



Cutwater Asset Management
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CITY OF ANN ARBOR

Report for the period June 1, 2014 - June 30, 2014

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

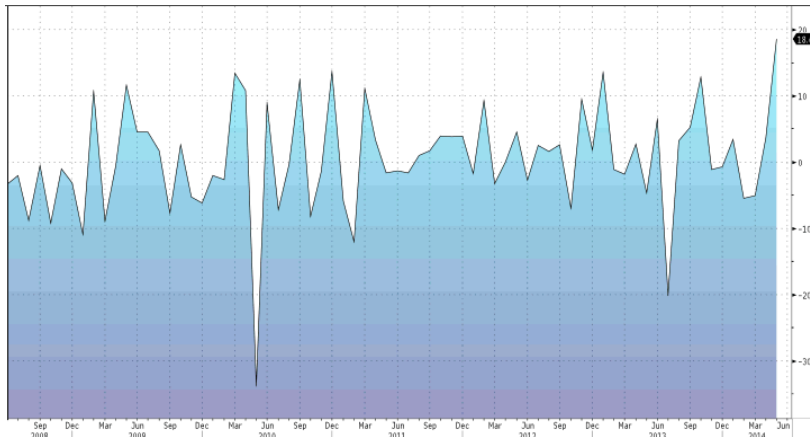
(This report was prepared on July 7, 2014)

Fixed Income Market Review

June 30, 2014

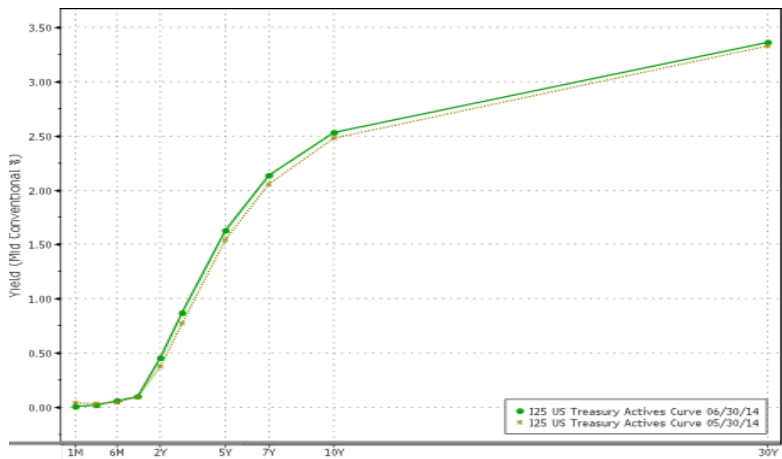
New Home Sales 6/2008 – 6/2014

Chart 1



Treasury Yield Curves 05/31/2014 - 06/30/2014

Chart 2



Economic Indicators & Monetary Policy – The final reading of the first quarter GDP was negative 2.9 percent. This marks the worst quarter for GDP since the first quarter of 2009. The change from the second reading of negative 1 percent is the largest downward revision since records were first kept in 1976. Lower health care spending and the extreme winter weather had a significant impact on GDP. Looking forward, the first reading of the second quarter GDP will be released on July 30.

Employment indicators released in June showed little movement. The unemployment rate remained at 6.3 percent in May, unchanged from the previous month. Underemployment decreased by .1 percent to 12.2 percent and the Labor Force Participation rate remained unchanged at 62.8 percent. 217,000 jobs were added in May, slightly higher than the monthly average this year of 213,600.

Inflation indicators remained relatively unchanged as well. Including food and energy, the headline Producer Price Index for May decreased .1 percent to 2.0 percent on a year-over-year basis. Year-over-year, the Consumer Price Index increased .1 percent to 2.1 percent including food and energy in May.

Meanwhile, housing indicators improved. Existing home sales increased to 4.9 percent in May from 1.3 percent in April. New home sales surged to 18.6 percent growth in May from 6.4 percent growth in April. (See Chart 1) The increase in new home sales represents the largest monthly gain since 1992.

The Federal Open Market Committee (FOMC) concluded its most recent meeting on June 18. The FOMC once again voted to leave the Fed Funds target rate at zero to .25 percent. The Committee also continued tapering its asset purchases. Current monthly purchases include \$20 billion of treasury securities and \$15 billion of mortgage backed securities. The FOMC will likely remain cautious when considering a future increase in interest rates. The Committee stated, “the unemployment rate, though lower, remains elevated...Inflation has been running below the Committee's longer-run objective, but longer-term inflation expectations have remained stable.”¹

Yield Curve & Spreads - At the end of June, the 3-month Treasury bill yielded 0.02 percent, the 6-month Treasury bill yielded 0.06 percent, the 2-year Treasury note yielded 0.46 percent, the 5-year Treasury note yielded 1.63 percent, the 10-year Treasury note yielded 2.53 percent, and the 30-year Treasury yielded 3.36 percent. (See Chart 2)

Additional Information
June 30, 2014

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/.

¹ Federal Reserve Board Press Release, June 18, 2014

**City of Ann Arbor
Activity and Performance Summary
for the period June 1, 2014 - June 30, 2014**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value	207,813,090.20
Additions	
Contributions	0.00
Interest Received	198,291.67
Accrued Interest Sold	19,684.10
Gain on Sales	5,146.37
Total Additions	223,122.14
Deductions	
Withdrawals	7,940,167.73
Fees Paid	12,909.03
Accrued Interest Purchased	0.00
Loss on Sales	0.00
Total Deductions	(7,953,076.76)
Accretion (Amortization) for the Period	(83,150.90)
Ending Amortized Cost Value	199,999,984.68
Ending Fair Value	200,566,921.62
Unrealized Gain (Loss)	566,936.94

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Certificates of Deposit	36.22	0.00	0.00	36.22
U.S. Treasury	146,951.05	(61,047.69)	0.00	85,903.36
U.S. Instrumentality	119,294.24	(14,251.72)	0.00	105,042.52
Sales and Maturities				
U.S. Treasury	9,358.01	(7,858.33)	5,146.37	6,646.05
U.S. Instrumentality	158.33	6.84	0.00	165.17
Total	275,797.85	(83,150.90)	5,146.37	197,793.32

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	One Month
Fed Funds	0.08 %	0.08 %	0.10 %
Overnight Repo	0.06 %	0.06 %	0.11 %
3 Month T-Bill	0.03 %	0.03 %	0.02 %
6 Month T-Bill	0.05 %	0.05 %	0.04 %
1 Year T-Note	0.12 %	0.11 %	0.10 %
2 Year T-Note	0.37 %	0.40 %	0.45 %
5 Year T-Note	1.55 %	1.63 %	1.68 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	275,797.85	275,797.85
Accretion (Amortization)	(83,150.90)	(83,150.90)
Realized Gain (Loss) on Sales	<u>5,146.37</u>	<u>5,146.37</u>
Total Income on Portfolio	197,793.32	197,793.32
Average Daily Historical Cost	207,418,342.62	196,747,406.77
Annualized Return	1.16%	1.22%
Annualized Return Net of Fees	1.08%	1.14%
Annualized Return Year to Date Net of Fees	1.03%	1.08%
Weighted Average Effective Maturity in Days	931	985

**City of Ann Arbor
Activity and Performance Summary
for the period June 1, 2014 - June 30, 2014**

Fair Value Basis Activity Summary

Beginning Fair Value	208,556,428.86
Additions	
Contributions	0.00
Interest Received	198,291.67
Accrued Interest Sold	19,684.10
Total Additions	217,975.77
Deductions	
Withdrawals	7,940,167.73
Fees Paid	12,909.03
Accrued Interest Purchased	0.00
Total Deductions	(7,953,076.76)
Change in Fair Value for the Period	(254,406.25)
Ending Fair Value	200,566,921.62

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Certificates of Deposit	36.22	0.00	36.22
U.S. Treasury	146,951.05	(191,806.00)	(44,854.95)
U.S. Instrumentality	119,294.24	(53,811.81)	65,482.43
Sales and Maturities			
U.S. Treasury	9,358.01	(8,788.44)	569.57
U.S. Instrumentality	158.33	0.00	158.33
Total	275,797.85	(254,406.25)	21,391.60

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	One Month
Fed Funds	0.08 %	0.08 %	0.10 %
Overnight Repo	0.06 %	0.06 %	0.11 %
3 Month T-Bill	0.09 %	0.09 %	0.05 %
6 Month T-Bill	0.15 %	0.14 %	0.03 %
1 Year T-Note	0.31 %	0.32 %	0.12 %
BAML 1-3 Yr Tsy Index	0.76 %	0.83 %	-0.54 %
BAML 1-5 Yr Tsy Index	1.16 %	1.62 %	-1.22 %

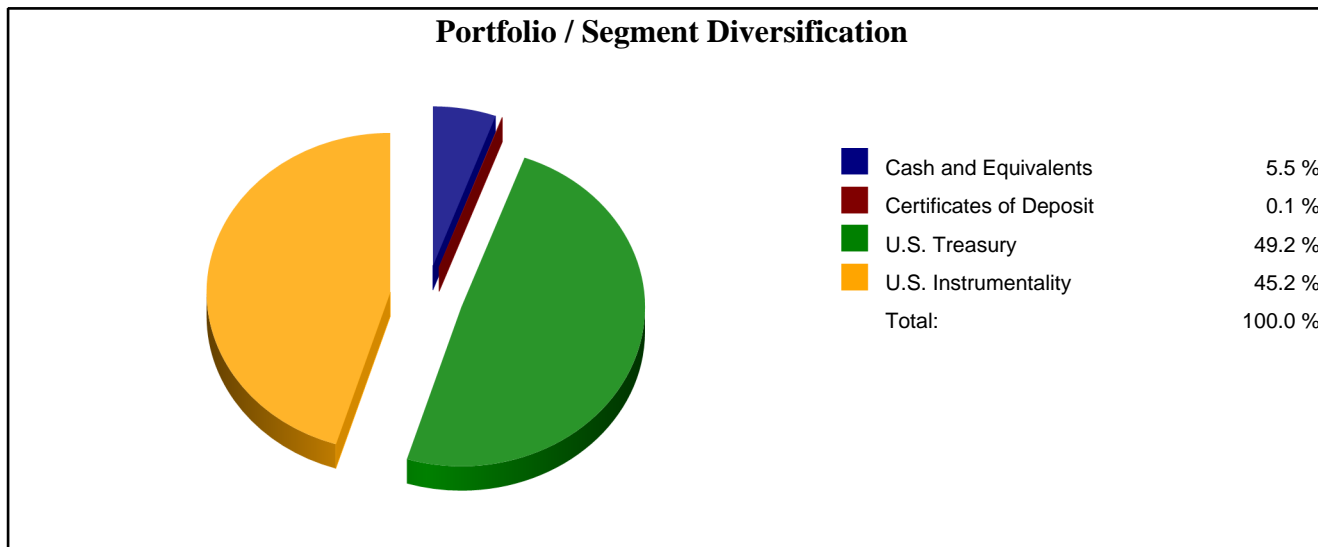
Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	275,797.85	275,797.85
Change in Fair Value	<u>(254,406.25)</u>	<u>(254,406.25)</u>
Total Income on Portfolio	21,391.60	21,391.60
Average Daily Historical Cost	207,418,342.62	196,747,406.77
Annualized Return	0.13%	0.13%
Annualized Return Net of Fees	0.05%	0.05%
Annualized Return Year to Date Net of Fees	2.32%	2.45%
Weighted Average Effective Maturity in Days	931	985

**City of Ann Arbor
Recap of Securities Held
June 30, 2014**

	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	11,220,865.57	11,220,865.57	11,220,865.57	0.00	1	1	5.54	0.00	0.00
Certificates of Deposit	108,665.21	108,665.21	108,665.21	0.00	112	112	0.05	0.40	0.31
U.S. Treasury	99,748,925.80	97,294,198.47	98,225,600.50	931,402.03	737	737	49.20	1.07	1.97
U.S. Instrumentality	91,644,952.90	91,376,255.43	91,011,790.34	(364,465.09)	1,597	1,256	45.21	1.44	3.26
Total	202,723,409.48	199,999,984.68	200,566,921.62	566,936.94	1,085	931	100.00	1.18	2.44

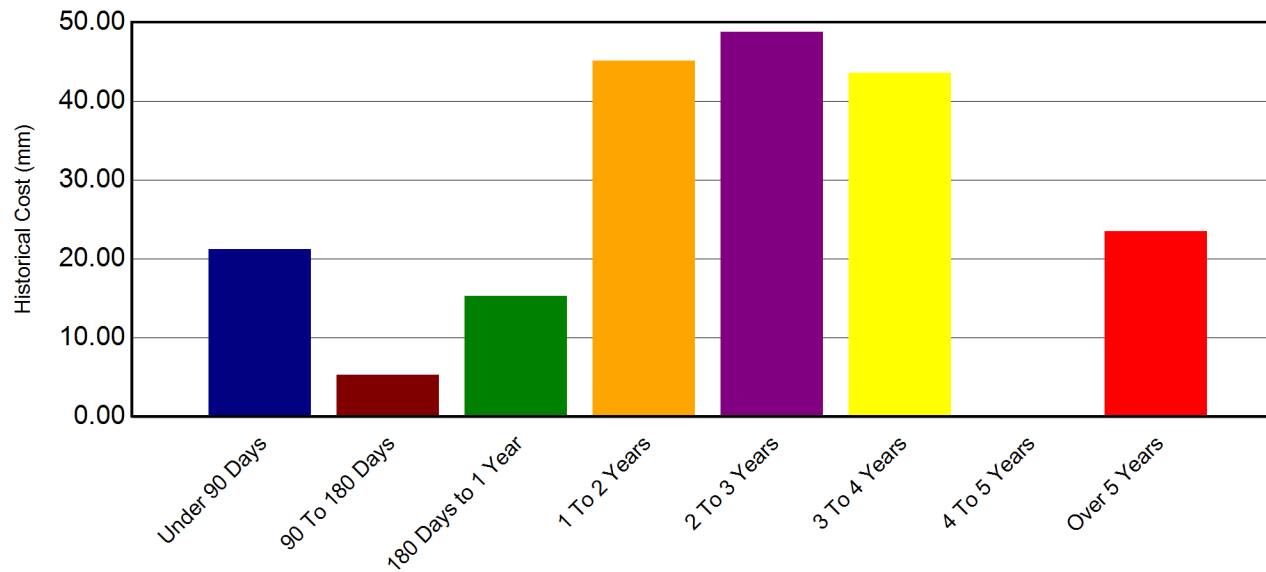
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Ann Arbor
Maturity Distribution of Securities Held
June 30, 2014**

Maturity	Historical Cost	Percent
Under 90 Days	21,215,865.57	10.47 %
90 To 180 Days	5,315,696.46	2.62 %
180 Days to 1 Year	15,251,875.00	7.52 %
1 To 2 Years	45,101,004.62	22.25 %
2 To 3 Years	48,749,548.45	24.05 %
3 To 4 Years	43,578,569.38	21.50 %
4 To 5 Years	0.00	0.00 %
Over 5 Years	23,510,850.00	11.60 %
	202,723,409.48	100.00 %

Maturity Distribution



**City of Ann Arbor
Securities Held
June 30, 2014**

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	06/30/14	0.000V		11,220,865.57	11,220,865.57	11,220,865.57	11,220,865.57	0.00	0.00	0.00	0.00	5.54	0.00
					0.00	0.00	0.00						
TOTAL (Cash and Equivalents)				11,220,865.57	11,220,865.57	11,220,865.57	11,220,865.57	0.00	0.00	0.00	0.00	5.54	
					0.00	0.00	0.00						
<u>Certificates of Deposit</u>													
Ann Arbor Bank	01/21/14	0.400	10/20/14	108,665.21	108,665.21	108,665.21	108,665.21	0.00	0.00	36.22	528.84	0.05	0.40
					0.00	0.00	0.00						
TOTAL (Certificates of Deposit)				108,665.21	108,665.21	108,665.21	108,665.21	0.00	0.00	36.22	528.84	0.05	
					0.00	0.00	0.00						
<u>U.S. Treasury</u>													
912828LZ1	08/26/10	2.125	11/30/14	5,000,000.00	5,207,031.25	5,020,211.14	5,042,385.00	22,173.86	0.00	8,709.02	8,999.32	2.57	1.13
T-Note					0.00	(3,989.04)	(8,200.00)						
912828MR8	08/26/10	2.375	02/28/15	5,000,000.00	5,258,593.75	5,037,996.17	5,075,780.00	37,783.83	0.00	9,680.71	39,690.90	2.59	1.19
T-Note					0.00	(4,710.27)	(8,985.00)						
912828SK7	09/06/13	0.375	03/15/15	5,000,000.00	5,000,781.25	5,000,361.77	5,009,960.00	9,598.23	0.00	1,528.54	5,502.72	2.47	0.36
T-Note					0.00	(42.23)	(1,175.00)						
912828NL0	08/29/11	1.875	06/30/15	5,000,000.00	5,249,218.75	5,064,750.62	5,085,740.00	20,989.38	46,875.00	7,765.12	254.76	2.59	0.56
T-Note					0.00	(5,336.59)	(8,595.00)						
912828PE4	08/29/11	1.250	10/31/15	5,000,000.00	5,121,875.00	5,038,945.62	5,070,310.00	31,364.38	0.00	5,095.11	10,529.89	2.53	0.66
T-Note					0.00	(2,399.11)	(3,910.00)						
912828EN6	08/26/10	4.500	11/15/15	5,000,000.00	5,795,312.50	5,209,358.61	5,293,165.00	83,806.39	0.00	18,342.39	28,736.41	2.86	1.33
T-Note					0.00	(12,511.47)	(18,555.00)						
912828PJ3	08/29/11	1.375	11/30/15	5,000,000.00	5,146,093.75	5,048,603.91	5,080,665.00	32,061.09	0.00	5,635.25	5,823.09	2.54	0.68
T-Note					0.00	(2,820.34)	(5,470.00)						
912828KS8	08/26/10	2.625	02/29/16	5,000,000.00	5,287,890.63	5,086,953.55	5,191,795.00	104,841.45	0.00	10,699.73	43,868.89	2.61	1.53
T-Note					0.00	(4,290.47)	(13,090.00)						
912828US7	03/21/14	0.375	03/15/16	3,500,000.00	3,495,214.84	3,495,888.06	3,501,778.00	5,889.94	0.00	1,069.97	3,851.90	1.72	0.44
T-Note					213.99	198.00	(2,733.50)						
912828QP8	09/06/12	1.750	05/31/16	5,000,000.00	5,247,656.25	5,127,189.56	5,126,170.00	(1,019.56)	0.00	7,172.13	7,411.20	2.59	0.41
T-Note					0.00	(5,450.98)	(10,160.00)						
912828KZ2	09/30/10	3.250	06/30/16	2,500,000.00	2,732,617.19	2,580,862.17	2,638,867.50	58,005.33	40,625.00	6,729.77	220.79	1.35	1.55
T-Note					0.00	(3,323.10)	(8,202.50)						
912828QR4	08/29/11	1.500	06/30/16	5,000,000.00	5,148,437.50	5,061,323.92	5,102,735.00	41,411.08	37,500.00	6,212.09	203.80	2.54	0.87
T-Note					0.00	(2,520.17)	(9,765.00)						

**City of Ann Arbor
Securities Held
June 30, 2014**

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
912828MA5 T-Note	08/26/10	2.750	11/30/16	5,000,000.00	5,291,796.88 0.00	5,112,612.17 (3,826.01)	5,254,690.00 (14,060.00)	142,077.83	0.00	11,270.49	11,646.17	2.61	1.76
912828RX0 T-Note	09/10/13	0.875	12/31/16	5,000,000.00	4,973,828.13 0.00	4,980,197.77 649.96	5,025,390.00 (7,030.00)	45,192.23	21,875.00	3,623.72	118.89	2.45	1.04
912828MS6 T-Note	08/26/10	3.000	02/28/17	5,000,000.00	5,360,156.25 0.00	5,147,364.18 (4,543.61)	5,298,045.00 (14,845.00)	150,680.82	0.00	12,228.26	50,135.87	2.64	1.82
912828SJ0 T-Note	09/10/13	0.875	02/28/17	5,000,000.00	4,957,812.50 0.00	4,967,601.86 998.91	5,017,580.00 (7,030.00)	49,978.14	0.00	3,566.57	14,622.96	2.45	1.12
912828PA2 T-Note	08/29/11	1.875	09/30/17	5,000,000.00	5,175,000.00 0.00	5,093,401.53 (2,360.61)	5,137,500.00 (13,280.00)	44,098.47	0.00	7,684.42	23,565.57	2.55	1.28
912828PF1 T-Note	08/29/11	1.875	10/31/17	5,000,000.00	5,172,656.25 0.00	5,093,257.34 (2,296.98)	5,137,890.00 (12,110.00)	44,632.66	0.00	7,642.67	15,794.84	2.55	1.29
912828UA6 T-Note	11/18/13	0.625	11/30/17	5,000,000.00	4,923,828.13 0.00	4,935,463.34 1,551.36	4,923,045.00 (8,205.00)	(12,418.34)	0.00	2,561.48	2,646.86	2.43	1.01
912828QQ6 T-Note	04/08/14	2.375	05/31/18	5,000,000.00	5,203,125.00 0.00	5,191,855.18 (4,024.94)	5,212,110.00 (16,405.00)	20,254.82	0.00	9,733.61	10,058.06	2.57	1.36
TOTAL (U.S. Treasury)				96,000,000.00	99,748,925.80 213.99	97,294,198.47 (61,047.69)	98,225,600.50 (191,806.00)	931,402.03	146,875.00	146,951.05	283,682.89	49.20	

U.S. Instrumentality

31331GY29 FFCB	10/15/09	2.900	10/09/15	1,905,000.00	1,890,712.50 0.00	1,901,959.41 196.17	1,969,331.85 (4,069.08)	67,372.44	0.00	4,603.75	12,583.58	0.93	3.04
3137EACT4 FHLMC	01/11/12	2.500	05/27/16	4,000,000.00	4,253,480.00 0.00	4,110,401.80 (4,758.70)	4,148,564.00 (16,924.00)	38,162.20	0.00	8,333.33	9,444.44	2.10	1.02
313370TW8 FHLB	09/10/12	2.000	09/09/16	5,000,000.00	5,276,700.00 0.00	5,151,805.96 (5,685.62)	5,151,955.00 (6,330.00)	149.04	0.00	8,333.33	31,111.11	2.60	0.60
313381B53 FHLB	11/26/12	0.580	11/14/16	5,000,000.00	4,995,700.00 0.00	4,997,427.12 89.02	4,993,290.00 (4,755.00)	(4,137.12)	0.00	2,416.67	3,786.11	2.46	0.60
3133ECGF5 FFCB	Call 02/27/13	0.800	02/27/17 07/01/14	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,996,395.00 (1,400.00)	(3,605.00)	0.00	3,333.34	13,777.78	2.47	0.80
3133EDEB4 FFCB	01/30/14	1.100	06/28/17	5,000,000.00	5,012,500.00 0.00	5,010,973.90 (301.20)	5,029,905.00 (55.00)	18,931.10	22,916.67	4,583.33	458.33	2.47	1.03
313370SZ2 FHLB	01/09/14	2.250	09/08/17	5,000,000.00	5,171,550.00 0.00	5,149,369.02 (3,846.41)	5,188,890.00 (14,770.00)	39,520.98	0.00	9,375.00	35,312.50	2.55	1.29
3134G3H52 FHLMC	Call 09/12/12	1.000	09/12/17 09/12/14	5,000,000.00	4,997,500.00 0.00	4,998,399.51 41.08	5,000,725.00 28,885.00	2,325.49	0.00	4,166.67	15,138.89	2.47	1.01
3135G0SF1 FNMA	Call 11/28/12	1.000	11/28/17 08/28/14	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,955,510.00 860.00	(44,490.00)	0.00	4,166.66	4,583.33	2.47	1.00

**City of Ann Arbor
Securities Held
June 30, 2014**

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
3133ECJX3 FFCB	Call 04/02/13	1.040	03/26/18 07/01/14	5,000,000.00	4,996,700.00 0.00	4,997,525.45 54.42	4,973,025.00 (455.00)	(24,500.45)	0.00	4,333.33	13,722.22	2.46	1.05
3135G0WJ8 FNMA	06/03/13	0.875	05/21/18	3,000,000.00	2,953,560.00 0.00	2,963,626.70 768.45	2,948,472.00 (5,700.00)	(15,154.70)	0.00	2,187.50	2,916.67	1.46	1.20
3135G0XG3 FNMA	Call 05/21/13	1.000	05/21/18 08/21/14	5,000,000.00	4,982,150.00 0.00	4,986,118.84 293.26	4,915,660.00 (645.00)	(70,458.84)	0.00	4,166.67	5,555.56	2.46	1.07
3130A15L8 FHLB	Call 03/26/14	1.000V	03/26/19 09/26/14	5,000,000.00	4,997,500.00 0.00	4,997,632.80 41.07	5,006,410.00 (4,520.00)	8,777.20	0.00	4,166.66	13,194.44	2.47	2.12
3134G3JM3 FHLMC	02/28/14	2.000	07/30/19	5,000,000.00	5,025,300.00 7,777.78	5,023,726.74 (383.73)	5,062,110.00 (7,075.00)	38,383.26	0.00	8,333.33	41,944.44	2.48	1.90
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	4,858,055.00 2,675.00	(141,945.00)	0.00	7,083.34	22,666.67	2.47	1.70
313380PE1 FHLB	Call 09/28/12	1.850	09/28/20 07/28/14	5,000,000.00	4,990,000.00 0.00	4,992,193.70 102.67	4,858,055.00 (17,775.00)	(134,138.70)	0.00	7,708.33	23,895.83	2.46	1.88
3130A0A34 FHLB	Call 11/18/13	2.790	11/04/20 11/04/15	3,590,000.00	3,613,550.40 0.00	3,606,149.79 (986.74)	3,643,350.99 (11,297.73)	37,201.20	0.00	8,346.75	15,858.83	1.78	2.45
3133EDMG4 FFCB	Call 05/27/14	2.590	05/27/21 05/27/15	5,000,000.00	4,992,500.00 0.00	4,992,602.66 87.99	5,000,570.00 13,310.00	7,967.34	0.00	10,791.67	12,230.56	2.46	2.61
313380NM5 FHLB	Call 09/19/12	2.300	09/19/22 07/19/14	5,000,000.00	4,995,550.00 0.00	4,996,342.03 36.55	4,814,705.00 (9,700.00)	(181,637.03)	0.00	9,583.33	32,583.33	2.46	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	3,496,811.50 5,929.00	(3,188.50)	0.00	3,281.25	7,328.13	1.73	1.12
TOTAL (U.S. Instrumentality)				90,995,000.00	91,644,952.90 7,777.78	91,376,255.43 (75,299.41)	91,011,790.34 (245,617.81)	(364,465.09)	22,916.67	119,294.24	318,092.75	45.21	

GRAND TOTAL **198,324,530.78** **202,723,409.48** **199,999,984.68** **200,566,921.62** **566,936.94** **169,791.67** **266,281.51** **602,304.48** **100.00**

7,991.77 **(75,299.41)** **(245,617.81)**

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

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2014

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>												
912828LZ1	U.S. Treasury	2.125	11/30/2014		AA+	Aaa	5,000,000.00	5,207,031.25	2.57	5,042,385.00	2.51	0.42
912828MR8	U.S. Treasury	2.375	02/28/2015		AA+	Aaa	5,000,000.00	5,258,593.75	2.59	5,075,780.00	2.53	0.66
912828SK7	U.S. Treasury	0.375	03/15/2015		AA+	Aaa	5,000,000.00	5,000,781.25	2.47	5,009,960.00	2.50	0.71
912828NL0	U.S. Treasury	1.875	06/30/2015		AA+	Aaa	5,000,000.00	5,249,218.75	2.59	5,085,740.00	2.54	0.99
912828PE4	U.S. Treasury	1.250	10/31/2015		AA+	Aaa	5,000,000.00	5,121,875.00	2.53	5,070,310.00	2.53	1.32
912828EN6	U.S. Treasury	4.500	11/15/2015		AA+	Aaa	5,000,000.00	5,795,312.50	2.86	5,293,165.00	2.64	1.34
912828PJ3	U.S. Treasury	1.375	11/30/2015		AA+	Aaa	5,000,000.00	5,146,093.75	2.54	5,080,665.00	2.53	1.41
912828KS8	U.S. Treasury	2.625	02/29/2016		AA+	Aaa	5,000,000.00	5,287,890.63	2.61	5,191,795.00	2.59	1.63
912828US7	U.S. Treasury	0.375	03/15/2016		AA+	Aaa	3,500,000.00	3,495,214.84	1.72	3,501,778.00	1.75	1.70
912828QP8	U.S. Treasury	1.750	05/31/2016		AA+	Aaa	5,000,000.00	5,247,656.25	2.59	5,126,170.00	2.56	1.89
912828KZ2	U.S. Treasury	3.250	06/30/2016		AA+	Aaa	2,500,000.00	2,732,617.19	1.35	2,638,867.50	1.32	1.95
912828QR4	U.S. Treasury	1.500	06/30/2016		AA+	Aaa	5,000,000.00	5,148,437.50	2.54	5,102,735.00	2.54	1.97
912828MA5	U.S. Treasury	2.750	11/30/2016		AA+	Aaa	5,000,000.00	5,291,796.88	2.61	5,254,690.00	2.62	2.35
912828RX0	U.S. Treasury	0.875	12/31/2016		AA+	Aaa	5,000,000.00	4,973,828.13	2.45	5,025,390.00	2.51	2.47
912828MS6	U.S. Treasury	3.000	02/28/2017		AA+	Aaa	5,000,000.00	5,360,156.25	2.64	5,298,045.00	2.64	2.55
912828SJ0	U.S. Treasury	0.875	02/28/2017		AA+	Aaa	5,000,000.00	4,957,812.50	2.45	5,017,580.00	2.50	2.63
912828PA2	U.S. Treasury	1.875	09/30/2017		AA+	Aaa	5,000,000.00	5,175,000.00	2.55	5,137,500.00	2.56	3.14
912828PF1	U.S. Treasury	1.875	10/31/2017		AA+	Aaa	5,000,000.00	5,172,656.25	2.55	5,137,890.00	2.56	3.22
912828UA6	U.S. Treasury	0.625	11/30/2017		AA+	Aaa	5,000,000.00	4,923,828.13	2.43	4,923,045.00	2.45	3.37
912828QQ6	U.S. Treasury	2.375	05/31/2018		AA+	Aaa	5,000,000.00	5,203,125.00	2.57	5,212,110.00	2.60	3.74
ISSUER TOTAL							96,000,000.00	99,748,925.80	49.20	98,225,600.50	48.97	1.98
<u>FHLB</u>												
3130A15L8	U.S. Instrumentality	1.000	03/26/2019	09/26/2014	AA+	Aaa	5,000,000.00	4,997,500.00	2.47	5,006,410.00	2.50	0.24
3130A0A34	U.S. Instrumentality	2.790	11/04/2020	11/04/2015	AA+	Aaa	3,590,000.00	3,613,550.40	1.78	3,643,350.99	1.82	1.31
313370TW8	U.S. Instrumentality	2.000	09/09/2016		AA+	Aaa	5,000,000.00	5,276,700.00	2.60	5,151,955.00	2.57	2.14
313381B53	U.S. Instrumentality	0.580	11/14/2016		AA+	Aaa	5,000,000.00	4,995,700.00	2.46	4,993,290.00	2.49	2.35
313370SZ2	U.S. Instrumentality	2.250	09/08/2017		AA+	Aaa	5,000,000.00	5,171,550.00	2.55	5,188,890.00	2.59	3.06
313380PE1	U.S. Instrumentality	1.850	09/28/2020	07/28/2014	AA+	Aaa	5,000,000.00	4,990,000.00	2.46	4,858,055.00	2.42	5.82
313380NM5	U.S. Instrumentality	2.300	09/19/2022	07/19/2014	AA+	Aaa	5,000,000.00	4,995,550.00	2.46	4,814,705.00	2.40	7.37
313380XN2	U.S. Instrumentality	1.125	10/24/2022	10/24/2014	AA+	Aaa	3,500,000.00	3,500,000.00	1.73	3,496,811.50	1.74	7.56
ISSUER TOTAL							37,090,000.00	37,540,550.40	18.52	37,153,467.49	18.52	3.63

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2014

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>FFCB</u>												
3133EDMG4	U.S. Instrumentality	2.590	05/27/2021	05/27/2015	AA+	Aaa	5,000,000.00	4,992,500.00	2.46	5,000,570.00	2.49	0.89
31331GY29	U.S. Instrumentality	2.900	10/09/2015		AA+	Aaa	1,905,000.00	1,890,712.50	0.93	1,969,331.85	0.98	1.25
3133ECGF5	U.S. Instrumentality	0.800	02/27/2017	07/01/2014	AA+	Aaa	5,000,000.00	5,000,000.00	2.47	4,996,395.00	2.49	2.62
3133EDEB4	U.S. Instrumentality	1.100	06/28/2017		AA+	Aaa	5,000,000.00	5,012,500.00	2.47	5,029,905.00	2.51	2.94
3133ECJX3	U.S. Instrumentality	1.040	03/26/2018	07/01/2014	AA+	Aaa	5,000,000.00	4,996,700.00	2.46	4,973,025.00	2.48	3.65
ISSUER TOTAL							21,905,000.00	21,892,412.50	10.80	21,969,226.85	10.95	2.41
<u>FHLMC</u>												
3134G3H52	U.S. Instrumentality	1.000	09/12/2017	09/12/2014	AA+	Aaa	5,000,000.00	4,997,500.00	2.47	5,000,725.00	2.49	0.20
3137EACT4	U.S. Instrumentality	2.500	05/27/2016		AA+	Aaa	4,000,000.00	4,253,480.00	2.10	4,148,564.00	2.07	1.87
3134G3JM3	U.S. Instrumentality	2.000	07/30/2019		AA+	Aaa	5,000,000.00	5,025,300.00	2.48	5,062,110.00	2.52	4.78
3134G3K90	U.S. Instrumentality	1.700	09/25/2020	09/25/2014	AA+	Aaa	5,000,000.00	5,000,000.00	2.47	4,858,055.00	2.42	5.85
ISSUER TOTAL							19,000,000.00	19,276,280.00	9.51	19,069,454.00	9.51	3.22
<u>FNMA</u>												
3135G0SF1	U.S. Instrumentality	1.000	11/28/2017	08/28/2014	AA+	Aaa	5,000,000.00	5,000,000.00	2.47	4,955,510.00	2.47	3.34
3135G0XG3	U.S. Instrumentality	1.000	05/21/2018	08/21/2014	AA+	Aaa	5,000,000.00	4,982,150.00	2.46	4,915,660.00	2.45	3.79
3135G0WJ8	U.S. Instrumentality	0.875	05/21/2018		AA+	Aaa	3,000,000.00	2,953,560.00	1.46	2,948,472.00	1.47	3.81
ISSUER TOTAL							13,000,000.00	12,935,710.00	6.38	12,819,642.00	6.39	3.62
<u>JPMorgan Chase</u>												
	Cash and Equivalents	0.000			NR	NR	11,220,865.57	11,220,865.57	5.54	11,220,865.57	5.59	0.00
ISSUER TOTAL							11,220,865.57	11,220,865.57	5.54	11,220,865.57	5.59	0.00
<u>Ann Arbor Bank</u>												
	Certificates of Deposit	0.400	10/20/2014		NR	NR	108,665.21	108,665.21	0.05	108,665.21	0.05	0.31
ISSUER TOTAL							108,665.21	108,665.21	0.05	108,665.21	0.05	0.31

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2014

GRAND TOTAL	198,324,530.78	202,723,409.48	100.00	200,566,921.62	100.00	2.44
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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, 2014 - June 30, 2014**

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	06/30/2014	0.000V		578,375.57	100.000	578,375.57	0.00	0.00
TOTAL (Cash and Equivalents)				578,375.57		578,375.57	0.00	
GRAND TOTAL				578,375.57		578,375.57	0.00	

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

City of Ann Arbor
Securities Sold and Matured
June 1, 2014 - June 30, 2014

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>													
912828LS7 T-Note	06/30/2014	2.375	10/31/2014	5,000,000.00	5,314,062.50	5,033,330.19 (7,858.33)	100.77	5,038,476.56 (8,788.44)	5,146.37	19,684.10	0.00	9,358.01	0.38
TOTAL (U.S. Treasury)				5,000,000.00	5,314,062.50	5,033,330.19 (7,858.33)		5,038,476.56 (8,788.44)	5,146.37	19,684.10	0.00	9,358.01	
<u>U.S. Instrumentality</u>													
31331JQA4 FFCB	06/02/2014	1.900	06/02/2014	3,000,000.00	2,990,070.00	3,000,000.00 6.84	100.00	3,000,000.00 0.00	0.00	0.00	28,500.00	158.33	1.99
TOTAL (U.S. Instrumentality)				3,000,000.00	2,990,070.00	3,000,000.00 6.84		3,000,000.00 0.00	0.00	0.00	28,500.00	158.33	
GRAND TOTAL				8,000,000.00	8,304,132.50	8,033,330.19 (7,851.49)		8,038,476.56 (8,788.44)	5,146.37	19,684.10	28,500.00	9,516.34	

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

**City of Ann Arbor
Transaction Report
for the period June 1, 2014 - June 30, 2014**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
06/02/2014		Maturity	CE	Int Receivable	06/02/2014	275,000.00	275,000.00	0.00	275,000.00	275,000.00
06/02/2014	31331JQA4	Maturity	INS	FFCB	06/02/2014	3,000,000.00	3,000,000.00	0.00	3,000,000.00	3,275,000.00
06/02/2014	31331JQA4	Interest	INS	FFCB	06/02/2014	3,000,000.00	0.00	28,500.00	28,500.00	3,303,500.00
06/28/2014	3133EDEB4	Interest	INS	FFCB	06/28/2017	5,000,000.00	0.00	22,916.67	22,916.67	3,326,416.67
06/30/2014		Bought	CE	JPMorgan Chase		578,375.57	578,375.57	0.00	(578,375.57)	2,748,041.10
06/30/2014	912828KZ2	Interest	TSY	T-Note	06/30/2016	2,500,000.00	0.00	40,625.00	40,625.00	2,788,666.10
06/30/2014	912828LS7	Sold	TSY	T-Note	10/31/2014	5,000,000.00	5,038,476.56	19,684.10	5,058,160.66	7,846,826.76
06/30/2014	912828NL0	Interest	TSY	T-Note	06/30/2015	5,000,000.00	0.00	46,875.00	46,875.00	7,893,701.76
06/30/2014	912828QR4	Interest	TSY	T-Note	06/30/2016	5,000,000.00	0.00	37,500.00	37,500.00	7,931,201.76
06/30/2014	912828RX0	Interest	TSY	T-Note	12/31/2016	5,000,000.00	0.00	21,875.00	21,875.00	7,953,076.76
Portfolio Activity Total									7,953,076.76	

Net Contributions:	0.00
Net Withdrawals:	7,940,167.73

Fees Charged:	12,963.65
Fees Paid:	12,909.03

**City of Ann Arbor
Securities Bid and Offer
for the period 6/1/2014 - 6/30/2014**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
SELL	06/30/2014	T-Note 2.375 10/31/2014		BAS	5,000,000		100.770	.07%	MIZ - T 2.375% 10/31/14 @ 100.24.5 MS - T 2.375% 10/31/14 @ 100.24.5

**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
07/30/2014	Interest	3134G3JM3	FHLMC	2.000	07/30/2019		5,000,000.00	0.00	50,000.00	50,000.00

END OF REPORTS



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