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CITY OF ANN ARBOR

March 2016

➤ A BNY MELLON COMPANYSM



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FIXED INCOME MARKET REVIEW

As of March 31, 2016

Chart 1: Institute for Supply Management Indices 02/2011 – 02/2016

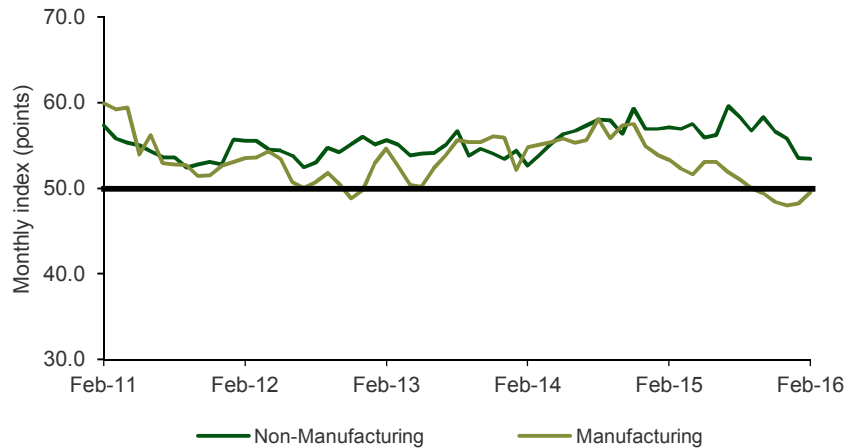
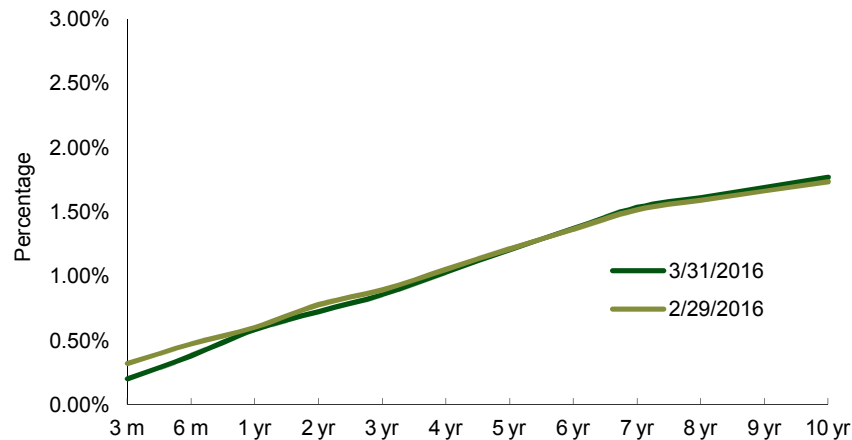


Chart 2: Treasury Yield Curves 02/29/2016 – 03/31/2016



Charts sourced from Bloomberg Finance LP February 29, 2016, March 31, 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 2015 fourth quarter Gross Domestic Product (GDP) was revised upward to 1.4 percent from 1.0 percent. Strong consumer spending helped support the increase in GDP. Manufacturing showed signs of growth in February as the Institute for Supply Management's (ISM) manufacturing index value increased to 49.5 from 48.2. While the index value remains below 50 indicating economic contraction, the February increase was the largest since April 2015. The ISM non-manufacturing index value fell slightly, but remains strong at 53.4 (See Chart 1).

242,000 jobs were added to the work force in February, as the labor market continues its strong momentum. The unemployment rate remained at 4.9 percent, but the underemployment rate dropped to 9.7 percent from 9.9 percent. The underemployment rate once again reached a post-recession low. Further strength in employment was reported in February as the labor force participation rate increased to 62.9 percent from 62.7 percent. Wages fell slightly on a month-over-month basis, but grew at a 2.2 percent rate on an annual basis.

Inflation indices were mixed in February. The Producer Price Index (PPI) including food and energy decreased to negative 0.2 percent on a month-over-month basis. Core PPI decreased as well, falling to 0.1 percent from 0.2 percent. On an annual basis, however, the headline PPI increased to 1.2 percent from 0.6 percent and the core PPI increased to 0.9 percent from 0.8 percent. On the consumer side, the headline Consumer Price Index (CPI) fell to negative 0.2 percent while the core CPI remained unchanged at 0.3 percent on a month-over-month basis. The year-over-year headline CPI was 1.0 percent while the core CPI was 2.3 percent. Inflation indicators may get a boost in March as oil prices have increased to roughly \$40 dollars a barrel from \$30 dollars a barrel in February.

Housing starts bounced back in February, growing 5.2 percent to an annualized rate of 1.1 million. Existing home sales however, decreased 7.1 percent to an annualized rate of 5.08 million.

The Federal Open Market Committee (FOMC) voted to maintain the Fed funds target rate at 0.25 percent to 0.50 percent during the March 16 meeting. The FOMC also revised its 2016 outlook, and now expects to raise the Fed funds target rate twice this year. Following the December meeting, the Committee projected three to four interest rate movements in 2016.

Yield Curve & Spreads: At the end of March, the 3-month Treasury bill yielded 0.20 percent, the 6-month Treasury bill yielded 0.38 percent, the 2-year Treasury note yielded 0.72 percent, the 5-year Treasury note yielded 1.21 percent, and the 10-year Treasury note yielded 1.77 percent (See Chart 2).

ACTIVITY AND PERFORMANCE SUMMARY

For the period March 1, 2016 - March 31, 2016

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	223,120,726.07
Income received	441,622.52
Total receipts	441,622.52
Total disbursements	0.00
Interportfolio transfers	740,918.11
Total Interportfolio transfers	740,918.11
Realized gain (loss)	0.00
Total amortization expense	(49,339.23)
Total OID/MKT accretion income	7,359.12
Return of capital	0.00
Closing balance	224,261,286.59
Ending fair value	225,449,217.88
Unrealized gain (loss)	1,187,931.29

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Government Agencies	170,265.56	(19,594.42)	0.00	150,671.14
Government Bonds	102,286.30	(22,385.69)	0.00	79,900.61
Total	272,551.86	(41,980.11)	0.00	230,571.75

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.20	0.13	0.03
Overnight Repo	0.25	0.17	0.04
Merrill Lynch 3m US Treas Bill	0.11	0.10	0.02
Merrill Lynch 6m US Treas Bill	0.20	0.16	0.03
ML 1 Year US Treasury Note	0.40	0.26	0.06
ML 2 Year US Treasury Note	0.74	0.42	0.07
ML 5 Year US Treasury Note	1.52	0.74	0.12

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	272,551.86
Accretion (amortization)	(41,980.11)
Realized gain (loss) on sales	0.00
Total income on portfolio	230,571.75
Average daily amortized cost	220,958,145.76
Period return (%)	0.10
YTD return (%)	0.29
Weighted average final maturity in days	780

ACTIVITY AND PERFORMANCE SUMMARY

For the period March 1, 2016 - March 31, 2016

<u>Fair Value Basis Activity Summary</u>		
Opening balance		224,028,178.00
Income received	441,622.52	
Total receipts		441,622.52
Total disbursements		0.00
Interportfolio transfers	740,918.11	
Total Interportfolio transfers		740,918.11
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		238,499.25
Ending fair value		225,449,217.88

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Government Agencies	170,265.56	190,036.00	360,301.56
Government Bonds	102,286.30	48,463.25	150,749.55
Total	272,551.86	238,499.25	511,051.11

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.20	0.13	0.03
Overnight Repo	0.25	0.17	0.04
Merrill Lynch 3m US Treas Bill	0.12	0.10	0.05
Merrill Lynch 6m US Treas Bill	0.39	0.22	0.09
ML 1 Year US Treasury Note	0.40	0.19	0.14
ML US Treasury 1-3	0.92	0.46	0.17
ML US Treasury 1-5	1.62	0.89	0.23

* rates reflected are cumulative

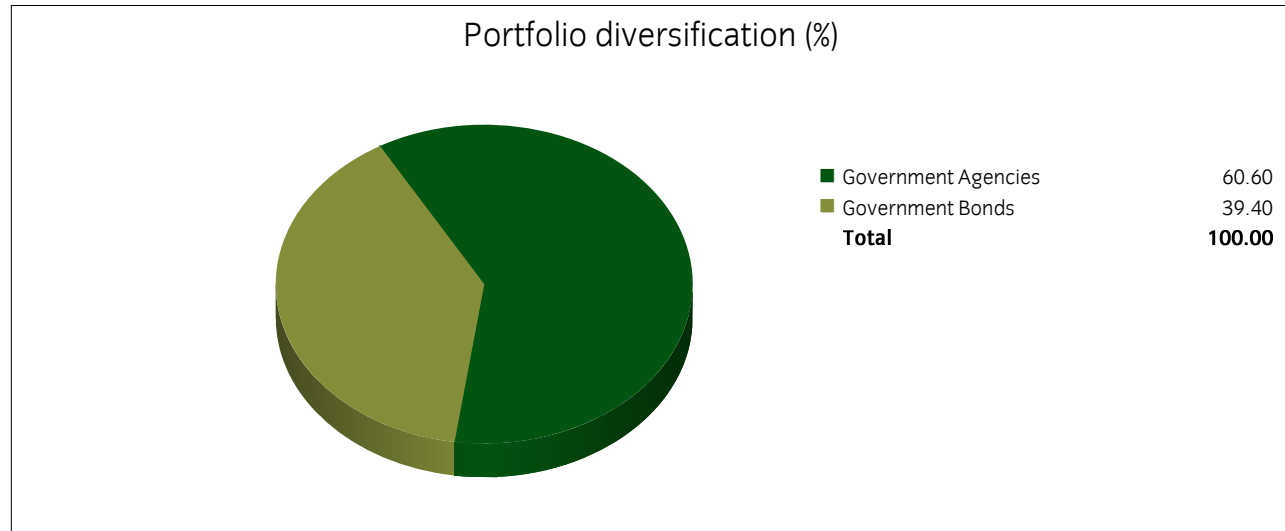
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	272,551.86
Change in fair value	238,499.25
Total income on portfolio	511,051.11
Average daily total value *	222,346,953.69
Period return (%)	0.24
YTD return (%)	0.95
Weighted average final maturity in days	780

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of March 31, 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	136,867,860.00	136,433,672.10	137,184,859.00	751,186.90	967	60.60	1.94
Government Bonds	88,999,023.45	87,827,614.49	88,264,358.88	436,744.39	491	39.40	1.32
Total	225,866,883.45	224,261,286.59	225,449,217.88	1,187,931.29	780	100.00	1.70

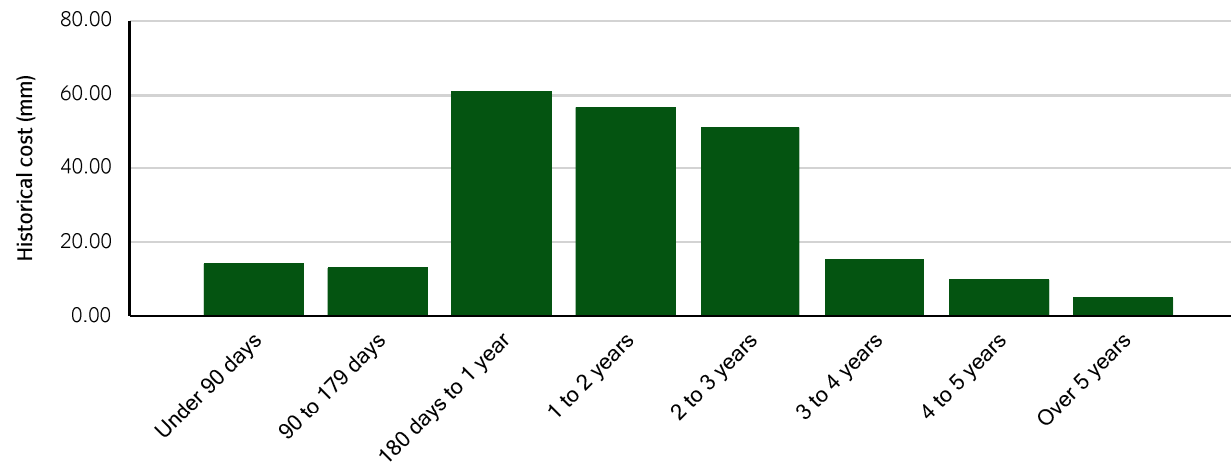


MATURITY DISTRIBUTION OF SECURITIES HELD

As of March 31, 2016

Maturity	Historic cost	Percent
Under 90 days	14,235,630.00	6.30
90 to 179 days	12,879,804.69	5.70
180 days to 1 year	60,604,321.87	26.83
1 to 2 years	56,738,240.01	25.12
2 to 3 years	51,318,446.25	22.72
3 to 4 years	15,104,890.63	6.69
4 to 5 years	9,990,000.00	4.42
Over 5 years	4,995,550.00	2.21
	225,866,883.45	100.00

Maturity distribution



SECURITIES HELD

As of March 31, 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
Government Agencies											
3137EACT4 FREDDIE MAC 2.5% 27/05/2016	2.500	05/27/2016	4,000,000.00	4,253,480.00 0.00	4,009,150.32 (4,815.96)	4,013,600.00 (6,152.00)	4,449.68	0.00	8,888.88	34,444.44	1.88
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	4,999,328.31 89.96	4,996,300.00 3,300.00	(3,028.31)	0.00	2,577.78	11,036.11	2.21
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	5,003,312.37 (339.15)	5,007,450.00 2,700.00	4,137.63	0.00	3,111.11	6,611.11	2.22
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	5,004,566.72 (294.96)	5,022,250.00 4,500.00	17,683.28	0.00	4,888.89	14,208.33	2.22
313370SZ2 FEDERAL HOME LOAN BANK 2.25% 08/09/2017	2.250	09/08/2017	5,000,000.00	5,171,550.00 0.00	5,067,269.42 (3,895.91)	5,105,985.00 2,260.00	38,715.58	56,250.00	10,000.00	7,187.50	2.29
3135G0SF1 FANNIE MAE 1% 28/11/2017 (CALLABLE 28/05/16) #0000	1.000	11/28/2017 05/28/2016	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,001,650.00 (100.00)	1,650.00	0.00	4,444.44	17,083.33	2.21
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	5,102,859.17 (5,075.29)	5,114,150.00 (50.00)	11,290.83	0.00	10,000.00	35,312.50	2.30
3135G0VC4 FANNIE MAE 1.13% 28/02/2018 CALLABLE	1.130	02/28/2018	6,000,000.00	5,990,040.00 0.00	5,994,161.09 253.87	6,015,180.00 6,480.00	21,018.91	0.00	6,026.67	6,215.00	2.65
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	4,992,844.00 305.81	5,031,850.00 9,800.00	39,006.00	28,125.00	5,000.00	2,968.75	2.21
3133ECJX3 FEDERAL FARM CREDIT BANK 1.04% 26/03/2018 (CALLABLE 12/04/16)	1.040	03/26/2018	5,000,000.00	4,996,700.00 0.00	4,998,686.60 55.03	4,999,200.00 (800.00)	513.40	26,000.00	4,622.22	722.22	2.21

SECURITIES HELD

As of March 31, 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
Government Agencies											
3135G0WJ8 FANNIE MAE 0.875% 21/05/2018	0.875	05/21/2018	3,000,000.00	2,953,560.00 0.00	2,979,993.48 751.54	3,003,687.00 6,336.00	23,693.52	0.00	2,333.34	9,479.17	1.31
3135G0XG3 FANNIE MAE 1% 21/05/2018 (CALLABLE 21/05/16) #0000	1.000	05/21/2018 05/21/2016	5,000,000.00	4,982,150.00 0.00	4,992,375.43 296.68	4,995,650.00 6,750.00	3,274.57	0.00	4,444.45	18,055.56	2.21
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	5,014,984.47 (508.52)	5,025,000.00 4,300.00	10,015.53	33,906.25	5,000.00	2,656.25	2.22
3135G0YT4 FANNIE MAE 1.625% 27/11/2018	1.625	11/27/2018	5,000,000.00	5,017,650.00 0.00	5,011,811.92 (370.28)	5,099,125.00 12,775.00	87,313.08	0.00	7,222.22	27,986.11	2.22
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	8,139,922.26 (4,309.72)	8,186,152.00 23,432.00	46,229.74	0.00	12,444.44	41,611.11	3.61
3136FTZZ5 FANNIE MAE 1.75% 30/01/2019 CALLABLE	1.750	01/30/2019	5,000,000.00	5,094,650.00 (12,881.94)	5,093,822.16 (827.84)	5,113,300.00 18,650.00	19,477.84	0.00	1,701.39	14,583.33	2.26
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	5,012,946.47 (380.78)	5,050,300.00 13,150.00	37,353.53	0.00	5,683.33	11,000.00	2.22
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	5,017,049.19 (478.91)	5,104,700.00 8,050.00	87,650.81	43,750.00	7,777.78	3,159.72	2.22
3134G3JM3 FREDDIE MAC 2% 30/07/2019 CALLABLE	2.000	07/30/2019	5,000,000.00	5,025,300.00 0.00	5,015,489.80 (387.24)	5,157,700.00 18,100.00	142,210.20	0.00	8,611.11	16,666.67	2.22
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	5,002,450.00 2,450.00	2,450.00	0.00	0.00	0.00	2.21

SECURITIES HELD

As of March 31, 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
Government Agencies											
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	5,003,250.00 (200.00)	3,250.00	0.00	6,444.45	35,041.67	2.21
3136G0T68 FANNIE MAE 1.33% 24/10/2019 CALLABLE	1.330	10/24/2019	5,000,000.00	4,991,700.00 0.00	4,992,755.13 169.27	5,037,600.00 18,500.00	44,844.87	0.00	5,911.11	29,001.39	2.21
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	4,998,782.38 27.75	5,002,000.00 3,700.00	3,217.62	0.00	6,222.23	6,805.56	2.21
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	4,994,150.00 2,300.00	(5,850.00)	0.00	6,222.22	7,194.44	2.21
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	5,101,400.00 32,000.00	101,400.00	42,500.00	7,555.56	1,416.67	2.21
313380PE1 FEDERAL HOME LOAN BANK 1.85% 28/09/2020 (CALLABLE 12/04/16)	1.850	09/28/2020	5,000,000.00	4,990,000.00 0.00	4,994,428.37 103.30	5,000,700.00 0.00	6,271.63	46,250.00	8,222.22	770.83	2.21
313380NM5 FEDERAL HOME LOAN BANK 2.3% 19/09/2022 (CALLABLE 12/04/16) #0000	2.300	09/19/2022	5,000,000.00	4,995,550.00 0.00	4,997,133.04 36.93	5,000,080.00 (195.00)	2,946.96	57,500.00	10,222.22	3,833.33	2.21
Total Government Agencies			136,000,000.00	136,867,860.00 (12,881.94)	136,433,672.10 (19,594.42)	137,184,859.00 192,036.00	751,186.90	334,281.25	165,578.06	365,051.10	60.60
Government Bonds											
912828QR4 USA TREASURY 1.5% 30/06/2016	1.500	06/30/2016	5,000,000.00	5,148,437.50 0.00	5,007,631.53 (2,599.76)	5,014,745.00 (2,635.00)	7,113.47	0.00	6,387.36	18,750.00	2.28

SECURITIES HELD

As of March 31, 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
Government Bonds											
912828KZ2 USA TREASURY 3.25% 30/06/2016	3.250	06/30/2016	2,500,000.00	2,732,617.19 0.00	2,510,080.08 (3,433.87)	2,518,000.13 (5,088.87)	7,920.05	0.00	6,919.64	20,312.50	1.21
912828WA4 USA TREASURY 0.625% 15/10/2016	0.625	10/15/2016	5,000,000.00	5,000,976.56 0.00	5,000,572.07 (89.56)	5,004,885.00 3,910.00	4,312.93	0.00	2,646.86	14,344.26	2.21
912828RU6 USA TREASURY 0.875% 30/11/2016	0.875	11/30/2016	5,000,000.00	5,018,750.00 0.00	5,005,718.75 (726.56)	5,011,915.00 3,125.00	6,196.25	0.00	3,705.60	14,583.33	2.22
912828MA5 USA TREASURY 2.75% 30/11/2016	2.750	11/30/2016	5,000,000.00	5,291,796.88 0.00	5,031,104.60 (3,951.82)	5,072,823.75 (5,490.25)	41,719.15	0.00	11,646.17	45,833.33	2.34
912828RX0 USA TREASURY 0.875% 31/12/2016	0.875	12/31/2016	5,000,000.00	4,973,828.13 0.00	4,994,046.93 671.08	5,010,740.00 2,145.00	16,693.07	0.00	3,725.96	10,937.50	2.20
912828SC5 USA TREASURY 0.875% 31/01/2017	0.875	01/31/2017	5,000,000.00	5,006,835.95 0.00	5,004,933.49 (499.80)	5,011,135.00 2,930.00	6,201.51	0.00	3,725.96	7,211.54	2.22
912828B74 USA TREASURY 0.625% 15/02/2017	0.625	02/15/2017	5,000,000.00	4,991,015.60 0.00	4,993,430.54 634.43	5,000,780.00 4,100.00	7,349.46	0.00	2,661.40	3,863.32	2.21
912828SJ0 USA TREASURY 0.875% 28/02/2017	0.875	02/28/2017	5,000,000.00	4,957,812.50 0.00	4,988,887.52 1,031.40	5,010,740.00 2,730.00	21,852.48	0.00	3,685.46	3,685.46	2.20
912828MS6 USA TREASURY 3% 28/02/2017	3.000	02/28/2017	5,000,000.00	5,360,156.25 0.00	5,050,564.18 (4,693.08)	5,106,835.00 (6,055.00)	56,270.82	0.00	12,635.87	12,635.87	2.37
912828PA2 USA TREASURY 1.875% 30/09/2017	1.875	09/30/2017	10,000,000.00	10,291,015.63 0.00	10,104,967.55 (5,937.94)	10,172,660.00 1,960.00	67,692.45	93,750.00	15,881.15	0.00	4.56

SECURITIES HELD

As of March 31, 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
Government Bonds											
912828PF1 USA TREASURY 1.875% 31/10/2017	1.875	10/31/2017	5,000,000.00	5,172,656.25 0.00	5,044,272.79 (2,370.40)	5,089,845.00 1,565.00	45,572.21	0.00	7,984.20	39,148.35	2.29
912828UA6 USA TREASURY 0.625% 30/11/2017	0.625	11/30/2017	5,000,000.00	4,923,828.13 0.00	4,968,571.36 1,599.81	4,991,990.00 6,640.00	23,418.64	0.00	2,646.86	10,416.67	2.18
912828XF2 USA TREASURY 1.125% 15/06/2018	1.125	06/15/2018	5,000,000.00	5,013,476.56 0.00	5,011,373.93 (437.46)	5,037,500.00 3,515.00	26,126.07	0.00	4,764.34	16,444.67	2.22
912828L81 USA TREASURY 0.875% 15/10/2018	0.875	10/15/2018	5,000,000.00	4,954,101.56 0.00	4,960,118.21 1,332.26	5,007,810.00 5,270.00	47,691.79	0.00	3,705.60	20,081.97	2.19
912828B33 USA TREASURY 1.5% 31/01/2019	1.500	01/31/2019	5,000,000.00	5,073,828.13 0.00	5,064,112.27 (1,918.42)	5,090,430.00 6,640.00	26,317.73	0.00	6,387.36	12,362.64	2.25
912828WS5 USA TREASURY 1.625% 30/06/2019	1.625	06/30/2019	5,000,000.00	5,087,890.63 (18,526.79)	5,087,228.69 (661.94)	5,111,525.00 23,634.37	24,296.31	0.00	1,785.71	20,312.50	2.25
Total Government Bonds			87,500,000.00	88,999,023.45 (18,526.79)	87,827,614.49 (22,051.63)	88,264,358.88 48,895.25	436,744.39	93,750.00	100,895.50	270,923.91	39.40
Grand total			223,500,000.00	225,866,883.45 (31,408.73)	224,261,286.59 (41,646.05)	225,449,217.88 240,931.25	1,187,931.29	428,031.25	266,473.56	635,975.01	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of March 31, 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)
United States Treasury Note/Bond												
912828QR4	USA TREASURY 1.5%	1.500	06/30/2016		AA+	Aaa	5,000,000.00	5,148,437.50	2.28	5,014,745.00	2.22	0.25
912828KZ2	USA TREASURY 3.25%	3.250	06/30/2016		AA+	Aaa	2,500,000.00	2,732,617.19	1.21	2,518,000.13	1.12	0.25
912828WA4	USA TREASURY 0.625%	0.625	10/15/2016		AA+	Aaa	5,000,000.00	5,000,976.56	2.21	5,004,885.00	2.22	0.54
912828MA5	USA TREASURY 2.75%	2.750	11/30/2016		AA+	Aaa	5,000,000.00	5,291,796.88	2.34	5,072,823.75	2.25	0.66
912828RU6	USA TREASURY 0.875%	0.875	11/30/2016		AA+	Aaa	5,000,000.00	5,018,750.00	2.22	5,011,915.00	2.22	0.66
912828RX0	USA TREASURY 0.875%	0.875	12/31/2016		AA+	Aaa	5,000,000.00	4,973,828.13	2.20	5,010,740.00	2.22	0.75
912828SC5	USA TREASURY 0.875%	0.875	01/31/2017		AA+	Aaa	5,000,000.00	5,006,835.95	2.22	5,011,135.00	2.22	0.83
912828B74	USA TREASURY 0.625%	0.625	02/15/2017		AA+	Aaa	5,000,000.00	4,991,015.60	2.21	5,000,780.00	2.22	0.87
912828MS6	USA TREASURY 3%	3.000	02/28/2017		AA+	Aaa	5,000,000.00	5,360,156.25	2.37	5,106,835.00	2.27	0.90
912828SJ0	USA TREASURY 0.875%	0.875	02/28/2017		AA+	Aaa	5,000,000.00	4,957,812.50	2.20	5,010,740.00	2.22	0.91
912828PA2	USA TREASURY 1.875%	1.875	09/30/2017		AA+	Aaa	10,000,000.00	10,291,015.63	4.56	10,172,660.00	4.51	1.48
912828PF1	USA TREASURY 1.875%	1.875	10/31/2017		AA+	Aaa	5,000,000.00	5,172,656.25	2.29	5,089,845.00	2.26	1.55
912828UA6	USA TREASURY 0.625%	0.625	11/30/2017		AA+	Aaa	5,000,000.00	4,923,828.13	2.18	4,991,990.00	2.21	1.65
912828XF2	USA TREASURY 1.125%	1.125	06/15/2018		AA+	Aaa	5,000,000.00	5,013,476.56	2.22	5,037,500.00	2.23	2.17
912828L81	USA TREASURY 0.875%	0.875	10/15/2018		AA+	Aaa	5,000,000.00	4,954,101.56	2.19	5,007,810.00	2.22	2.50
912828B33	USA TREASURY 1.5%	1.500	01/31/2019		AA+	Aaa	5,000,000.00	5,073,828.13	2.25	5,090,430.00	2.26	2.77
912828W55	USA TREASURY 1.625%	1.625	06/30/2019		AA+	Aaa	5,000,000.00	5,087,890.63	2.25	5,111,525.00	2.27	3.16
Issuer total							87,500,000.00	88,999,023.45	39.40	88,264,358.88	39.15	1.32
Federal Farm Credit Banks												
3133EEUT5	FEDERAL FARM CREDIT	0.700	01/23/2017		AA+	Aaa	5,000,000.00	5,007,450.00	2.22	5,007,450.00	2.22	0.81
3133EDEB4	FEDERAL FARM CREDIT	1.100	06/28/2017		AA+	Aaa	5,000,000.00	5,012,500.00	2.22	5,022,250.00	2.23	1.23
3133EETE0	FEDERAL FARM CREDIT	1.125	03/12/2018		AA+	Aaa	5,000,000.00	4,988,950.00	2.21	5,031,850.00	2.23	1.92
3133ECJX3	FEDERAL FARM CREDIT	1.040	03/26/2018		AA+	Aaa	5,000,000.00	4,996,700.00	2.21	4,999,200.00	2.22	0.87
3133EE5P1	FEDERAL FARM CREDIT	1.320	01/30/2019		AA+	Aaa	5,000,000.00	5,015,650.00	2.22	5,050,300.00	2.24	2.78

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of March 31, 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)
Federal Farm Credit Banks												
3133EDVK5	FEDERAL FARM CREDIT	1.750	03/18/2019		AA+	Aaa	5,000,000.00	5,024,600.00	2.22	5,104,700.00	2.26	2.89
3133EFGU5	FEDERAL FARM CREDIT	1.450	10/07/2019	10/07/2016	AA+	Aaa	5,000,000.00	5,000,000.00	2.21	5,003,250.00	2.22	1.60
3133EFZT7	FEDERAL FARM CREDIT	1.400	02/24/2020	02/24/2017	AA+	Aaa	5,000,000.00	5,000,000.00	2.21	4,994,150.00	2.22	2.26
Issuer total							40,000,000.00	40,045,850.00	17.73	40,213,150.00	17.84	1.80
Federal National Mortgage Association												
3135G0SF1	FANNIE MAE 1%	1.000	11/28/2017	05/28/2016	AA+	Aaa	5,000,000.00	5,000,000.00	2.21	5,001,650.00	2.22	0.79
3135G0VC4	FANNIE MAE 1.13%	1.130	02/28/2018		AA+	Aaa	6,000,000.00	5,990,040.00	2.65	6,015,180.00	2.67	1.89
3135G0XG3	FANNIE MAE 1%	1.000	05/21/2018	05/21/2016	AA+	Aaa	5,000,000.00	4,982,150.00	2.21	4,995,650.00	2.22	1.12
3135G0WJ8	FANNIE MAE 0.875%	0.875	05/21/2018		AA+	Aaa	3,000,000.00	2,953,560.00	1.31	3,003,687.00	1.33	2.11
3135G0YT4	FANNIE MAE 1.625%	1.625	11/27/2018		AA+	Aaa	5,000,000.00	5,017,650.00	2.22	5,099,125.00	2.26	2.59
3136FTZZ5	FANNIE MAE 1.75%	1.750	01/30/2019		AA+	Aaa	5,000,000.00	5,094,650.00	2.26	5,113,300.00	2.27	2.76
3136G0T68	FANNIE MAE 1.33%	1.330	10/24/2019		AA+	Aaa	5,000,000.00	4,991,700.00	2.21	5,037,600.00	2.23	3.47
3136G2YA9	FANNIE MAE 1.4%	1.400	11/26/2019	08/26/2016	AA+	Aaa	5,000,000.00	4,998,750.00	2.21	5,002,000.00	2.22	1.49
Issuer total							39,000,000.00	39,028,500.00	17.28	39,268,192.00	17.42	2.02
Federal Home Loan Banks												
313381B53	FEDERAL HOME LOAN	0.580	11/14/2016		AA+	Aaa	5,000,000.00	4,995,700.00	2.21	4,996,300.00	2.22	0.62
313370S22	FEDERAL HOME LOAN	2.250	09/08/2017		AA+	Aaa	5,000,000.00	5,171,550.00	2.29	5,105,985.00	2.26	1.42
313371VG8	FEDERAL HOME LOAN	2.250	12/08/2017		AA+	Aaa	5,000,000.00	5,191,000.00	2.30	5,114,150.00	2.27	1.65
3130A6AE7	FEDERAL HOME LOAN	1.125	09/14/2018		AA+	Aaa	5,000,000.00	5,017,900.00	2.22	5,025,000.00	2.23	2.42
313376BR5	FEDERAL HOME LOAN	1.750	12/14/2018		AA+	Aaa	8,000,000.00	8,153,030.00	3.61	8,186,152.00	3.63	2.63
313380PE1	FEDERAL HOME LOAN	1.850	09/28/2020		AA+	Aaa	5,000,000.00	4,990,000.00	2.21	5,000,700.00	2.22	1.24
313380NM5	FEDERAL HOME LOAN	2.300	09/19/2022		AA+	Aaa	5,000,000.00	4,995,550.00	2.21	5,000,080.00	2.22	1.58
Issuer total							38,000,000.00	38,514,730.00	17.05	38,428,367.00	17.05	1.73

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of March 31, 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)
Federal Home Loan Mortgage Corp												
3137EACT4	FREDDIE MAC 2.5%	2.500	05/27/2016		AA+	Aaa	4,000,000.00	4,253,480.00	1.88	4,013,600.00	1.78	0.15
3134G3JM3	FREDDIE MAC 2%	2.000	07/30/2019		AA+	Aaa	5,000,000.00	5,025,300.00	2.22	5,157,700.00	2.29	3.22
3134G8PD5	FREDDIE MAC 1.35%	1.350	09/30/2019	03/30/2017	AA+	Aaa	5,000,000.00	5,000,000.00	2.21	5,002,450.00	2.22	2.03
3134G3K90	FREDDIE MAC 1.7%	1.700	09/25/2020		AA+	Aaa	5,000,000.00	5,000,000.00	2.21	5,101,400.00	2.26	4.34
Issuer total							19,000,000.00	19,278,780.00	8.54	19,275,150.00	8.55	2.52
Grand total							223,500,000.00	225,866,883.45	100.00	225,449,217.88	100.00	1.70

SECURITIES PURCHASED

For the period March 1, 2016 - March 31, 2016

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
Government Agencies							
3136FTZZ5 FANNIE MAE 1.75% 30/01/2019 CALLABLE WELLS FARGO SECURITIES INTL LTD	03/22/2016 03/23/2016	1.750	01/30/2019	5,000,000.00	101.89	(5,094,650.00)	(12,881.94)
3134G8PD5 FREDDIE MAC 1.35% 30/09/2019 (CALLABLE 30/03/17) MORGAN STANLEY AND CO., LLC	03/22/2016 03/30/2016	1.350	09/30/2019 03/30/2017	5,000,000.00	100.00	(5,000,000.00)	0.00
Total Government Agencies				10,000,000.00		(10,094,650.00)	(12,881.94)
Government Bonds							
912828WS5 USA TREASURY 1.625% 30/06/2019 MORGAN STANLEY AND CO., LLC	03/22/2016 03/23/2016	1.625	06/30/2019	5,000,000.00	101.76	(5,087,890.63)	(18,526.79)
Total Government Bonds				5,000,000.00		(5,087,890.63)	(18,526.79)
Grand total				15,000,000.00		(15,182,540.63)	(31,408.73)

SECURITIES SOLD AND MATURED

For the period March 1, 2016 - March 31, 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
Government Agencies												
3130A4T93 FEDERAL HOME LOAN BANK 1.125% 29/06/2018 CALLABLE	03/29/2016 03/29/2016	1.125		(5,000,000.00)	5,000,000.00	5,000,000.00 0.00	0.00	5,000,000.00 (2,000.00)	0.00	0.00	28,125.00	4,687.50
Total (Government Agencies)				(5,000,000.00)	5,000,000.00	5,000,000.00 0.00		5,000,000.00 (2,000.00)	0.00	0.00	28,125.00	4,687.50
Government Bonds												
912828US7 US TREAS NTS 0.375 03-15-2016	03/15/2016 03/15/2016	0.375		(9,000,000.00)	9,000,000.00	9,000,000.00 (334.06)	0.00	9,000,000.00 (432.00)	0.00	0.00	16,875.00	1,390.80
Total (Government Bonds)				(9,000,000.00)	9,000,000.00	9,000,000.00 (334.06)		9,000,000.00 (432.00)	0.00	0.00	16,875.00	1,390.80
Grand total				(14,000,000.00)	14,000,000.00	14,000,000.00 (334.06)		14,000,000.00 (2,432.00)	0.00	0.00	45,000.00	6,078.30

TRANSACTION REPORT

For the period March 1, 2016 - March 31, 2016

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
03/08/2016 03/08/2016	313370SZ2	Income	Government Agencies	FEDERAL HOME LOAN BANK	09/08/2017	5,000,000.00	0.00	0.00	56,250.00	56,250.00
03/12/2016 03/12/2016	3133EETE0	Income	Government Agencies	FEDERAL FARM CREDIT BANK	03/12/2018	5,000,000.00	0.00	0.00	28,125.00	28,125.00
03/14/2016 03/14/2016	3130A6AE7	Income	Government Agencies	FEDERAL HOME LOAN BANK	09/14/2018	5,000,000.00	0.00	0.00	33,906.25	33,906.25
03/15/2016 03/15/2016	912828US7	Income	Government Bonds	US TREAS NTS 0.375	03/15/2016	9,000,000.00	0.00	0.00	16,875.00	16,875.00
03/15/2016 03/15/2016	912828US7	Capital Change	Government Bonds	US TREAS NTS 0.375	03/15/2016	(9,000,000.00)	0.00	9,000,000.00	0.00	9,000,000.00
03/18/2016 03/18/2016	3133EDVK5	Income	Government Agencies	FEDERAL FARM CREDIT BANK	03/18/2019	5,000,000.00	0.00	0.00	43,750.00	43,750.00
03/19/2016 03/19/2016	313380NM5	Income	Government Agencies	FEDERAL HOME LOAN BANK	09/19/2022	5,000,000.00	0.00	0.00	57,500.00	57,500.00
03/22/2016 03/30/2016	3134G8PD5	Bought	Government Agencies	FREDDIE MAC 1.35%	09/30/2019	5,000,000.00	0.00	(5,000,000.00)	0.00	(5,000,000.00)
03/22/2016 03/23/2016	3136FTZZ5	Bought	Government Agencies	FANNIE MAE 1.75% 30/01/2019	01/30/2019	5,000,000.00	0.00	(5,094,650.00)	(12,881.94)	(5,107,531.94)
03/22/2016 03/23/2016	912828WS5	Bought	Government Bonds	USA TREASURY 1.625%	06/30/2019	5,000,000.00	0.00	(5,087,890.63)	(18,526.79)	(5,106,417.42)
03/25/2016 03/25/2016	3134G3K90	Income	Government Agencies	FREDDIE MAC 1.7% 25/09/2020	09/25/2020	5,000,000.00	0.00	0.00	42,500.00	42,500.00
03/26/2016 03/26/2016	3133ECJX3	Income	Government Agencies	FEDERAL FARM CREDIT BANK	03/26/2018	5,000,000.00	0.00	0.00	26,000.00	26,000.00
03/28/2016 03/28/2016	313380PE1	Income	Government Agencies	FEDERAL HOME LOAN BANK	09/28/2020	5,000,000.00	0.00	0.00	46,250.00	46,250.00
03/29/2016 03/29/2016	3130A4T93	Income	Government Agencies	FEDERAL HOME LOAN BANK	06/29/2018	5,000,000.00	0.00	0.00	28,125.00	28,125.00
03/29/2016 03/29/2016	3130A4T93	Capital Change	Government Agencies	FEDERAL HOME LOAN BANK	06/29/2018	(5,000,000.00)	0.00	5,000,000.00	0.00	5,000,000.00
03/31/2016 03/31/2016	912828PA2	Income	Government Bonds	USA TREASURY 1.875%	09/30/2017	10,000,000.00	0.00	0.00	93,750.00	93,750.00

SECURITIES BID AND OFFER

For the period March 1, 2016 - March 31, 2016

Trans	Settle	Description	Call date	Broker	Par value	Discount	Price	YTM/YTC	Competitive
BUY	03/23/2016	Fannie Mae 1.75% 30/01/2019 Callable		WELLFA	5,000,000	0.00	101.89	1.07	MLUSFI-FNMA 01/28/19@YTM1.03 JEFFFI-FNMA 01/28/19@YTM1.01
BUY	03/23/2016	Usa Treasury 1.625% 30/06/2019		MSUSFI	5,000,000	0.00	101.76	1.08	-JEFFFI@101.7617;WELLFA@101.7578
BUY	03/30/2016	Freddie Mac 1.35% 30/09/2019	3/30/2017	MSUSFI	5,000,000	0.00	100.00	1.35	-MLUSFI@100.00;RBCUFI@100.00

ADDITIONAL INFORMATION

As of March 31, 2016

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.

You cannot invest in an index. The volatility of the benchmark may be materially different from that of the Composite. The benchmark is presented merely to show general trends in the market for the period and is not intended to imply that a clients account is benchmarked to the indices either in composition, volatility, or level of risk. An index has no expenses. Index data is provided for comparative purposes only. A variety of factors may cause an index to be an inaccurate benchmark.

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.

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