



Cutwater Asset Management
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CITY OF ANN ARBOR

Report for the period March 1, 2013 - March 31, 2013

Please contact Accounting by calling the number above or email camreports@cutwater.com with questions concerning this report.

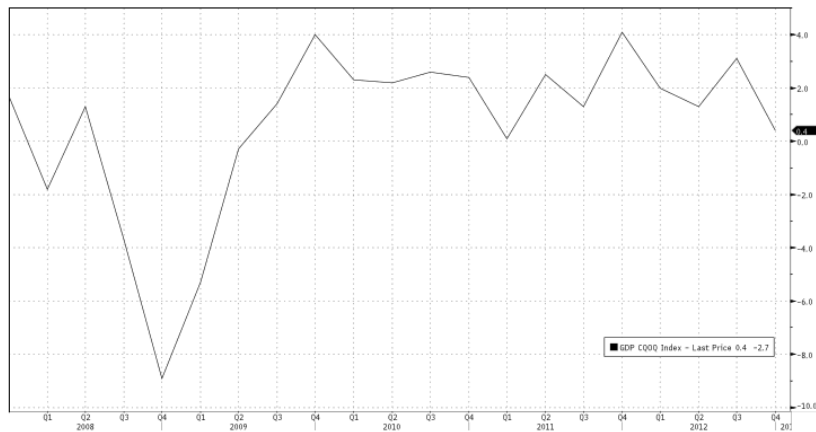
(This report was prepared on April 2, 2013)

Fixed Income Market Review March 31, 2013

U.S. Gross Domestic Product

Chart 1

12/31/07 - 12/31/12



Economic Indicators & Monetary Policy – The U.S. economy grew at a faster rate than expected in the final quarter of 2012 as Gross Domestic Product (GDP) increased to a 0.4 percent annual rate (Chart 1). For 2012, the economy expanded by 2.2 percent year-over-year (YOY) after a 1.8 percent gain in 2011.

Household consumption last quarter increased at a 1.8 percent revised rate and added 1.5 percentage points to GDP. Business spending on equipment and software climbed at an 11.8 percent rate and added a 0.8 percentage point to growth. Government spending deducted 1.4 percentage points from growth due to a reduction in military outlays, its largest since 1972, and inventories subtracted 1.5 percentage points as stockpiles were rebuilt at a \$13.3 billion annual rate.

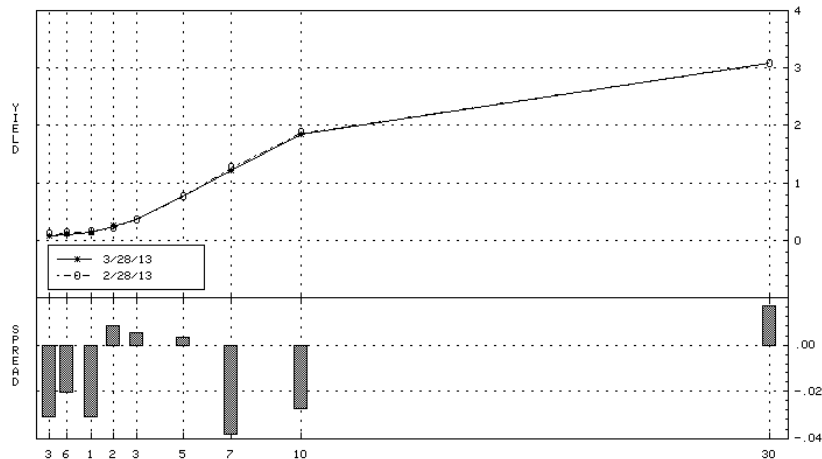
Consumer spending climbed in February by the greatest amount in five months with purchases rising by 0.7 percent after a 0.4 percent increase the prior month. Rising housing and stock prices are helping boost consumer wealth. The economy appears resilient even with the reinstatement of the higher payroll tax and automatic \$85 billion of government spending cuts (sequestration) that began on March 1st. Unemployment decreased in February to 7.7 percent from 7.9 percent the previous month, while Americans collecting unemployment insurance declined to 3.05 million in the week ending March 16th, the lowest level since 2008.

At its latest meeting on March 19th, the FOMC kept the federal funds target rate at a range of 0 to 0.25 percent and will continue its asset purchases. The benchmark rate will likely stay near zero as long as unemployment is above 6.5 percent and the inflation outlook is below 2.5 percent. Fed policy makers say that economic signs indicate a pickup in 2013 and recent business investment suggests “a return to moderate economic growth following a pause late last year.”

Treasury Yield Curves

Chart 2

02/28/13 - 03/28/13



Yield Curve & Spreads – Treasury yields generally decreased in March due to the perceived effects of government spending cuts.

At the end of March, the 3-month Treasury bill yielded 0.07 percent, 6-month Treasury bill yielded 0.10 percent, 2-year Treasury yielded 0.24 percent, 5-year Treasury yielded 0.76 percent, 10-year Treasury yielded 1.85 percent, and the 30-year Treasury yielded 3.10 percent. (Chart 2)

Additional Information

March 31, 2013

A current version of the investment adviser brochure for Cutwater Investor Services Corp., in the form of the Firm's ADV Part 2A, is available for your review. Please contact our Client Service Desk at 1-800-395-5505 or mail your request to:

Cutwater Investor Services Corp.
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.

In addition, a copy of the most recent version of the Firm's complete Form ADV can be downloaded from the SEC website at www.adviserinfo.sec.gov/.

**City of Ann Arbor
Activity and Performance Summary
for the period March 1, 2013 - March 31, 2013**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value	206,381,594.40
Additions	
Contributions	0.00
Interest Received	428,775.00
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	428,775.00
Deductions	
Withdrawals	12,898,966.26
Fees Paid	13,842.59
Accrued Interest Purchased	0.00
Loss on Sales	0.00
Total Deductions	(12,912,808.85)
Accretion (Amortization) for the Period	(93,915.18)
Ending Amortized Cost Value	193,803,645.37
Ending Fair Value	196,121,871.51
Unrealized Gain (Loss)	2,318,226.14

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Certificates of Deposit	55.67	0.00	0.00	55.67
U.S. Treasury	168,627.22	(79,347.82)	0.00	89,279.40
U.S. Instrumentality	114,735.00	(14,567.36)	0.00	100,167.64
Sales and Maturities				
Total	283,417.89	(93,915.18)	0.00	189,502.71

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.15 %	0.15 %	0.14 %
Overnight Repo	0.18 %	0.17 %	0.14 %
3 Month T-Bill	0.08 %	0.08 %	0.07 %
6 Month T-Bill	0.12 %	0.11 %	0.09 %
1 Year T-Note	0.17 %	0.16 %	0.14 %
2 Year T-Note	0.27 %	0.27 %	0.26 %
5 Year T-Note	0.74 %	0.75 %	0.81 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	283,417.89	283,417.89
Accretion (Amortization)	(93,915.18)	(93,915.18)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	189,502.71	189,502.71
Average Daily Historical Cost	208,087,988.15	181,570,048.83
Annualized Return	1.07%	1.23%
Annualized Return Net of Fees	1.00%	1.14%
Annualized Return Year to Date Net of Fees	1.10%	1.23%
Weighted Average Effective Maturity in Days	783	845

**City of Ann Arbor
Activity and Performance Summary
for the period March 1, 2013 - March 31, 2013**

Fair Value Basis Activity Summary

Beginning Fair Value	208,766,030.18
Additions	
Contributions	0.00
Interest Received	428,775.00
Accrued Interest Sold	0.00
Total Additions	428,775.00
Deductions	
Withdrawals	12,898,966.26
Fees Paid	13,842.59
Accrued Interest Purchased	0.00
Total Deductions	(12,912,808.85)
Change in Fair Value for the Period	(160,124.82)
Ending Fair Value	196,121,871.51

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Certificates of Deposit	55.67	0.00	55.67
U.S. Treasury	168,627.22	(120,150.00)	48,477.22
U.S. Instrumentality	114,735.00	(39,974.82)	74,760.18
Total	283,417.89	(160,124.82)	123,293.07

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.15 %	0.15 %	0.14 %
Overnight Repo	0.18 %	0.17 %	0.14 %
3 Month T-Bill	0.14 %	0.13 %	0.19 %
6 Month T-Bill	0.21 %	0.21 %	0.28 %
1 Year T-Note	0.30 %	0.27 %	0.44 %
2 Year T-Note	0.45 %	0.27 %	0.19 %
5 Year T-Note	2.95 %	0.36 %	1.64 %

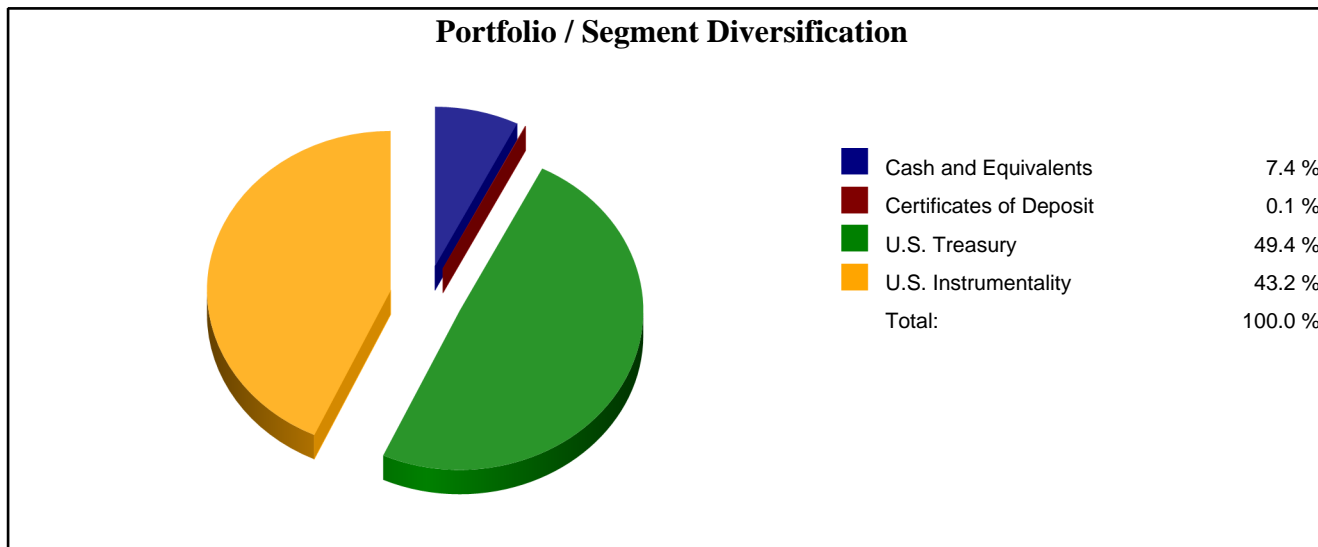
Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	283,417.89	283,417.89
Change in Fair Value	<u>(160,124.82)</u>	<u>(160,124.82)</u>
Total Income on Portfolio	123,293.07	123,293.07
Average Daily Historical Cost	208,087,988.15	181,570,048.83
Annualized Return	0.70%	0.80%
Annualized Return Net of Fees	0.62%	0.72%
Annualized Return Year to Date Net of Fees	0.58%	0.65%
Weighted Average Effective Maturity in Days	783	845

**City of Ann Arbor
Recap of Securities Held
March 31, 2013**

	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	14,436,616.24	14,436,616.24	14,436,616.24	0.00	1	1	7.37	0.00	0.00
Certificates of Deposit	107,763.78	107,763.78	107,763.78	0.00	19	19	0.05	0.60	0.05
U.S. Treasury	96,857,617.21	94,959,104.04	96,621,465.00	1,662,360.96	961	961	49.42	1.10	2.55
U.S. Instrumentality	84,603,458.85	84,300,161.31	84,956,026.49	655,865.18	1,349	714	43.16	1.43	1.87
Total	196,005,456.08	193,803,645.37	196,121,871.51	2,318,226.14	1,057	783	100.00	1.16	2.07

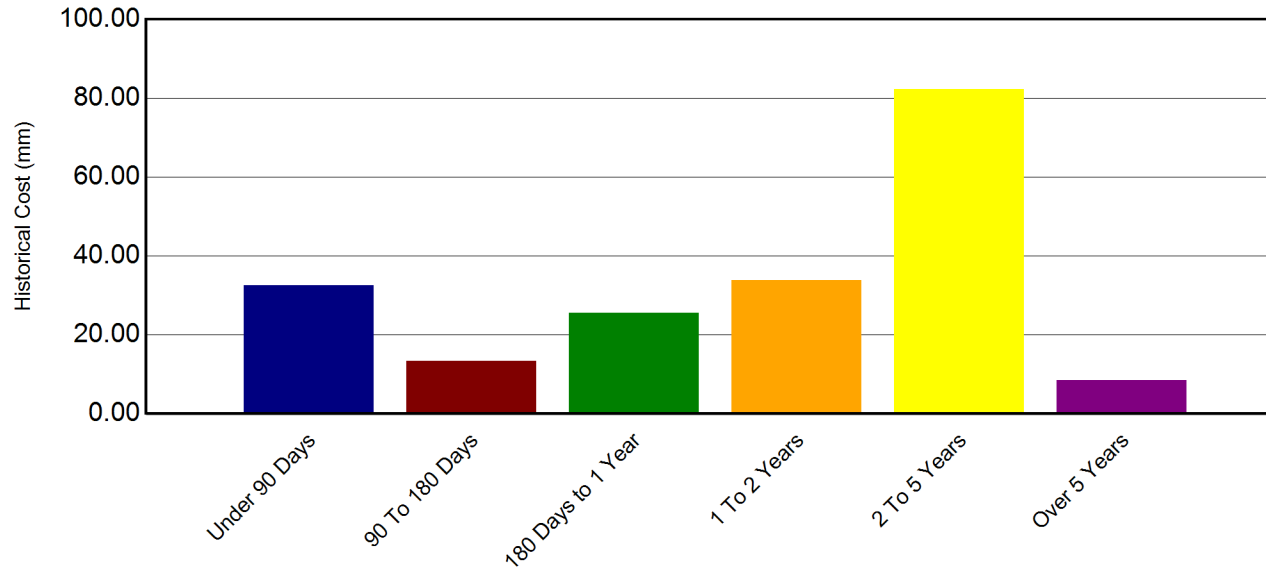
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Ann Arbor
Maturity Distribution of Securities Held
March 31, 2013**

Maturity	Historical Cost	Percent
Under 90 Days	32,570,790.02	16.62 %
90 To 180 Days	13,356,207.50	6.81 %
180 Days to 1 Year	25,528,363.23	13.02 %
1 To 2 Years	33,771,432.50	17.23 %
2 To 5 Years	82,288,662.83	41.98 %
Over 5 Years	8,490,000.00	4.33 %
	196,005,456.08	100.00 %

Maturity Distribution



**City of Ann Arbor
Securities Held
March 31, 2013**

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
Cash and Equivalents													
JPMorgan Chase	03/31/13	0.000V		14,389,741.24	14,389,741.24	14,389,741.24	14,389,741.24	0.00	0.00	0.00	0.00	7.34	0.00
					0.00	0.00	0.00						
Int Receivable	03/31/13	0.000	04/01/13	46,875.00	46,875.00	46,875.00	46,875.00	0.00	0.00	0.00	0.00	0.02	0.00
					0.00	0.00	0.00						
TOTAL (Cash and Equivalents)				14,436,616.24	14,436,616.24	14,436,616.24	14,436,616.24	0.00	0.00	0.00	0.00	7.37	
					0.00	0.00	0.00						
Certificates of Deposit													
PP4H1NLV5	07/23/12	0.600	04/19/13	107,763.78	107,763.78	107,763.78	107,763.78	0.00	0.00	55.67	623.23	0.05	0.60
Ann Arbor Bank					170.63	0.00	0.00						
TOTAL (Certificates of Deposit)				107,763.78	107,763.78	107,763.78	107,763.78	0.00	0.00	55.67	623.23	0.05	
					170.63	0.00	0.00						
U.S. Treasury													
912828JD3	07/17/08	3.375	06/30/13	5,000,000.00	5,035,937.50	5,001,787.94	5,040,625.00	38,837.06	0.00	14,450.97	42,420.58	2.57	3.22
T-Note					0.00	(615.84)	(13,670.00)						
912828KF6	08/26/10	1.875	02/28/14	5,000,000.00	5,173,046.88	5,044,948.99	5,077,930.00	32,981.01	0.00	7,897.41	8,152.17	2.64	0.87
T-Note					0.00	(4,184.45)	(6,250.00)						
912828LS7	08/29/11	2.375	10/31/14	5,000,000.00	5,314,062.50	5,156,624.78	5,169,140.00	12,515.22	0.00	10,113.33	49,914.15	2.71	0.38
T-Note					0.00	(8,400.30)	(9,375.00)						
912828LZ1	08/26/10	2.125	11/30/14	5,000,000.00	5,207,031.25	5,080,844.57	5,156,640.00	75,795.43	0.00	9,048.76	35,611.26	2.66	1.13
T-Note					0.00	(4,122.01)	(9,375.00)						
912828SE1	09/06/12	0.250	02/15/15	5,000,000.00	4,996,875.00	4,997,600.20	5,000,000.00	2,399.80	0.00	1,070.44	1,553.87	2.55	0.28
T-Note					0.00	108.61	0.00						
912828MR8	08/26/10	2.375	02/28/15	5,000,000.00	5,258,593.75	5,109,592.25	5,202,540.00	92,947.75	0.00	10,003.40	10,326.09	2.68	1.19
T-Note					0.00	(4,867.28)	(8,400.00)						
912828NL0	08/29/11	1.875	06/30/15	5,000,000.00	5,249,218.75	5,145,866.79	5,178,515.00	32,648.21	0.00	8,028.32	23,566.99	2.68	0.56
T-Note					0.00	(5,514.48)	(7,815.00)						
912828PE4	08/29/11	1.250	10/31/15	5,000,000.00	5,121,875.00	5,075,412.16	5,119,920.00	44,507.84	0.00	5,322.80	26,270.60	2.61	0.66
T-Note					0.00	(2,479.08)	(3,910.00)						
912828PE4	09/06/12	1.250	10/31/15	5,000,000.00	5,143,359.38	5,117,554.69	5,119,920.00	2,365.31	0.00	5,322.80	26,270.60	2.62	0.33
T-Note					0.00	(3,864.47)	(3,910.00)						
912828EN6	08/26/10	4.500	11/15/15	5,000,000.00	5,795,312.50	5,399,532.97	5,544,530.00	144,997.03	0.00	19,267.95	85,151.93	2.96	1.33
T-Note					0.00	(12,928.52)	(16,800.00)						
912828PJ3	08/29/11	1.375	11/30/15	5,000,000.00	5,146,093.75	5,091,473.11	5,138,670.00	47,196.89	0.00	5,855.08	23,042.58	2.63	0.68
T-Note					0.00	(2,914.36)	(4,690.00)						

**City of Ann Arbor
Securities Held
March 31, 2013**

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
912828KS8 T-Note	08/26/10	2.625	02/29/16	5,000,000.00	5,287,890.63 0.00	5,152,168.72 (4,433.49)	5,328,515.00 (8,985.00)	176,346.28	0.00	11,056.38	11,413.04	2.70	1.53
912828QP8 T-Note	09/06/12	1.750	05/31/16	5,000,000.00	5,247,656.25 0.00	5,210,044.48 (5,632.68)	5,213,280.00 (3,910.00)	3,235.52	0.00	7,451.92	29,326.92	2.68	0.41
912828KZ2 T-Note	09/30/10	3.250	06/30/16	2,500,000.00	2,732,617.19 0.00	2,631,373.33 (3,433.87)	2,728,905.00 (5,470.00)	97,531.67	0.00	6,957.87	20,424.72	1.39	1.55
912828QR4 T-Note	08/29/11	1.500	06/30/16	5,000,000.00	5,148,437.50 0.00	5,099,630.38 (2,604.16)	5,175,780.00 (2,735.00)	76,149.62	0.00	6,422.65	18,853.59	2.63	0.87
912828MA5 T-Note	08/26/10	2.750	11/30/16	5,000,000.00	5,291,796.88 0.00	5,170,767.49 (3,953.54)	5,409,375.00 (6,640.00)	238,607.51	0.00	11,710.16	46,085.16	2.70	1.76
912828MS6 T-Note	08/26/10	3.000	02/28/17	5,000,000.00	5,360,156.25 0.00	5,216,426.95 (4,695.05)	5,476,560.00 (6,645.00)	260,133.05	0.00	12,635.87	13,043.48	2.73	1.82
912828PA2 T-Note	08/29/11	1.875	09/30/17	5,000,000.00	5,175,000.00 0.00	5,129,282.82 (2,439.30)	5,270,310.00 (395.00)	141,027.18	46,875.00	7,982.80	256.15	2.64	1.28
912828PF1 T-Note	08/29/11	1.875	10/31/17	5,000,000.00	5,172,656.25 0.00	5,128,171.42 (2,373.55)	5,270,310.00 (1,175.00)	142,138.58	0.00	8,028.31	39,364.64	2.64	1.29
TOTAL (U.S. Treasury)				92,500,000.00	96,857,617.21 0.00	94,959,104.04 (79,347.82)	96,621,465.00 (120,150.00)	1,662,360.96	46,875.00	168,627.22	511,048.52	49.42	

U.S. Instrumentality

31331GZL6 FFCB	07/01/09	2.800	06/03/13	3,000,000.00	3,018,360.00 0.00	3,000,807.17 (397.18)	3,014,175.00 (6,048.00)	13,367.83	0.00	7,000.00	27,533.33	1.54	2.64
31331GS83 FFCB	10/15/09	2.350	09/23/13	3,300,000.00	3,322,770.00 0.00	3,302,769.11 (490.53)	3,335,224.20 (4,653.00)	32,455.09	38,775.00	6,462.50	1,723.33	1.70	2.17
31398A4N9 FNMA	10/18/10	1.000	10/15/13	3,000,000.00	3,004,050.00 0.00	3,000,000.00 0.00	3,010,563.00 (609.00)	10,563.00	0.00	2,500.00	13,833.33	1.53	1.00
31398A4N9 FNMA	10/18/10	1.000	10/15/13	3,165,000.00	3,168,766.35 0.00	3,165,000.00 0.00	3,176,143.97 (642.49)	11,143.97	0.00	2,637.50	14,594.17	1.62	1.00
3134G3JR2 FHLMC	01/11/12	0.450	01/09/14	4,000,000.00	4,000,000.00 0.00	4,000,000.00 0.00	4,008,568.00 24.00	8,568.00	0.00	1,500.00	4,100.00	2.04	0.45
31331XSR4 FFCB	05/23/08	4.875	03/14/14	5,000,000.00	5,182,500.00 0.00	5,029,857.38 (2,667.37)	5,224,405.00 (17,210.00)	194,547.62	121,875.00	20,312.50	11,510.42	2.64	4.16
31331JQA4 FFCB	06/11/10	1.900	06/02/14	3,000,000.00	2,990,070.00 0.00	2,997,079.81 212.00	3,059,406.00 (3,393.00)	62,326.19	0.00	4,750.00	18,841.67	1.53	1.99
3134G3YW4 FHLMC	08/30/12	0.375	08/28/14	5,000,000.00	5,004,800.00 0.00	5,003,389.01 (204.40)	5,008,915.00 (415.00)	5,525.99	0.00	1,562.50	1,614.58	2.55	0.33
31331GY29 FFCB	10/15/09	2.900	10/09/15	1,905,000.00	1,890,712.50 0.00	1,898,977.67 202.70	2,025,058.82 (2,299.33)	126,081.15	0.00	4,603.75	26,394.83	0.96	3.04

**City of Ann Arbor
Securities Held
March 31, 2013**

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
3134G24E9 FHLMC	Call 11/17/11	1.200	11/17/15 05/17/13	5,000,000.00	5,012,500.00 0.00	5,001,051.19 (708.41)	5,005,840.00 (3,095.00)	4,788.81	0.00	5,000.00	22,333.33	2.56	1.03
3137EACT4 FHLMC	01/11/12	2.500	05/27/16	4,000,000.00	4,253,480.00 0.00	4,182,734.02 (4,917.32)	4,251,060.00 (3,924.00)	68,325.98	0.00	8,333.33	34,444.44	2.17	1.02
313370TW8 FHLB	09/10/12	2.000	09/09/16	5,000,000.00	5,276,700.00 0.00	5,238,227.33 (5,875.14)	5,269,950.00 585.00	31,722.67	50,000.00	8,333.33	6,111.11	2.69	0.60
313381B53 FHLB	11/26/12	0.580	11/14/16	5,000,000.00	4,995,700.00 966.67	4,996,073.91 91.99	4,998,215.00 4,830.00	2,141.09	0.00	2,416.67	11,036.11	2.55	0.60
3133ECGF5 FFCB	Call 02/27/13	0.800	02/27/17 02/27/14	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,016,315.00 1,675.00	16,315.00	0.00	3,333.34	3,777.78	2.55	0.80
3134G3H52 FHLMC	Call 09/12/12	1.000	09/12/17 09/12/13	5,000,000.00	4,997,500.00 0.00	4,997,775.19 42.44	5,010,435.00 (1,295.00)	12,659.81	25,000.00	4,166.67	2,638.89	2.55	1.01
3135G0SF1 FNMA	Call 11/28/12	1.000	11/28/17 05/28/13	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,003,065.00 260.00	3,065.00	0.00	4,166.66	17,083.33	2.55	1.00
3134G3K90 FHLMC	Call 09/25/12	1.700	09/25/20 09/25/14	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,040,685.00 1,185.00	40,685.00	42,500.00	7,083.34	1,416.67	2.55	1.70
313380PE1 FHLB	Call 09/28/12	1.850	09/28/20 04/28/13	5,000,000.00	4,990,000.00 0.00	4,990,633.13 106.09	4,997,920.00 3,195.00	7,286.87	46,250.00	7,708.33	770.83	2.55	1.88
313380NM5 FHLB	Call 09/19/12	2.300	09/19/22 04/19/13	5,000,000.00	4,995,550.00 0.00	4,995,786.39 37.77	5,000,835.00 (2,545.00)	5,048.61	57,500.00	9,583.33	3,833.33	2.55	2.31
313380XN2 FHLB	Call 10/24/12	1.125V	10/24/22 10/24/14	3,500,000.00	3,500,000.00 0.00	3,500,000.00 0.00	3,499,247.50 (5,600.00)	(752.50)	0.00	3,281.25	17,171.88	1.79	1.12
TOTAL (U.S. Instrumentality)				83,870,000.00	84,603,458.85 966.67	84,300,161.31 (14,567.36)	84,956,026.49 (39,974.82)	655,865.18	381,900.00	114,735.00	240,763.36	43.16	

GRAND TOTAL				190,914,380.02	196,005,456.08	193,803,645.37	196,121,871.51	2,318,226.14	428,775.00	283,417.89	752,435.11	100.00	
					1,137.30	(93,915.18)	(160,124.82)						

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

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2013

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)
<u>T-Note</u>												
912828JD3	U.S. Treasury	3.375	06/30/2013		AA+	Aaa	5,000,000.00	5,035,937.50	2.57	5,040,625.00	2.57	0.26
912828KF6	U.S. Treasury	1.875	02/28/2014		AA+	Aaa	5,000,000.00	5,173,046.88	2.64	5,077,930.00	2.59	0.92
912828LS7	U.S. Treasury	2.375	10/31/2014		AA+	Aaa	5,000,000.00	5,314,062.50	2.71	5,169,140.00	2.64	1.56
912828LZ1	U.S. Treasury	2.125	11/30/2014		AA+	Aaa	5,000,000.00	5,207,031.25	2.66	5,156,640.00	2.63	1.64
912828SE1	U.S. Treasury	0.250	02/15/2015		AA+	Aaa	5,000,000.00	4,996,875.00	2.55	5,000,000.00	2.55	1.88
912828MR8	U.S. Treasury	2.375	02/28/2015		AA+	Aaa	5,000,000.00	5,258,593.75	2.68	5,202,540.00	2.65	1.89
912828NL0	U.S. Treasury	1.875	06/30/2015		AA+	Aaa	5,000,000.00	5,249,218.75	2.68	5,178,515.00	2.64	2.21
912828EN6	U.S. Treasury	4.500	11/15/2015		AA+	Aaa	5,000,000.00	5,795,312.50	2.96	5,544,530.00	2.83	2.48
912828PE4	U.S. Treasury	1.250	10/31/2015		AA+	Aaa	10,000,000.00	10,265,234.38	5.24	10,239,840.00	5.22	2.54
912828PJ3	U.S. Treasury	1.375	11/30/2015		AA+	Aaa	5,000,000.00	5,146,093.75	2.63	5,138,670.00	2.62	2.62
912828KS8	U.S. Treasury	2.625	02/29/2016		AA+	Aaa	5,000,000.00	5,287,890.63	2.70	5,328,515.00	2.72	2.83
912828QP8	U.S. Treasury	1.750	05/31/2016		AA+	Aaa	5,000,000.00	5,247,656.25	2.68	5,213,280.00	2.66	3.08
912828KZ2	U.S. Treasury	3.250	06/30/2016		AA+	Aaa	2,500,000.00	2,732,617.19	1.39	2,728,905.00	1.39	3.10
912828QR4	U.S. Treasury	1.500	06/30/2016		AA+	Aaa	5,000,000.00	5,148,437.50	2.63	5,175,780.00	2.64	3.18
912828MA5	U.S. Treasury	2.750	11/30/2016		AA+	Aaa	5,000,000.00	5,291,796.88	2.70	5,409,375.00	2.76	3.49
912828MS6	U.S. Treasury	3.000	02/28/2017		AA+	Aaa	5,000,000.00	5,360,156.25	2.73	5,476,560.00	2.79	3.72
912828PA2	U.S. Treasury	1.875	09/30/2017		AA+	Aaa	5,000,000.00	5,175,000.00	2.64	5,270,310.00	2.69	4.30
912828PF1	U.S. Treasury	1.875	10/31/2017		AA+	Aaa	5,000,000.00	5,172,656.25	2.64	5,270,310.00	2.69	4.38
ISSUER TOTAL							92,500,000.00	96,857,617.21	49.42	96,621,465.00	49.27	2.56
<u>FHLMC</u>												
3134G24E9	U.S. Instrumentality	1.200	11/17/2015	05/17/2013	AA+	Aaa	5,000,000.00	5,012,500.00	2.56	5,005,840.00	2.55	0.14
3134G3H52	U.S. Instrumentality	1.000	09/12/2017	09/12/2013	AA+	Aaa	5,000,000.00	4,997,500.00	2.55	5,010,435.00	2.55	0.45
3134G3JR2	U.S. Instrumentality	0.450	01/09/2014		AA+	Aaa	4,000,000.00	4,000,000.00	2.04	4,008,568.00	2.04	0.78
3134G3YW4	U.S. Instrumentality	0.375	08/28/2014		AA+	Aaa	5,000,000.00	5,004,800.00	2.55	5,008,915.00	2.55	1.41
3134G3K90	U.S. Instrumentality	1.700	09/25/2020	09/25/2014	AA+	Aaa	5,000,000.00	5,000,000.00	2.55	5,040,685.00	2.57	1.47
3137EACT4	U.S. Instrumentality	2.500	05/27/2016		AA+	Aaa	4,000,000.00	4,253,480.00	2.17	4,251,060.00	2.17	3.03
ISSUER TOTAL							28,000,000.00	28,268,280.00	14.42	28,325,503.00	14.44	1.18
<u>FHLB</u>												
313380NM5	U.S. Instrumentality	2.300	09/19/2022	04/19/2013	AA+	Aaa	5,000,000.00	4,995,550.00	2.55	5,000,835.00	2.55	0.06
313370TW8	U.S. Instrumentality	2.000	09/09/2016		AA+	Aaa	5,000,000.00	5,276,700.00	2.69	5,269,950.00	2.69	3.34
313381B53	U.S. Instrumentality	0.580	11/14/2016		AA+	Aaa	5,000,000.00	4,995,700.00	2.55	4,998,215.00	2.55	3.58
313380PE1	U.S. Instrumentality	1.850	09/28/2020	04/28/2013	AA+	Aaa	5,000,000.00	4,990,000.00	2.55	4,997,920.00	2.55	6.97

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2013

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)
313380XN2	U.S. Instrumentality	1.125	10/24/2022	10/24/2014	AA+	Aaa	3,500,000.00	3,500,000.00	1.79	3,499,247.50	1.78	8.68
ISSUER TOTAL							23,500,000.00	23,757,950.00	12.12	23,766,167.50	12.12	4.25

FFCB

31331GZL6	U.S. Instrumentality	2.800	06/03/2013		AA+	Aaa	3,000,000.00	3,018,360.00	1.54	3,014,175.00	1.54	0.18
31331GS83	U.S. Instrumentality	2.350	09/23/2013		AA+	Aaa	3,300,000.00	3,322,770.00	1.70	3,335,224.20	1.70	0.49
3133ECGF5	U.S. Instrumentality	0.800	02/27/2017	02/27/2014	AA+	Aaa	5,000,000.00	5,000,000.00	2.55	5,016,315.00	2.56	0.91
31331XSR4	U.S. Instrumentality	4.875	03/14/2014		AA+	Aaa	5,000,000.00	5,182,500.00	2.64	5,224,405.00	2.66	0.95
31331JQA4	U.S. Instrumentality	1.900	06/02/2014		AA+	Aaa	3,000,000.00	2,990,070.00	1.53	3,059,406.00	1.56	1.16
31331GY29	U.S. Instrumentality	2.900	10/09/2015		AA+	Aaa	1,905,000.00	1,890,712.50	0.96	2,025,058.82	1.03	2.43
ISSUER TOTAL							21,205,000.00	21,404,412.50	10.92	21,674,584.02	11.05	0.93

JPMorgan Chase

	Cash and Equivalents	0.000					14,389,741.24	14,389,741.24	7.34	14,389,741.24	7.34	0.00
ISSUER TOTAL							14,389,741.24	14,389,741.24	7.34	14,389,741.24	7.34	0.00

FNMA

3135G0SF1	U.S. Instrumentality	1.000	11/28/2017	05/28/2013	AA+	Aaa	5,000,000.00	5,000,000.00	2.55	5,003,065.00	2.55	0.17
31398A4N9	U.S. Instrumentality	1.000	10/15/2013		AA+	Aaa	6,165,000.00	6,172,816.35	3.15	6,186,706.97	3.15	0.54
ISSUER TOTAL							11,165,000.00	11,172,816.35	5.70	11,189,771.97	5.71	0.38

Ann Arbor Bank

PP4H1NLV5	Certificates of Deposit	0.600	04/19/2013		NR	NR	107,763.78	107,763.78	0.05	107,763.78	0.05	0.05
ISSUER TOTAL							107,763.78	107,763.78	0.05	107,763.78	0.05	0.05

Int Receivable

	Cash and Equivalents	0.000	04/01/2013				46,875.00	46,875.00	0.02	46,875.00	0.02	0.00
ISSUER TOTAL							46,875.00	46,875.00	0.02	46,875.00	0.02	0.00

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2013

GRAND TOTAL	190,914,380.02	196,005,456.08	100.00	196,121,871.51	100.00	2.07
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Highlighted totals are issuers representing 5.00% or more of the portfolio's market value

**City of Ann Arbor
Securities Purchased
March 1, 2013 - March 31, 2013**

NOTE: There is no activity for the period.

City of Ann Arbor
Securities Sold and Matured
March 1, 2013 - March 31, 2013

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Acct/ (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
<u>Cash and Equivalents</u>													
JPMorgan Chase	03/31/2013	0.000V		12,530,908.85	12,530,908.85	12,530,908.85	100.00	12,530,908.85	0.00	0.00	0.00	0.00	0.00
						0.00		0.00					
TOTAL (Cash and Equivalents)				12,530,908.85	12,530,908.85	12,530,908.85		12,530,908.85	0.00	0.00	0.00	0.00	
						0.00		0.00					
GRAND TOTAL				12,530,908.85	12,530,908.85	12,530,908.85		12,530,908.85	0.00	0.00	0.00	0.00	
						0.00		0.00					

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

**City of Ann Arbor
Transaction Report
for the period March 1, 2013 - March 31, 2013**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
03/09/2013	313370TW8	Interest	INS	FHLB	09/09/2016	5,000,000.00	0.00	50,000.00	50,000.00	50,000.00
03/12/2013	3134G3H52	Interest	INS	FHLMC	09/12/2017	5,000,000.00	0.00	25,000.00	25,000.00	75,000.00
03/14/2013	31331XSR4	Interest	INS	FFCB	03/14/2014	5,000,000.00	0.00	121,875.00	121,875.00	196,875.00
03/19/2013	313380NM5	Interest	INS	FHLB	09/19/2022	5,000,000.00	0.00	57,500.00	57,500.00	254,375.00
03/23/2013	31331GS83	Interest	INS	FFCB	09/23/2013	3,300,000.00	0.00	38,775.00	38,775.00	293,150.00
03/25/2013	3134G3K90	Interest	INS	FHLMC	09/25/2020	5,000,000.00	0.00	42,500.00	42,500.00	335,650.00
03/28/2013	313380PE1	Interest	INS	FHLB	09/28/2020	5,000,000.00	0.00	46,250.00	46,250.00	381,900.00
03/31/2013		Bought	CE	Int Receivable	04/01/2013	46,875.00	46,875.00	0.00	(46,875.00)	335,025.00
03/31/2013		Sold	CE	JPMorgan Chase		12,530,908.85	12,530,908.85	0.00	12,530,908.85	12,865,933.85
03/31/2013	912828PA2	Interest	TSY	T-Note	09/30/2017	5,000,000.00	0.00	46,875.00	46,875.00	12,912,808.85
Portfolio Activity Total									12,912,808.85	

Net Contributions:	0.00
Net Withdrawals:	12,898,966.26

Fees Charged:	13,005.50
Fees Paid:	13,842.59

**City of Ann Arbor
Securities Bid and Offer
for the period 3/1/2013 - 3/31/2013**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
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No Activity this period

**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
04/02/2013	Bought	3133ECJX3	FFCB	1.040	03/26/2018	03/26/2014	5,000,000.00	(4,996,700.00)	(866.67)	(4,997,566.67)
04/09/2013	Interest	31331GY29	FFCB	2.900	10/09/2015		1,905,000.00	0.00	27,622.50	27,622.50
04/15/2013	Interest	31398A4N9	FNMA	1.000	10/15/2013		3,165,000.00	0.00	15,825.00	15,825.00
04/15/2013	Interest	31398A4N9	FNMA	1.000	10/15/2013		3,000,000.00	0.00	15,000.00	15,000.00
04/19/2013	Maturity	PP4H1NLV5	Ann Arbor Bank	0.600	04/19/2013		107,763.78	107,763.78	655.56	108,419.34
04/24/2013	Interest	313380XN2	FHLB	0.000	10/24/2022	10/24/2014	3,500,000.00	0.00	19,687.50	19,687.50
04/30/2013	Interest	912828LS7	T-Note	2.375	10/31/2014		5,000,000.00	0.00	59,375.00	59,375.00
04/30/2013	Interest	912828PE4	T-Note	1.250	10/31/2015		5,000,000.00	0.00	31,250.00	31,250.00
04/30/2013	Interest	912828PE4	T-Note	1.250	10/31/2015		5,000,000.00	0.00	31,250.00	31,250.00
04/30/2013	Interest	912828PF1	T-Note	1.875	10/31/2017		5,000,000.00	0.00	46,875.00	46,875.00
05/14/2013	Interest	313381B53	FHLB	0.580	11/14/2016		5,000,000.00	0.00	14,500.00	14,500.00
05/15/2013	Interest	912828EN6	T-Note	4.500	11/15/2015		5,000,000.00	0.00	112,500.00	112,500.00

END OF REPORTS



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