



Cutwater Asset Management
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CITY OF ANN ARBOR

Report for the period June 1, 2012 - June 30, 2012

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

(This report was prepared on July 5, 2012)

Fixed Income Market Review June 30, 2012

U.S. Personal Consumption Expenditures

9/30/06-3/31/12

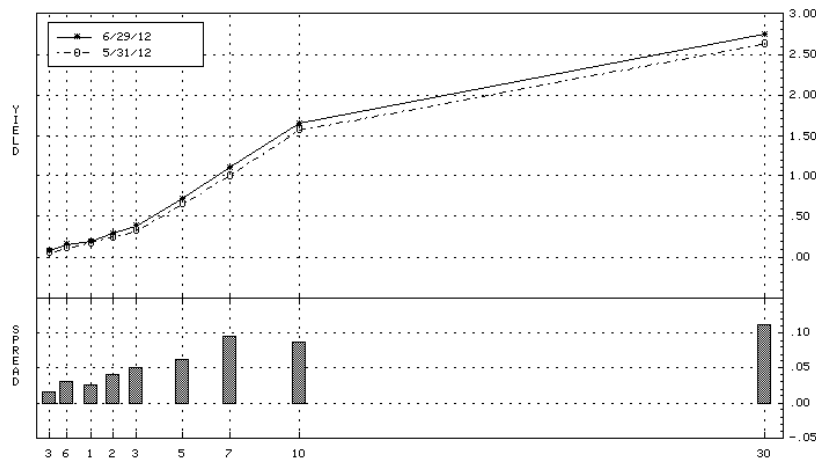
Chart 1



Treasury Yield Curves

5/31/12-6/30/12

Chart 2



Economic Indicators & Monetary Policy – The U.S. economy is showing signs of slowing as increases in consumer spending were offset by reduced business and government spending. During the first quarter of 2012, personal consumption expenditures grew at a 2.5 percent annual rate (See Chart 1) compared to a 2.1 percent increase the prior quarter. Since the first quarter, households are reducing purchases of durable goods, like automobiles, as the job market softens. Cars and light trucks sold at a 13.7 million annual rate in May, the weakest this year, and down from a rate of 14.4 million in April.

A struggling job market and slowing global capital markets could make it more difficult to spark a U.S. expansion. The unemployment rate climbed to 8.2 percent in May, up from 8.1 percent the previous month. Fed officials have recently lowered their growth and employment outlook. The Federal Open Market Committee (FOMC) “expects economic growth to remain moderate over coming quarters and then to pick up very gradually.” On June 20th, the FOMC stated its plan to hold its benchmark interest rate near zero until late 2014. It also said it will expand the Operation Twist program to extend the weighted average maturity of balance sheet assets, which pressures the yield curve to flatten.

Despite the slow recovery, the U.S. economy expanded at a revised 1.9 percent annual rate during the first quarter following a 3.0 percent annualized growth rate during the final quarter of 2011. The gain reflects a smaller increase in consumer spending due to the soft labor market. Inflation has been subdued in recent months as prices of crude oil and gasoline have decreased. Consumer prices dropped in May by the most in three years, and long-term inflation expectations remain stable. At the end of 2012, lawmakers will face a possible “fiscal cliff” when several significant tax-and-spending changes take effect unless Congress acts. Up to three percentage points could be clipped from domestic growth if the expiration of income tax cuts occurs.

Yield Curve & Spreads – Treasury yields moved higher in June with slight recent consumer spending gains.

At the end of June, 3-month Treasury bills yielded 0.08 percent, 6-month Treasury bills yielded 0.15 percent, 2-year Treasuries yielded 0.30 percent, 5-year Treasuries yielded 0.72 percent, 10-year Treasuries yielded 1.65 percent, and 30-year bonds yielded 2.75 percent (Chart 2).

Additional Information
June 30, 2012

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, 2012 - June 30, 2012**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value	185,812,688.23
Additions	
Contributions	0.00
Interest Received	548,241.25
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	548,241.25
Deductions	
Withdrawals	10,561,661.83
Fees Paid	11,742.97
Accrued Interest Purchased	0.00
Loss on Sales	0.00
Total Deductions	(10,573,404.80)
Accretion (Amortization) for the Period	(94,806.55)
Ending Amortized Cost Value	175,692,718.13
Ending Fair Value	178,646,990.52
Unrealized Gain (Loss)	2,954,272.39

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
U.S. Treasury	154,014.96	(71,804.10)	0.00	82,210.86
U.S. Instrumentality	173,114.57	(21,162.16)	0.00	151,952.41
Sales and Maturities				
U.S. Instrumentality	16,624.03	(1,840.29)	0.00	14,783.74
Total	343,753.56	(94,806.55)	0.00	248,947.01

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.10 %	0.13 %	0.16 %
Overnight Repo	0.09 %	0.13 %	0.18 %
3 Month T-Bill	0.04 %	0.06 %	0.09 %
6 Month T-Bill	0.07 %	0.10 %	0.13 %
1 Year T-Note	0.15 %	0.17 %	0.20 %
2 Year T-Note	0.28 %	0.29 %	0.29 %
5 Year T-Note	0.95 %	0.84 %	0.71 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	343,753.56	343,753.56
Accretion (Amortization)	(94,806.55)	(94,806.55)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	248,947.01	248,947.01
Average Daily Historical Cost	185,986,682.23	176,574,474.42
Annualized Return	1.63%	1.72%
Annualized Return Net of Fees	1.56%	1.64%
Annualized Return Year to Date Net of Fees	1.52%	1.63%
Weighted Average Effective Maturity in Days	757	794

**City of Ann Arbor
Activity and Performance Summary
for the period June 1, 2012 - June 30, 2012**

Fair Value Basis Activity Summary

Beginning Fair Value	189,049,980.63
Additions	
Contributions	0.00
Interest Received	548,241.25
Accrued Interest Sold	0.00
Total Additions	548,241.25
Deductions	
Withdrawals	10,561,661.83
Fees Paid	11,742.97
Accrued Interest Purchased	0.00
Total Deductions	(10,573,404.80)
Change in Fair Value for the Period	(377,826.56)
Ending Fair Value	178,646,990.52

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
U.S. Treasury	154,014.96	(230,277.50)	(76,262.54)
U.S. Instrumentality	173,114.57	(132,989.39)	40,125.18
Sales and Maturities			
U.S. Instrumentality	16,624.03	(14,559.67)	2,064.36
Total	343,753.56	(377,826.56)	(34,073.00)

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.10 %	0.13 %	0.16 %
Overnight Repo	0.09 %	0.13 %	0.18 %
3 Month T-Bill	0.07 %	0.10 %	0.12 %
6 Month T-Bill	0.19 %	0.14 %	0.12 %
1 Year T-Note	0.25 %	0.12 %	0.00 %
2 Year T-Note	0.64 %	0.08 %	-0.85 %
5 Year T-Note	7.23 %	2.96 %	-2.32 %

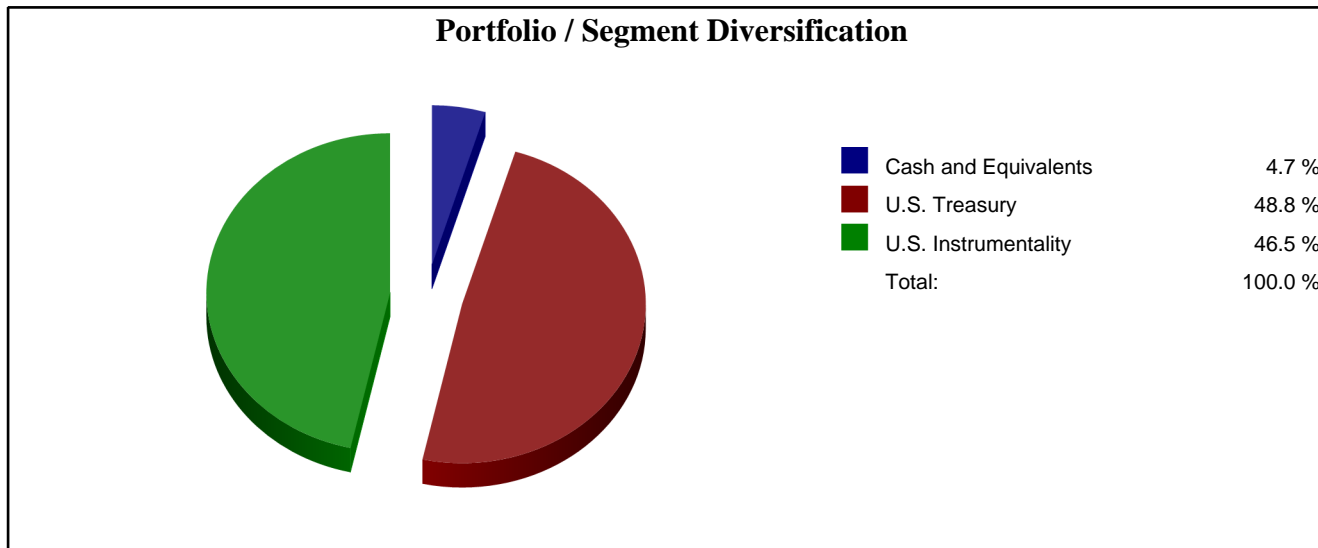
Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	343,753.56	343,753.56
Change in Fair Value	<u>(377,826.56)</u>	<u>(377,826.56)</u>
Total Income on Portfolio	(34,073.00)	(34,073.00)
Average Daily Historical Cost	185,986,682.23	176,574,474.42
Annualized Return	(0.22%)	(0.24%)
Annualized Return Net of Fees	(0.30%)	(0.32%)
Annualized Return Year to Date Net of Fees	1.02%	1.09%
Weighted Average Effective Maturity in Days	757	794

**City of Ann Arbor
Recap of Securities Held
June 30, 2012**

	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	8,310,049.72	8,310,049.72	8,310,049.72	0.00	1	1	4.68	0.00	0.00
U.S. Treasury	86,600,976.58	85,341,531.66	87,074,410.00	1,732,878.34	1,206	1,206	48.78	1.19	3.17
U.S. Instrumentality	82,613,675.07	82,041,136.75	83,262,530.80	1,221,394.05	926	363	46.54	2.25	0.97
Total	177,524,701.37	175,692,718.13	178,646,990.52	2,954,272.39	1,019	757	100.00	1.63	2.00

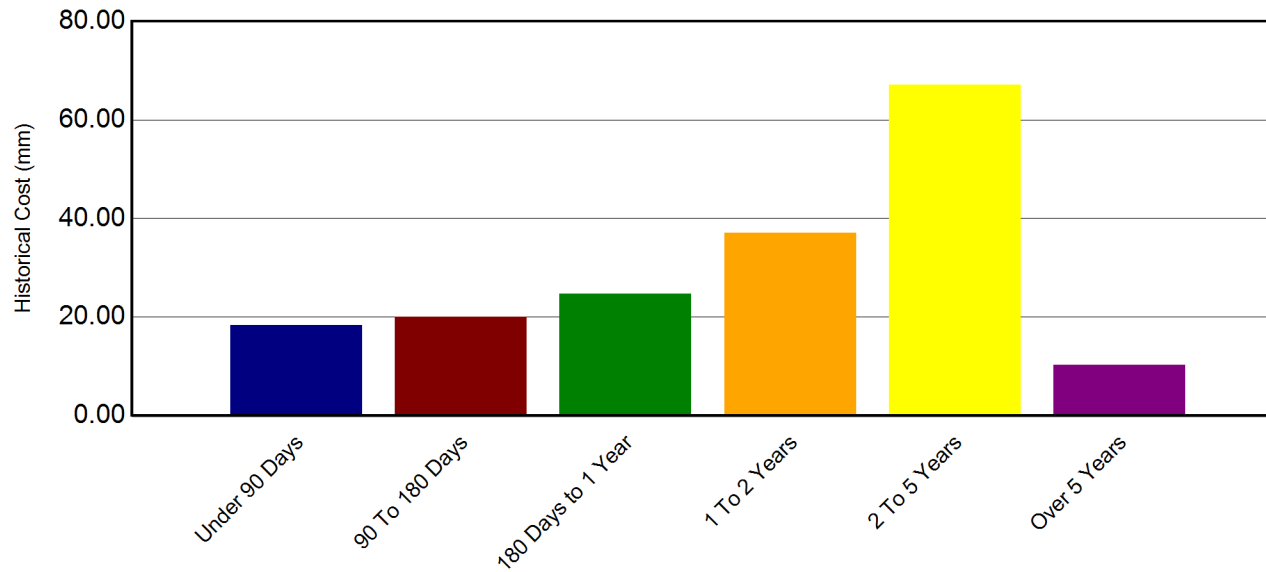
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Ann Arbor
Maturity Distribution of Securities Held
June 30, 2012**

Maturity	Historical Cost	Percent
Under 90 Days	18,298,149.72	10.31 %
90 To 180 Days	20,040,100.00	11.29 %
180 Days to 1 Year	24,773,126.22	13.95 %
1 To 2 Years	37,008,390.73	20.85 %
2 To 5 Years	67,057,278.45	37.77 %
Over 5 Years	10,347,656.25	5.83 %
	177,524,701.37	100.00 %

Maturity Distribution



**City of Ann Arbor
Securities Held
June 30, 2012**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
Cash and Equivalents													
BankOne	06/30/12	0.000V		8,100,674.72	8,100,674.72	8,100,674.72	8,100,674.72	0.00	0.00	0.00	0.00	4.56	0.00
					0.00	0.00	0.00						
Int Receivable	06/30/12	0.000	07/02/12	209,375.00	209,375.00	209,375.00	209,375.00	0.00	0.00	0.00	0.00	0.12	0.00
					0.00	0.00	0.00						
TOTAL (Cash and Equivalents)				8,310,049.72	8,310,049.72	8,310,049.72	8,310,049.72	0.00	0.00	0.00	0.00	4.68	
					0.00	0.00	0.00						
U.S. Treasury													
912828JD3	07/17/08	3.375	06/30/13	5,000,000.00	5,035,937.50	5,007,231.21	5,154,490.00	147,258.79	84,375.00	13,902.93	458.56	2.84	3.22
T-Note					0.00	(595.97)	(15,235.00)						
912828KF6	08/26/10	1.875	02/28/14	5,000,000.00	5,173,046.88	5,081,934.05	5,128,320.00	46,385.95	0.00	7,642.66	31,334.92	2.91	0.87
T-Note					0.00	(4,049.46)	(10,940.00)						
912828QC7	08/29/11	1.250	04/15/14	5,000,000.00	5,131,250.00	5,089,277.34	5,081,640.00	(7,637.34)	0.00	5,122.95	13,148.91	2.89	0.25
T-Note					0.00	(4,101.57)	(8,595.00)						
912828LS7	08/29/11	2.375	10/31/14	5,000,000.00	5,314,062.50	5,230,872.52	5,232,810.00	1,937.48	0.00	9,733.61	20,116.12	2.99	0.38
T-Note					0.00	(8,129.31)	(13,675.00)						
912828LZ1	08/26/10	2.125	11/30/14	5,000,000.00	5,207,031.25	5,117,277.82	5,210,545.00	93,267.18	0.00	8,709.02	8,999.32	2.93	1.13
T-Note					0.00	(3,989.04)	(11,720.00)						
912828MR8	08/26/10	2.375	02/28/15	5,000,000.00	5,258,593.75	5,152,612.70	5,261,330.00	108,717.30	0.00	9,680.71	39,690.90	2.96	1.19
T-Note					0.00	(4,710.27)	(13,280.00)						
912828NL0	08/29/11	1.875	06/30/15	5,000,000.00	5,249,218.75	5,194,607.65	5,213,280.00	18,672.35	46,875.00	7,723.85	254.76	2.96	0.56
T-Note					0.00	(5,336.59)	(12,890.00)						
912828PE4	08/29/11	1.250	10/31/15	5,000,000.00	5,121,875.00	5,097,324.06	5,124,610.00	27,285.94	0.00	5,122.95	10,587.43	2.89	0.66
T-Note					0.00	(2,399.12)	(11,330.00)						
912828EN6	08/26/10	4.500	11/15/15	5,000,000.00	5,795,312.50	5,513,804.40	5,667,190.00	153,385.60	0.00	18,342.39	28,736.41	3.26	1.33
T-Note					0.00	(12,511.48)	(24,605.00)						
912828PJ3	08/29/11	1.375	11/30/15	5,000,000.00	5,146,093.75	5,117,232.24	5,147,265.00	30,032.76	0.00	5,635.25	5,823.09	2.90	0.68
T-Note					0.00	(2,820.35)	(10,545.00)						
912828KS8	08/26/10	2.625	02/29/16	5,000,000.00	5,287,890.63	5,191,355.02	5,380,860.00	189,504.98	0.00	10,699.73	43,868.89	2.98	1.53
T-Note					0.00	(4,290.48)	(9,375.00)						
912828KZ2	09/30/10	3.250	06/30/16	2,500,000.00	2,732,617.19	2,661,724.33	2,762,305.00	100,580.67	40,625.00	6,694.00	220.79	1.54	1.55
T-Note					0.00	(3,323.10)	(8,007.50)						
912828QR4	08/29/11	1.500	06/30/16	5,000,000.00	5,148,437.50	5,122,647.85	5,179,690.00	57,042.15	37,500.00	6,179.07	203.80	2.90	0.87
T-Note					0.00	(2,520.16)	(11,715.00)						
912828MA5	08/26/10	2.750	11/30/16	5,000,000.00	5,291,796.88	5,205,711.70	5,454,295.00	248,583.30	0.00	11,270.49	11,646.17	2.98	1.76
T-Note					0.00	(3,826.01)	(17,580.00)						

**City of Ann Arbor
Securities Held
June 30, 2012**

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
912828MS6 T-Note	08/26/10	3.000	02/28/17	5,000,000.00	5,360,156.25 0.00	5,257,925.19 (4,543.60)	5,526,170.00 (19,535.00)	268,244.81	0.00	12,228.26	50,135.87	3.02	1.82
912828PA2 T-Note	08/29/11	1.875	09/30/17	5,000,000.00	5,175,000.00 0.00	5,150,843.08 (2,360.61)	5,274,610.00 (15,625.00)	123,766.92	0.00	7,684.42	23,565.57	2.92	1.28
912828PF1 T-Note	08/29/11	1.875	10/31/17	5,000,000.00	5,172,656.25 0.00	5,149,150.50 (2,296.98)	5,275,000.00 (15,625.00)	125,849.50	0.00	7,642.67	15,794.84	2.91	1.29
TOTAL (U.S. Treasury)				82,500,000.00	86,600,976.58 0.00	85,341,531.66 (71,804.10)	87,074,410.00 (230,277.50)	1,732,878.34	209,375.00	154,014.96	304,586.35	48.78	

U.S. Instrumentality

31331Y3X6 FFCB	08/01/08	3.950	07/23/12	5,000,000.00	4,988,100.00 0.00	4,999,819.70 245.87	5,010,985.00 (16,365.00)	11,165.30	0.00	16,458.34	86,680.56	2.81	4.02
31331YGE4 FFCB	12/31/07	4.250	12/04/12	5,000,000.00	5,040,100.00 0.00	5,003,475.33 (668.34)	5,086,325.00 (17,875.00)	82,849.67	106,250.00	17,708.33	15,937.50	2.84	4.07
31359MQV8 FNMA	Call 09/18/06	4.750	02/21/13 02/21/13	5,000,000.00	4,902,300.00 0.00	4,990,221.68 1,248.30	5,141,275.00 (19,475.00)	151,053.32	0.00	19,791.67	85,763.89	2.76	5.11
31359MQV8 FNMA	Call 08/07/09	4.750	02/21/13 02/21/13	3,418,000.00	3,691,234.92 0.00	3,467,621.49 (6,334.66)	3,514,575.59 (13,313.11)	46,954.10	0.00	13,529.58	58,628.19	2.08	2.38
31359MQV8 FNMA	Call 12/09/09	4.750	02/21/13 02/21/13	2,870,000.00	3,151,231.30 0.00	2,926,486.63 (7,211.06)	2,951,091.85 (11,178.65)	24,605.22	0.00	11,360.41	49,228.47	1.78	1.60
31331GZL6 FFCB	07/01/09	2.800	06/03/13	3,000,000.00	3,018,360.00 0.00	3,004,317.74 (384.37)	3,068,490.00 (8,541.00)	64,172.26	42,000.00	7,000.00	6,533.33	1.70	2.64
31331GS83 FFCB	10/15/09	2.350	09/23/13	3,300,000.00	3,322,770.00 0.00	3,307,104.75 (474.70)	3,381,635.40 (6,138.00)	74,530.65	0.00	6,462.50	21,110.83	1.87	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	3,018,993.00 (2,007.00)	18,993.00	0.00	2,500.00	6,333.33	1.69	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	3,185,037.62 (2,117.38)	20,037.62	0.00	2,637.50	6,681.67	1.78	1.00
3134G3JR2 FHLMC	01/11/12	0.450	01/09/14	4,000,000.00	4,000,000.00 100.00	4,000,000.00 0.00	4,006,440.00 (2,316.00)	6,440.00	0.00	1,500.00	8,600.00	2.25	0.45
31331XSR4 FFCB	05/23/08	4.875	03/14/14	5,000,000.00	5,182,500.00 0.00	5,053,433.52 (2,581.33)	5,383,440.00 (13,295.00)	330,006.48	0.00	20,312.50	72,447.92	2.92	4.16
31331JQA4 FFCB	06/11/10	1.900	06/02/14	3,000,000.00	2,990,070.00 0.00	2,995,205.97 205.16	3,087,930.00 1,353.00	92,724.03	28,500.00	4,750.00	4,591.67	1.68	1.99
31331GY29 FFCB	10/15/09	2.900	10/09/15	1,905,000.00	1,890,712.50 0.00	1,897,186.01 196.16	2,045,642.34 1,047.75	148,456.33	0.00	4,603.75	12,583.58	1.07	3.04
3134G24E9 FHLMC	Call 11/17/11	1.200	11/17/15 05/17/13	5,000,000.00	5,012,500.00 0.00	5,007,312.61 (685.56)	5,029,165.00 (780.00)	21,852.39	0.00	5,000.00	7,333.33	2.82	1.03

**City of Ann Arbor
Securities Held
June 30, 2012**

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
3137EACT4 FHLMC	01/11/12	2.500	05/27/16	4,000,000.00	4,253,480.00	4,226,196.80	4,267,400.00	41,203.20	0.00	8,333.33	9,444.44	2.40	1.02
					0.00	(4,758.69)	(4,204.00)						
3136FTEP0 FNMA	Call 10/26/11	1.375V	10/26/16 10/26/12	5,000,000.00	5,000,000.00	5,000,000.00	5,021,065.00	21,065.00	0.00	5,729.16	12,413.19	2.82	1.37
					0.00	0.00	(4,430.00)						
3136FTMP1 FNMA	Call 11/23/11	1.125V	11/23/16 11/23/12	5,000,000.00	5,000,000.00	5,000,000.00	5,013,955.00	13,955.00	0.00	4,687.50	5,937.50	2.82	1.13
					0.00	0.00	(2,040.00)						
3136FTVF3 FNMA	Call 12/28/11	1.000V	12/28/16 12/28/12	5,000,000.00	4,997,500.00	4,997,754.52	5,016,475.00	18,720.48	25,000.00	4,166.67	416.67	2.82	1.69
					0.00	41.06	(1,400.00)						
31331KZP8 FFCB	Call 09/26/11	1.800	09/26/17 09/26/12	5,000,000.00	5,000,000.00	5,000,000.00	5,012,115.00	12,115.00	0.00	7,500.00	23,750.00	2.82	1.80
					0.00	0.00	(4,570.00)						
313376CK9 FHLB	Call 11/16/11	2.180	11/16/18 11/16/12	5,000,000.00	5,000,000.00	5,000,000.00	5,020,495.00	20,495.00	0.00	9,083.33	13,625.00	2.82	2.18
					0.00	0.00	(5,345.00)						
TOTAL (U.S. Instrumentality)				81,658,000.00	82,613,675.07	82,041,136.75	83,262,530.80	1,221,394.05	201,750.00	173,114.57	508,041.07	46.54	
					100.00	(21,162.16)	(132,989.39)						

GRAND TOTAL				172,468,049.72	177,524,701.37	175,692,718.13	178,646,990.52	2,954,272.39	411,125.00	327,129.53	812,627.42	100.00	
					100.00	(92,966.26)	(363,266.89)						

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

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2012

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>												
912828JD3	U.S. Treasury	3.375	06/30/2013		AA+	Aaa	5,000,000.00	5,035,937.50	2.84	5,154,490.00	2.89	0.98
912828KF6	U.S. Treasury	1.875	02/28/2014		AA+	Aaa	5,000,000.00	5,173,046.88	2.91	5,128,320.00	2.87	1.64
912828QC7	U.S. Treasury	1.250	04/15/2014		AA+	Aaa	5,000,000.00	5,131,250.00	2.89	5,081,640.00	2.84	1.77
912828LS7	U.S. Treasury	2.375	10/31/2014		AA+	Aaa	5,000,000.00	5,314,062.50	2.99	5,232,810.00	2.93	2.28
912828LZ1	U.S. Treasury	2.125	11/30/2014		AA+	Aaa	5,000,000.00	5,207,031.25	2.93	5,210,545.00	2.92	2.37
912828MR8	U.S. Treasury	2.375	02/28/2015		AA+	Aaa	5,000,000.00	5,258,593.75	2.96	5,261,330.00	2.95	2.58
912828NL0	U.S. Treasury	1.875	06/30/2015		AA+	Aaa	5,000,000.00	5,249,218.75	2.96	5,213,280.00	2.92	2.90
912828EN6	U.S. Treasury	4.500	11/15/2015		AA+	Aaa	5,000,000.00	5,795,312.50	3.26	5,667,190.00	3.17	3.16
912828PE4	U.S. Treasury	1.250	10/31/2015		AA+	Aaa	5,000,000.00	5,121,875.00	2.89	5,124,610.00	2.87	3.27
912828PJ3	U.S. Treasury	1.375	11/30/2015		AA+	Aaa	5,000,000.00	5,146,093.75	2.90	5,147,265.00	2.88	3.34
912828KS8	U.S. Treasury	2.625	02/29/2016		AA+	Aaa	5,000,000.00	5,287,890.63	2.98	5,380,860.00	3.01	3.49
912828KZ2	U.S. Treasury	3.250	06/30/2016		AA+	Aaa	2,500,000.00	2,732,617.19	1.54	2,762,305.00	1.55	3.73
912828QR4	U.S. Treasury	1.500	06/30/2016		AA+	Aaa	5,000,000.00	5,148,437.50	2.90	5,179,690.00	2.90	3.86
912828MA5	U.S. Treasury	2.750	11/30/2016		AA+	Aaa	5,000,000.00	5,291,796.88	2.98	5,454,295.00	3.05	4.18
912828MS6	U.S. Treasury	3.000	02/28/2017		AA+	Aaa	5,000,000.00	5,360,156.25	3.02	5,526,170.00	3.09	4.36
912828PA2	U.S. Treasury	1.875	09/30/2017		AA+	Aaa	5,000,000.00	5,175,000.00	2.92	5,274,610.00	2.95	4.99
912828PF1	U.S. Treasury	1.875	10/31/2017		AA+	Aaa	5,000,000.00	5,172,656.25	2.91	5,275,000.00	2.95	5.08
ISSUER TOTAL							82,500,000.00	86,600,976.58	48.78	87,074,410.00	48.74	3.17
<u>FNMA</u>												
3136FTEP0	U.S. Instrumentality	1.375	10/26/2016	10/26/2012	AA+	Aaa	5,000,000.00	5,000,000.00	2.82	5,021,065.00	2.81	0.32
3136FTMP1	U.S. Instrumentality	1.125	11/23/2016	11/23/2012	AA+	Aaa	5,000,000.00	5,000,000.00	2.82	5,013,955.00	2.81	0.40
3136FTVF3	U.S. Instrumentality	1.000	12/28/2016	12/28/2012	AA+	Aaa	5,000,000.00	4,997,500.00	2.82	5,016,475.00	2.81	0.50
31359MQV8	U.S. Instrumentality	4.750	02/21/2013	02/21/2013	AA+	Aaa	11,288,000.00	11,744,766.22	6.62	11,606,942.44	6.50	0.63
31398A4N9	U.S. Instrumentality	1.000	10/15/2013		AA+	Aaa	6,165,000.00	6,172,816.35	3.48	6,204,030.62	3.47	1.28
ISSUER TOTAL							32,453,000.00	32,915,082.57	18.54	32,862,468.06	18.40	0.65
<u>FFCB</u>												
31331Y3X6	U.S. Instrumentality	3.950	07/23/2012		AA+	Aaa	5,000,000.00	4,988,100.00	2.81	5,010,985.00	2.80	0.07
31331KZP8	U.S. Instrumentality	1.800	09/26/2017	09/26/2012	AA+	Aaa	5,000,000.00	5,000,000.00	2.82	5,012,115.00	2.81	0.24
31331YGE4	U.S. Instrumentality	4.250	12/04/2012		AA+	Aaa	5,000,000.00	5,040,100.00	2.84	5,086,325.00	2.85	0.43
31331GZL6	U.S. Instrumentality	2.800	06/03/2013		AA+	Aaa	3,000,000.00	3,018,360.00	1.70	3,068,490.00	1.72	0.92
31331GS83	U.S. Instrumentality	2.350	09/23/2013		AA+	Aaa	3,300,000.00	3,322,770.00	1.87	3,381,635.40	1.89	1.21
31331XSR4	U.S. Instrumentality	4.875	03/14/2014		AA+	Aaa	5,000,000.00	5,182,500.00	2.92	5,383,440.00	3.01	1.64

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2012

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)
31331JQA4	U.S. Instrumentality	1.900	06/02/2014		AA+	Aaa	3,000,000.00	2,990,070.00	1.68	3,087,930.00	1.73	1.89
31331GY29	U.S. Instrumentality	2.900	10/09/2015		AA+	Aaa	1,905,000.00	1,890,712.50	1.07	2,045,642.34	1.15	3.13
ISSUER TOTAL							31,205,000.00	31,432,612.50	17.71	32,076,562.74	17.96	0.99

FHLMC

3134G24E9	U.S. Instrumentality	1.200	11/17/2015	05/17/2013	AA+	Aaa	5,000,000.00	5,012,500.00	2.82	5,029,165.00	2.82	0.88
3134G3JR2	U.S. Instrumentality	0.450	01/09/2014		AA+	Aaa	4,000,000.00	4,000,000.00	2.25	4,006,440.00	2.24	1.52
3137EACT4	U.S. Instrumentality	2.500	05/27/2016		AA+	Aaa	4,000,000.00	4,253,480.00	2.40	4,267,400.00	2.39	3.73
ISSUER TOTAL							13,000,000.00	13,265,980.00	7.47	13,303,005.00	7.45	1.99

BankOne

	Cash and Equivalents	0.000					8,100,674.72	8,100,674.72	4.56	8,100,674.72	4.53	0.00
ISSUER TOTAL							8,100,674.72	8,100,674.72	4.56	8,100,674.72	4.53	0.00

FHLB

313376CK9	U.S. Instrumentality	2.180	11/16/2018	11/16/2012	AA+	Aaa	5,000,000.00	5,000,000.00	2.82	5,020,495.00	2.81	0.38
ISSUER TOTAL							5,000,000.00	5,000,000.00	2.82	5,020,495.00	2.81	0.38

Int Receivable

	Cash and Equivalents	0.000	07/02/2012				209,375.00	209,375.00	0.12	209,375.00	0.12	0.00
ISSUER TOTAL							209,375.00	209,375.00	0.12	209,375.00	0.12	0.00

GRAND TOTAL												
						172,468,049.72	177,524,701.37	100.00	178,646,990.52	100.00	2.00	

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

**City of Ann Arbor
Securities Purchased
June 1, 2012 - June 30, 2012**

NOTE: There is no activity for the period.

City of Ann Arbor
Securities Sold and Matured
June 1, 2012 - June 30, 2012

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>Cash and Equivalents</u>													
BankOne	06/30/2012	0.000V		1,349,538.55	1,349,538.55	1,349,538.55	100.00	1,349,538.55	0.00	0.00	0.00	0.00	0.00
						0.00		0.00					
TOTAL (Cash and Equivalents)				1,349,538.55	1,349,538.55	1,349,538.55		1,349,538.55	0.00	0.00	0.00	0.00	
						0.00		0.00					
<u>U.S. Instrumentality</u>													
31331XG30	06/21/2012	5.450	06/21/2012	3,885,000.00	4,039,584.15	3,885,000.00	100.00	3,885,000.00	0.00	0.00	105,866.25	11,762.92	4.48
FFCB						(1,840.29)		(11,429.67)					
3134G2PM8	Call 06/29/2012	1.250	12/29/2014	5,000,000.00	5,000,000.00	5,000,000.00	100.00	5,000,000.00	0.00	0.00	31,250.00	4,861.11	1.25
FHLMC			12/29/2014			0.00		(3,130.00)					
TOTAL (U.S. Instrumentality)				8,885,000.00	9,039,584.15	8,885,000.00		8,885,000.00	0.00	0.00	137,116.25	16,624.03	
						(1,840.29)		(14,559.67)					
GRAND TOTAL				10,234,538.55	10,389,122.70	10,234,538.55		10,234,538.55	0.00	0.00	137,116.25	16,624.03	
						(1,840.29)		(14,559.67)					

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

**City of Ann Arbor
Transaction Report
for the period June 1, 2012 - June 30, 2012**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
06/02/2012	31331JQA4	Interest	INS	FFCB	06/02/2014	3,000,000.00	0.00	28,500.00	28,500.00	28,500.00
06/03/2012	31331GZL6	Interest	INS	FFCB	06/03/2013	3,000,000.00	0.00	42,000.00	42,000.00	70,500.00
06/04/2012	31331YGE4	Interest	INS	FFCB	12/04/2012	5,000,000.00	0.00	106,250.00	106,250.00	176,750.00
06/21/2012	31331XG30	Maturity	INS	FFCB	06/21/2012	3,885,000.00	3,885,000.00	0.00	3,885,000.00	4,061,750.00
06/21/2012	31331XG30	Interest	INS	FFCB	06/21/2012	3,885,000.00	0.00	105,866.25	105,866.25	4,167,616.25
06/28/2012	3136FTVF3	Interest	INS	FNMA	12/28/2016	5,000,000.00	0.00	25,000.00	25,000.00	4,192,616.25
06/29/2012	3134G2PM8	Interest	INS	FHLMC	12/29/2014	5,000,000.00	0.00	31,250.00	31,250.00	4,223,866.25
06/29/2012	3134G2PM8	Call	INS	FHLMC	12/29/2014	5,000,000.00	5,000,000.00	0.00	5,000,000.00	9,223,866.25
06/30/2012		Bought	CE	Int Receivable	07/02/2012	209,375.00	209,375.00	0.00	(209,375.00)	9,014,491.25
06/30/2012		Sold	CE	BankOne		1,349,538.55	1,349,538.55	0.00	1,349,538.55	10,364,029.80
06/30/2012	912828JD3	Interest	TSY	T-Note	06/30/2013	5,000,000.00	0.00	84,375.00	84,375.00	10,448,404.80
06/30/2012	912828KZ2	Interest	TSY	T-Note	06/30/2016	2,500,000.00	0.00	40,625.00	40,625.00	10,489,029.80
06/30/2012	912828NL0	Interest	TSY	T-Note	06/30/2015	5,000,000.00	0.00	46,875.00	46,875.00	10,535,904.80
06/30/2012	912828QR4	Interest	TSY	T-Note	06/30/2016	5,000,000.00	0.00	37,500.00	37,500.00	10,573,404.80
Portfolio Activity Total									10,573,404.80	

Net Contributions:	0.00
Net Withdrawals:	10,561,661.83

Fees Charged:	11,624.17
Fees Paid:	11,742.97

**City of Ann Arbor
Securities Bid and Offer
for the period 6/1/2012 - 6/30/2012**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
		No Activity this period							

**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
07/09/2012	Interest	3134G3JR2	FHLMC	0.450	01/09/2014		4,000,000.00	0.00	9,000.00	9,000.00
07/23/2012	Maturity	31331Y3X6	FFCB	3.950	07/23/2012		5,000,000.00	5,000,000.00	98,750.00	5,098,750.00

END OF REPORTS



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