38	2.28
<b>ISSUER TOTAL</b>							37,405,000.00	38,052,424.97	16.79	38,763,038.11	16.89	1.27
<b><u>FHLB</u></b>												
3133XV3P4	U.S. Instrumentality	1.500	10/15/2014	10/15/2010	AAA	Aaa	13,835,000.00	13,835,000.00	6.10	13,840,534.00	6.03	0.04
313370D96	U.S. Instrumentality	1.000	02/04/2013	11/04/2010	AAA	Aaa	4,475,000.00	4,475,000.00	1.97	4,477,165.90	1.95	0.09
3133XR4U1	U.S. Instrumentality	3.125	06/10/2011		AAA	Aaa	5,000,000.00	4,940,350.00	2.18	5,087,575.00	2.22	0.68
3133XHB43	U.S. Instrumentality	4.875	10/05/2011		AAA	Aaa	6,765,000.00	7,242,676.65	3.20	7,074,201.09	3.08	0.98
<b>ISSUER TOTAL</b>							30,075,000.00	30,493,026.65	13.45	30,479,475.99	13.28	0.37
<b><u>ING Funding</u></b>												
4497W1SL1	Commercial Paper	0.000	05/20/2011		A-1	P-1	8,000,000.00	7,963,671.11	3.51	7,977,056.00	3.48	0.63
<b>ISSUER TOTAL</b>							8,000,000.00	7,963,671.11	3.51	7,977,056.00	3.48	0.63
<b><u>BankOne</u></b>												
	Cash and Equivalents	0.000					6,587,829.76	6,587,829.76	2.91	6,587,829.76	2.87	0.00
<b>ISSUER TOTAL</b>							6,587,829.76	6,587,829.76	2.91	6,587,829.76	2.87	0.00
<b><u>Morgan Stanley</u></b>												
	Repurchase Agreement	0.230			NR	P-1	5,267,408.96	5,267,408.96	2.32	5,267,408.96	2.29	0.00
<b>ISSUER TOTAL</b>							5,267,408.96	5,267,408.96	2.32	5,267,408.96	2.29	0.00
<b>GRAND TOTAL</b>							<b>221,889,238.72</b>	<b>226,670,729.64</b>	<b>100.00</b>	<b>229,548,632.89</b>	<b>100.00</b>	<b>1.75</b>

Highlighted totals are issuers representing 5.00% or more of the portfolio's market value.

**City of Ann Arbor  
Securities Purchased  
for the period September 1, 2010 - September 30, 2010**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
<b><u>Repurchase Agreement</u></b>								
Morgan Stanley	09/01/2010	0.190 V		15,395,843.52	100.000	15,395,843.52	0.00	0.19
Morgan Stanley	09/03/2010	0.200 V		15,396,010.31	100.000	15,396,010.31	0.00	0.20
Morgan Stanley	09/14/2010	0.200 V		13,396,934.07	100.000	13,396,934.07	0.00	0.20
Morgan Stanley	09/22/2010	0.210 V		15,169,648.91	100.000	15,169,648.91	0.00	0.21
Morgan Stanley	09/24/2010	0.210 V		10,173,580.10	100.000	10,173,580.10	0.00	0.21
Morgan Stanley	09/27/2010	0.220 V		2,966,008.14	100.000	2,966,008.14	0.00	0.22
Morgan Stanley	09/30/2010	0.230 V		5,267,408.96	100.000	5,267,408.96	0.00	0.23
<b>TOTAL</b>				77,765,434.01		77,765,434.01	0.00	
<b><u>U.S. Treasury</u></b>								
912828KZ2 T-Note	09/30/2010	3.250	06/30/2016	2,500,000.00	109.305	2,732,617.19	20,312.50	1.55
<b>TOTAL</b>				2,500,000.00		2,732,617.19	20,312.50	
<b><u>U.S. Instrumentality</u></b>								
313370D96 FHLB	Call 09/01/2010	1.000	02/04/2013 11/04/2010	4,475,000.00	100.000	4,475,000.00	3,356.25	1.00
3134G1TY0 FHLMC	Call 09/24/2010	1.250 V	09/24/2015 03/24/2011	5,000,000.00	99.925	4,996,250.00	0.00	2.33
31398A4A7 FNMA	Call 09/27/2010	1.200	09/27/2013 09/27/2011	5,000,000.00	100.155	5,007,750.00	0.00	1.04
3134G1UE2 FHLMC	Call 09/30/2010	1.000 V	09/23/2015 03/23/2011	5,000,000.00	100.000	5,000,000.00	972.22	1.00
<b>TOTAL</b>				19,475,000.00		19,479,000.00	4,328.47	

**City of Ann Arbor  
Securities Purchased  
for the period September 1, 2010 - September 30, 2010**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
<b>GRAND TOTAL</b>				<b>99,740,434.01</b>		<b>99,977,051.20</b>	<b>24,640.97</b>	

V = variable rate, opening rate shown, average rate for Cash & Equivalents

**City of Ann Arbor  
Securities Sold and Matured  
for the period September 1, 2010 - September 30, 2010**

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Accr / (Amort)	Sale/ Maturity Price	Fair Value at Sale or Maturity / Chg. In Fair Value	Realized Gain (Loss)	Accrued Interest Sold	Interest Received	Interest Earned	Yield
<b><u>Cash and Equivalents</u></b>													
BankOne	09/30/10	0.000 V		358,769.69	358,769.69	358,769.69 0.00	100.00	358,769.69 0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>				358,769.69	358,769.69	358,769.69 0.00		358,769.69 0.00	0.00	0.00	0.00	0.00	
<b><u>Repurchase Agreement</u></b>													
Morgan Stanley	09/01/10	0.200 V		19,873,973.43	19,873,973.43	19,873,973.43 0.00	100.00	19,873,973.43 0.00	0.00	226.34	0.00	0.00	0.20
Morgan Stanley	09/03/10	0.190 V		15,395,843.52	15,395,843.52	15,395,843.52 0.00	100.00	15,395,843.52 0.00	0.00	166.79	0.00	166.79	0.19
Morgan Stanley	09/14/10	0.200 V		15,396,010.31	15,396,010.31	15,396,010.31 0.00	100.00	15,396,010.31 0.00	0.00	923.76	0.00	923.76	0.20
Morgan Stanley	09/22/10	0.200 V		13,396,934.07	13,396,934.07	13,396,934.07 0.00	100.00	13,396,934.07 0.00	0.00	669.84	0.00	669.84	0.20
Morgan Stanley	09/24/10	0.210 V		15,169,648.91	15,169,648.91	15,169,648.91 0.00	100.00	15,169,648.91 0.00	0.00	181.19	0.00	181.19	0.21
Morgan Stanley	09/27/10	0.210 V		10,173,580.10	10,173,580.10	10,173,580.10 0.00	100.00	10,173,580.10 0.00	0.00	178.04	0.00	178.04	0.21
Morgan Stanley	09/30/10	0.220 V		2,966,008.14	2,966,008.14	2,966,008.14 0.00	100.00	2,966,008.14 0.00	0.00	52.73	0.00	52.73	0.22
<b>TOTAL</b>				92,371,998.48	92,371,998.48	92,371,998.48 0.00		92,371,998.48 0.00	0.00	2,398.69	0.00	2,172.35	
<b><u>U.S. Instrumentality</u></b>													
31331JSU8 FFCB	Call	09/21/10	3.500	06/21/17 10/21/10	2,748,000.00	2,750,638.08 (599.56)	100.00	2,748,000.00 (4,163.22)	0.00	24,045.00	0.00	5,343.33	3.11
31331JTL7 FFCB	Call	09/28/10	2.980	06/28/16 10/28/10	3,000,000.00	3,000,000.00 0.00	100.00	3,000,000.00 (4,959.00)	0.00	22,350.00	0.00	6,705.00	2.98
3133XTCW4 FHLB		09/30/10	1.450	09/30/10	4,200,000.00	4,220,538.00 (1,117.45)	100.00	4,200,000.00 (4,225.20)	0.00	0.00	30,450.00	4,905.83	1.11
3136FMEV2 FNMA	Call	09/30/10	2.250 V	03/30/15 09/30/10	5,760,000.00	5,758,560.00 22.88	100.00	5,760,000.00 (7,551.36)	1,295.61	0.00	64,800.00	10,440.00	2.25
<b>TOTAL</b>				15,708,000.00	15,729,736.08	15,706,704.39 (1,694.13)		15,708,000.00 (20,898.78)	1,295.61	46,395.00	95,250.00	27,394.16	



**City of Ann Arbor  
Securities Sold and Matured  
for the period September 1, 2010 - September 30, 2010**

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Accr / (Amort)	Sale/ Maturity Price	Fair Value at Sale or Maturity / Chg. In Fair Value	Realized Gain (Loss)	Accrued Interest Sold	Interest Received	Interest Earned	Yield
<b>GRAND TOTAL</b>				<b>108,438,768.17</b>	<b>108,460,504.25</b>	<b>108,437,472.56</b> <b>(1,694.13)</b>		<b>108,438,768.17</b> <b>(20,898.78)</b>	<b>1,295.61</b>	<b>48,793.69</b>	<b>95,250.00</b>	<b>29,566.51</b>	

V = variable rate, current rate shown, average rate for Cash & Cash Equivalents

**City of Ann Arbor  
Transaction Report  
for the period September 1, 2010 - September 30, 2010**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
09/01/2010	313370D96	Bought	INS	FHLB	02/04/2013	4,475,000.00	4,475,000.00	3,356.25	(4,478,356.25)	(4,478,356.25)
		Maturity Repo Lend	RP	Morgan Stanley		19,873,973.43	19,873,973.43	226.34	19,874,199.77	15,395,843.52
		Repo Bought	RP	Morgan Stanley		15,395,843.52	15,395,843.52	0.00	(15,395,843.52)	0.00
09/03/2010		Maturity Repo Lend	RP	Morgan Stanley		15,395,843.52	15,395,843.52	166.79	15,396,010.31	15,396,010.31
		Repo Bought	RP	Morgan Stanley		15,396,010.31	15,396,010.31	0.00	(15,396,010.31)	0.00
09/14/2010	31331XSR4	Interest	INS	FFCB	03/14/2014	5,000,000.00	0.00	121,875.00	121,875.00	121,875.00
		Maturity Repo Lend	RP	Morgan Stanley		15,396,010.31	15,396,010.31	923.76	15,396,934.07	15,518,809.07
		Repo Bought	RP	Morgan Stanley		13,396,934.07	13,396,934.07	0.00	(13,396,934.07)	2,121,875.00
09/21/2010	31331JSU8	Call	INS	FFCB	06/21/2017	2,748,000.00	2,748,000.00	24,045.00	2,772,045.00	4,893,920.00
09/22/2010		Maturity Repo Lend	RP	Morgan Stanley		13,396,934.07	13,396,934.07	669.84	13,397,603.91	18,291,523.91
		Repo Bought	RP	Morgan Stanley		15,169,648.91	15,169,648.91	0.00	(15,169,648.91)	3,121,875.00
09/23/2010	31331GS83	Interest	INS	FFCB	09/23/2013	3,300,000.00	0.00	38,775.00	38,775.00	3,160,650.00
09/24/2010	3134G1TY0	Bought	INS	FHLMC	09/24/2015	5,000,000.00	4,996,250.00	0.00	(4,996,250.00)	(1,835,600.00)
		Maturity Repo Lend	RP	Morgan Stanley		15,169,648.91	15,169,648.91	181.19	15,169,830.10	13,334,230.10
		Repo Bought	RP	Morgan Stanley		10,173,580.10	10,173,580.10	0.00	(10,173,580.10)	3,160,650.00
09/27/2010	31398A4A7	Bought	INS	FNMA	09/27/2013	5,000,000.00	5,007,750.00	0.00	(5,007,750.00)	(1,847,100.00)
		Maturity Repo Lend	RP	Morgan Stanley		10,173,580.10	10,173,580.10	178.04	10,173,758.14	8,326,658.14
		Repo Bought	RP	Morgan Stanley		2,966,008.14	2,966,008.14	0.00	(2,966,008.14)	5,360,650.00
09/28/2010	3128X4W72	Interest	INS	FHLMC	03/28/2016	7,000,000.00	0.00	192,500.00	192,500.00	5,553,150.00
	31331JTL7	Call	INS	FFCB	06/28/2016	3,000,000.00	3,000,000.00	22,350.00	3,022,350.00	8,575,500.00
09/30/2010	3133XTCW4	Maturity	INS	FHLB	09/30/2010	4,200,000.00	4,200,000.00	0.00	4,200,000.00	12,775,500.00
	3133XTCW4	Interest	INS	FHLB	09/30/2010	4,200,000.00	0.00	30,450.00	30,450.00	12,805,950.00
	3134G1UE2	Bought	INS	FHLMC	09/23/2015	5,000,000.00	5,000,000.00	972.22	(5,000,972.22)	7,804,977.78
	3136FMEV2	Interest	INS	FNMA	03/30/2015	5,760,000.00	0.00	64,800.00	64,800.00	7,869,777.78
	3136FMEV2	Call	INS	FNMA	03/30/2015	5,760,000.00	5,758,704.39	0.00	5,760,000.00	13,629,777.78
	912828KZ2	Bought	TSY	T-Note	06/30/2016	2,500,000.00	2,732,617.19	20,312.50	(2,752,929.69)	10,876,848.09
		Sold	CE	BankOne		358,769.69	358,769.69	0.00	358,769.69	11,235,617.78
		Maturity Repo Lend	RP	Morgan Stanley		2,966,008.14	2,966,008.14	52.73	2,966,060.87	14,201,678.65
		Repo Bought	RP	Morgan Stanley		5,267,408.96	5,267,408.96	0.00	(5,267,408.96)	8,934,269.69
<b>Portfolio Activity Total</b>										<b>8,934,269.69</b>

**Net Contributions**

**0.00**

**Net Withdrawals**

**8,916,700.24**

**Fees Charged**

**14,573.03**

**Fees Paid**

**17,569.45**

**City of Ann Arbor**  
**Securities Purchased Bid and Offer**  
**for the period September 1, 2010 – September 30, 2010**

Date	Description	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Broker	Bid/Offer	Comments	Accepted
9/1/2010	FHLB	1.000	2/4/2013 11/4/2010	4,475,000.00	UBS Financial Services DTC # 0271	YTM 1.00	FHLB Call 1.00% 02/04/13(11/04/10)	x
					Banc of America DTC# 773	YTM 0.77	FNMA 3.625% 02/12/13	
					Brokers Screen	YTM 0.52	T-Note 3.875% 02/15/13	
9/24/2010	FHLMC	1.250	9/24/2015 3/24/2011	5,000,000.00	UBS Financial Services DTC # 0271	YTM 2.33	FHLMC Call-Step 1.25% 09/24/15(03/24/11)	x
					CitiGroup DTC# 418	YTM 1.95	FHLB Call 1.90% 09/30/15(12/30/10)	
					Banc of America DTC# 773	YTM 1.66	FHLB 1.75% 09/11/15	
9/27/2010	FNMA	1.200	9/27/2013 9/27/2011	5,000,000.00	Jefferies & Co. DTC# 0019	YTC 1.04	FNMA Call 1.20% 09/27/13(09/27/11)	x
					Morgan Stanley DTC #015	YTC 0.47	FNMA Call 1.375% 07/19/13(07/19/11)	
					Mizuho Securities DTC# 239	YTM 0.30	FHLB Disc 09/20/11	
9/30/2010	FHLMC	1.000	9/23/2015 3/23/2011	5,000,000.00	UBS Financial Services DTC # 0271	YTC 1.00	FHLMC Call-Step 1.00% 09/23/15(03/23/11)	x
					Banc of America DTC# 773	YTC 0.40	FHLMC Call-Step 1.00% 07/28/15(01/28/11)	
					Mizuho Securities DTC# 239	YTM 0.22	FHLB Disc 03/25/11	

**City of Ann Arbor**  
**Securities Purchased Bid and Offer**  
**for the period September 1, 2010 – September 30, 2010**

Date	Description	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Broker	Bid/Offer	Comments	Accepted
9/30/2010	T-Note	3.250	6/30/2016	2,500,000.00	Banc of America DTC# 773	price 109-9 3/4	T-Note 3.25% 06/30/16	x
					Mizuho Securities DTC# 239 6	price 109-10+	T-Note 3.25% 06/30/16	
					UBS Financial Services DTC # 0221	price 109-11+	T-Note 3.25% 06/30/16	

**City of Ann Arbor**  
**Repurchase Agreement Bid and Offer**  
**for the period September 1, 2010 – September 30, 2010**

Date	Description	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Broker	Bid/Offer	Comments	Accepted
9/1/2010	Repo	Variable	Open	15,395,843.52	Morgan Stanley DTC #015	.19		x
					Mizuho Securities DTC# 239 ⌘	.17		
					Banc of America DTC# 773	.17		
9/3/2010	Repo	Variable	Open	15,396,010.31	Morgan Stanley DTC #015	.20		x
					Mizuho Securities DTC# 239 ⌘	.17		
					Banc of America DTC# 773	.17		
9/14/2010	Repo	Variable	Open	13,396,934.07	Morgan Stanley DTC #015	.20		x
					Mizuho Securities DTC# 239 ⌘	.18		
					Banc of America DTC# 773	.17		
9/22/2010	Repo	Variable	Open	15,169,648.91	Morgan Stanley DTC #015	.21		x
					Mizuho Securities DTC# 239 ⌘	.19		
					Banc of America DTC# 773	.19		

**City of Ann Arbor**  
**Repurchase Agreement Bid and Offer**  
**for the period September 1, 2010 – September 30, 2010**

Date	Description	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Broker	Bid/Offer	Comments	Accepted
9/24/2010	Repo	Variable	Open	10,173,580.10	Morgan Stanley DTC #015	.21		x
					Mizuho Securities DTC# 239 ⌘	.19		
					Banc of America DTC# 773	.19		
9/27/2010	Repo	Variable	Open	2,966,008.14	Morgan Stanley DTC #015	.22		x
					Mizuho Securities DTC# 239 ⌘	.20		
					Banc of America DTC# 773	.20		
9/30/2010	Repo	Variable	Open	5,267,408.96	Morgan Stanley DTC #015	.23		x
					Mizuho Securities DTC# 239 ⌘	.23		
					Banc of America DTC# 773	.23		

**City of Ann Arbor**  
**Securities Sold Bid and Offer**  
**for the period September 1, 2010 – September 30, 2010**

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Date	Description	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Broker	Bid/Offer	Comments	Accepted
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No Sale Activity

**City of Ann Arbor  
Upcoming Cash Activity  
for the next 45 days**

Date	Transaction	CUSIP	Description	Coupon	Maturity Date	Next Call Date	Par / Shares	Principal	Interest	Transaction Total
10/05/2010	Interest	3133XHB43	FHLB	4.875	10/05/2011		6,765,000.00	0.00	164,896.88	164,896.88
10/07/2010	Interest	31331TZN4	FFCB	3.750	04/07/2011		5,000,000.00	0.00	93,750.00	93,750.00
10/09/2010	Interest	31331GY29	FFCB	2.900	10/09/2015		1,905,000.00	0.00	27,622.50	27,622.50
10/15/2010	Potential Call	31331GDF3	FFCB	4.250	10/15/2013	10/15/2010	3,000,000.00	3,000,000.00	63,750.00	3,063,750.00
10/15/2010	Potential Call	3133XV3P4	FHLB	0.000	10/15/2014	10/15/2010	5,000,000.00	5,000,000.00	37,500.00	5,037,500.00
10/15/2010	Potential Call	3133XV3P4	FHLB	0.000	10/15/2014	10/15/2010	8,835,000.00	8,835,000.00	66,262.50	8,901,262.50
10/22/2010	Potential Call	3128X96B1	FHLMC	0.000	04/22/2015	10/22/2010	7,464,000.00	7,464,000.00	74,640.00	7,538,640.00