



Cutwater Asset Management
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City of Ann Arbor

Report for the period March 1, 2012 - March 31, 2012

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

Fixed Income Market Review March 31, 2012

U.S. Personal Consumption Expenditures

Chart 1

01/01/06 - 12/31/11



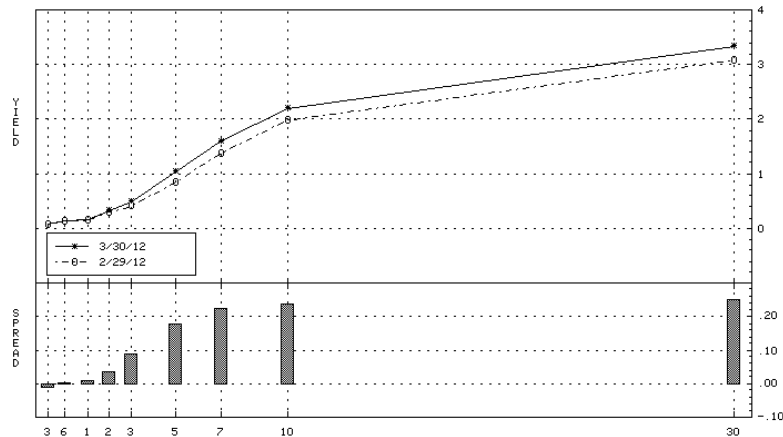
Economic Indicators & Monetary Policy – The U.S. economy is showing signs of strength as consumer spending increased the most in seven months with purchases up 0.8 percent in February. During the last quarter of 2011, personal consumption expenditures grew at a 2.1 percent annual rate. (See Chart 1.) Demand has continued to grow in the first quarter of 2012. Sales of cars and light trucks increased to a 15 million annualized rate in February, the strongest showing since February 2008. Consumer spending accounts for about 70 percent of the economy.

An improving job market and declining unemployment rate may be a justification by consumers for a preference to spend. Employers added 227,000 workers in February, concluding the best 6-month gain in payrolls since 2006. The unemployment rate remains at a three-year low of 8.3 percent. Federal Reserve Chairman Ben S. Bernanke said the central bank needs to keep interest rates low to maintain the recovery and make additional progress. Reducing joblessness further will likely require a quicker expansion of business production and consumer demand which “can be supported by continued accommodative policies” according to a statement by Bernanke to economists on March 26th.

Treasury Yield Curves

02/29/12 - 03/31/12

Chart 2



The U.S. economy expanded at a 3 percent annual rate during the final quarter of 2011, unchanged from the previous estimate. The increase in GDP was the largest in more than a year and follows a 1.8 percent increase from the prior quarter according to revised data. Inflation has been subdued in recent months although prices of crude oil and gasoline have recently increased. While the recent increase in oil and gasoline prices will push up inflation temporarily, long term inflation expectations remained stable.

Yield Curve & Spreads – Treasury yields moved higher in March with continued improvement and confidence in U.S. economic conditions.

At the end of March, three-month Treasury bills yielded 0.07 percent, six-month Treasury bills yielded 0.13 percent, two-year Treasuries yielded 0.33 percent, five-year Treasuries yielded 1.04 percent, 10-year Treasuries yielded 2.21 percent, and 30-year bonds yielded 3.34 percent. (See Chart 2.)

Additional Information
March 31, 2012

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, 2012 - March 31, 2012**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value	203,802,071.70
Additions	
Contributions	0.00
Interest Received	252,525.00
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	252,525.00
Deductions	
Withdrawals	3,653,489.64
Fees Paid	12,980.03
Accrued Interest Purchased	0.00
Loss on Sales	0.00
Total Deductions	(3,666,469.67)
Accretion (Amortization) for the Period	(99,820.33)
Ending Amortized Cost Value	200,288,306.70
Ending Fair Value	202,895,241.95
Unrealized Gain (Loss)	2,606,935.25

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
U.S. Treasury	159,456.79	(74,197.55)	0.00	85,259.24
U.S. Instrumentality	212,342.27	(25,622.78)	0.00	186,719.49
Sales and Maturities				
Total	371,799.06	(99,820.33)	0.00	271,978.73

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.09 %	0.09 %	0.13 %
Overnight Repo	0.06 %	0.08 %	0.14 %
3 Month T-Bill	0.03 %	0.03 %	0.07 %
6 Month T-Bill	0.06 %	0.06 %	0.12 %
1 Year T-Note	0.15 %	0.14 %	0.19 %
2 Year T-Note	0.35 %	0.28 %	0.34 %
5 Year T-Note	1.22 %	0.93 %	1.02 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	371,799.06	371,799.06
Accretion (Amortization)	(99,820.33)	(99,820.33)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	271,978.73	271,978.73
Average Daily Historical Cost	205,305,727.27	193,271,858.02
Annualized Return	1.56%	1.66%
Annualized Return Net of Fees	1.49%	1.58%
Annualized Return Year to Date Net of Fees	1.48%	1.62%
Weighted Average Effective Maturity in Days	803	840

**City of Ann Arbor
Activity and Performance Summary
for the period March 1, 2012 - March 31, 2012**

Fair Value Basis Activity Summary

Beginning Fair Value	206,988,096.23
Additions	
Contributions	0.00
Interest Received	252,525.00
Accrued Interest Sold	0.00
Total Additions	252,525.00
Deductions	
Withdrawals	3,653,489.64
Fees Paid	12,980.03
Accrued Interest Purchased	0.00
Total Deductions	(3,666,469.67)
Change in Fair Value for the Period	(678,909.61)
Ending Fair Value	202,895,241.95

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
U.S. Treasury	159,456.79	(457,627.50)	(298,170.71)
U.S. Instrumentality	212,342.27	(221,282.11)	(8,939.84)
Total	371,799.06	(678,909.61)	(307,110.55)

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.09 %	0.09 %	0.13 %
Overnight Repo	0.06 %	0.08 %	0.14 %
3 Month T-Bill	0.07 %	0.02 %	0.12 %
6 Month T-Bill	0.24 %	0.12 %	0.24 %
1 Year T-Note	0.37 %	0.18 %	0.00 %
2 Year T-Note	1.47 %	0.04 %	-0.24 %
5 Year T-Note	8.52 %	1.54 %	-7.44 %

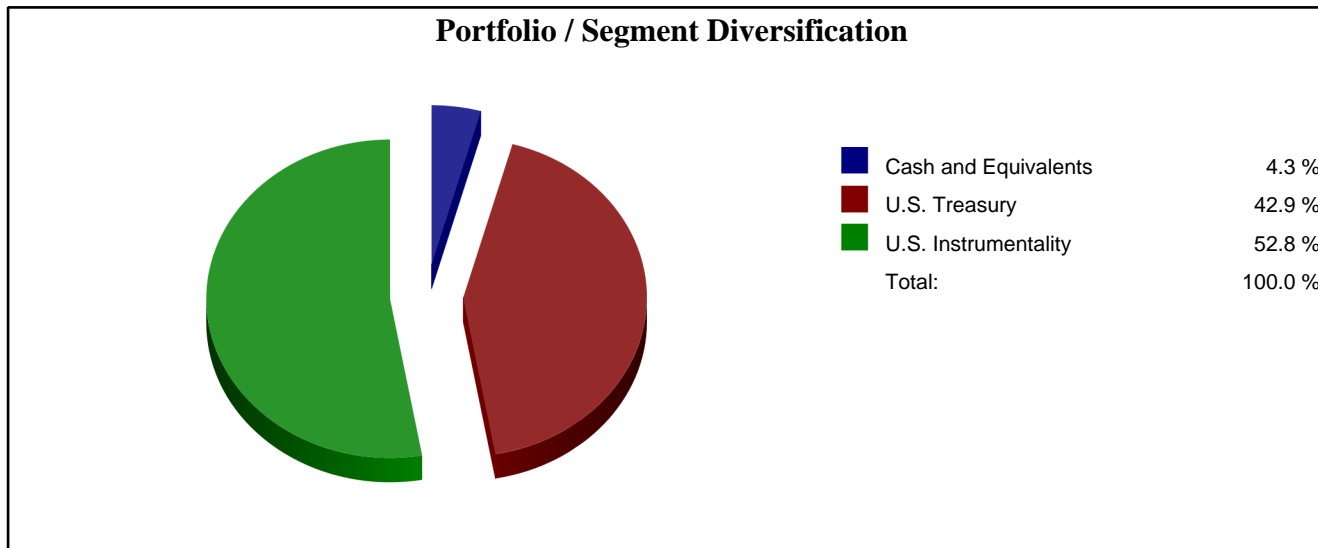
Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	371,799.06	371,799.06
Change in Fair Value	(678,909.61)	(678,909.61)
Total Income on Portfolio	(307,110.55)	(307,110.55)
Average Daily Historical Cost	205,305,727.27	193,271,858.02
Annualized Return	(1.77%)	(1.88%)
Annualized Return Net of Fees	(1.84%)	(1.95%)
Annualized Return Year to Date Net of Fees	(0.14%)	(0.16%)
Weighted Average Effective Maturity in Days	803	840

**City of Ann Arbor
Recap of Securities Held
March 31, 2012**

	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	8,730,051.83	8,730,051.83	8,730,051.83	0.00	1	1	4.32	0.00	0.00
U.S. Treasury	86,600,976.58	85,559,337.38	86,718,355.00	1,159,017.62	1,297	1,297	42.87	1.19	3.39
U.S. Instrumentality	106,658,559.22	105,998,917.49	107,446,835.12	1,447,917.63	1,000	469	52.80	2.15	1.23
Total	201,989,587.63	200,288,306.70	202,895,241.95	2,606,935.25	1,084	803	100.00	1.64	2.11

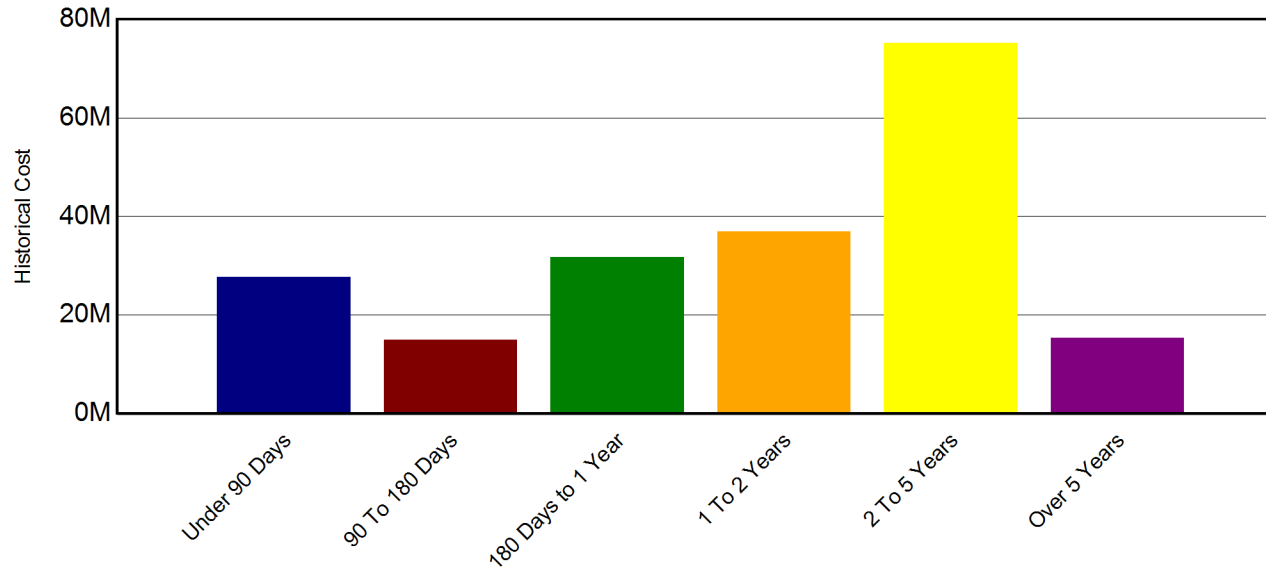
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Ann Arbor
Maturity Distribution of Securities Held
March 31, 2012**

Maturity	Historical Cost	Percent
Under 90 Days	27,774,935.98	13.75 %
90 To 180 Days	14,988,100.00	7.42 %
180 Days to 1 Year	31,782,366.22	15.73 %
1 To 2 Years	36,917,930.73	18.28 %
2 To 5 Years	75,178,598.45	37.22 %
Over 5 Years	15,347,656.25	7.60 %
	201,989,587.63	100.00 %

Maturity Distribution



**City of Ann Arbor
Securities Held
March 31, 2012**

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
<u>Cash and Equivalents</u>													
BankOne	03/31/12	0.000V		8,683,176.83	8,683,176.83 0.00	8,683,176.83 0.00	8,683,176.83 0.00	0.00	0.00	0.00	0.00	4.30	0.00
Int Receivable	03/31/12	0.000	04/01/12	46,875.00	46,875.00 0.00	46,875.00 0.00	46,875.00 0.00	0.00	0.00	0.00	0.00	0.02	0.00
TOTAL (Cash and Equivalents)				8,730,051.83	8,730,051.83 0.00	8,730,051.83 0.00	8,730,051.83 0.00	0.00	0.00	0.00	0.00	4.32	
<u>U.S. Treasury</u>													
912828JD3 T-Note	07/17/08	3.375	06/30/13	5,000,000.00	5,035,937.50 0.00	5,009,039.01 (615.84)	5,193,360.00 (14,255.00)	184,320.99	0.00	14,371.57	42,651.10	2.49	3.22
912828KF6 T-Note	08/26/10	1.875	02/28/14	5,000,000.00	5,173,046.88 0.00	5,094,217.41 (4,184.44)	5,145,310.00 (9,380.00)	51,092.59	0.00	7,897.41	8,152.17	2.56	0.87
912828QC7 T-Note	08/29/11	1.250	04/15/14	5,000,000.00	5,131,250.00 0.00	5,101,718.75 (4,238.28)	5,089,455.00 (7,420.00)	(12,263.75)	0.00	5,293.72	28,859.29	2.54	0.25
912828LS7 T-Note	08/29/11	2.375	10/31/14	5,000,000.00	5,314,062.50 0.00	5,255,531.44 (8,400.29)	5,243,360.00 (16,015.00)	(12,171.44)	0.00	10,058.06	49,965.85	2.63	0.38
912828LZ1 T-Note	08/26/10	2.125	11/30/14	5,000,000.00	5,207,031.25 0.00	5,129,377.91 (4,122.01)	5,216,795.00 (14,845.00)	87,417.09	0.00	8,999.32	35,706.97	2.58	1.13
912828MR8 T-Note	08/26/10	2.375	02/28/15	5,000,000.00	5,258,593.75 0.00	5,166,900.52 (4,867.28)	5,265,625.00 (19,140.00)	98,724.48	0.00	10,003.40	10,326.09	2.60	1.19
912828NL0 T-Note	08/29/11	1.875	06/30/15	5,000,000.00	5,249,218.75 0.00	5,210,795.30 (5,514.48)	5,204,295.00 (20,705.00)	(6,500.30)	0.00	7,984.20	23,695.05	2.60	0.56
912828PE4 T-Note	08/29/11	1.250	10/31/15	5,000,000.00	5,121,875.00 0.00	5,104,601.38 (2,479.08)	5,099,610.00 (19,530.00)	(4,991.38)	0.00	5,293.71	26,297.81	2.54	0.66
912828EN6 T-Note	08/26/10	4.500	11/15/15	5,000,000.00	5,795,312.50 0.00	5,551,755.87 (12,928.52)	5,679,690.00 (37,890.00)	127,934.13	0.00	19,162.09	85,302.20	2.87	1.33
912828PJ3 T-Note	08/29/11	1.375	11/30/15	5,000,000.00	5,146,093.75 0.00	5,125,787.28 (2,914.36)	5,120,310.00 (21,880.00)	(5,477.28)	0.00	5,823.09	23,104.51	2.55	0.68
912828KS8 T-Note	08/26/10	2.625	02/29/16	5,000,000.00	5,287,890.63 0.00	5,204,369.45 (4,433.49)	5,355,080.00 (35,155.00)	150,710.55	0.00	11,056.38	11,413.04	2.62	1.53
912828KZ2 T-Note	09/30/10	3.250	06/30/16	2,500,000.00	2,732,617.19 0.00	2,671,804.41 (3,433.87)	2,747,655.00 (19,532.50)	75,850.59	0.00	6,919.64	20,535.71	1.35	1.55
912828QR4 T-Note	08/29/11	1.500	06/30/16	5,000,000.00	5,148,437.50 0.00	5,130,292.34 (2,604.17)	5,132,420.00 (30,470.00)	2,127.66	0.00	6,387.36	18,956.04	2.55	0.87
912828MA5 T-Note	08/26/10	2.750	11/30/16	5,000,000.00	5,291,796.88 0.00	5,217,317.26 (3,953.54)	5,401,170.00 (45,705.00)	183,852.74	0.00	11,646.18	46,209.02	2.62	1.76

**City of Ann Arbor
Securities Held
March 31, 2012**

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
912828MS6 T-Note	08/26/10	3.000	02/28/17	5,000,000.00	5,360,156.25 0.00	5,271,707.45 (4,695.05)	5,471,875.00 (45,315.00)	200,167.55	0.00	12,635.87	13,043.48	2.65	1.82
912828PA2 T-Note	08/29/11	1.875	09/30/17	5,000,000.00	5,175,000.00 0.00	5,158,003.60 (2,439.30)	5,177,735.00 (50,000.00)	19,731.40	46,875.00	7,940.58	256.15	2.56	1.28
912828PF1 T-Note	08/29/11	1.875	10/31/17	5,000,000.00	5,172,656.25 0.00	5,156,118.00 (2,373.55)	5,174,610.00 (50,390.00)	18,492.00	0.00	7,984.21	39,405.91	2.56	1.29
TOTAL (U.S. Treasury)				82,500,000.00	86,600,976.58 0.00	85,559,337.38 (74,197.55)	86,718,355.00 (457,627.50)	1,159,017.62	46,875.00	159,456.79	483,880.39	42.87	

U.S. Instrumentality

31331XG30 FFCB	11/15/07	5.450	06/21/12	3,885,000.00	4,039,584.15 0.00	3,892,453.16 (2,852.45)	3,930,151.47 (18,080.79)	37,698.31	0.00	17,644.37	58,814.58	2.00	4.48
31331Y3X6 FFCB	08/01/08	3.950	07/23/12	5,000,000.00	4,988,100.00 0.00	4,999,073.90 254.07	5,058,380.00 (16,910.00)	59,306.10	0.00	16,458.34	37,305.56	2.47	4.02
31331YGE4 FFCB	12/31/07	4.250	12/04/12	5,000,000.00	5,040,100.00 0.00	5,005,502.61 (690.61)	5,136,580.00 (17,490.00)	131,077.39	0.00	17,708.33	69,062.50	2.50	4.07
31359MQV8 FNMA	Call 09/18/06	4.750	02/21/13	5,000,000.00	4,902,300.00 0.00	4,986,435.18 1,289.91	5,198,205.00 (19,255.00)	211,769.82	0.00	19,791.67	26,388.89	2.43	5.11
31359MQV8 FNMA	Call 08/07/09	4.750	02/21/13	3,418,000.00	3,691,234.92 0.00	3,486,836.62 (6,545.81)	3,553,492.94 (13,162.72)	66,656.32	0.00	13,529.58	18,039.44	1.83	2.38
31359MQV8 FNMA	Call 12/09/09	4.750	02/21/13	2,870,000.00	3,151,231.30 0.00	2,948,360.17 (7,451.43)	2,983,769.67 (11,052.37)	35,409.50	0.00	11,360.41	15,147.22	1.56	1.60
31331GZL6 FFCB	07/01/09	2.800	06/03/13	3,000,000.00	3,018,360.00 0.00	3,005,483.66 (397.18)	3,087,471.00 (7,137.00)	81,987.34	0.00	7,000.00	27,533.33	1.49	2.64
31331GS83 FFCB	10/15/09	2.350	09/23/13	3,300,000.00	3,322,770.00 0.00	3,308,544.68 (490.53)	3,394,317.30 (8,352.30)	85,772.62	38,775.00	6,462.50	1,723.33	1.65	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	3,020,757.00 (879.00)	20,757.00	0.00	2,500.00	13,833.33	1.49	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	3,186,898.64 (927.34)	21,898.64	0.00	2,637.50	14,594.17	1.57	1.00
3134G3JR2 FHLMC	01/11/12	0.450	01/09/14	4,000,000.00	4,000,000.00 100.00	4,000,000.00 0.00	4,004,992.00 404.00	4,992.00	0.00	1,500.00	4,100.00	1.98	0.45
31331XSR4 FFCB	05/23/08	4.875	03/14/14	5,000,000.00	5,182,500.00 0.00	5,061,263.55 (2,667.38)	5,415,500.00 (28,425.00)	354,236.45	121,875.00	20,312.50	11,510.42	2.57	4.16
31331JQA4 FFCB	06/11/10	1.900	06/02/14	3,000,000.00	2,990,070.00 0.00	2,994,583.64 212.01	3,081,765.00 (10,062.00)	87,181.36	0.00	4,750.00	18,841.67	1.48	1.99
31331KMF4 FFCB	Call 06/06/11	1.180	06/06/14	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,006,100.00 (3,700.00)	6,100.00	0.00	4,916.66	18,847.22	2.48	1.18

**City of Ann Arbor
Securities Held
March 31, 2012**

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
3134G23L4 FHLMC	Call 11/10/11	0.950	11/10/14 05/10/12	5,000,000.00	5,005,300.00 0.00	5,001,135.71 (902.75)	5,003,215.00 (1,845.00)	2,079.29	0.00	3,958.34	18,604.17	2.48	0.74
3134G2PM8 FHLMC	Call 06/29/11	1.250	12/29/14 06/29/12	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,010,285.00 (2,990.00)	10,285.00	0.00	5,208.33	15,972.22	2.48	1.25
31331GY29 FFCB	10/15/09	2.900	10/09/15	1,905,000.00	1,890,712.50 0.00	1,896,590.97 202.70	2,036,443.10 (2,474.59)	139,852.13	0.00	4,603.75	26,394.83	0.94	3.04
3134G24E9 FHLMC	Call 11/17/11	1.200	11/17/15 05/17/13	5,000,000.00	5,012,500.00 0.00	5,009,392.14 (708.41)	5,024,570.00 (8,405.00)	15,177.86	0.00	5,000.00	22,333.33	2.48	1.03
3137EACT4 FHLMC	01/11/12	2.500	05/27/16	4,000,000.00	4,253,480.00 12,222.22	4,240,631.51 (4,917.33)	4,248,612.00 (19,528.00)	7,980.49	0.00	8,333.33	34,444.44	2.11	1.02
3136FTEP0 FNMA	Call 10/26/11	1.375V	10/26/16 10/26/12	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,028,240.00 (4,925.00)	28,240.00	0.00	5,729.16	29,600.69	2.48	1.37
3136FTHU6 FNMA	Call 11/16/11	1.800	11/16/16 05/16/12	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,008,265.00 (2,180.00)	8,265.00	0.00	7,500.00	33,750.00	2.48	1.80
3136FTMP1 FNMA	Call 11/23/11	1.125V	11/23/16 11/23/12	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,012,345.00 (1,050.00)	12,345.00	0.00	4,687.50	20,000.00	2.48	1.13
3136FTVF3 FNMA	Call 12/28/11	1.000V	12/28/16 12/28/12	5,000,000.00	4,997,500.00 0.00	4,997,629.99 42.41	5,011,985.00 (2,090.00)	14,355.01	0.00	4,166.67	12,916.67	2.47	1.69
31331KZP8 FFCB	Call 09/26/11	1.800	09/26/17 09/26/12	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,007,125.00 2,300.00	7,125.00	45,000.00	7,500.00	1,250.00	2.48	1.80
313376CK9 FHLB	Call 11/16/11	2.180	11/16/18 11/16/12	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,997,370.00 (23,065.00)	(2,630.00)	0.00	9,083.33	40,875.00	2.48	2.18
TOTAL (U.S. Instrumentality)				105,543,000.00	106,658,559.22 12,322.22	105,998,917.49 (99,820.33)	107,446,835.12 (678,909.61)	1,447,917.63	205,650.00	212,342.27	591,883.01	52.80	

GRAND TOTAL

196,773,051.83 **201,989,587.63** **200,288,306.70** **202,895,241.95** **2,606,935.25** **252,525.00** **371,799.06** **1,075,763.40** **100.00**

12,322.22 **(99,820.33)** **(678,909.61)**

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

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2012

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	2.49	5,193,360.00	2.56	1.23
912828KF6	U.S. Treasury	1.875	02/28/2014		AA+	Aaa	5,000,000.00	5,173,046.88	2.56	5,145,310.00	2.54	1.89
912828QC7	U.S. Treasury	1.250	04/15/2014		AA+	Aaa	5,000,000.00	5,131,250.00	2.54	5,089,455.00	2.51	2.01
912828LS7	U.S. Treasury	2.375	10/31/2014		AA+	Aaa	5,000,000.00	5,314,062.50	2.63	5,243,360.00	2.58	2.50
912828LZ1	U.S. Treasury	2.125	11/30/2014		AA+	Aaa	5,000,000.00	5,207,031.25	2.58	5,216,795.00	2.57	2.59
912828MR8	U.S. Treasury	2.375	02/28/2015		AA+	Aaa	5,000,000.00	5,258,593.75	2.60	5,265,625.00	2.60	2.83
912828NL0	U.S. Treasury	1.875	06/30/2015		AA+	Aaa	5,000,000.00	5,249,218.75	2.60	5,204,295.00	2.57	3.15
912828EN6	U.S. Treasury	4.500	11/15/2015		AA+	Aaa	5,000,000.00	5,795,312.50	2.87	5,679,690.00	2.80	3.34
912828PE4	U.S. Treasury	1.250	10/31/2015		AA+	Aaa	5,000,000.00	5,121,875.00	2.54	5,099,610.00	2.51	3.49
912828PJ3	U.S. Treasury	1.375	11/30/2015		AA+	Aaa	5,000,000.00	5,146,093.75	2.55	5,120,310.00	2.52	3.56
912828KS8	U.S. Treasury	2.625	02/29/2016		AA+	Aaa	5,000,000.00	5,287,890.63	2.62	5,355,080.00	2.64	3.73
912828KZ2	U.S. Treasury	3.250	06/30/2016		AA+	Aaa	2,500,000.00	2,732,617.19	1.35	2,747,655.00	1.35	3.97
912828QR4	U.S. Treasury	1.500	06/30/2016		AA+	Aaa	5,000,000.00	5,148,437.50	2.55	5,132,420.00	2.53	4.11
912828MA5	U.S. Treasury	2.750	11/30/2016		AA+	Aaa	5,000,000.00	5,291,796.88	2.62	5,401,170.00	2.66	4.37
912828MS6	U.S. Treasury	3.000	02/28/2017		AA+	Aaa	5,000,000.00	5,360,156.25	2.65	5,471,875.00	2.70	4.59
912828PA2	U.S. Treasury	1.875	09/30/2017		AA+	Aaa	5,000,000.00	5,175,000.00	2.56	5,177,735.00	2.55	5.23
912828PF1	U.S. Treasury	1.875	10/31/2017		AA+	Aaa	5,000,000.00	5,172,656.25	2.56	5,174,610.00	2.55	5.26
ISSUER TOTAL							82,500,000.00	86,600,976.58	42.87	86,718,355.00	42.74	3.39
<u>FFCB</u>												
31331KMF4	U.S. Instrumentality	1.180	06/06/2014	06/06/2012	AA+	Aaa	5,000,000.00	5,000,000.00	2.48	5,006,100.00	2.47	0.18
31331XG30	U.S. Instrumentality	5.450	06/21/2012		AA+	Aaa	3,885,000.00	4,039,584.15	2.00	3,930,151.47	1.94	0.22
31331Y3X6	U.S. Instrumentality	3.950	07/23/2012		AA+	Aaa	5,000,000.00	4,988,100.00	2.47	5,058,380.00	2.49	0.31
31331KZP8	U.S. Instrumentality	1.800	09/26/2017	09/26/2012	AA+	Aaa	5,000,000.00	5,000,000.00	2.48	5,007,125.00	2.47	0.49
31331YGE4	U.S. Instrumentality	4.250	12/04/2012		AA+	Aaa	5,000,000.00	5,040,100.00	2.50	5,136,580.00	2.53	0.67
31331GZL6	U.S. Instrumentality	2.800	06/03/2013		AA+	Aaa	3,000,000.00	3,018,360.00	1.49	3,087,471.00	1.52	1.15
31331GS83	U.S. Instrumentality	2.350	09/23/2013		AA+	Aaa	3,300,000.00	3,322,770.00	1.65	3,394,317.30	1.67	1.46
31331XSR4	U.S. Instrumentality	4.875	03/14/2014		AA+	Aaa	5,000,000.00	5,182,500.00	2.57	5,415,500.00	2.67	1.88
31331JQA4	U.S. Instrumentality	1.900	06/02/2014		AA+	Aaa	3,000,000.00	2,990,070.00	1.48	3,081,765.00	1.52	2.12
31331GY29	U.S. Instrumentality	2.900	10/09/2015		AA+	Aaa	1,905,000.00	1,890,712.50	0.94	2,036,443.10	1.00	3.32
ISSUER TOTAL							40,090,000.00	40,472,196.65	20.04	41,153,832.87	20.28	1.00

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2012

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>FNMA</u>												
3136FTHU6	U.S. Instrumentality	1.800	11/16/2016	05/16/2012	AA+	Aaa	5,000,000.00	5,000,000.00	2.48	5,008,265.00	2.47	0.13
3136FTEP0	U.S. Instrumentality	1.375	10/26/2016	10/26/2012	AA+	Aaa	5,000,000.00	5,000,000.00	2.48	5,028,240.00	2.48	0.57
3136FTMP1	U.S. Instrumentality	1.125	11/23/2016	11/23/2012	AA+	Aaa	5,000,000.00	5,000,000.00	2.48	5,012,345.00	2.47	0.64
3136FTVF3	U.S. Instrumentality	1.000	12/28/2016	12/28/2012	AA+	Aaa	5,000,000.00	4,997,500.00	2.47	5,011,985.00	2.47	0.74
31359MQV8	U.S. Instrumentality	4.750	02/21/2013	02/21/2013	AA+	Aaa	11,288,000.00	11,744,766.22	5.81	11,735,467.61	5.78	0.88
31398A4N9	U.S. Instrumentality	1.000	10/15/2013		AA+	Aaa	6,165,000.00	6,172,816.35	3.06	6,207,655.64	3.06	1.52
ISSUER TOTAL							37,453,000.00	37,915,082.57	18.77	38,003,958.25	18.73	0.79
<u>FHLMC</u>												
3134G23L4	U.S. Instrumentality	0.950	11/10/2014	05/10/2012	AA+	Aaa	5,000,000.00	5,005,300.00	2.48	5,003,215.00	2.47	0.11
3134G2PM8	U.S. Instrumentality	1.250	12/29/2014	06/29/2012	AA+	Aaa	5,000,000.00	5,000,000.00	2.48	5,010,285.00	2.47	0.25
3134G24E9	U.S. Instrumentality	1.200	11/17/2015	05/17/2013	AA+	Aaa	5,000,000.00	5,012,500.00	2.48	5,024,570.00	2.48	1.12
3134G3JR2	U.S. Instrumentality	0.450	01/09/2014		AA+	Aaa	4,000,000.00	4,000,000.00	1.98	4,004,992.00	1.97	1.76
3137EACT4	U.S. Instrumentality	2.500	05/27/2016		AA+	Aaa	4,000,000.00	4,253,480.00	2.11	4,248,612.00	2.09	3.93
ISSUER TOTAL							23,000,000.00	23,271,280.00	11.52	23,291,674.00	11.48	1.34
<u>BankOne</u>												
	Cash and Equivalents	0.000					8,683,176.83	8,683,176.83	4.30	8,683,176.83	4.28	0.00
ISSUER TOTAL							8,683,176.83	8,683,176.83	4.30	8,683,176.83	4.28	0.00
<u>FHLB</u>												
313376CK9	U.S. Instrumentality	2.180	11/16/2018	11/16/2012	AA+	Aaa	5,000,000.00	5,000,000.00	2.48	4,997,370.00	2.46	6.09
ISSUER TOTAL							5,000,000.00	5,000,000.00	2.48	4,997,370.00	2.46	6.09
<u>Int Receivable</u>												
	Cash and Equivalents	0.000	04/01/2012				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, 2012

GRAND TOTAL	196,773,051.83	201,989,587.63	100.00	202,895,241.95	100.00	2.11
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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, 2012 - March 31, 2012**

NOTE: There is no activity for the period.

City of Ann Arbor
Securities Sold and Matured
March 1, 2012 - March 31, 2012

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>													
BankOne	03/31/2012	0.000V		3,460,819.67	3,460,819.67	3,460,819.67	100.00	3,460,819.67	0.00	0.00	0.00	0.00	0.00
						0.00		0.00					
TOTAL (Cash and Equivalents)				3,460,819.67	3,460,819.67	3,460,819.67		3,460,819.67	0.00	0.00	0.00	0.00	
						0.00		0.00					
GRAND TOTAL				3,460,819.67	3,460,819.67	3,460,819.67		3,460,819.67	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, 2012 - March 31, 2012**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
03/14/2012	31331XSR4	Interest	INS	FFCB	03/14/2014	5,000,000.00	0.00	121,875.00	121,875.00	121,875.00
03/23/2012	31331GS83	Interest	INS	FFCB	09/23/2013	3,300,000.00	0.00	38,775.00	38,775.00	160,650.00
03/26/2012	31331KZP8	Interest	INS	FFCB	09/26/2017	5,000,000.00	0.00	45,000.00	45,000.00	205,650.00
03/31/2012		Bought	CE	Int Receivable	04/01/2012	46,875.00	46,875.00	0.00	(46,875.00)	158,775.00
03/31/2012		Sold	CE	BankOne		3,460,819.67	3,460,819.67	0.00	3,460,819.67	3,619,594.67
03/31/2012	912828PA2	Interest	TSY	T-Note	09/30/2017	5,000,000.00	0.00	46,875.00	46,875.00	3,666,469.67
Portfolio Activity Total									3,666,469.67	

Net Contributions:	0.00
Net Withdrawals:	3,653,489.64

Fees Charged:	12,831.61
Fees Paid:	12,980.03

**City of Ann Arbor
Securities Bid and Offer
for the period 3/1/2012 - 3/31/2012**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
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
04/09/2012	Interest	31331GY29	FFCB	2.900	10/09/2015		1,905,000.00	0.00	27,622.50	27,622.50
04/15/2012	Interest	912828QC7	T-Note	1.250	04/15/2014		5,000,000.00	0.00	31,250.00	31,250.00
04/15/2012	Interest	31398A4N9	FNMA	1.000	10/15/2013		3,165,000.00	0.00	15,825.00	15,825.00
04/15/2012	Interest	31398A4N9	FNMA	1.000	10/15/2013		3,000,000.00	0.00	15,000.00	15,000.00
04/26/2012	Interest	3136FTEP0	FNMA	0.000	10/26/2016	10/26/2012	5,000,000.00	0.00	34,375.00	34,375.00
04/30/2012	Interest	912828LS7	T-Note	2.375	10/31/2014		5,000,000.00	0.00	59,375.00	59,375.00
04/30/2012	Interest	912828PE4	T-Note	1.250	10/31/2015		5,000,000.00	0.00	31,250.00	31,250.00
04/30/2012	Interest	912828PF1	T-Note	1.875	10/31/2017		5,000,000.00	0.00	46,875.00	46,875.00
05/10/2012	Potential Call	3134G23L4	FHLMC	0.950	11/10/2014	05/10/2012	5,000,000.00	5,000,000.00	23,750.00	5,023,750.00
05/15/2012	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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