



Cutwater Asset Management
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CITY OF ANN ARBOR

Report for the period June 1, 2013 - June 30, 2013

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

(This report was prepared on July 9, 2013)

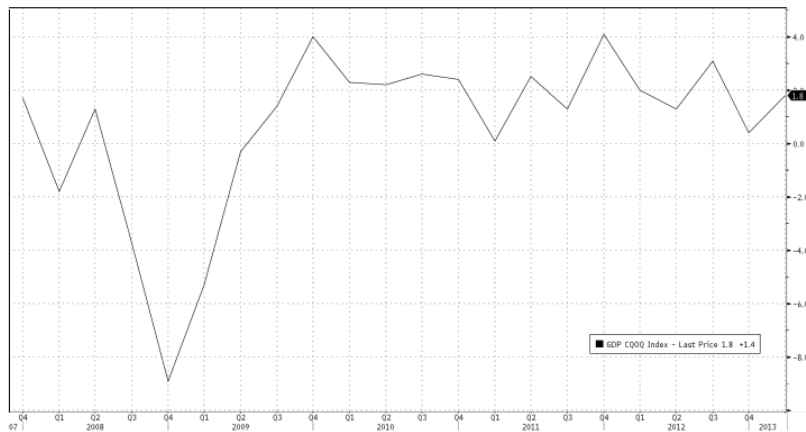
Fixed Income Market Review

June 30, 2013

U.S. Gross Domestic Product

12/31/07 - 03/31/13

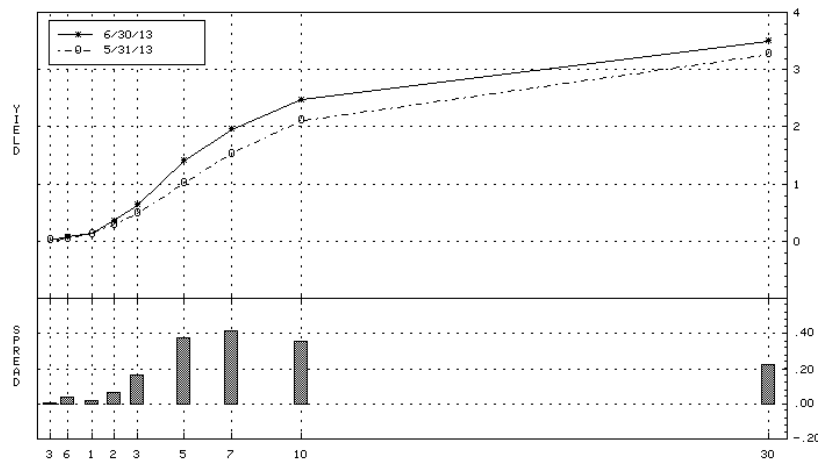
Chart 1



Treasury Yield Curves

05/31/13 - 06/30/13

Chart 2



Economic Indicators & Monetary Policy – The U.S. economy grew at a slower rate than expected in the first quarter of 2013 as Gross Domestic Product (GDP) increased by a revised 1.8 percent annual rate (Chart 1) compared to a prior estimate of 2.4 percent. Over the past four quarters, GDP was up 1.6 percent compared to a 1.7 percent gain during calendar year 2012.

Consumer spending last quarter increased at a revised 2.6 percent rate, down from the prior 3.4 percent estimate, but still represents the fastest quarterly increase in consumer spending in two years. Household purchases were revised lower as consumers cut back on services from vacations to legal advice.

Nonetheless, consumer spending was up 0.3 percent in May following a negative 0.2 percent revised rate in April. Rising housing prices, bigger income gains, and labor market improvement may mute the effects of tax increases and spending cuts.

April values of existing properties in 20 U.S. cities posted the biggest year-over-year gain since March of 2006, but mortgage rates spiked to their highest levels since July of 2011 and now average 4.46 percent. Incomes, however, increased 0.5 percent in May, following a 0.1 percent gain the prior month, and unemployment is expected to fall to 7.5 percent for June

At its latest meeting on June 19th, the FOMC kept the federal funds target rate at a range of zero to 0.25 percent to foster maximum employment and price stability. With markets reeling, several Fed officials have recently emphasized that the central bank won't begin tightening for some time.

Policy-makers will likely hold the benchmark rate near zero as long as unemployment is above 6.5 percent and the inflation outlook is below 2.5 percent. Jeffrey Lacker, Richmond Fed President, stated on June 28th during a speech in West Virginia that “Markets will probably remain volatile as policy makers debate when and how to curtail the so-called quantitative easing program.”

Yield Curve & Spreads – Treasury yields increased in June due to possible tapering of quantitative easing and perceived economic growth.

At the end of June, the 3-month Treasury bill yielded 0.03 percent, 6-month Treasury bill yielded 0.09 percent, 2-year Treasury note yielded 0.36 percent, 5-year Treasury note yielded 1.39 percent, 10-year Treasury note yielded 2.49 percent, and the 30-year Treasury yielded 3.50 percent. (Chart 2)

Additional Information
June 30, 2013

The opinions expressed above are those of Cutwater Asset Management and are subject to change without notice. All statistics represent month-end figures unless otherwise noted.

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 June 1, 2013 - June 30, 2013**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value	189,990,552.23
Additions	
Contributions	0.00
Interest Received	195,500.00
Accrued Interest Sold	82,044.20
Gain on Sales	2,049.11
Total Additions	279,593.31
Deductions	
Withdrawals	3,865,455.25
Fees Paid	11,790.52
Accrued Interest Purchased	875.00
Loss on Sales	0.00
Total Deductions	(3,878,120.77)
Accretion (Amortization) for the Period	(88,762.30)
Ending Amortized Cost Value	186,303,262.47
Ending Fair Value	186,131,542.82
Unrealized Gain (Loss)	(171,719.65)

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Certificates of Deposit	45.10	0.00	0.00	45.10
U.S. Treasury	147,394.22	(76,297.32)	0.00	71,096.90
U.S. Instrumentality	113,276.67	(11,962.58)	0.00	101,314.09
Sales and Maturities				
U.S. Treasury	11,187.85	(476.78)	2,049.11	12,760.18
U.S. Instrumentality	466.67	(25.62)	0.00	441.05
Total	272,370.51	(88,762.30)	2,049.11	185,657.32

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.14 %	0.13 %	0.10 %
Overnight Repo	0.15 %	0.10 %	0.05 %
3 Month T-Bill	0.07 %	0.06 %	0.04 %
6 Month T-Bill	0.11 %	0.09 %	0.07 %
1 Year T-Note	0.16 %	0.14 %	0.15 %
2 Year T-Note	0.27 %	0.27 %	0.33 %
5 Year T-Note	0.77 %	0.87 %	1.20 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	272,370.51	272,370.51
Accretion (Amortization)	(88,762.30)	(88,762.30)
Realized Gain (Loss) on Sales	<u>2,049.11</u>	<u>2,049.11</u>
Total Income on Portfolio	185,657.32	185,657.32
Average Daily Historical Cost	191,347,326.35	180,472,815.62
Annualized Return	1.18%	1.25%
Annualized Return Net of Fees	1.10%	1.17%
Annualized Return Year to Date Net of Fees	1.11%	1.20%
Weighted Average Effective Maturity in Days	1,093	1,169

**City of Ann Arbor
Activity and Performance Summary
for the period June 1, 2013 - June 30, 2013**

Fair Value Basis Activity Summary

Beginning Fair Value	191,332,871.48
Additions	
Contributions	0.00
Interest Received	195,500.00
Accrued Interest Sold	82,044.20
Total Additions	277,544.20
Deductions	
Withdrawals	3,865,455.25
Fees Paid	11,790.52
Accrued Interest Purchased	875.00
Total Deductions	(3,878,120.77)
Change in Fair Value for the Period	(1,600,752.09)
Ending Fair Value	186,131,542.82

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Certificates of Deposit	45.10	0.00	45.10
U.S. Treasury	147,394.22	(434,370.00)	(286,975.78)
U.S. Instrumentality	113,276.67	(1,156,420.53)	(1,043,143.86)
Sales and Maturities			
U.S. Treasury	11,187.85	(9,961.56)	1,226.29
U.S. Instrumentality	466.67	0.00	466.67
Total	272,370.51	(1,600,752.09)	(1,328,381.58)

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.14 %	0.13 %	0.10 %
Overnight Repo	0.15 %	0.10 %	0.05 %
3 Month T-Bill	0.11 %	0.09 %	0.00 %
6 Month T-Bill	0.20 %	0.16 %	0.00 %
1 Year T-Note	0.27 %	0.20 %	0.00 %
2 Year T-Note	0.25 %	-0.01 %	-0.49 %
5 Year T-Note	-1.43 %	-4.55 %	-17.40 %

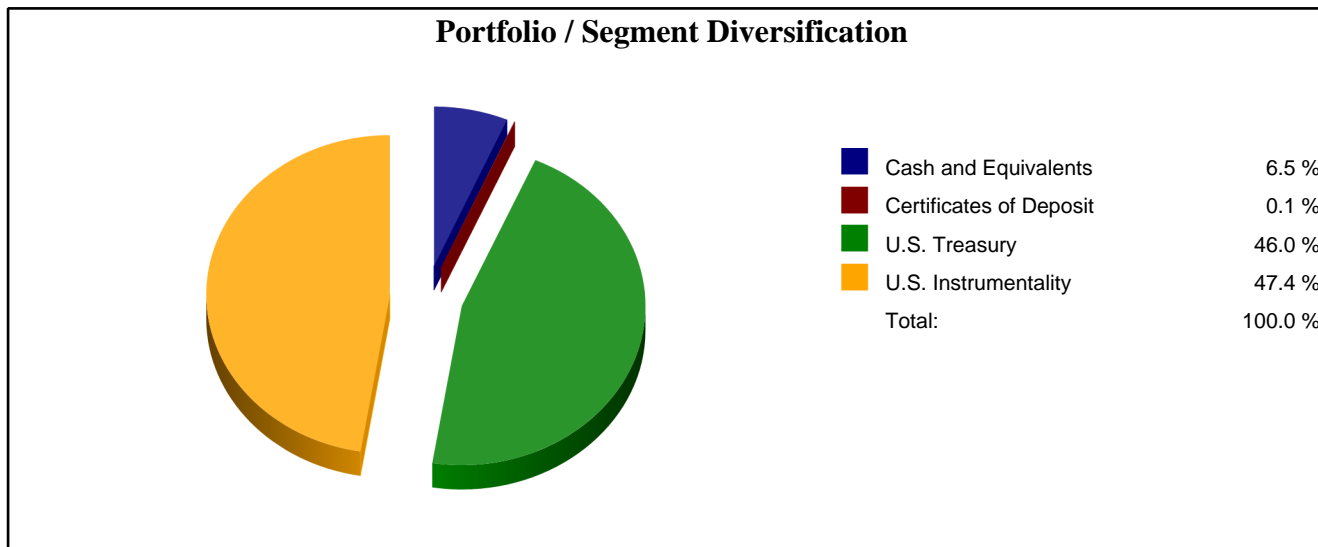
Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	272,370.51	272,370.51
Change in Fair Value	<u>(1,600,752.09)</u>	<u>(1,600,752.09)</u>
Total Income on Portfolio	(1,328,381.58)	(1,328,381.58)
Average Daily Historical Cost	191,347,326.35	180,472,815.62
Annualized Return	(8.45%)	(8.96%)
Annualized Return Net of Fees	(8.52%)	(9.04%)
Annualized Return Year to Date Net of Fees	(1.63%)	(1.77%)
Weighted Average Effective Maturity in Days	1,093	1,169

**City of Ann Arbor
Recap of Securities Held
June 30, 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	12,274,255.54	12,274,255.54	12,274,255.54	0.00	1	1	6.50	0.00	0.00
Certificates of Deposit	108,248.72	108,248.72	108,248.72	0.00	198	198	0.06	0.50	0.54
U.S. Treasury	86,824,804.71	84,728,280.69	85,630,270.00	901,989.31	936	936	46.01	1.03	2.48
U.S. Instrumentality	89,505,008.85	89,192,477.52	88,118,768.56	(1,073,708.96)	1,396	1,396	47.43	1.36	3.62
Total	188,712,317.82	186,303,262.47	186,131,542.82	(171,719.65)	1,093	1,093	100.00	1.12	2.86

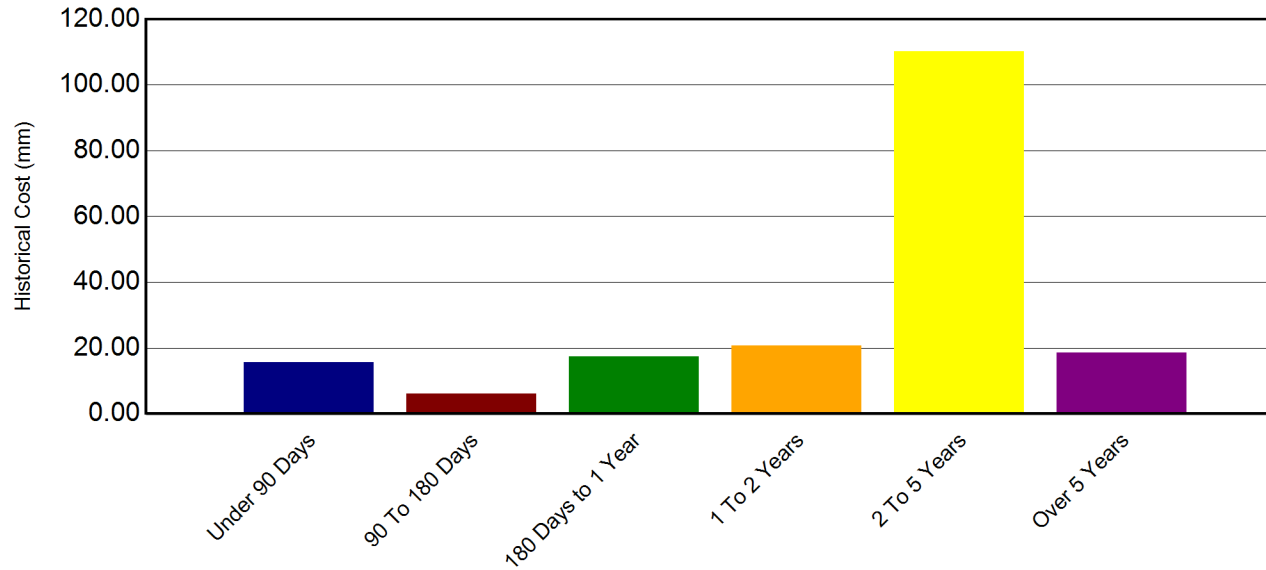
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Ann Arbor
Maturity Distribution of Securities Held
June 30, 2013**

Maturity	Historical Cost	Percent
Under 90 Days	15,597,025.54	8.26 %
90 To 180 Days	6,172,816.35	3.27 %
180 Days to 1 Year	17,453,865.60	9.25 %
1 To 2 Years	20,784,487.50	11.01 %
2 To 5 Years	110,218,572.83	58.41 %
Over 5 Years	18,485,550.00	9.80 %
	188,712,317.82	100.00 %

Maturity Distribution



**City of Ann Arbor
Securities Held
June 30, 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
<u>Cash and Equivalents</u>													
JPMorgan Chase	06/30/13	0.000V		12,149,255.54	12,149,255.54	12,149,255.54	12,149,255.54	0.00	0.00	0.00	0.00	6.44	0.00
					0.00	0.00	0.00						
Int Receivable	06/30/13	0.000	07/01/13	125,000.00	125,000.00	125,000.00	125,000.00	0.00	0.00	0.00	0.00	0.07	0.00
					0.00	0.00	0.00						
TOTAL (Cash and Equivalents)				12,274,255.54	12,274,255.54	12,274,255.54	12,274,255.54	0.00	0.00	0.00	0.00	6.50	
					0.00	0.00	0.00						
<u>Certificates of Deposit</u>													
Ann Arbor Bank	04/19/13	0.500	01/14/14	108,248.72	108,248.72	108,248.72	108,248.72	0.00	0.00	45.10	109.75	0.06	0.50
					0.00	0.00	0.00						
TOTAL (Certificates of Deposit)				108,248.72	108,248.72	108,248.72	108,248.72	0.00	0.00	45.10	109.75	0.06	
					0.00	0.00	0.00						
<u>U.S. Treasury</u>													
912828KF6	08/26/10	1.875	02/28/14	5,000,000.00	5,173,046.88	5,032,665.64	5,057,225.00	24,559.36	0.00	7,642.66	31,334.92	2.74	0.87
T-Note					0.00	(4,049.45)	(7,425.00)						
912828LS7	08/29/11	2.375	10/31/14	5,000,000.00	5,314,062.50	5,131,965.86	5,142,385.00	10,419.14	0.00	9,733.61	20,116.12	2.82	0.38
T-Note					0.00	(8,129.32)	(8,785.00)						
912828LZ1	08/26/10	2.125	11/30/14	5,000,000.00	5,207,031.25	5,068,744.48	5,132,810.00	64,065.52	0.00	8,709.02	8,999.32	2.76	1.13
T-Note					0.00	(3,989.04)	(8,010.00)						
912828MR8	08/26/10	2.375	02/28/15	5,000,000.00	5,258,593.75	5,095,304.44	5,172,265.00	76,960.56	0.00	9,680.71	39,690.90	2.79	1.19
T-Note					0.00	(4,710.26)	(9,960.00)						
912828NL0	08/29/11	1.875	06/30/15	5,000,000.00	5,249,218.75	5,129,679.14	5,149,610.00	19,930.86	46,875.00	7,765.12	254.76	2.78	0.56
T-Note					0.00	(5,336.59)	(10,545.00)						
912828PE4	08/29/11	1.250	10/31/15	5,000,000.00	5,121,875.00	5,068,134.84	5,091,015.00	22,880.16	0.00	5,122.95	10,587.43	2.71	0.66
T-Note					0.00	(2,399.12)	(12,890.00)						
912828PE4	09/06/12	1.250	10/31/15	5,000,000.00	5,143,359.38	5,106,210.60	5,091,015.00	(15,195.60)	0.00	5,122.95	10,587.43	2.73	0.33
T-Note					0.00	(3,739.81)	(12,890.00)						
912828EN6	08/26/10	4.500	11/15/15	5,000,000.00	5,795,312.50	5,361,581.51	5,473,045.00	111,463.49	0.00	18,342.39	28,736.41	3.07	1.33
T-Note					0.00	(12,511.47)	(25,785.00)						
912828PJ3	08/29/11	1.375	11/30/15	5,000,000.00	5,146,093.75	5,082,918.07	5,105,470.00	22,551.93	0.00	5,635.25	5,823.09	2.73	0.68
T-Note					0.00	(2,820.35)	(14,840.00)						
912828KS8	08/26/10	2.625	02/29/16	5,000,000.00	5,287,890.63	5,139,154.29	5,273,045.00	133,890.71	0.00	10,699.73	43,868.89	2.80	1.53
T-Note					0.00	(4,290.47)	(22,265.00)						
912828QP8	09/06/12	1.750	05/31/16	5,000,000.00	5,247,656.25	5,193,509.84	5,156,250.00	(37,259.84)	0.00	7,172.13	7,411.20	2.78	0.41
T-Note					0.00	(5,450.98)	(25,780.00)						

**City of Ann Arbor
Securities Held
June 30, 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
912828KZ2 T-Note	09/30/10	3.250	06/30/16	2,500,000.00	2,732,617.19 0.00	2,621,293.25 (3,323.10)	2,690,430.00 (16,600.00)	69,136.75	40,625.00	6,729.77	220.79	1.45	1.55
912828QR4 T-Note	08/29/11	1.500	06/30/16	5,000,000.00	5,148,437.50 0.00	5,091,985.89 (2,520.16)	5,119,140.00 (26,955.00)	27,154.11	37,500.00	6,212.09	203.80	2.73	0.87
912828MA5 T-Note	08/26/10	2.750	11/30/16	5,000,000.00	5,291,796.88 0.00	5,159,161.93 (3,826.01)	5,317,190.00 (44,140.00)	158,028.07	0.00	11,270.49	11,646.17	2.80	1.76
912828MS6 T-Note	08/26/10	3.000	02/28/17	5,000,000.00	5,360,156.25 0.00	5,202,644.69 (4,543.60)	5,370,310.00 (51,565.00)	167,665.31	0.00	12,228.26	50,135.87	2.84	1.82
912828PA2 T-Note	08/29/11	1.875	09/30/17	5,000,000.00	5,175,000.00 0.00	5,122,122.30 (2,360.61)	5,146,485.00 (64,845.00)	24,362.70	0.00	7,684.42	23,565.57	2.74	1.28
912828PF1 T-Note	08/29/11	1.875	10/31/17	5,000,000.00	5,172,656.25 0.00	5,121,203.92 (2,296.98)	5,142,580.00 (71,090.00)	21,376.08	0.00	7,642.67	15,794.84	2.74	1.29
TOTAL (U.S. Treasury)				82,500,000.00	86,824,804.71 0.00	84,728,280.69 (76,297.32)	85,630,270.00 (434,370.00)	901,989.31	125,000.00	147,394.22	308,977.51	46.01	

U.S. Instrumentality

31331GS83 FFCB	10/15/09	2.350	09/23/13	3,300,000.00	3,322,770.00 0.00	3,301,329.17 (474.71)	3,316,599.00 (6,078.60)	15,269.83	0.00	6,462.50	21,110.83	1.76	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	3,005,709.00 (1,977.00)	5,709.00	0.00	2,500.00	6,333.33	1.59	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	3,171,022.99 (2,085.74)	6,022.99	0.00	2,637.50	6,681.67	1.68	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	4,005,836.00 (876.00)	5,836.00	0.00	1,500.00	8,600.00	2.12	0.45
31331XSR4 FFCB	05/23/08	4.875	03/14/14	5,000,000.00	5,182,500.00 0.00	5,022,027.35 (2,581.33)	5,163,700.00 (19,540.00)	141,672.65	0.00	20,312.50	72,447.92	2.75	4.16
31331JQA4 FFCB	06/11/10	1.900	06/02/14	3,000,000.00	2,990,070.00 0.00	2,997,702.15 205.17	3,046,227.00 (4,830.00)	48,524.85	28,500.00	4,750.00	4,591.67	1.58	1.99
3134G3YW4 FHLMC	08/30/12	0.375	08/28/14	5,000,000.00	5,004,800.00 0.00	5,002,789.01 (197.80)	5,006,840.00 (1,270.00)	4,050.99	0.00	1,562.50	6,302.08	2.65	0.33
31331GY29 FFCB	10/15/09	2.900	10/09/15	1,905,000.00	1,890,712.50 0.00	1,899,572.71 196.17	2,004,620.07 (11,195.69)	105,047.36	0.00	4,603.75	12,583.58	1.00	3.04
3137EACT4 FHLMC	01/11/12	2.500	05/27/16	4,000,000.00	4,253,480.00 0.00	4,168,299.30 (4,758.70)	4,199,364.00 (24,172.00)	31,064.70	0.00	8,333.33	9,444.44	2.25	1.02
313370TW8 FHLB	09/10/12	2.000	09/09/16	5,000,000.00	5,276,700.00 0.00	5,220,980.96 (5,685.62)	5,181,410.00 (41,200.00)	(39,570.96)	0.00	8,333.33	31,111.11	2.80	0.60
313381B53 FHLB	11/26/12	0.580	11/14/16	5,000,000.00	4,995,700.00 0.00	4,996,343.96 89.03	4,935,795.00 (45,375.00)	(60,548.96)	0.00	2,416.67	3,786.11	2.65	0.60

**City of Ann Arbor
Securities Held
June 30, 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
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	4,940,420.00 (50,760.00)	(59,580.00)	0.00	3,333.34	13,777.78	2.65	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	4,997,899.78 41.07	4,910,895.00 (63,500.00)	(87,004.78)	0.00	4,166.67	15,138.89	2.65	1.01
3135G0SF1 FNMA	Call 11/28/12	1.000	11/28/17 08/28/13	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,891,300.00 (78,205.00)	(108,700.00)	0.00	4,166.66	4,583.33	2.65	1.00
3133ECJX3 FFCB	Call 04/02/13	1.040	03/26/18 03/26/14	5,000,000.00	4,996,700.00 866.67	4,996,863.28 54.43	4,870,970.00 (84,165.00)	(125,893.28)	0.00	4,333.33	13,722.22	2.65	1.05
3135G0WJ8 FNMA	06/03/13	0.875	05/21/18	3,000,000.00	2,953,560.00 875.00	2,954,277.22 717.22	2,899,386.00 (54,174.00)	(54,891.22)	0.00	2,041.67	2,916.67	1.57	1.20
3135G0XG3 FNMA	Call 05/21/13	1.000	05/21/18 11/21/13	5,000,000.00	4,982,150.00 0.00	4,982,550.79 293.26	4,853,505.00 (92,520.00)	(129,045.79)	0.00	4,166.67	5,555.56	2.64	1.07
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	4,818,695.00 (141,445.00)	(181,305.00)	0.00	7,083.34	22,666.67	2.65	1.70
313380PE1 FHLB	Call 09/28/12	1.850	09/28/20 07/28/13	5,000,000.00	4,990,000.00 0.00	4,990,944.56 102.67	4,785,445.00 (137,210.00)	(205,499.56)	0.00	7,708.33	23,895.83	2.64	1.88
313380NM5 FHLB	Call 09/19/12	2.300	09/19/22 07/19/13	5,000,000.00	4,995,550.00 0.00	4,995,897.28 36.56	4,749,500.00 (179,015.00)	(246,397.28)	0.00	9,583.33	32,583.33	2.65	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	3,361,529.50 (116,826.50)	(138,470.50)	0.00	3,281.25	7,328.13	1.85	1.12
TOTAL (U.S. Instrumentality)				88,870,000.00	89,505,008.85 1,741.67	89,192,477.52 (11,962.58)	88,118,768.56 (1,156,420.53)	(1,073,708.96)	28,500.00	113,276.67	325,161.15	47.43	

GRAND TOTAL **183,752,504.26**
188,712,317.82
186,303,262.47
186,131,542.82
(171,719.65)
153,500.00
260,715.99
634,248.41
100.00

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

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 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>												
912828KF6	U.S. Treasury	1.875	02/28/2014		AA+	Aaa	5,000,000.00	5,173,046.88	2.74	5,057,225.00	2.72	0.67
912828LS7	U.S. Treasury	2.375	10/31/2014		AA+	Aaa	5,000,000.00	5,314,062.50	2.82	5,142,385.00	2.76	1.32
912828LZ1	U.S. Treasury	2.125	11/30/2014		AA+	Aaa	5,000,000.00	5,207,031.25	2.76	5,132,810.00	2.76	1.41
912828MR8	U.S. Treasury	2.375	02/28/2015		AA+	Aaa	5,000,000.00	5,258,593.75	2.79	5,172,265.00	2.78	1.64
912828NL0	U.S. Treasury	1.875	06/30/2015		AA+	Aaa	5,000,000.00	5,249,218.75	2.78	5,149,610.00	2.77	1.96
912828EN6	U.S. Treasury	4.500	11/15/2015		AA+	Aaa	5,000,000.00	5,795,312.50	3.07	5,473,045.00	2.94	2.27
912828PE4	U.S. Treasury	1.250	10/31/2015		AA+	Aaa	10,000,000.00	10,265,234.38	5.44	10,182,030.00	5.47	2.31
912828PJ3	U.S. Treasury	1.375	11/30/2015		AA+	Aaa	5,000,000.00	5,146,093.75	2.73	5,105,470.00	2.74	2.38
912828KS8	U.S. Treasury	2.625	02/29/2016		AA+	Aaa	5,000,000.00	5,287,890.63	2.80	5,273,045.00	2.83	2.57
912828KZ2	U.S. Treasury	3.250	06/30/2016		AA+	Aaa	2,500,000.00	2,732,617.19	1.45	2,690,430.00	1.45	2.84
912828QP8	U.S. Treasury	1.750	05/31/2016		AA+	Aaa	5,000,000.00	5,247,656.25	2.78	5,156,250.00	2.77	2.85
912828QR4	U.S. Treasury	1.500	06/30/2016		AA+	Aaa	5,000,000.00	5,148,437.50	2.73	5,119,140.00	2.75	2.92
912828MA5	U.S. Treasury	2.750	11/30/2016		AA+	Aaa	5,000,000.00	5,291,796.88	2.80	5,317,190.00	2.86	3.28
912828MS6	U.S. Treasury	3.000	02/28/2017		AA+	Aaa	5,000,000.00	5,360,156.25	2.84	5,370,310.00	2.89	3.47
912828PA2	U.S. Treasury	1.875	09/30/2017		AA+	Aaa	5,000,000.00	5,175,000.00	2.74	5,146,485.00	2.76	4.07
912828PF1	U.S. Treasury	1.875	10/31/2017		AA+	Aaa	5,000,000.00	5,172,656.25	2.74	5,142,580.00	2.76	4.15
ISSUER TOTAL							82,500,000.00	86,824,804.71	46.01	85,630,270.00	46.01	2.49
<u>FFCB</u>												
31331GS83	U.S. Instrumentality	2.350	09/23/2013		AA+	Aaa	3,300,000.00	3,322,770.00	1.76	3,316,599.00	1.78	0.24
31331XSR4	U.S. Instrumentality	4.875	03/14/2014		AA+	Aaa	5,000,000.00	5,182,500.00	2.75	5,163,700.00	2.77	0.70
31331JQA4	U.S. Instrumentality	1.900	06/02/2014		AA+	Aaa	3,000,000.00	2,990,070.00	1.58	3,046,227.00	1.64	0.92
31331GY29	U.S. Instrumentality	2.900	10/09/2015		AA+	Aaa	1,905,000.00	1,890,712.50	1.00	2,004,620.07	1.08	2.21
3133ECGF5	U.S. Instrumentality	0.800	02/27/2017	02/27/2014	AA+	Aaa	5,000,000.00	5,000,000.00	2.65	4,940,420.00	2.65	3.59
3133ECJX3	U.S. Instrumentality	1.040	03/26/2018	03/26/2014	AA+	Aaa	5,000,000.00	4,996,700.00	2.65	4,870,970.00	2.62	4.59
ISSUER TOTAL							23,205,000.00	23,382,752.50	12.39	23,342,536.07	12.54	2.22
<u>FHLB</u>												
313370TW8	U.S. Instrumentality	2.000	09/09/2016		AA+	Aaa	5,000,000.00	5,276,700.00	2.80	5,181,410.00	2.78	3.08
313381B53	U.S. Instrumentality	0.580	11/14/2016		AA+	Aaa	5,000,000.00	4,995,700.00	2.65	4,935,795.00	2.65	3.33
313380PE1	U.S. Instrumentality	1.850	09/28/2020	07/28/2013	AA+	Aaa	5,000,000.00	4,990,000.00	2.64	4,785,445.00	2.57	6.69
313380NM5	U.S. Instrumentality	2.300	09/19/2022	07/19/2013	AA+	Aaa	5,000,000.00	4,995,550.00	2.65	4,749,500.00	2.55	8.16
313380XN2	U.S. Instrumentality	1.125	10/24/2022	10/24/2014	AA+	Aaa	3,500,000.00	3,500,000.00	1.85	3,361,529.50	1.81	8.44
ISSUER TOTAL							23,500,000.00	23,757,950.00	12.59	23,013,679.50	12.36	5.72

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 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>FHLMC</u>												
3134G3JR2	U.S. Instrumentality	0.450	01/09/2014		AA+	Aaa	4,000,000.00	4,000,000.00	2.12	4,005,836.00	2.15	0.53
3134G3YW4	U.S. Instrumentality	0.375	08/28/2014		AA+	Aaa	5,000,000.00	5,004,800.00	2.65	5,006,840.00	2.69	1.16
3137EACT4	U.S. Instrumentality	2.500	05/27/2016		AA+	Aaa	4,000,000.00	4,253,480.00	2.25	4,199,364.00	2.26	2.81
3134G3H52	U.S. Instrumentality	1.000	09/12/2017	09/12/2013	AA+	Aaa	5,000,000.00	4,997,500.00	2.65	4,910,895.00	2.64	4.09
3134G3K90	U.S. Instrumentality	1.700	09/25/2020	09/25/2014	AA+	Aaa	5,000,000.00	5,000,000.00	2.65	4,818,695.00	2.59	6.73
ISSUER TOTAL							23,000,000.00	23,255,780.00	12.32	22,941,630.00	12.33	3.15
<u>FNMA</u>												
31398A4N9	U.S. Instrumentality	1.000	10/15/2013		AA+	Aaa	6,165,000.00	6,172,816.35	3.27	6,176,731.99	3.32	0.30
3135G0SF1	U.S. Instrumentality	1.000	11/28/2017	08/28/2013	AA+	Aaa	5,000,000.00	5,000,000.00	2.65	4,891,300.00	2.63	4.29
3135G0XG3	U.S. Instrumentality	1.000	05/21/2018	11/21/2013	AA+	Aaa	5,000,000.00	4,982,150.00	2.64	4,853,505.00	2.61	4.75
3135G0WJ8	U.S. Instrumentality	0.875	05/21/2018		AA+	Aaa	3,000,000.00	2,953,560.00	1.57	2,899,386.00	1.56	4.76
ISSUER TOTAL							19,165,000.00	19,108,526.35	10.13	18,820,922.99	10.11	3.17
<u>JPMorgan Chase</u>												
	Cash and Equivalents	0.000					12,149,255.54	12,149,255.54	6.44	12,149,255.54	6.53	0.00
ISSUER TOTAL							12,149,255.54	12,149,255.54	6.44	12,149,255.54	6.53	0.00
<u>Int Receivable</u>												
	Cash and Equivalents	0.000	07/01/2013				125,000.00	125,000.00	0.07	125,000.00	0.07	0.00
ISSUER TOTAL							125,000.00	125,000.00	0.07	125,000.00	0.07	0.00
<u>Ann Arbor Bank</u>												
	Certificates of Deposit	0.500	01/14/2014		NR	NR	108,248.72	108,248.72	0.06	108,248.72	0.06	0.54
ISSUER TOTAL							108,248.72	108,248.72	0.06	108,248.72	0.06	0.54

GRAND TOTAL	183,752,504.26	188,712,317.82	100.00	186,131,542.82	100.00	2.84
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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
June 1, 2013 - June 30, 2013**

CUSIP/Description	Purchase Date	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
<u>Cash and Equivalents</u>								
JPMorgan Chase	06/30/2013	0.000V		1,323,011.87	100.000	1,323,011.87	0.00	0.00
TOTAL (Cash and Equivalents)				1,323,011.87		1,323,011.87	0.00	
<u>U.S. Instrumentality</u>								
3135G0WJ8 FNMA	06/03/2013	0.875	05/21/2018	3,000,000.00	98.452	2,953,560.00	875.00	1.20
TOTAL (U.S. Instrumentality)				3,000,000.00		2,953,560.00	875.00	
GRAND TOTAL				4,323,011.87		4,276,571.87	875.00	

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

City of Ann Arbor
Securities Sold and Matured
June 1, 2013 - June 30, 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>U.S. Treasury</u>													
912828JD3 T-Note	06/25/2013	3.375	06/30/2013	5,000,000.00	5,035,937.50	5,000,099.33 (476.78)	100.04	5,002,148.44 (9,961.56)	2,049.11	82,044.20	0.00	11,187.85	3.22
TOTAL (U.S. Treasury)				5,000,000.00	5,035,937.50	5,000,099.33 (476.78)		5,002,148.44 (9,961.56)	2,049.11	82,044.20	0.00	11,187.85	
<u>U.S. Instrumentality</u>													
31331GZL6 FFCB	06/03/2013	2.800	06/03/2013	3,000,000.00	3,018,360.00	3,000,000.00 (25.62)	100.00	3,000,000.00 0.00	0.00	0.00	42,000.00	466.67	2.64
TOTAL (U.S. Instrumentality)				3,000,000.00	3,018,360.00	3,000,000.00 (25.62)		3,000,000.00 0.00	0.00	0.00	42,000.00	466.67	
GRAND TOTAL				8,000,000.00	8,054,297.50	8,000,099.33 (502.40)		8,002,148.44 (9,961.56)	2,049.11	82,044.20	42,000.00	11,654.52	

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

**City of Ann Arbor
Transaction Report
for the period June 1, 2013 - June 30, 2013**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
06/02/2013	31331JQA4	Interest	INS	FFCB	06/02/2014	3,000,000.00	0.00	28,500.00	28,500.00	28,500.00
06/03/2013	31331GZL6	Maturity	INS	FFCB	06/03/2013	3,000,000.00	3,000,000.00	0.00	3,000,000.00	3,028,500.00
06/03/2013	31331GZL6	Interest	INS	FFCB	06/03/2013	3,000,000.00	0.00	42,000.00	42,000.00	3,070,500.00
06/03/2013	3135GOWJ8	Bought	INS	FNMA	05/21/2018	3,000,000.00	2,953,560.00	875.00	(2,954,435.00)	116,065.00
06/25/2013	912828JD3	Sold	TSY	T-Note	06/30/2013	5,000,000.00	5,002,148.44	82,044.20	5,084,192.64	5,200,257.64
06/30/2013		Bought	CE	Int Receivable	07/01/2013	125,000.00	125,000.00	0.00	(125,000.00)	5,075,257.64
06/30/2013		Bought	CE	JPMorgan Chase		1,323,011.87	1,323,011.87	0.00	(1,323,011.87)	3,752,245.77
06/30/2013	912828KZ2	Interest	TSY	T-Note	06/30/2016	2,500,000.00	0.00	40,625.00	40,625.00	3,792,870.77
06/30/2013	912828NL0	Interest	TSY	T-Note	06/30/2015	5,000,000.00	0.00	46,875.00	46,875.00	3,839,745.77
06/30/2013	912828QR4	Interest	TSY	T-Note	06/30/2016	5,000,000.00	0.00	37,500.00	37,500.00	3,877,245.77
Portfolio Activity Total									3,877,245.77	

Net Contributions:	0.00
Net Withdrawals:	3,865,455.25

Fees Charged:	11,959.21
Fees Paid:	11,790.52

**City of Ann Arbor
Securities Bid and Offer
for the period 6/1/2013 - 6/30/2013**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
BUY	06/03/2013	FNMA .875 05/21/2018		BAS	3,000,000		98.452	1.20	MOR @ YTM 1.19 UBS @ YTM 1.19
SELL	06/25/2013	T-Note 3.375 06/30/2013		MIZ	5,000,000		100.043	0.26	JEF @ 100-1.375 MER @ 100-00.125

**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
07/09/2013	Interest	3134G3JR2	FHLMC	0.450	01/09/2014		4,000,000.00	0.00	9,000.00	9,000.00

END OF REPORTS



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