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CITY OF ANN ARBOR

Reports for the period March 1, 2011 – March 31, 2011

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

Fixed Income Market Review March 31, 2011

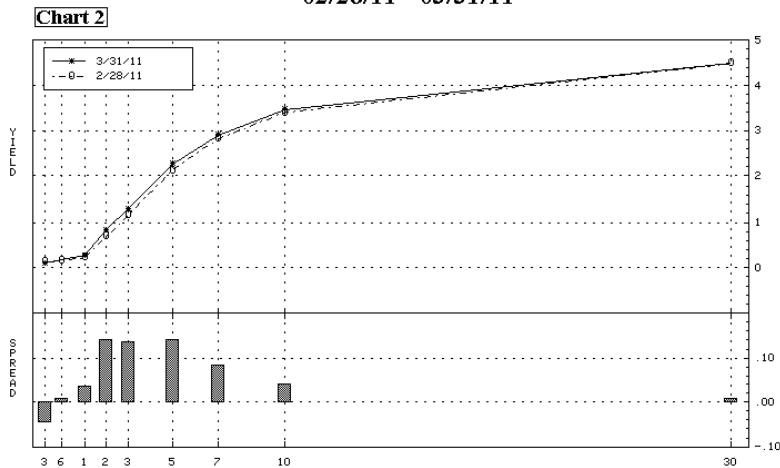
U.S. Nonfarm Payrolls (Monthly Net Change)
04/30/05 - 03/31/11



Economic Indicators & Monetary Policy – The unemployment rate in the U.S. fell to a two-year low of 8.8 percent in March as employers added 216,000 jobs during the month compared to an expected increase of 190,000. (See Chart 1.) This gain follows a revised increase to 194,000 in February. During the first quarter of 2011, the economy created 478,000 jobs, an average of 159,000 on a monthly basis compared to 78,000 per month for all of 2010. Excluding government agencies, private payrolls rose 230,000 in March compared to an expected gain of 206,000. The labor market continues to recover despite the highest surge in energy prices in over two years.

U.S. orders for durable goods, representing assets expected to last at least three years, unexpectedly fell 0.9 percent in February compared to an expected gain of 1.2 percent. This follows an increase of 3.6 percent in January. Over the past year, orders gained 6.5 percent and have surged more than 20 percent since March 2009. The decline in February raises some concerns that the rebound in U.S. business investment may not be sustainable, because there may be less of a need to replace outdated equipment than there was during the earlier stages of the recovery. However, the U.S. consumer remains resilient during these difficult times.

Treasury Yield Curves
02/28/11 - 03/31/11



At its latest meeting on March 15th, the FOMC kept the federal funds target rate at a 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 upgraded its assessment of economic conditions stating that the “economic recovery is on a firmer footing, and overall conditions in the labor market appear to be improving gradually.” The FOMC acknowledged that “commodity prices have risen significantly” however “longer-term inflation expectations have remained stable, and measures of underlying inflation have been subdued.”

Yield Curve & Spreads – Treasury yields moved slightly higher in March with continued improvement in the overall employment situation.

At the end of March, three-month Treasury bills yielded 0.09 percent, six-month Treasury bills yielded 0.17 percent, two-year Treasuries yielded 0.82 percent, five-year Treasuries yielded 2.28 percent, 10-year Treasuries yielded 3.47 percent, and 30-year bonds yielded 4.51 percent. (See Chart 2.)

Additional Information
March 31, 2011

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 March 1, 2011 - March 31, 2011

<u>Amortized Cost Basis Activity Summary</u>	
Beginning Amortized Cost Value	193,995,339.67
Additions	
Contributions	0.00
Interest Received	439,400.00
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	439,400.00
Deductions	
Withdrawals	3,753,905.45
Fees Paid	12,640.79
Accrued Interest Purchased	5,750.00
Loss on Sales	0.00
Total Deductions	(3,772,296.24)
Accretion (Amortization) for the Period	(110,830.49)
Ending Amortized Cost Value	190,551,612.94
Ending Fair Value	191,442,760.85
Unrealized Gain (Loss)	891,147.91

<u>Detail of Amortized Cost Basis Return</u>				
	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Commercial Paper	0.00	4,202.22	0.00	4,202.22
U.S. Treasury	128,166.51	(43,747.60)	0.00	84,418.91
U.S. Instrumentality	274,304.94	(48,956.11)	0.00	225,348.83
Sales and Maturities				
U.S. Instrumentality	28,875.00	(22,329.00)	0.00	6,546.00
Total	431,346.45	(110,830.49)	0.00	320,515.96

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.18%	0.17%	0.14%
Overnight Repo	0.12%	0.11%	0.06%
3 Month T-Bill	0.14%	0.13%	0.09%
6 Month T-Bill	0.19%	0.17%	0.15%
1 Year T-Note	0.29%	0.26%	0.26%
2 Year T-Note	0.64%	0.58%	0.69%
5 Year T-Note	1.85%	1.80%	2.11%

<u>Summary of Amortized Cost Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	431,346.45	431,346.45
Accretion (Amortization)	(110,830.49)	(110,830.49)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	320,515.96	320,515.96
Average Daily Historical Cost	196,105,509.31	189,490,534.02
Annualized Return	1.92%	1.99%
Annualized Return Net of Fees	1.85%	1.92%
Annualized Return Year to Date Net of Fees	1.95%	2.03%
Weighted Average Effective Maturity in Days	941	968

City of Ann Arbor
Activity and Performance Summary
for the period March 1, 2011 - March 31, 2011

<u>Fair Value Basis Activity Summary</u>		
Beginning Fair Value		195,161,984.63
Additions		
Contributions	0.00	
Interest Received	439,400.00	
Accrued Interest Sold	0.00	
Total Additions		439,400.00
Deductions		
Withdrawals	3,753,905.45	
Fees Paid	12,640.79	
Accrued Interest Purchased	5,750.00	
Total Deductions		(3,772,296.24)
Change in Fair Value for the Period		(386,327.54)
Ending Fair Value		191,442,760.85

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Commercial Paper	0.00	2,488.00	2,488.00
U.S. Treasury	128,166.51	(170,870.00)	(42,703.49)
U.S. Instrumentality	274,304.94	(192,150.54)	82,154.40
Sales and Maturities			
U.S. Instrumentality	28,875.00	(25,795.00)	3,080.00
Total	431,346.45	(386,327.54)	45,018.91

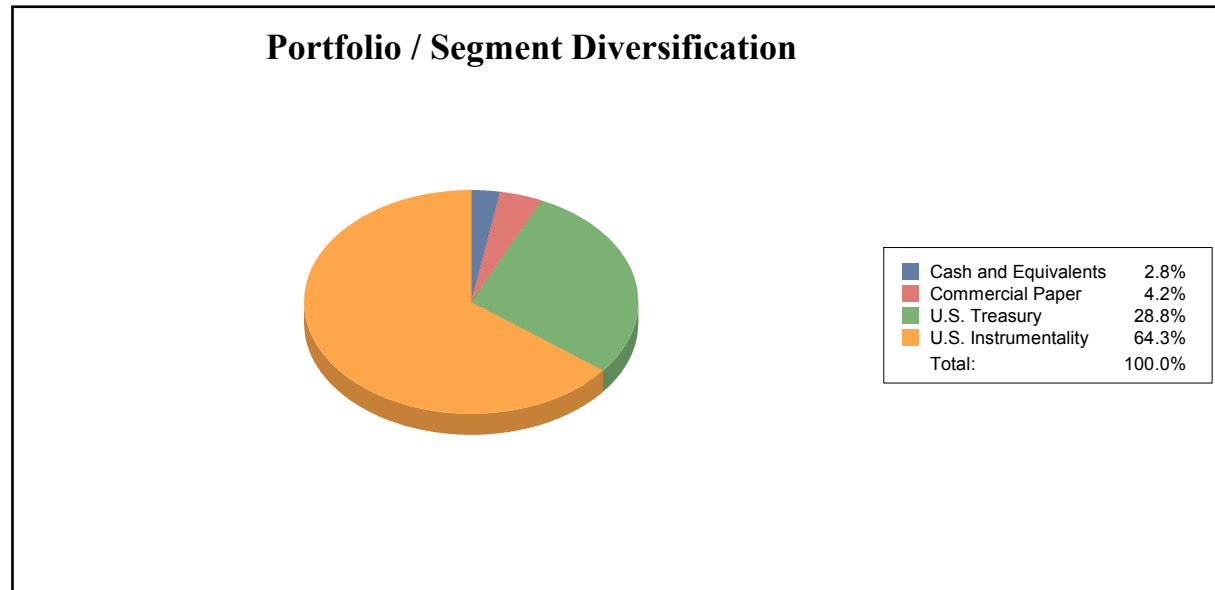
<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.18%	0.17%	0.14%
Overnight Repo	0.12%	0.11%	0.06%
3 Month T-Bill	0.18%	0.20%	0.24%
6 Month T-Bill	0.36%	0.30%	0.24%
1 Year T-Note	0.59%	0.40%	0.35%
2 Year T-Note	1.64%	(0.28%)	(0.82%)
5 Year T-Note	5.22%	(5.41%)	(0.82%)

<u>Summary of Fair Value Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	431,346.45	431,346.45
Change in Fair Value	<u>(386,327.54)</u>	<u>(386,327.54)</u>
Total Income on Portfolio	45,018.91	45,018.91
Average Daily Historical Cost	196,105,509.31	189,490,534.02
Annualized Return	0.27%	0.28%
Annualized Return Net of Fees	0.20%	0.20%
Annualized Return Year to Date Net of Fees	0.26%	0.27%
Weighted Average Effective Maturity in Days	941	968

**City of Ann Arbor
Recap of Securities Held
March 31, 2011**

	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	5,309,954.74	5,309,954.74	5,309,954.74	0.00	1	1	2.77	0.00	0.00
Commercial Paper	7,963,671.11	7,993,357.78	7,997,144.00	3,786.22	50	50	4.15	0.62	0.14
U.S. Treasury	55,182,617.21	54,826,993.33	54,111,550.00	(715,443.33)	1,321	1,321	28.76	1.83	3.36
U.S. Instrumentality	123,398,700.12	122,421,307.09	124,024,112.11	1,602,805.02	1,076	869	64.32	2.31	2.26
TOTAL	191,854,943.18	190,551,612.94	191,442,760.85	891,147.91	1,074	941	100.00	2.03	2.43

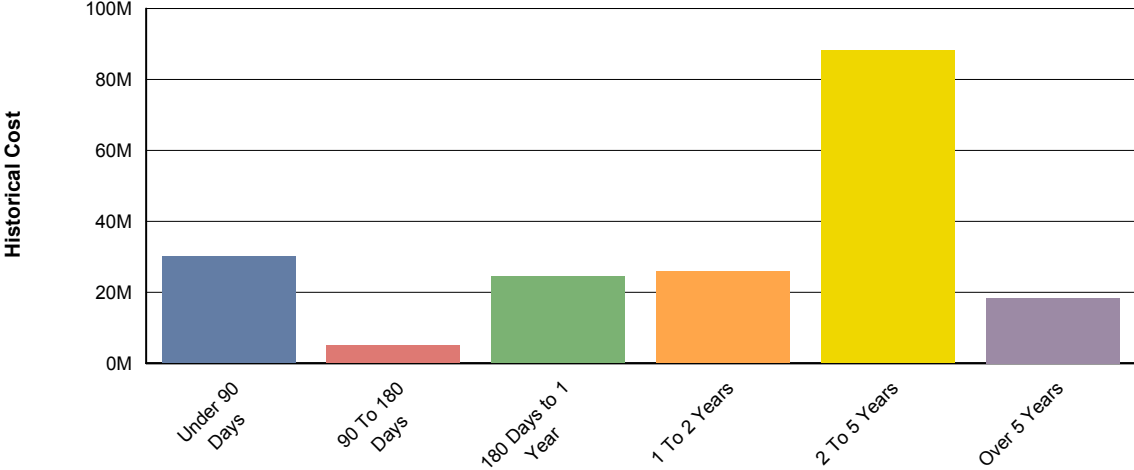
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Ann Arbor
Maturity Distribution of Securities Held
March 31, 2011**

Maturity	Historical Cost	Percent
Under 90 Days	30,078,114.60	15.68%
90 To 180 Days	5,046,093.75	2.63%
180 Days to 1 Year	24,407,562.28	12.72%
1 To 2 Years	25,812,550.37	13.45%
2 To 5 Years	88,126,051.86	45.93%
Over 5 Years	18,384,570.32	9.58%
	191,854,943.18	100.00%

Maturity Distribution



**City of Ann Arbor
Securities Held
March 31, 2011**

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													
BankOne	03/31/11	0.000V		5,309,954.74	5,309,954.74 0.00	5,309,954.74 0.00	5,309,954.74 0.00	0.00	0.00	0.00	0.00	2.77	0.00
TOTAL				5,309,954.74	5,309,954.74 0.00	5,309,954.74 0.00	5,309,954.74 0.00	0.00	0.00	0.00	0.00	2.77	
Commercial Paper													
4497W1SL1 ING Funding	08/25/10	0.000	05/20/11	8,000,000.00	7,963,671.11 0.00	7,993,357.78 4,202.22	7,997,144.00 2,488.00	3,786.22	0.00	0.00	0.00	4.15	0.62
TOTAL				8,000,000.00	7,963,671.11 0.00	7,993,357.78 4,202.22	7,997,144.00 2,488.00	3,786.22	0.00	0.00	0.00	4.15	
U.S. Treasury													
912828FK1 T-Note	08/15/06	5.125	06/30/11	5,000,000.00	5,046,093.75 0.00	5,002,330.58 (802.76)	5,061,720.00 (21,090.00)	59,389.42	0.00	21,944.06	64,416.44	2.63	4.91
912828MM9 T-Note	03/12/10	0.750	11/30/11	5,000,000.00	4,994,140.63 0.00	4,997,732.76 289.24	5,017,385.00 (2,145.00)	19,652.24	0.00	3,193.68	12,568.68	2.60	0.82
912828JD3 T-Note	07/17/08	3.375	06/30/13	5,000,000.00	5,035,937.50 0.00	5,016,309.94 (615.85)	5,276,170.00 (21,095.00)	259,860.06	0.00	14,450.97	42,420.58	2.62	3.22
912828KF6 T-Note	08/26/10	1.875	02/28/14	5,000,000.00	5,173,046.88 0.00	5,143,620.81 (4,184.44)	5,092,580.00 (12,500.00)	(51,040.81)	0.00	7,897.41	8,152.17	2.70	0.87
912828LZ1 T-Note	08/26/10	2.125	11/30/14	5,000,000.00	5,207,031.25 0.00	5,178,044.22 (4,122.01)	5,091,015.00 (14,845.00)	(87,029.22)	0.00	9,048.76	35,611.26	2.71	1.13
912828MR8 T-Note	08/26/10	2.375	02/28/15	5,000,000.00	5,258,593.75 0.00	5,224,365.80 (4,867.28)	5,121,900.00 (15,600.00)	(102,465.80)	0.00	10,003.40	10,326.09	2.74	1.19
912828EN6 T-Note	08/26/10	4.500	11/15/15	5,000,000.00	5,795,312.50 0.00	5,704,395.81 (12,928.52)	5,547,265.00 (21,875.00)	(157,130.81)	0.00	19,267.95	85,151.93	3.02	1.33
912828KS8 T-Note	08/26/10	2.625	02/29/16	5,000,000.00	5,287,890.63 0.00	5,256,713.20 (4,433.49)	5,101,560.00 (15,235.00)	(155,153.20)	0.00	11,056.38	11,413.04	2.76	1.53
912828KZ2 T-Note	09/30/10	3.250	06/30/16	2,500,000.00	2,732,617.19 0.00	2,712,346.26 (3,433.88)	2,615,625.00 (8,985.00)	(96,721.26)	0.00	6,957.87	20,424.72	1.42	1.55
912828MA5 T-Note	08/26/10	2.750	11/30/16	5,000,000.00	5,291,796.88 0.00	5,263,994.55 (3,953.55)	5,070,705.00 (15,235.00)	(193,289.55)	0.00	11,710.16	46,085.16	2.76	1.76
912828MS6 T-Note	08/26/10	3.000	02/28/17	5,000,000.00	5,360,156.25 0.00	5,327,139.40 (4,695.06)	5,115,625.00 (22,265.00)	(211,514.40)	0.00	12,635.87	13,043.48	2.79	1.82
TOTAL				52,500,000.00	55,182,617.21 0.00	54,826,993.33 (43,747.60)	54,111,550.00 (170,870.00)	(715,443.33)	0.00	128,166.51	349,613.55	28.76	
U.S. Instrumentality													

**City of Ann Arbor
Securities Held
March 31, 2011**

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>U.S. Instrumentality</u>													
31331TZN4 FFCB	03/28/08	3.750	04/07/11	5,000,000.00	5,131,700.00 0.00	5,000,715.11 (3,694.75)	5,003,050.00 (14,785.00)	2,334.89	0.00	15,625.00	90,625.00	2.67	2.84
3133XR4U1 FHLB	05/23/08	3.125	06/10/11	5,000,000.00	4,940,350.00 0.00	4,996,248.43 1,661.41	5,026,350.00 (10,340.00)	30,101.57	0.00	13,020.83	48,177.08	2.58	3.54
3133XHB43 FHLB	02/19/09	4.875	10/05/11	6,765,000.00	7,242,676.65 0.00	6,858,241.68 (15,457.18)	6,926,561.73 (21,526.23)	68,320.05	0.00	27,482.81	161,232.50	3.78	2.10
31331XG30 FFCB	11/15/07	5.450	06/21/12	3,885,000.00	4,039,584.15 0.00	3,926,130.43 (2,852.44)	4,119,378.17 (14,560.98)	193,247.74	0.00	17,644.37	58,814.58	2.11	4.48
31331Y3X6 FFCB	08/01/08	3.950	07/23/12	5,000,000.00	4,988,100.00 0.00	4,996,074.31 254.06	5,221,775.00 (13,195.00)	225,700.69	0.00	16,458.34	37,305.56	2.60	4.02
31331YGE4 FFCB	12/31/07	4.250	12/04/12	5,000,000.00	5,040,100.00 0.00	5,013,656.28 (690.61)	5,295,050.00 (18,635.00)	281,393.72	0.00	17,708.33	69,062.50	2.63	4.07
31359MQV8 FNMA	Call 09/18/06	4.750	02/21/13 02/21/13	5,000,000.00	4,902,300.00 0.00	4,971,205.96 1,289.90	5,364,110.00 (23,215.00)	392,904.04	0.00	19,791.67	26,388.89	2.56	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	3,564,119.45 (6,545.81)	3,666,905.60 (15,869.77)	102,786.15	0.00	13,529.58	18,039.44	1.92	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	3,036,335.09 (7,451.43)	3,078,999.14 (13,325.41)	42,664.05	0.00	11,360.41	15,147.22	1.64	1.60
31331GZL6 FFCB	07/01/09	2.800	06/03/13	3,000,000.00	3,018,360.00 0.00	3,010,172.95 (397.18)	3,117,504.00 (6,837.00)	107,331.05	0.00	7,000.00	27,533.33	1.57	2.64
31331GS83 FFCB	10/15/09	2.350	09/23/13	3,300,000.00	3,322,770.00 0.00	3,314,336.08 (490.53)	3,394,881.60 (4,461.60)	80,545.52	38,775.00	6,462.50	1,723.33	1.73	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	5,003,800.68 (658.22)	4,977,275.00 (5,210.00)	(26,525.68)	30,000.00	5,000.00	666.67	2.61	1.04
31398A4N9 FNMA	Call 10/18/10	1.000	10/15/13 04/15/11	3,000,000.00	3,004,050.00 250.00	3,000,316.76 (701.40)	2,970,588.00 (2,409.00)	(29,728.76)	0.00	2,500.00	13,833.33	1.57	0.72
31398A4N9 FNMA	Call 10/18/10	1.000	10/15/13 04/15/11	3,165,000.00	3,168,766.35 263.75	3,165,294.57 (652.28)	3,133,970.34 (2,541.50)	(31,324.23)	0.00	2,637.50	14,594.17	1.65	0.76
31331XSR4 FFCB	05/23/08	4.875	03/14/14	5,000,000.00	5,182,500.00 0.00	5,092,755.78 (2,667.37)	5,495,595.00 (11,680.00)	402,839.22	121,875.00	20,312.50	11,510.42	2.70	4.16
31331JQA4 FFCB	06/11/10	1.900	06/02/14	3,000,000.00	2,990,070.00 0.00	2,992,080.62 212.00	3,032,967.00 (804.00)	40,886.38	0.00	4,750.00	18,841.67	1.56	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	5,004,973.84 (1,048.90)	4,927,080.00 11,775.00	(77,893.84)	0.00	6,250.00	7,291.67	2.61	1.25
3136FRCX9 FNMA	Call 03/23/11	1.800	08/28/14 11/28/11	5,000,000.00	5,015,625.00 5,750.00	5,015,062.50 (562.50)	5,011,700.00 (3,925.00)	(3,362.50)	0.00	2,000.00	7,750.00	2.61	1.34

**City of Ann Arbor
Securities Held
March 31, 2011**

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.S. Instrumentality														
3136FMK29 FNMA	Call	06/30/10	3.000	06/30/15 12/30/11	7,000,000.00	7,155,120.00 0.00	7,077,276.93 (8,775.04)	7,114,695.00 (3,360.00)	37,418.07	0.00	17,500.00	53,083.33	3.73	1.50
3134G1UE2 FHLMC	Call	09/30/10	1.250 V	09/23/15 09/23/11	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,971,255.00 (20,360.00)	(28,745.00)	25,000.00	4,201.39	1,145.83	2.61	1.24
3134G1TY0 FHLMC	Call	09/24/10	1.250 V	09/24/15 06/24/11	5,000,000.00	4,996,250.00 0.00	4,996,638.14 63.66	4,977,035.00 (7,335.00)	(19,603.14)	31,250.00	5,208.34	1,215.28	2.60	2.33
31331GY29 FFCB		10/15/09	2.900	10/09/15	1,905,000.00	1,890,712.50 0.00	1,894,197.73 202.70	1,959,810.66 (2,120.27)	65,612.93	0.00	4,603.75	26,394.83	0.99	3.04
313371XS0 FHLB	Call	12/16/10	1.000 V	12/16/15 06/16/11	2,600,000.00	2,600,000.00 0.00	2,600,000.00 0.00	2,603,510.00 2,688.40	3,510.00	0.00	2,166.66	7,583.33	1.36	1.00
31331JG98 FFCB	Call	12/01/10	2.050	12/21/15 04/21/11	5,380,000.00	5,380,000.00 0.00	5,380,000.00 0.00	5,278,985.12 2,351.06	(101,014.88)	0.00	9,190.83	30,636.11	2.80	2.05
31331J7F4 FFCB	Call	01/20/11	2.370	01/11/16 01/11/12	3,395,000.00	3,394,660.50 2,011.54	3,394,673.77 5.80	3,371,194.26 (23.77)	(23,479.51)	0.00	6,705.12	17,880.33	1.77	2.37
3136FMR30 FNMA	Call	07/22/10	2.000 V	01/21/16 04/21/11	4,117,000.00	4,132,438.75 0.00	4,117,000.00 0.00	4,120,606.49 (4,520.47)	3,606.49	0.00	6,861.67	16,010.56	2.15	2.00
3136FP3S4 FNMA	Call	01/28/11	1.000 V	01/28/16 07/28/11	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,997,270.00 9,445.00	(2,730.00)	0.00	4,166.67	8,750.00	2.61	1.00
313371DT0 FHLB	Call	10/27/10	1.000 V	10/27/17 10/27/11	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,866,010.00 2,630.00	(133,990.00)	0.00	4,166.67	21,388.89	2.61	1.00
TOTAL					121,800,000.00	123,398,700.12 8,275.29	122,421,307.09 (48,956.11)	124,024,112.11 (192,150.54)	1,602,805.02	246,900.00	274,304.94	812,625.85	64.32	
GRAND TOTAL					187,609,954.74	191,854,943.18 8,275.29	190,551,612.94 (88,501.49)	191,442,760.85 (360,532.54)	891,147.91	246,900.00	402,471.45	1,162,239.40	100.00	

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

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2011

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>												
912828FK1	U.S. Treasury	5.125	06/30/2011		AAA	Aaa	5,000,000.00	5,046,093.75	2.63	5,061,720.00	2.64	0.25
912828MM9	U.S. Treasury	0.750	11/30/2011		AAA	Aaa	5,000,000.00	4,994,140.63	2.60	5,017,385.00	2.62	0.66
912828JD3	U.S. Treasury	3.375	06/30/2013		AAA	Aaa	5,000,000.00	5,035,937.50	2.62	5,276,170.00	2.76	2.16
912828KF6	U.S. Treasury	1.875	02/28/2014		AAA	Aaa	5,000,000.00	5,173,046.88	2.70	5,092,580.00	2.66	2.83
912828LZ1	U.S. Treasury	2.125	11/30/2014		AAA	Aaa	5,000,000.00	5,207,031.25	2.71	5,091,015.00	2.66	3.50
912828MR8	U.S. Treasury	2.375	02/28/2015		AAA	Aaa	5,000,000.00	5,258,593.75	2.74	5,121,900.00	2.68	3.73
912828EN6	U.S. Treasury	4.500	11/15/2015		AAA	Aaa	5,000,000.00	5,795,312.50	3.02	5,547,265.00	2.90	4.15
912828KS8	U.S. Treasury	2.625	02/29/2016		AAA	Aaa	5,000,000.00	5,287,890.63	2.76	5,101,560.00	2.66	4.59
912828KZ2	U.S. Treasury	3.250	06/30/2016		AAA	Aaa	2,500,000.00	2,732,617.19	1.42	2,615,625.00	1.37	4.79
912828MA5	U.S. Treasury	2.750	11/30/2016		AAA	Aaa	5,000,000.00	5,291,796.88	2.76	5,070,705.00	2.65	5.18
912828MS6	U.S. Treasury	3.000	02/28/2017		AAA	Aaa	5,000,000.00	5,360,156.25	2.79	5,115,625.00	2.67	5.39
ISSUER TOTAL							52,500,000.00	55,182,617.21	28.76	54,111,550.00	28.27	3.33
<u>FNMA</u>												
3136FMR30	U.S. Instrumentality	2.000	01/21/2016	04/21/2011	AAA	Aaa	4,117,000.00	4,132,438.75	2.15	4,120,606.49	2.15	0.06
3136FRCX9	U.S. Instrumentality	1.800	08/28/2014	11/28/2011	AAA	Aaa	5,000,000.00	5,015,625.00	2.61	5,011,700.00	2.62	0.65
3136FMK29	U.S. Instrumentality	3.000	06/30/2015	12/30/2011	AAA	Aaa	7,000,000.00	7,155,120.00	3.73	7,114,695.00	3.72	0.74
31359MQV8	U.S. Instrumentality	4.750	02/21/2013	02/21/2013	AAA	Aaa	11,288,000.00	11,744,766.22	6.12	12,110,014.74	6.33	1.82
31398A4A7	U.S. Instrumentality	1.200	09/27/2013	09/27/2011	AAA	Aaa	5,000,000.00	5,007,750.00	2.61	4,977,275.00	2.60	2.44
31398A4N9	U.S. Instrumentality	1.000	10/15/2013	04/15/2011	AAA	Aaa	6,165,000.00	6,172,816.35	3.22	6,104,558.34	3.19	2.48
31398A2Y7	U.S. Instrumentality	1.500	08/26/2014	08/26/2011	AAA	Aaa	5,000,000.00	5,012,350.00	2.61	4,927,080.00	2.57	3.29
3136FP3S4	U.S. Instrumentality	1.000	01/28/2016	07/28/2011	AAA	Aaa	5,000,000.00	5,000,000.00	2.61	4,997,270.00	2.61	4.50
ISSUER TOTAL							48,570,000.00	49,240,866.32	25.67	49,363,199.57	25.78	1.96
<u>FFCB</u>												
31331TZN4	U.S. Instrumentality	3.750	04/07/2011		AAA	Aaa	5,000,000.00	5,131,700.00	2.67	5,003,050.00	2.61	0.02
31331XG30	U.S. Instrumentality	5.450	06/21/2012		AAA	Aaa	3,885,000.00	4,039,584.15	2.11	4,119,378.17	2.15	1.18
31331Y3X6	U.S. Instrumentality	3.950	07/23/2012		AAA	Aaa	5,000,000.00	4,988,100.00	2.60	5,221,775.00	2.73	1.28
31331YGE4	U.S. Instrumentality	4.250	12/04/2012		AAA	Aaa	5,000,000.00	5,040,100.00	2.63	5,295,050.00	2.77	1.61
31331GZL6	U.S. Instrumentality	2.800	06/03/2013		AAA	Aaa	3,000,000.00	3,018,360.00	1.57	3,117,504.00	1.63	2.10
31331GS83	U.S. Instrumentality	2.350	09/23/2013		AAA	Aaa	3,300,000.00	3,322,770.00	1.73	3,394,881.60	1.77	2.41
31331XSR4	U.S. Instrumentality	4.875	03/14/2014		AAA	Aaa	5,000,000.00	5,182,500.00	2.70	5,495,595.00	2.87	2.77
31331JQA4	U.S. Instrumentality	1.900	06/02/2014		AAA	Aaa	3,000,000.00	2,990,070.00	1.56	3,032,967.00	1.58	3.05
31331GY29	U.S. Instrumentality	2.900	10/09/2015		AAA	Aaa	1,905,000.00	1,890,712.50	0.99	1,959,810.66	1.02	4.17
31331JG98	U.S. Instrumentality	2.050	12/21/2015	04/21/2011	AAA	Aaa	5,380,000.00	5,380,000.00	2.80	5,278,985.12	2.76	4.44
31331J7F4	U.S. Instrumentality	2.370	01/11/2016	01/11/2012	AAA	Aaa	3,395,000.00	3,394,660.50	1.77	3,371,194.26	1.76	4.46

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2011

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)
ISSUER TOTAL							43,865,000.00	44,378,557.15	23.13	45,290,190.81	23.66	2.34
FHLB												
3133XR4U1	U.S. Instrumentality	3.125	06/10/2011		AAA	Aaa	5,000,000.00	4,940,350.00	2.58	5,026,350.00	2.63	0.19
313371XS0	U.S. Instrumentality	1.000	12/16/2015	06/16/2011	AAA	Aaa	2,600,000.00	2,600,000.00	1.36	2,603,510.00	1.36	0.21
3133XHB43	U.S. Instrumentality	4.875	10/05/2011		AAA	Aaa	6,765,000.00	7,242,676.65	3.78	6,926,561.73	3.62	0.50
313371DT0	U.S. Instrumentality	1.000	10/27/2017	10/27/2011	AAA	Aaa	5,000,000.00	5,000,000.00	2.61	4,866,010.00	2.54	6.01
ISSUER TOTAL							19,365,000.00	19,783,026.65	10.31	19,422,431.73	10.15	1.76
FHLMC												
3134G1UE2	U.S. Instrumentality	1.250	09/23/2015	09/23/2011	AAA	Aaa	5,000,000.00	5,000,000.00	2.61	4,971,255.00	2.60	4.26
3134G1TY0	U.S. Instrumentality	1.250	09/24/2015	06/24/2011	AAA	Aaa	5,000,000.00	4,996,250.00	2.60	4,977,035.00	2.60	4.27
ISSUER TOTAL							10,000,000.00	9,996,250.00	5.21	9,948,290.00	5.20	4.26
ING Funding												
4497W1SL1	Commercial Paper	0.000	05/20/2011		A-1	P-1	8,000,000.00	7,963,671.11	4.15	7,997,144.00	4.18	0.14
ISSUER TOTAL							8,000,000.00	7,963,671.11	4.15	7,997,144.00	4.18	0.14
BankOne												
	Cash and Equivalents	0.000					5,309,954.74	5,309,954.74	2.77	5,309,954.74	2.77	0.00
ISSUER TOTAL							5,309,954.74	5,309,954.74	2.77	5,309,954.74	2.77	0.00
GRAND TOTAL							187,609,954.74	191,854,943.18	100.00	191,442,760.85	100.00	2.41

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

**City of Ann Arbor
Securities Purchased
for the period March 1, 2011 - March 31, 2011**

CUSIP/ Description		Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
<u>U.S. Instrumentality</u>									
3136FRCX9 FNMA	Call	03/23/2011	1.800	08/28/2014 11/28/2011	5,000,000.00	100.313	5,015,625.00	5,750.00	1.34
TOTAL					5,000,000.00		5,015,625.00	5,750.00	
GRAND TOTAL					5,000,000.00		5,015,625.00	5,750.00	

**City of Ann Arbor
Securities Sold and Matured
for the period March 1, 2011 - March 31, 2011**

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
<u>Cash and Equivalents</u>													
BankOne	03/31/11	0.000 V		1,348,521.24	1,348,521.24	1,348,521.24 0.00	100.00	1,348,521.24 0.00	0.00	0.00	0.00	0.00	0.00
TOTAL				1,348,521.24	1,348,521.24	1,348,521.24 0.00		1,348,521.24 0.00	0.00	0.00	0.00	0.00	
<u>U.S. Instrumentality</u>													
3128X4W72 FHLMC	03/28/11	5.500	03/28/16	7,000,000.00	7,463,120.00	7,000,000.00 (22,329.00)	100.00	7,000,000.00 (25,795.00)	0.00	0.00	192,500.00	28,875.00	1.15
TOTAL				7,000,000.00	7,463,120.00	7,000,000.00 (22,329.00)		7,000,000.00 (25,795.00)	0.00	0.00	192,500.00	28,875.00	
GRAND TOTAL				8,348,521.24	8,811,641.24	8,348,521.24 (22,329.00)		8,348,521.24 (25,795.00)	0.00	0.00	192,500.00	28,875.00	

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

**City of Ann Arbor
Transaction Report
for the period March 1, 2011 - March 31, 2011**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
03/14/2011	31331XSR4	Interest	INS	FFCB	03/14/2014	5,000,000.00	0.00	121,875.00	121,875.00	121,875.00
03/23/2011	31331GS83	Interest	INS	FFCB	09/23/2013	3,300,000.00	0.00	38,775.00	38,775.00	160,650.00
	3134G1UE2	Interest	INS	FHLMC	09/23/2015	5,000,000.00	0.00	25,000.00	25,000.00	185,650.00
	3136FRCX9	Bought	INS	FNMA	08/28/2014	5,000,000.00	5,015,625.00	5,750.00	(5,021,375.00)	(4,835,725.00)
03/24/2011	3134G1TY0	Interest	INS	FHLMC	09/24/2015	5,000,000.00	0.00	31,250.00	31,250.00	(4,804,475.00)
03/27/2011	31398A4A7	Interest	INS	FNMA	09/27/2013	5,000,000.00	0.00	30,000.00	30,000.00	(4,774,475.00)
03/28/2011	3128X4W72	Interest	INS	FHLMC	03/28/2016	7,000,000.00	0.00	192,500.00	192,500.00	(4,581,975.00)
	3128X4W72	Call	INS	FHLMC	03/28/2016	7,000,000.00	7,000,000.00	0.00	7,000,000.00	2,418,025.00
03/31/2011		Sold	CE	BankOne		1,348,521.24	1,348,521.24	0.00	1,348,521.24	3,766,546.24
Portfolio Activity Total									3,766,546.24	

Net Contributions	0.00	Net Withdrawals	3,753,905.45	Fees Charged	12,256.59	Fees Paid	12,640.79
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City of Ann Arbor
Securities Purchased Bid and Offer
for the period March 1, 2011 – March 31, 2011

Date	Description	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Broker	Bid/Offer	Comments	Accepted
3/23/2011	FNMA	1.800	8/28/2014 11/28/2011	5,000,000.00	Morgan Keegan DTC#0780	YTM 1.71	FNMA Call 1.80% 08/28/14(11/28/11)	x
					Merrill Lynch - Corporates D TC# 161	YTM 0.18	FNMA 1.00% 11/23/11	
					CitiGroup DTC# 418	YTM 0.23	FHLB 0.20% 12/28/11	

City of Ann Arbor
Securities Sold Bid and Offer
for the period March 1, 2011 – March 31, 2011

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
04/05/2011	Interest	3133XHB43	FHLB	4.875	10/05/2011		6,765,000.00	0.00	164,896.88	164,896.88
04/07/2011	Maturity	31331TZN4	FFCB	3.750	04/07/2011		5,000,000.00	5,000,000.00	93,750.00	5,093,750.00
04/09/2011	Interest	31331GY29	FFCB	2.900	10/09/2015		1,905,000.00	0.00	27,622.50	27,622.50
04/15/2011	Potential Call	31398A4N9	FNMA	1.000	10/15/2013	04/15/2011	3,000,000.00	3,000,000.00	15,000.00	3,015,000.00
04/15/2011	Potential Call	31398A4N9	FNMA	1.000	10/15/2013	04/15/2011	3,165,000.00	3,165,000.00	15,825.00	3,180,825.00
04/27/2011	Interest	313371DT0	FHLB	0.000	10/27/2017	10/27/2011	5,000,000.00	0.00	25,000.00	25,000.00
05/15/2011	Interest	912828EN6	T-Note	4.500	11/15/2015		5,000,000.00	0.00	112,500.00	112,500.00