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# CITY OF ANN ARBOR

June 2016

➤ A BNY MELLON COMPANY<sup>SM</sup>

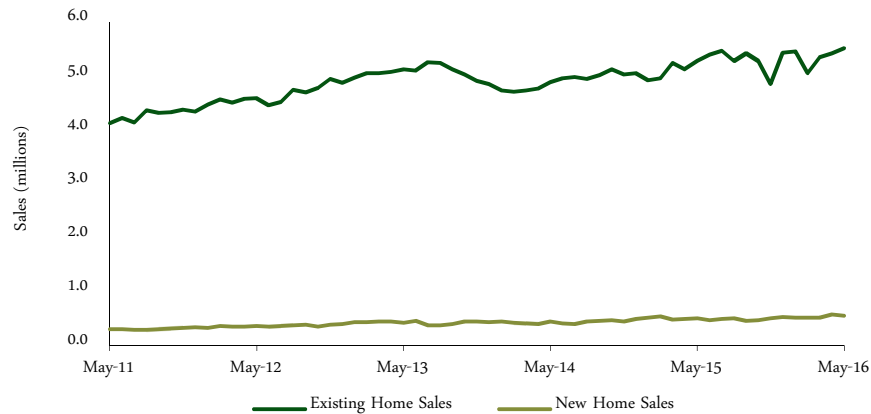


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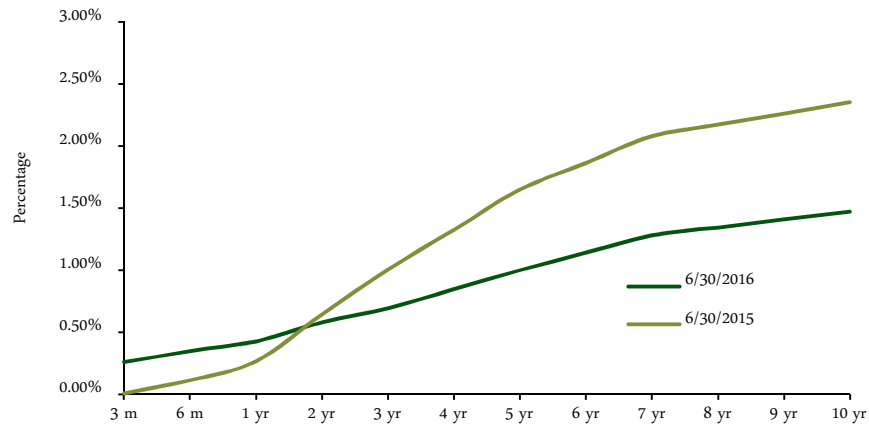
As of June 30, 2016

Chart 1: New and Existing Home Sales 05/31/2011 – 05/31/2016



Source: Bloomberg Finance LP, May 31, 2016

Chart 2: Treasury Yield Curves 6/30/2015 – 6/30/2016



Source: Bloomberg Finance LP, June 30, 2016. Past performance is no assurance of future returns. Please refer to the important disclosures at the back of this presentation.

**Economic Indicators & Monetary Policy:** The final estimate of Gross Domestic Product (GDP) showed that the economy grew at a 1.1% rate during the first quarter of 2016. The report showed that consumer spending accelerated during the first quarter, while business investment lagged behind. The upward revision marks the second consecutive positive revision for the first quarter. On an annual basis, GDP growth was 2.1%. The Institute for Supply Management (ISM) indices were mixed in May. The ISM manufacturing index rose to 51.3 from 50.8, while the ISM non-manufacturing index fell to 52.9 from 55.7. Both indices however, indicate economic growth as levels exceeded 50.

May was the weakest month for job creation in over five years as only 38,000 jobs were added to the workforce. The April jobs report was also revised downward to 123,000 from the original estimate of 160,000. The unemployment rate in May fell to 4.7% as the labor force participation rate dropped to 62.6%. Labor participation has now declined for two consecutive months after six months of growth. The unemployment rate remained at 9.7% and the wages increased slightly. Average hourly earnings grew 2.5% and 0.2% on a year-over-year and month-over-month basis.

Inflation indicators were mixed in May and continue to remain below the 2% long-term goal of the Federal Reserve (Fed). The Producer Price Index (PPI) including food and energy grew 0.4% on a month-over-month basis, while the core PPI increased 0.3%. On an annual basis, headline PPI grew 1.2% while core PPI increased 0.8%. On the consumer side, the headline and core Consumer Price Index (CPI) both increased 0.2% on a month-over-month basis. Headline CPI grew 1.0% on a year-over-year basis, while core CPI was 2.2% higher.

Existing home sales increased 1.8% in May after increasing 1.3% in April. New home sales however, retreated, falling 6.0% after a 12.3% increase in April. Home prices continue to rise across the United States, as the Case Shiller Index increased 5.4%.

The Federal Open Markets Committee voted to maintain its Fed funds target rate at 0.25 – 0.50% at their June meeting. Fed governors indicated that the economy may warrant an interest rate increase at some point this summer, however the Fed meeting took place before the United Kingdom voted to exit the European Union, which led to market uncertainty.

**Yield Curve & Spreads:** At the end of June, the 3-month US Treasury bill yielded 0.26%, the 6-month US Treasury bill yielded 0.35%, the 2-year US Treasury note yielded 0.58%, the 5-year US Treasury note yielded 0.99%, and the 10-year US Treasury note yielded 1.44% (See Chart 2).

# ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2016 - June 30, 2016

<u>Amortized Cost Basis Activity Summary</u>	
<b>Opening balance</b>	225,185,167.69
Income received	343,826.40
<b>Total receipts</b>	343,826.40
<b>Total disbursements</b>	0.00
Interportfolio transfers	(12,843,826.40)
<b>Total Interportfolio transfers</b>	(12,843,826.40)
Realized gain (loss)	5,292.70
<b>Total amortization expense</b>	(47,150.09)
<b>Total OID/MKT accretion income</b>	7,210.00
Return of capital	0.00
<b>Closing balance</b>	212,650,520.30
<b>Ending fair value</b>	214,190,880.75
Unrealized gain (loss)	1,540,360.45

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Government Agencies	158,239.49	(17,033.95)	5,292.70	146,498.24
Government Bonds	102,525.17	(22,906.14)	0.00	79,619.03
<b>Total</b>	<b>260,764.66</b>	<b>(39,940.09)</b>	<b>5,292.70</b>	<b>226,117.27</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.26	0.18	0.03
Overnight Repo	0.32	0.22	0.04
Merrill Lynch 3m US Treas Bill	0.16	0.13	0.02
Merrill Lynch 6m US Treas Bill	0.27	0.18	0.03
ML 1 Year US Treasury Note	0.48	0.28	0.05
ML 2 Year US Treasury Note	0.78	0.40	0.06
ML 5 Year US Treasury Note	1.45	0.65	0.10

\* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	260,764.66
Accretion (amortization)	(39,940.09)
Realized gain (loss) on sales	5,292.70
Total income on portfolio	226,117.27
Average daily amortized cost	223,250,433.02
Period return (%)	0.10
YTD return (%)	0.59
Weighted average final maturity in days	733

# ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2016 - June 30, 2016

<u>Fair Value Basis Activity Summary</u>		
<b>Opening balance</b>		225,861,544.38
Income received	343,826.40	
<b>Total receipts</b>		343,826.40
<b>Total disbursements</b>		0.00
Interportfolio transfers	(12,843,826.40)	
<b>Total Interportfolio transfers</b>		(12,843,826.40)
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		829,336.37
<b>Ending fair value</b>		214,190,880.75

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Government Agencies	158,239.49	628,533.00	786,772.49
Government Bonds	102,525.17	200,803.37	303,328.54
<b>Total</b>	<b>260,764.66</b>	<b>829,336.37</b>	<b>1,090,101.03</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.26	0.18	0.03
Overnight Repo	0.32	0.22	0.04
Merrill Lynch 3m US Treas Bill	0.19	0.15	0.04
Merrill Lynch 6m US Treas Bill	0.52	0.41	0.12
ML 1 Year US Treasury Note	0.59	0.65	0.24
ML US Treasury 1-3	1.31	1.43	0.60
ML US Treasury 1-5	2.43	2.39	0.97

\* rates reflected are cumulative

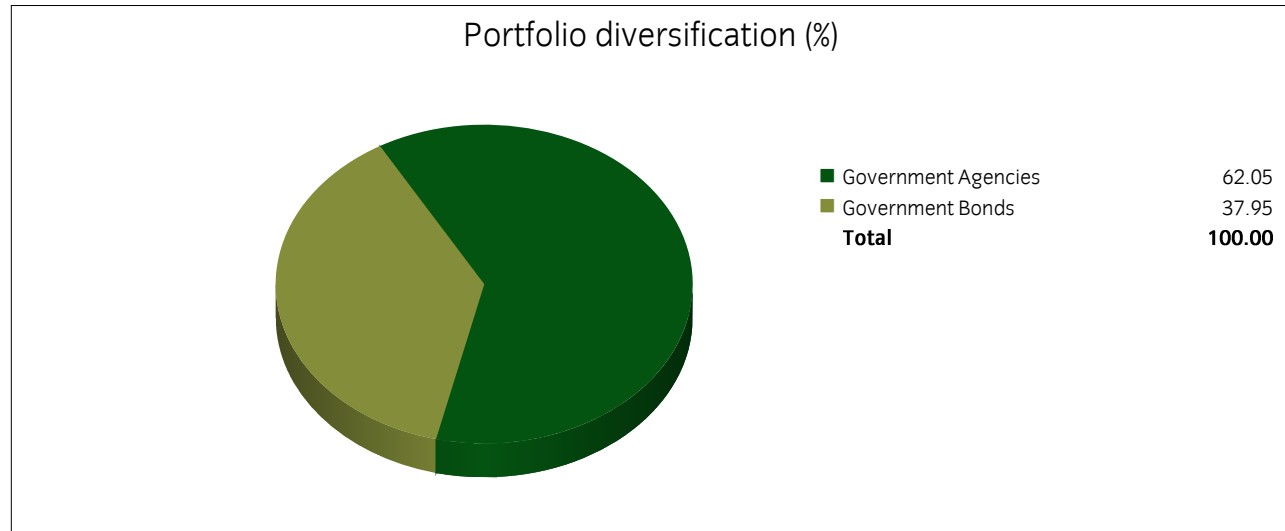
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	260,764.66
Change in fair value	829,336.37
Total income on portfolio	1,090,101.03
Average daily total value *	225,210,225.04
Period return (%)	0.49
YTD return (%)	1.41
Weighted average final maturity in days	733

\* Total value equals market value and accrued interest

# RECAP OF SECURITIES HELD

As of June 30, 2016

	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Government Agencies	132,637,430.00	132,392,387.79	133,433,927.00	1,041,539.21	913	62.05	1.82
Government Bonds	81,117,968.76	80,258,132.51	80,756,953.75	498,821.24	439	37.95	1.18
<b>Total</b>	<b>213,755,398.76</b>	<b>212,650,520.30</b>	<b>214,190,880.75</b>	<b>1,540,360.45</b>	<b>733</b>	<b>100.00</b>	<b>1.58</b>

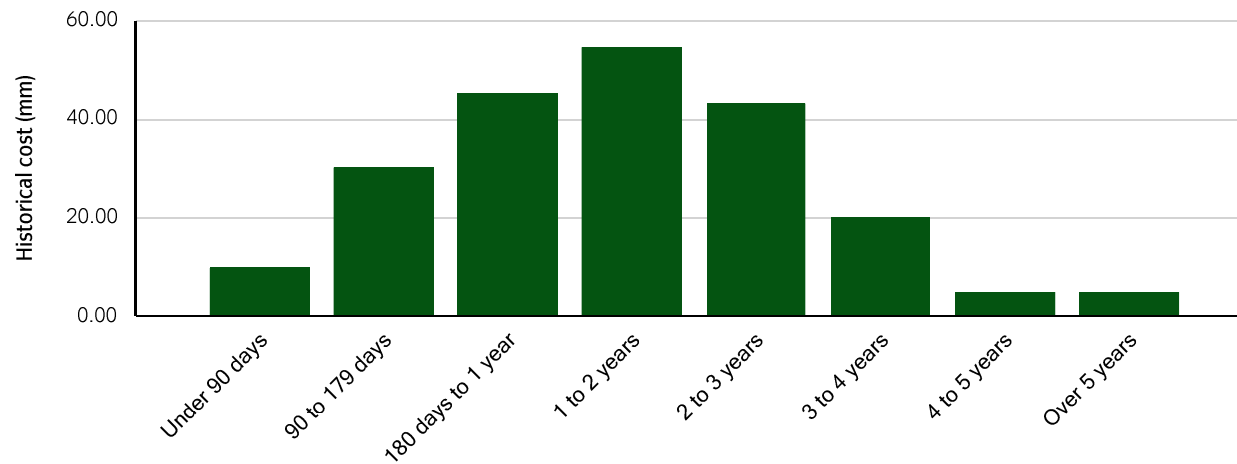


# MATURITY DISTRIBUTION OF SECURITIES HELD

As of June 30, 2016

Maturity	Historic cost	Percent
Under 90 days	9,980,900.00	4.67
90 to 179 days	30,307,223.44	14.18
180 days to 1 year	45,309,598.43	21.20
1 to 2 years	54,692,776.57	25.59
2 to 3 years	43,351,409.69	20.28
3 to 4 years	20,117,940.63	9.41
4 to 5 years	5,000,000.00	2.34
Over 5 years	4,995,550.00	2.34
	<b>213,755,398.76</b>	<b>100.00</b>

Maturity distribution



# SECURITIES HELD

## As of June 30, 2016

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
<b>Government Agencies</b>											
313381B53 FEDERAL HOME LOAN BANK 0.58% 14/11/2016	0.580	11/14/2016	5,000,000.00	4,995,700.00 0.00	4,999,598.19 89.96	5,002,500.00 2,300.00	2,901.81	0.00	2,336.12	3,705.56	2.34
3133EEUT5 FEDERAL FARM CREDIT BANK 0.7% 23/01/2017	0.700	01/23/2017	5,000,000.00	5,007,450.00 0.00	5,002,294.92 (339.15)	5,004,950.00 4,400.00	2,655.08	0.00	2,819.45	15,263.89	2.34
3133EDEB4 FEDERAL FARM CREDIT BANK 1.1% 28/06/2017	1.100	06/28/2017	5,000,000.00	5,012,500.00 0.00	5,003,641.17 (315.30)	5,023,500.00 9,000.00	19,858.83	27,500.00	4,430.56	305.56	2.34
313370S22 FEDERAL HOME LOAN BANK 2.25% 08/09/2017	2.250	09/08/2017	5,000,000.00	5,171,550.00 0.00	5,055,581.68 (3,895.91)	5,093,635.00 5,180.00	38,053.32	0.00	9,062.50	35,000.00	2.42
313371VG8 FEDERAL HOME LOAN BANK 2.25% 08/12/2017	2.250	12/08/2017	5,000,000.00	5,191,000.00 0.00	5,087,633.30 (5,075.29)	5,115,050.00 15,750.00	27,416.70	56,250.00	9,062.50	6,875.00	2.43
3135G0VC4 FANNIE MAE 1.13% 28/02/2018 CALLABLE	1.130	02/28/2018	6,000,000.00	5,990,040.00 0.00	5,994,922.68 253.86	6,043,680.00 40,980.00	48,757.32	0.00	5,461.67	22,976.67	2.80
3133EETE0 FEDERAL FARM CREDIT BANK 1.125% 12/03/2018	1.125	03/12/2018	5,000,000.00	4,988,950.00 0.00	4,993,761.44 305.81	5,038,800.00 22,900.00	45,038.56	0.00	4,531.25	16,875.00	2.33
3133ECJX3 FEDERAL FARM CREDIT BANK 1.04% 26/03/2018 (CALLABLE 13/07/16)	1.040	03/26/2018	5,000,000.00	4,996,700.00 0.00	4,998,851.70 55.04	5,000,100.00 9,400.00	1,248.30	0.00	4,188.89	13,577.78	2.34
3135G0WJ8 FANNIE MAE 0.875% 21/05/2018	0.875	05/21/2018	3,000,000.00	2,953,560.00 0.00	2,982,351.76 803.37	3,011,874.00 16,191.00	29,522.24	0.00	2,114.58	2,843.75	1.38
3135G0XG3 FANNIE MAE 1% 21/05/2018 (CALLABLE 21/08/16) #0000	1.000	05/21/2018 08/21/2016	5,000,000.00	4,982,150.00 0.00	4,993,265.46 296.68	5,000,900.00 15,100.00	7,634.54	0.00	4,027.78	5,416.67	2.33



# SECURITIES HELD

## As of June 30, 2016

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
<b>Government Agencies</b>											
3130A6AE7 FEDERAL HOME LOAN BANK 1.125% 14/09/2018	1.125	09/14/2018	5,000,000.00	5,017,900.00 0.00	5,013,458.90 (508.52)	5,044,650.00 32,700.00	31,191.10	0.00	4,531.25	16,562.50	2.35
3135G0YT4 FANNIE MAE 1.625% 27/11/2018	1.625	11/27/2018	5,000,000.00	5,017,650.00 0.00	5,010,701.08 (370.28)	5,106,435.00 30,985.00	95,733.92	0.00	6,545.14	7,447.92	2.35
313376BR5 FEDERAL HOME LOAN BANK 1.75% 14/12/2018	1.750	12/14/2018	8,000,000.00	8,153,030.00 0.00	8,126,993.10 (4,309.72)	8,190,928.00 50,592.00	63,934.90	70,000.00	11,277.78	6,222.22	3.81
3136FTZZ5 FANNIE MAE 1.75% 30/01/2019 CALLABLE	1.750	01/30/2019	5,000,000.00	5,094,650.00 0.00	5,085,543.73 (2,759.48)	5,101,550.00 25,100.00	16,006.27	0.00	7,291.66	36,458.33	2.38
3133EE5P1 FEDERAL FARM CREDIT BANK 1.32% 30/01/2019	1.320	01/30/2019	5,000,000.00	5,015,650.00 0.00	5,011,804.14 (380.77)	5,064,700.00 31,550.00	52,895.86	0.00	5,500.00	27,500.00	2.35
3133EDVK5 FEDERAL FARM CREDIT BANK 1.75% 18/03/2019	1.750	03/18/2019	5,000,000.00	5,024,600.00 0.00	5,015,612.46 (478.91)	5,122,400.00 34,250.00	106,787.54	0.00	7,048.61	24,791.67	2.35
3136G3RW7 FANNIE MAE 1.27% 30/05/2019 (CALLABLE 30/11/16)	1.270	05/30/2019 11/30/2016	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,005,550.00 7,550.00	5,550.00	0.00	5,291.66	5,820.83	2.34
3134G3JM3 FREDDIE MAC 2% 30/07/2019 CALLABLE	2.000	07/30/2019	5,000,000.00	5,025,300.00 0.00	5,014,328.06 (387.25)	5,162,750.00 36,550.00	148,421.94	0.00	8,333.34	41,666.67	2.35
3134G8PD5 FREDDIE MAC 1.35% 30/09/2019 (CALLABLE 30/03/17)	1.350	09/30/2019 03/30/2017	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,016,250.00 11,900.00	16,250.00	0.00	5,625.00	16,875.00	2.34
3137EADM8 FREDDIE MAC 1.25% 02/10/2019	1.250	10/02/2019	5,000,000.00	5,013,050.00 0.00	5,012,671.58 (324.36)	5,059,375.00 52,035.00	46,703.42	0.00	5,034.72	15,277.78	2.35

# SECURITIES HELD

## As of June 30, 2016

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
<b>Government Agencies</b>											
3133EFGU5 FEDERAL FARM CREDIT BANK 1.45% 07/10/2019 (CALLABLE 07/10/16)	1.450	10/07/2019 10/07/2016	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,005,200.00 4,200.00	5,200.00	0.00	5,840.28	16,715.28	2.34
3136G0T68 FANNIE MAE 1.33% 24/10/2019 CALLABLE	1.330	10/24/2019	5,000,000.00	4,991,700.00 0.00	4,993,262.95 169.27	5,065,750.00 43,250.00	72,487.05	0.00	5,356.95	12,191.67	2.34
3136G2YA9 FANNIE MAE 1.4% 26/11/2019 (CALLABLE 26/08/16)	1.400	11/26/2019 08/26/2016	5,000,000.00	4,998,750.00 0.00	4,998,865.66 27.76	5,002,500.00 3,000.00	3,634.34	0.00	5,638.89	24,111.11	2.34
3133EFZT7 FEDERAL FARM CREDIT BANK 1.4% 24/02/2020 (CALLABLE 24/02/17)	1.400	02/24/2020 02/24/2017	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,008,000.00 36,250.00	8,000.00	0.00	5,638.89	24,500.00	2.34
3134G3K90 FREDDIE MAC 1.7% 25/09/2020 CALLABLE	1.700	09/25/2020	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,142,800.00 88,000.00	142,800.00	0.00	6,847.23	22,430.56	2.34
313380NM5 FEDERAL HOME LOAN BANK 2.3% 19/09/2022 (CALLABLE 13/07/16) #0000	2.300	09/19/2022	5,000,000.00	4,995,550.00 0.00	4,997,243.83 36.93	5,000,100.00 50.00	2,856.17	0.00	9,263.89	32,263.89	2.34
<b>Total Government Agencies</b>			<b>132,000,000.00</b>	<b>132,637,430.00</b> <b>0.00</b>	<b>132,392,387.79</b> <b>(17,106.26)</b>	<b>133,433,927.00</b> <b>629,163.00</b>	<b>1,041,539.21</b>	<b>153,750.00</b>	<b>153,100.59</b>	<b>453,675.31</b>	<b>62.05</b>
<b>Government Bonds</b>											
912828WA4 USA TREASURY 0.625% 15/10/2016	0.625	10/15/2016	5,000,000.00	5,000,976.56 0.00	5,000,309.15 (86.67)	5,003,905.00 2,000.00	3,595.85	0.00	2,561.47	6,489.07	2.34
912828RU6 USA TREASURY 0.875% 30/11/2016	0.875	11/30/2016	5,000,000.00	5,018,750.00 0.00	5,003,585.94 (703.12)	5,010,250.00 2,440.00	6,664.06	0.00	3,586.07	3,586.07	2.35

# SECURITIES HELD

## As of June 30, 2016

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
<b>Government Bonds</b>											
912828MA5 USA TREASURY 2.75% 30/11/2016	2.750	11/30/2016	5,000,000.00	5,291,796.88 0.00	5,019,504.12 (3,824.33)	5,049,323.75 (4,707.75)	29,819.63	0.00	11,270.49	11,270.49	2.48
912828RX0 USA TREASURY 0.875% 31/12/2016	0.875	12/31/2016	5,000,000.00	4,973,828.13 0.00	4,996,016.85 649.42	5,011,540.00 3,140.00	15,523.15	21,875.00	3,605.77	0.00	2.33
912828SC5 USA TREASURY 0.875% 31/01/2017	0.875	01/31/2017	5,000,000.00	5,006,835.95 0.00	5,003,466.34 (483.68)	5,012,455.00 4,640.00	8,988.66	0.00	3,605.77	18,149.04	2.34
912828B74 USA TREASURY 0.625% 15/02/2017	0.625	02/15/2017	5,000,000.00	4,991,015.60 0.00	4,995,292.91 613.97	5,005,415.00 6,485.00	10,122.09	0.00	2,575.54	11,675.82	2.33
912828SJ0 USA TREASURY 0.875% 28/02/2017	0.875	02/28/2017	5,000,000.00	4,957,812.50 0.00	4,991,915.17 998.13	5,012,895.00 5,865.00	20,979.83	0.00	3,566.58	14,504.08	2.32
912828MS6 USA TREASURY 3% 28/02/2017	3.000	02/28/2017	5,000,000.00	5,360,156.25 0.00	5,036,787.71 (4,541.70)	5,082,815.00 (2,825.00)	46,027.29	0.00	12,228.26	49,728.26	2.51
912828PA2 USA TREASURY 1.875% 30/09/2017	1.875	09/30/2017	10,000,000.00	10,291,015.63 0.00	10,087,536.80 (5,746.40)	10,163,670.00 21,090.00	76,133.20	0.00	15,368.85	46,618.85	4.81
912828PF1 USA TREASURY 1.875% 31/10/2017	1.875	10/31/2017	5,000,000.00	5,172,656.25 0.00	5,037,314.55 (2,293.93)	5,085,740.00 11,715.00	48,425.45	0.00	7,642.66	15,540.08	2.42
912828UA6 USA TREASURY 0.625% 30/11/2017	0.625	11/30/2017	5,000,000.00	4,923,828.13 0.00	4,973,267.60 1,548.21	5,004,100.00 18,360.00	30,832.40	0.00	2,561.48	2,561.48	2.30
912828XF2 USA TREASURY 1.125% 15/06/2018	1.125	06/15/2018	5,000,000.00	5,013,476.56 0.00	5,010,089.78 (423.35)	5,050,195.00 27,345.00	40,105.22	28,125.00	4,610.66	2,305.33	2.35

# SECURITIES HELD

## As of June 30, 2016

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
<b>Government Bonds</b>											
912828L81 USA TREASURY 0.875% 15/10/2018	0.875	10/15/2018	5,000,000.00	4,954,101.56 0.00	4,964,029.03 1,289.28	5,026,760.00 34,770.00	62,730.97	0.00	3,586.07	9,084.70	2.32
912828B33 USA TREASURY 1.5% 31/01/2019	1.500	01/31/2019	5,000,000.00	5,073,828.13 0.00	5,058,480.79 (1,856.53)	5,104,490.00 36,325.00	46,009.21	0.00	6,181.32	31,112.64	2.37
912828W55 USA TREASURY 1.625% 30/06/2019	1.625	06/30/2019	5,000,000.00	5,087,890.63 0.00	5,080,535.77 (2,206.45)	5,133,400.00 44,730.00	52,864.23	40,625.00	6,696.43	0.00	2.38
<b>Total Government Bonds</b>			<b>80,000,000.00</b>	<b>81,117,968.76</b> <b>0.00</b>	<b>80,258,132.51</b> <b>(17,067.15)</b>	<b>80,756,953.75</b> <b>211,372.25</b>	<b>498,821.24</b>	<b>90,625.00</b>	<b>89,647.42</b>	<b>222,625.91</b>	<b>37.95</b>
<b>Grand total</b>			<b>212,000,000.00</b>	<b>213,755,398.76</b> <b>0.00</b>	<b>212,650,520.30</b> <b>(34,173.41)</b>	<b>214,190,880.75</b> <b>840,535.25</b>	<b>1,540,360.45</b>	<b>244,375.00</b>	<b>242,748.01</b>	<b>676,301.22</b>	<b>100.00</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

## As of June 30, 2016

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
<b>United States Treasury Note/Bond</b>												
912828WA4	USA TREASURY 0.625%	0.625	10/15/2016		AA+	Aaa	5,000,000.00	5,000,976.56	2.34	5,003,905.00	2.34	0.29
912828MA5	USA TREASURY 2.75%	2.750	11/30/2016		AA+	Aaa	5,000,000.00	5,291,796.88	2.48	5,049,323.75	2.36	0.41
912828RU6	USA TREASURY 0.875%	0.875	11/30/2016		AA+	Aaa	5,000,000.00	5,018,750.00	2.35	5,010,250.00	2.34	0.41
912828RX0	USA TREASURY 0.875%	0.875	12/31/2016		AA+	Aaa	5,000,000.00	4,973,828.13	2.33	5,011,540.00	2.34	0.51
912828SC5	USA TREASURY 0.875%	0.875	01/31/2017		AA+	Aaa	5,000,000.00	5,006,835.95	2.34	5,012,455.00	2.34	0.58
912828B74	USA TREASURY 0.625%	0.625	02/15/2017		AA+	Aaa	5,000,000.00	4,991,015.60	2.33	5,005,415.00	2.34	0.62
912828MS6	USA TREASURY 3%	3.000	02/28/2017		AA+	Aaa	5,000,000.00	5,360,156.25	2.51	5,082,815.00	2.37	0.65
912828SJ0	USA TREASURY 0.875%	0.875	02/28/2017		AA+	Aaa	5,000,000.00	4,957,812.50	2.32	5,012,895.00	2.34	0.66
912828PA2	USA TREASURY 1.875%	1.875	09/30/2017		AA+	Aaa	10,000,000.00	10,291,015.63	4.81	10,163,670.00	4.75	1.24
912828PF1	USA TREASURY 1.875%	1.875	10/31/2017		AA+	Aaa	5,000,000.00	5,172,656.25	2.42	5,085,740.00	2.37	1.32
912828UA6	USA TREASURY 0.625%	0.625	11/30/2017		AA+	Aaa	5,000,000.00	4,923,828.13	2.30	5,004,100.00	2.34	1.41
912828XF2	USA TREASURY 1.125%	1.125	06/15/2018		AA+	Aaa	5,000,000.00	5,013,476.56	2.35	5,050,195.00	2.36	1.93
912828L81	USA TREASURY 0.875%	0.875	10/15/2018		AA+	Aaa	5,000,000.00	4,954,101.56	2.32	5,026,760.00	2.35	2.26
912828B33	USA TREASURY 1.5%	1.500	01/31/2019		AA+	Aaa	5,000,000.00	5,073,828.13	2.37	5,104,490.00	2.38	2.52
912828W55	USA TREASURY 1.625%	1.625	06/30/2019		AA+	Aaa	5,000,000.00	5,087,890.63	2.38	5,133,400.00	2.40	2.93
<b>Issuer total</b>							<b>80,000,000.00</b>	<b>81,117,968.76</b>	<b>37.95</b>	<b>80,756,953.75</b>	<b>37.70</b>	<b>1.18</b>
<b>Federal Farm Credit Banks</b>												
3133EEUT5	FEDERAL FARM CREDIT	0.700	01/23/2017		AA+	Aaa	5,000,000.00	5,007,450.00	2.34	5,004,950.00	2.34	0.56
3133EDEB4	FEDERAL FARM CREDIT	1.100	06/28/2017		AA+	Aaa	5,000,000.00	5,012,500.00	2.34	5,023,500.00	2.35	0.99
3133EETE0	FEDERAL FARM CREDIT	1.125	03/12/2018		AA+	Aaa	5,000,000.00	4,988,950.00	2.33	5,038,800.00	2.35	1.67
3133ECJX3	FEDERAL FARM CREDIT	1.040	03/26/2018		AA+	Aaa	5,000,000.00	4,996,700.00	2.34	5,000,100.00	2.33	0.74
3133EE5P1	FEDERAL FARM CREDIT	1.320	01/30/2019		AA+	Aaa	5,000,000.00	5,015,650.00	2.35	5,064,700.00	2.36	2.53
3133EDVK5	FEDERAL FARM CREDIT	1.750	03/18/2019		AA+	Aaa	5,000,000.00	5,024,600.00	2.35	5,122,400.00	2.39	2.64
3133EFGU5	FEDERAL FARM CREDIT	1.450	10/07/2019	10/07/2016	AA+	Aaa	5,000,000.00	5,000,000.00	2.34	5,005,200.00	2.34	1.06

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

## As of June 30, 2016

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
<b>Federal Farm Credit Banks</b>												
3133EFZT7	FEDERAL FARM CREDIT	1.400	02/24/2020	02/24/2017	AA+	Aaa	5,000,000.00	5,000,000.00	2.34	5,008,000.00	2.34	1.54
<b>Issuer total</b>							<b>40,000,000.00</b>	<b>40,045,850.00</b>	<b>18.73</b>	<b>40,267,650.00</b>	<b>18.80</b>	<b>1.47</b>
<b>Federal National Mortgage Association</b>												
3135G0VC4	FANNIE MAE 1.13%	1.130	02/28/2018		AA+	Aaa	6,000,000.00	5,990,040.00	2.80	6,043,680.00	2.82	1.64
3135G0XG3	FANNIE MAE 1%	1.000	05/21/2018	08/21/2016	AA+	Aaa	5,000,000.00	4,982,150.00	2.33	5,000,900.00	2.33	0.79
3135G0WJ8	FANNIE MAE 0.875%	0.875	05/21/2018		AA+	Aaa	3,000,000.00	2,953,560.00	1.38	3,011,874.00	1.41	1.87
3135G0YT4	FANNIE MAE 1.625%	1.625	11/27/2018		AA+	Aaa	5,000,000.00	5,017,650.00	2.35	5,106,435.00	2.38	2.36
3136FTZZ5	FANNIE MAE 1.75%	1.750	01/30/2019		AA+	Aaa	5,000,000.00	5,094,650.00	2.38	5,101,550.00	2.38	2.51
3136G3RW7	FANNIE MAE 1.27%	1.270	05/30/2019	11/30/2016	AA+	Aaa	5,000,000.00	5,000,000.00	2.34	5,005,550.00	2.34	1.20
3136G0T68	FANNIE MAE 1.33%	1.330	10/24/2019		AA+	Aaa	5,000,000.00	4,991,700.00	2.34	5,065,750.00	2.37	3.24
3136G2YA9	FANNIE MAE 1.4%	1.400	11/26/2019	08/26/2016	AA+	Aaa	5,000,000.00	4,998,750.00	2.34	5,002,500.00	2.34	0.91
<b>Issuer total</b>							<b>39,000,000.00</b>	<b>39,028,500.00</b>	<b>18.26</b>	<b>39,338,239.00</b>	<b>18.37</b>	<b>1.81</b>
<b>Federal Home Loan Banks</b>												
313381B53	FEDERAL HOME LOAN	0.580	11/14/2016		AA+	Aaa	5,000,000.00	4,995,700.00	2.34	5,002,500.00	2.34	0.37
313370S22	FEDERAL HOME LOAN	2.250	09/08/2017		AA+	Aaa	5,000,000.00	5,171,550.00	2.42	5,093,635.00	2.38	1.17
313371VG8	FEDERAL HOME LOAN	2.250	12/08/2017		AA+	Aaa	5,000,000.00	5,191,000.00	2.43	5,115,050.00	2.39	1.42
3130A6AE7	FEDERAL HOME LOAN	1.125	09/14/2018		AA+	Aaa	5,000,000.00	5,017,900.00	2.35	5,044,650.00	2.36	2.17
313376BR5	FEDERAL HOME LOAN	1.750	12/14/2018		AA+	Aaa	8,000,000.00	8,153,030.00	3.81	8,190,928.00	3.82	2.41
313380NM5	FEDERAL HOME LOAN	2.300	09/19/2022		AA+	Aaa	5,000,000.00	4,995,550.00	2.34	5,000,100.00	2.33	1.42
<b>Issuer total</b>							<b>33,000,000.00</b>	<b>33,524,730.00</b>	<b>15.68</b>	<b>33,446,863.00</b>	<b>15.62</b>	<b>1.58</b>
<b>Federal Home Loan Mortgage Corp</b>												
3134G3JM3	FREDDIE MAC 2%	2.000	07/30/2019		AA+	Aaa	5,000,000.00	5,025,300.00	2.35	5,162,750.00	2.41	2.97
3134G8PD5	FREDDIE MAC 1.35%	1.350	09/30/2019	03/30/2017	AA+	Aaa	5,000,000.00	5,000,000.00	2.34	5,016,250.00	2.34	1.44

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2016

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
<b>Federal Home Loan Mortgage Corp</b>												
3137EADM8	FREDDIE MAC 1.25%	1.250	10/02/2019		AA+	Aaa	5,000,000.00	5,013,050.00	2.35	5,059,375.00	2.36	3.18
3134G3K90	FREDDIE MAC 1.7%	1.700	09/25/2020		AA+	Aaa	5,000,000.00	5,000,000.00	2.34	5,142,800.00	2.40	4.09
<b>Issuer total</b>							<b>20,000,000.00</b>	<b>20,038,350.00</b>	<b>9.37</b>	<b>20,381,175.00</b>	<b>9.52</b>	<b>2.92</b>
<b>Grand total</b>							<b>212,000,000.00</b>	<b>213,755,398.76</b>	<b>100.00</b>	<b>214,190,880.75</b>	<b>100.00</b>	<b>1.58</b>

# SECURITIES SOLD AND MATURED

For the period June 1, 2016 - June 30, 2016

Cusip/ Description/ Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost at sale or maturity /Accr (amort)	Price	Fair value at sale or maturity / Chg.in fair value	Realized gain (loss)	Accrued interest sold	Interest received	Interest earned
<b>Government Agencies</b>												
313380PE1 FEDERAL HOME LOAN BANK 1.85% 28/09/2020 CALLABLE	06/21/2016 06/21/2016	1.850		(5,000,000.00)	4,990,000.00	4,994,707.30 72.31	0.00	5,000,000.00 (630.00)	5,292.70	0.00	21,326.40	5,138.90
<b>Total (Government Agencies)</b>				<b>(5,000,000.00)</b>	<b>4,990,000.00</b>	<b>4,994,707.30 72.31</b>		<b>5,000,000.00 (630.00)</b>	<b>5,292.70</b>	<b>0.00</b>	<b>21,326.40</b>	<b>5,138.90</b>
<b>Government Bonds</b>												
912828QR4 USA TREASURY 1.5% 30/06/2016	06/30/2016 06/30/2016	1.500		(5,000,000.00)	5,148,437.50	5,000,000.00 (2,515.89)	0.00	5,000,000.00 (5,090.00)	0.00	0.00	37,500.00	6,181.32
912828KZ2 USA TREASURY 3.25% 30/06/2016	06/30/2016 06/30/2016	3.250		(2,500,000.00)	2,732,617.19	2,500,000.00 (3,323.10)	0.00	2,500,000.00 (5,478.88)	0.00	0.00	40,625.00	6,696.43
<b>Total (Government Bonds)</b>				<b>(7,500,000.00)</b>	<b>7,881,054.69</b>	<b>7,500,000.00 (5,838.99)</b>		<b>7,500,000.00 (10,568.88)</b>	<b>0.00</b>	<b>0.00</b>	<b>78,125.00</b>	<b>12,877.75</b>
<b>Grand total</b>				<b>(12,500,000.00)</b>	<b>12,871,054.69</b>	<b>12,494,707.30 (5,766.68)</b>		<b>12,500,000.00 (11,198.88)</b>	<b>5,292.70</b>	<b>0.00</b>	<b>99,451.40</b>	<b>18,016.65</b>



# TRANSACTION REPORT

For the period June 1, 2016 - June 30, 2016

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
06/08/2016 06/08/2016	313371VG8	Income	Government Agencies	FEDERAL HOME LOAN BANK	12/08/2017	5,000,000.00	0.00	0.00	56,250.00	56,250.00
06/14/2016 06/14/2016	313376BR5	Income	Government Agencies	FEDERAL HOME LOAN BANK	12/14/2018	8,000,000.00	0.00	0.00	70,000.00	70,000.00
06/15/2016 06/15/2016	912828XF2	Income	Government Bonds	USA TREASURY 1.125%	06/15/2018	5,000,000.00	0.00	0.00	28,125.00	28,125.00
06/21/2016 06/21/2016	313380PE1	Income	Government Agencies	FEDERAL HOME LOAN BANK	09/28/2020	5,000,000.00	0.00	0.00	21,326.40	21,326.40
06/21/2016 06/21/2016	313380PE1	Capital Change	Government Agencies	FEDERAL HOME LOAN BANK	09/28/2020	(5,000,000.00)	5,292.70	5,000,000.00	0.00	5,000,000.00
06/28/2016 06/28/2016	3133EDEB4	Income	Government Agencies	FEDERAL FARM CREDIT BANK	06/28/2017	5,000,000.00	0.00	0.00	27,500.00	27,500.00
06/30/2016 06/30/2016	912828KZ2	Income	Government Bonds	USA TREASURY 3.25%	06/30/2016	2,500,000.00	0.00	0.00	40,625.00	40,625.00
06/30/2016 06/30/2016	912828KZ2	Capital Change	Government Bonds	USA TREASURY 3.25%	06/30/2016	(2,500,000.00)	0.00	2,500,000.00	0.00	2,500,000.00
06/30/2016 06/30/2016	912828QR4	Income	Government Bonds	USA TREASURY 1.5%	06/30/2016	5,000,000.00	0.00	0.00	37,500.00	37,500.00
06/30/2016 06/30/2016	912828QR4	Capital Change	Government Bonds	USA TREASURY 1.5%	06/30/2016	(5,000,000.00)	0.00	5,000,000.00	0.00	5,000,000.00
06/30/2016 06/30/2016	912828RX0	Income	Government Bonds	USA TREASURY 0.875%	12/31/2016	5,000,000.00	0.00	0.00	21,875.00	21,875.00
06/30/2016 06/30/2016	912828WS5	Income	Government Bonds	USA TREASURY 1.625%	06/30/2019	5,000,000.00	0.00	0.00	40,625.00	40,625.00

# ADDITIONAL INFORMATION

## As of June 30, 2016

Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes) and investors may not get back the amount invested. Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The information contained herein is for your reference only and is being provided in response to your specific request and has been obtained from sources believed to be reliable; however, no representation is made regarding its accuracy or completeness. This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended, or forwarded to a third party without consent from Insight. This is a marketing document intended for professional clients only and should not be made available to or relied upon by retail clients.

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Where indicated, performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. CAMC and CISC charge management fees on all portfolios managed and these fees will reduce the returns on the portfolios. For example, assume that \$30 million is invested in an account with either CAMC or CISC, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to \$38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be \$38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. CAMCS and CISC's investment advisory fees are discussed in Part 2A of the Firms Form ADV.

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In calculating ratings distributions and weighted average portfolio quality, Insight assigns U.S Treasury and U.S agency securities a quality rating based on the methodology used within the respective benchmark index. When Moodys, S&P and Fitch rate a security, Bank of America and Merrill Lynch indexes assign a simple weighted average statistic while Barclays indexes assign the median statistic. Insight assigns all other securities the lower of Moodys and S&P ratings.

Information about the indices shown here is provided to allow for comparison of the performance of the strategy to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index and the indices represented do not take into account trading commissions and/or other brokerage or custodial costs. The volatility of the indices may be materially different from that of the strategy. In addition, the strategys holdings may differ substantially from the securities that comprise the indices shown.

The BofA Merrill Lynch 3 Mo US T-Bill index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

The BofA Merrill Lynch 6 Mo US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The BofA Merrill Lynch Current 1-Year US Treasury Index is a one-security index comprised of the most recently issued 1-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 1-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 3-Year US Treasury Index is a one-security index comprised of the most recently issued 3-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 3-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 5-Year US Treasury Index is a one-security index comprised of the most recently issued 5-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 5-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch 1-3 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

The BofA Merrill Lynch 1-5 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than five years.

Insight does not provide tax or legal advice to its clients and all investors are strongly urged to consult their tax and legal advisors regarding any potential strategy or investment.

# ADDITIONAL INFORMATION

## As of June 30, 2016

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