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CITY OF ANN ARBOR

December 2017

➤ A BNY MELLON COMPANYSM



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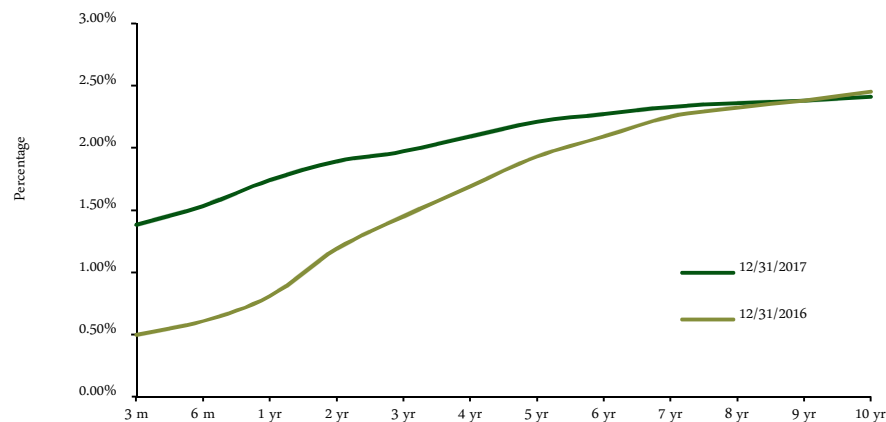
As of December 31, 2017

Chart 1: Fed funds target rate: 12/31/2007—12/31/2017



Source: Bloomberg Finance LP, December 31, 2017.

Chart 2: Treasury yield curve: 12/31/2016 and 12/31/2017



Source: Bloomberg Finance LP, December 31, 2017.

Economic Indicators and Monetary Policy

On December 13th, the Federal Open Market Committee (FOMC) raised its key interest rate to a range of 1.25% to 1.50%. (See Chart 1). The vote was 7-2 for the rate move, which was the third increase in 2017 and widely anticipated. Consistent with previous guidance regarding the scheduled winding down of its balance sheet, the FOMC announced it will increase the limit of securities allowed to run-off by another \$10bn per month starting in January, bringing the monthly pace to \$20bn.

The FOMC's expectations for three rate hikes in 2018 remained unchanged, and it forecast the rate to reach 3.1% in 2020 with the long-run rate projected at 2.8%. The FOMC's expectations for GDP increased to 2.5% for 2018 from the prior estimate of 2.1% and the median forecast for long-run expansion was unchanged at 1.8%. While the forecast for core PCE inflation was unchanged, the headline PCE forecast rose to 1.7% from 1.6%. The FOMC further predicted that unemployment will fall to 3.9% by the end of 2018 versus the prior projection of 4.1%.

The employment report released on December 8th showed that nonfarm payrolls increased 228,000 in November, more than the forecast for 195,000 jobs added. The annual growth rate for hourly earnings increased to 2.5% in November, less than expectations for 2.7% growth and the prior month's reading was revised to 2.3% growth from the original estimate of 2.4%. The unemployment rate was unchanged at 4.1% in November and underemployment rate increased 0.1% to 8.0%.

The final reading of third quarter GDP was released on December 21st at 3.2% compared to the forecast and prior estimate of 3.3%. Personal consumption decreased to 2.2% from the prior estimate of 2.3% following 3.3% growth in the second quarter.

Also this month, the Senate and the House of Representatives passed the Tax Cuts and Jobs Act, which will see the corporate tax rate fall from 35% to 21%, effective January 1, 2018. The package is estimated at \$1.5tn over 10 years and is the most significant reform since the Reagan administration.

Interest Rate Summary

At the end of December the 3-month US Treasury bill yielded 1.38%, the 6-month US Treasury bill yielded 1.53%, the 2-year US Treasury note yielded 1.89%, the 5-year US Treasury note yielded 2.21% and the 10-year US Treasury note yielded 2.41%. (See Chart 2).

ACTIVITY AND PERFORMANCE SUMMARY

For the period December 1, 2017 - December 31, 2017

Amortized Cost Basis Activity Summary

Opening balance		247,568,521.82
Income received	131,951.83	
Total receipts		131,951.83
Total disbursements		0.00
Interportfolio transfers	4,831,338.80	
Total Interportfolio transfers		4,831,338.80
Realized gain (loss)		0.00
Total amortization expense		(29,957.93)
Total OID/MKT accretion income		20,984.72
Return of capital		0.00
Closing balance		252,522,839.24
Ending fair value		250,246,672.75
Unrealized gain (loss)		(2,276,166.49)

Detail of Amortized Cost Basis Return

	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Commercial Paper	0.00	12,640.39	0.00	12,640.39
Government Agencies	188,268.22	(8,616.85)	0.00	179,651.37
Government Bonds	104,578.75	(12,996.75)	0.00	91,582.00
Total	292,846.97	(8,973.21)	0.00	283,873.76

Comparative Rates of Return (%)

	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.00	0.59	0.11
Overnight Repo	0.95	0.57	0.11
Merrill Lynch 3m US Treas Bill	0.91	0.55	0.11
Merrill Lynch 6m US Treas Bill	1.02	0.60	0.12
ML 1 Year US Treasury Note	1.20	0.70	0.14
ML 2 Year US Treasury Note	1.43	0.80	0.16
ML 5 Year US Treasury Note	1.91	0.97	0.18

* rates reflected are cumulative

Summary of Amortized Cost Basis Return for the Period

	Total portfolio
Interest earned	292,846.97
Accretion (amortization)	(8,973.21)
Realized gain (loss) on sales	0.00
Total income on portfolio	283,873.76
Average daily amortized cost	249,314,455.13
Period return (%)	0.11
YTD return (%)	1.25
Weighted average final maturity in days	621

ACTIVITY AND PERFORMANCE SUMMARY

For the period December 1, 2017 - December 31, 2017

<u>Fair Value Basis Activity Summary</u>		
Opening balance		245,461,121.20
Income received	131,951.83	
Total receipts		131,951.83
Total disbursements		0.00
Interportfolio transfers	4,831,338.80	
Total Interportfolio transfers		4,831,338.80
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		(177,739.08)
Ending fair value		250,246,672.75

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Commercial Paper	0.00	8,976.55	8,976.55
Government Agencies	188,268.22	(114,365.00)	73,903.22
Government Bonds	104,578.75	(72,350.63)	32,228.12
Total	292,846.97	(177,739.08)	115,107.89

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.00	0.59	0.11
Overnight Repo	0.95	0.57	0.11
ICE ML 1 Year US Treasury Note	0.57	0.26	0.04
ICE ML 3m US Treas Bill	0.86	0.55	0.11
ICE ML 6m US Treas Bill	0.95	0.59	0.11
ICE ML US Treasury 1-5	0.65	(0.10)	(0.01)
ICE ML US Treasury 1-3	0.42	(0.01)	0.01

* rates reflected are cumulative

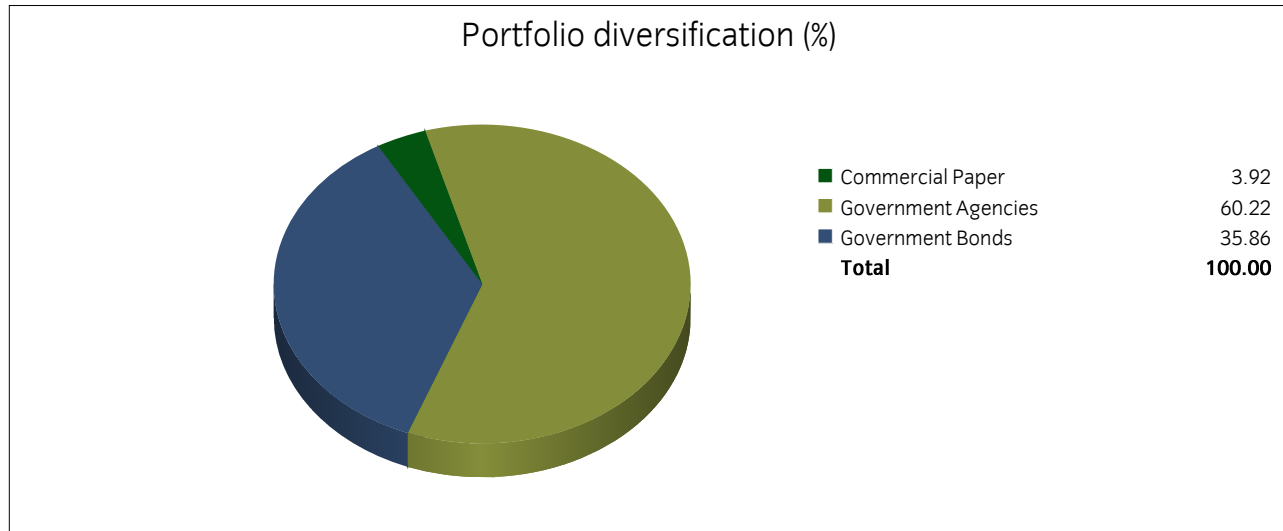
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	292,846.97
Change in fair value	(177,739.08)
Total income on portfolio	115,107.89
Average daily total value *	247,905,792.97
Period return (%)	0.05
YTD return (%)	0.89
Weighted average final maturity in days	621

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of December 31, 2017

	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Commercial Paper	9,913,333.35	9,952,755.41	9,946,393.75	(6,361.66)	114	3.92	0.30
Government Agencies	152,269,580.00	152,110,520.62	150,818,139.00	(1,292,381.62)	629	60.22	1.56
Government Bonds	90,662,500.02	90,459,563.21	89,482,140.00	(977,423.21)	664	35.86	1.77
Total	252,845,413.37	252,522,839.24	250,246,672.75	(2,276,166.49)	621	100.00	1.58

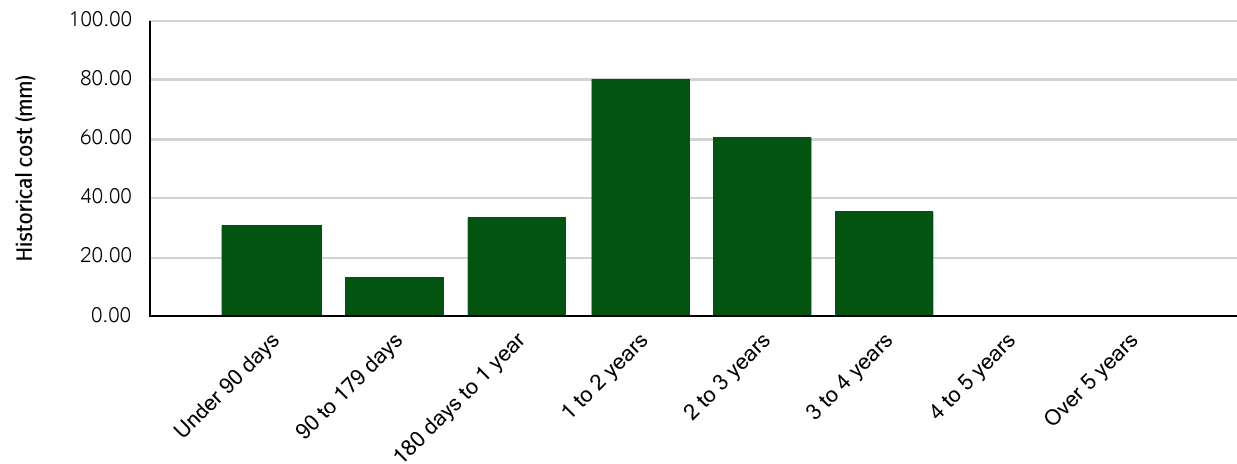


MATURITY DISTRIBUTION OF SECURITIES HELD

As of December 31, 2017

Maturity	Historic cost	Percent
Under 90 days	30,928,580.63	12.23
90 to 179 days	12,949,186.56	5.12
180 days to 1 year	33,083,397.72	13.08
1 to 2 years	80,271,975.02	31.75
2 to 3 years	60,322,039.07	23.86
3 to 4 years	35,290,234.37	13.96
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	252,845,413.37	100.00

Maturity distribution



SECURITIES HELD

As of December 31, 2017

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
Commercial Paper											
4497W1B62 CP ING US FUNDING LLC 0% 06/02/2018	0.000	02/06/2018	5,000,000.00	4,965,000.00 0.00	4,992,845.30 5,994.47	4,991,517.50 4,626.40	(1,327.80)	0.00	0.00	0.00	1.96
89233HG65 CP TOYOTA MOTOR CREDIT CORP - TOYOT 0% 06/07/2018	0.000	07/06/2018	5,000,000.00	4,948,333.35 0.00	4,959,910.11 6,645.92	4,954,876.25 4,350.15	(5,033.86)	0.00	0.00	0.00	1.96
Total Commercial Paper			10,000,000.00	9,913,333.35 0.00	9,952,755.41 12,640.39	9,946,393.75 8,976.55	(6,361.66)	0.00	0.00	0.00	3.92
Government Agencies											
3135G0VC4 FANNIE MAE 1.13% 28/02/2018 CALLABLE	1.130	02/28/2018	6,000,000.00	5,990,040.00 0.00	5,999,492.27 253.87	5,997,720.00 660.00	(1,772.27)	0.00	5,838.33	23,165.00	2.37
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	4,999,266.05 305.81	4,998,750.00 1,500.00	(516.05)	0.00	4,843.75	17,031.25	1.97
3133ECJX3 FEDERAL FARM CREDIT BANK 1.04% 26/03/2018 (CALLABLE 11/01/18)	1.040	03/26/2018	5,000,000.00	4,996,700.00 0.00	4,999,842.25 55.03	4,996,600.00 2,100.00	(3,242.25)	0.00	4,477.78	13,722.22	1.98
3135G0WJ8 FANNIE MAE 0.875% 21/05/2018	0.875	05/21/2018	3,000,000.00	2,953,560.00 0.00	2,996,320.04 751.54	2,992,125.00 441.00	(4,195.04)	0.00	2,260.42	2,916.67	1.17
3135G0XG3 FANNIE MAE 1% 21/05/2018 (CALLABLE 21/02/18) #0000	1.000	05/21/2018 02/21/2018	5,000,000.00	4,982,150.00 0.00	4,998,605.62 296.67	4,989,250.00 500.00	(9,355.62)	0.00	4,305.56	5,555.56	1.97
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	5,004,305.49 (508.53)	4,978,845.00 (1,315.00)	(25,460.49)	0.00	4,843.75	16,718.75	1.98

SECURITIES HELD

As of December 31, 2017

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											
3135G0YT4 FANNIE MAE 1.625% 27/11/2018	1.625	11/27/2018	5,000,000.00	5,017,650.00 0.00	5,004,036.05 (370.28)	4,992,110.00 (6,030.00)	(11,926.05)	0.00	6,996.53	7,673.61	1.98
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	8,049,418.13 (4,309.72)	7,991,264.00 (11,536.00)	(58,154.13)	70,000.00	12,055.55	6,611.11	3.22
3136FTZZ5 FANNIE MAE 1.75% 30/01/2019 CALLABLE	1.750	01/30/2019	5,000,000.00	5,094,650.00 0.00	5,035,873.18 (2,759.47)	4,996,300.00 (4,850.00)	(39,573.18)	0.00	7,291.66	36,458.33	2.01
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	5,004,950.12 (380.78)	4,974,700.00 (3,100.00)	(30,250.12)	0.00	5,500.00	27,500.00	1.98
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	5,006,992.08 (478.91)	4,995,550.00 (5,400.00)	(11,442.08)	0.00	7,534.72	25,034.72	1.99
3136G3RW7 FANNIE MAE 1.27% 30/05/2019 CALLABLE	1.270	05/30/2019	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,959,100.00 (1,400.00)	(40,900.00)	0.00	5,291.67	5,291.67	1.98
3136G3K87 FANNIE MAE 1.18% 25/07/2019 (CALLABLE 25/01/18)	1.180	07/25/2019 01/25/2018	5,000,000.00	4,996,250.00 0.00	4,998,050.83 103.50	4,917,850.00 (2,700.00)	(80,200.83)	0.00	5,080.56	25,566.67	1.98
3134G3JM3 FREDDIE MAC 2% 30/07/2019 CALLABLE	2.000	07/30/2019	5,000,000.00	5,025,300.00 0.00	5,007,357.65 (387.25)	5,007,240.00 (8,145.00)	(117.65)	0.00	8,333.34	41,666.67	1.99
3136G34F9 FANNIE MAE 1.125% 28/08/2019 CALLABLE #0001	1.125	08/28/2019	5,000,000.00	4,996,900.00 0.00	4,998,294.57 85.55	4,932,900.00 (6,950.00)	(65,394.57)	0.00	4,843.75	19,218.75	1.98
3135G0Q30 FANNIE MAE 1.18% 27/09/2019 CALLABLE	1.180	09/27/2019	5,000,000.00	4,962,000.00 0.00	4,976,549.21 1,122.04	4,936,400.00 (4,850.00)	(40,149.21)	0.00	5,080.56	15,405.56	1.96

SECURITIES HELD

As of December 31, 2017

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											
3134G8PD5 FREDDIE MAC 1.35% 30/09/2019 CALLABLE	1.350	09/30/2019	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,949,350.00 (5,600.00)	(50,650.00)	0.00	5,625.00	16,875.00	1.98
3137EADM8 FREDDIE MAC 1.25% 02/10/2019	1.250	10/02/2019	5,000,000.00	5,013,050.00 0.00	5,006,833.14 (324.36)	4,940,455.00 (6,235.00)	(66,378.14)	0.00	5,381.95	15,451.39	1.98
3136G0T68 FANNIE MAE 1.33% 24/10/2019 CALLABLE	1.330	10/24/2019	5,000,000.00	4,991,700.00 0.00	4,996,309.86 169.28	4,945,300.00 (4,900.00)	(51,009.86)	0.00	5,726.39	12,376.39	1.97
3136G2YA9 FANNIE MAE 1.4% 26/11/2019 (CALLABLE 26/02/18)	1.400	11/26/2019 02/26/2018	5,000,000.00	4,998,750.00 0.00	4,999,365.28 27.75	4,928,150.00 (5,300.00)	(71,215.28)	0.00	6,027.78	24,305.56	1.98
3133EFZT7 FEDERAL FARM CREDIT BANK 1.4% 24/02/2020 (CALLABLE 11/01/18)	1.400	02/24/2020	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,931,550.00 (6,800.00)	(68,450.00)	0.00	6,027.77	24,694.44	1.98
3134GABM5 FREDDIE MAC 1.3% 28/08/2020 CALLABLE	1.300	08/28/2020	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,905,550.00 (5,150.00)	(94,450.00)	0.00	5,597.22	22,208.33	1.98
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	4,954,950.00 (6,750.00)	(45,050.00)	0.00	7,319.45	22,666.67	1.98
3133EGXX8 FEDERAL FARM CREDIT BANK 1.34% 13/10/2020 (CALLABLE 11/01/18)	1.340	10/13/2020	5,000,000.00	4,988,750.00 0.00	4,992,207.35 233.08	4,881,500.00 (4,350.00)	(110,707.35)	0.00	5,769.45	14,516.67	1.97
3135G0F73 FANNIE MAE 1.5% 30/11/2020	1.500	11/30/2020	5,000,000.00	5,080,350.00 0.00	5,054,395.55 (1,554.16)	4,926,530.00 (6,905.00)	(127,865.55)	0.00	6,250.00	6,250.00	2.01
3130A3UQ5 FEDERAL HOME LOAN BANK 1.875% 11/12/2020	1.875	12/11/2020	5,000,000.00	4,981,650.00 (46,093.75)	4,982,055.90 405.90	4,979,250.00 (2,400.00)	(2,805.90)	46,875.00	5,989.58	5,208.33	1.97

SECURITIES HELD

As of December 31, 2017

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											
3130ABZQ2 FEDERAL HOME LOAN BANK 1.75% 08/02/2021 (CALLABLE 08/08/18) #0000	1.750	02/08/2021 08/08/2018	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,937,250.00 (7,350.00)	(62,750.00)	0.00	7,534.72	34,756.94	1.98
3134GBG48 FREDDIE MAC 1.75% 29/03/2021 (CALLABLE 29/03/18)	1.750	03/29/2021 03/29/2018	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,937,500.00 (7,850.00)	(62,500.00)	0.00	7,534.72	22,361.11	1.98
3130ACLQ5 FEDERAL HOME LOAN BANK 2% 30/04/2021 (CALLABLE 30/04/18) #0000	2.000	04/30/2021 04/30/2018	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,984,700.00 1,500.00	(15,300.00)	0.00	8,333.34	16,666.67	1.98
3134GBC75 FREDDIE MAC 1.875% 28/05/2021 (CALLABLE 28/02/18)	1.875	05/28/2021 02/28/2018	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,959,400.00 5,900.00	(40,600.00)	0.00	8,072.92	8,593.75	1.98
Total Government Agencies			152,000,000.00	152,269,580.00 (46,093.75)	152,110,520.62 (7,263.44)	150,818,139.00 (113,265.00)	(1,292,381.62)	116,875.00	185,768.22	536,467.79	60.22
Government Bonds											
912828UJ7 USA TREASURY 0.875% 31/01/2018	0.875	01/31/2018	10,000,000.00	9,987,890.63 0.00	9,997,926.02 2,073.98	9,997,170.00 3,430.00	(756.02)	0.00	7,370.93	36,379.08	3.95
912828XF2 USA TREASURY 1.125% 15/06/2018	1.125	06/15/2018	5,000,000.00	5,013,476.56 0.00	5,002,342.52 (437.46)	4,992,190.00 1,370.00	(10,152.52)	28,125.00	4,777.86	2,472.53	1.98
912828L40 USA TREASURY 1% 15/09/2018	1.000	09/15/2018	5,000,000.00	4,992,382.81 0.00	4,996,605.81 407.83	4,975,780.00 385.00	(20,825.81)	0.00	4,281.77	14,779.01	1.97
912828L81 USA TREASURY 0.875% 15/10/2018	0.875	10/15/2018	5,000,000.00	4,954,101.56 0.00	4,987,622.89 1,332.26	4,967,580.00 390.00	(20,042.89)	0.00	3,725.96	9,254.81	1.96

SECURITIES HELD

As of December 31, 2017

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											
912828B33 USA TREASURY 1.5% 31/01/2019	1.500	01/31/2019	5,000,000.00	5,073,828.13 0.00	5,024,506.24 (1,918.41)	4,981,640.00 (5,470.00)	(42,866.24)	0.00	6,317.94	31,182.07	2.01
912828C24 USA TREASURY 1.5% 28/02/2019	1.500	02/28/2019	5,000,000.00	4,981,640.63 (23,204.42)	4,982,104.89 464.26	4,980,080.00 (1,560.63)	(2,024.89)	0.00	2,071.82	25,276.24	1.97
912828W55 USA TREASURY 1.625% 30/06/2019	1.625	06/30/2019	5,000,000.00	5,087,890.63 0.00	5,040,157.56 (2,280.01)	4,982,615.00 (5,860.00)	(57,542.56)	0.00	6,844.43	40,625.00	2.01
912828F62 USA TREASURY 1.5% 31/10/2019	1.500	10/31/2019	5,000,000.00	5,009,765.63 0.00	5,006,599.20 (305.79)	4,965,625.00 (6,640.00)	(40,974.20)	0.00	6,422.65	12,638.12	1.98
912828UL2 USA TREASURY 1.375% 31/01/2020	1.375	01/31/2020	5,000,000.00	4,990,429.69 0.00	4,993,716.13 255.98	4,947,070.00 (7,030.00)	(46,646.13)	0.00	5,791.44	28,583.56	1.97
912828J50 USA TREASURY 1.375% 29/02/2020	1.375	02/29/2020	5,000,000.00	5,060,742.19 0.00	5,038,175.28 (1,498.02)	4,943,555.00 (5,665.00)	(94,620.28)	0.00	5,887.43	23,169.89	2.00
912828XH8 USA TREASURY 1.625% 30/06/2020	1.625	06/30/2020	5,000,000.00	5,119,531.25 0.00	5,075,755.73 (2,575.03)	4,963,085.00 (5,665.00)	(112,670.73)	0.00	6,844.43	40,625.00	2.02
912828L65 USA TREASURY 1.375% 30/09/2020	1.375	09/30/2020	5,000,000.00	5,064,062.50 0.00	5,042,879.17 (1,323.95)	4,923,830.00 (4,295.00)	(119,049.17)	0.00	5,855.08	17,376.37	2.00
912828WC0 USA TREASURY 1.75% 31/10/2020	1.750	10/31/2020	5,000,000.00	5,000,195.31 0.00	5,000,185.63 (5.55)	4,971,680.00 (6,055.00)	(28,505.63)	0.00	7,493.10	14,744.48	1.98
912828L99 USA TREASURY 1.375% 31/10/2020	1.375	10/31/2020	5,000,000.00	5,036,328.13 0.00	5,025,753.16 (771.35)	4,919,335.00 (4,690.00)	(106,418.16)	0.00	5,887.44	11,584.95	1.99

SECURITIES HELD

As of December 31, 2017

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											
912828N89 USA TREASURY 1.375% 31/01/2021	1.375	01/31/2021	5,000,000.00	5,072,656.25 0.00	5,050,081.71 (1,377.58)	4,904,690.00 (6,050.00)	(145,391.71)	0.00	5,791.44	28,583.56	2.01
912828C57 USA TREASURY 2.25% 31/03/2021	2.250	03/31/2021	5,000,000.00	5,108,789.06 0.00	5,097,450.02 (2,547.17)	5,033,010.00 (9,765.00)	(64,440.02)	0.00	9,581.05	28,434.07	2.02
912828WG1 USA TREASURY 2.25% 30/04/2021	2.250	04/30/2021	5,000,000.00	5,108,789.06 0.00	5,097,701.25 (2,490.74)	5,033,205.00 (9,180.00)	(64,496.25)	0.00	9,633.98	18,957.18	2.02
Total Government Bonds			90,000,000.00	90,662,500.02 (23,204.42)	90,459,563.21 (12,996.75)	89,482,140.00 (72,350.63)	(977,423.21)	28,125.00	104,578.75	384,665.92	35.86
Grand total			252,000,000.00	252,845,413.37 (69,298.17)	252,522,839.24 (7,619.80)	250,246,672.75 (176,639.08)	(2,276,166.49)	145,000.00	290,346.97	921,133.71	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of December 31, 2017

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												
912828UJ7	USA TREASURY 0.875%	0.875	01/31/2018		AA+	Aaa	10,000,000.00	9,987,890.63	3.95	9,997,170.00	3.99	0.09
912828XF2	USA TREASURY 1.125%	1.125	06/15/2018		AA+	Aaa	5,000,000.00	5,013,476.56	1.98	4,992,190.00	1.99	0.45
912828L40	USA TREASURY 1%	1.000	09/15/2018		AA+	Aaa	5,000,000.00	4,992,382.81	1.97	4,975,780.00	1.99	0.71
912828L81	USA TREASURY 0.875%	0.875	10/15/2018		AA+	Aaa	5,000,000.00	4,954,101.56	1.96	4,967,580.00	1.99	0.78
912828B33	USA TREASURY 1.5%	1.500	01/31/2019		AA+	Aaa	5,000,000.00	5,073,828.13	2.01	4,981,640.00	1.99	1.07
912828C24	USA TREASURY 1.5%	1.500	02/28/2019		AA+	Aaa	5,000,000.00	4,981,640.63	1.97	4,980,080.00	1.99	1.14
912828W55	USA TREASURY 1.625%	1.625	06/30/2019		AA+	Aaa	5,000,000.00	5,087,890.63	2.01	4,982,615.00	1.99	1.46
912828F62	USA TREASURY 1.5%	1.500	10/31/2019		AA+	Aaa	5,000,000.00	5,009,765.63	1.98	4,965,625.00	1.98	1.80
912828UL2	USA TREASURY 1.375%	1.375	01/31/2020		AA+	Aaa	5,000,000.00	4,990,429.69	1.97	4,947,070.00	1.98	2.04
912828J50	USA TREASURY 1.375%	1.375	02/29/2020		AA+	Aaa	5,000,000.00	5,060,742.19	2.00	4,943,555.00	1.98	2.12
912828XH8	USA TREASURY 1.625%	1.625	06/30/2020		AA+	Aaa	5,000,000.00	5,119,531.25	2.02	4,963,085.00	1.98	2.42
912828L65	USA TREASURY 1.375%	1.375	09/30/2020		AA+	Aaa	5,000,000.00	5,064,062.50	2.00	4,923,830.00	1.97	2.68
912828WC0	USA TREASURY 1.75%	1.750	10/31/2020		AA+	Aaa	5,000,000.00	5,000,195.31	1.98	4,971,680.00	1.99	2.75
912828L99	USA TREASURY 1.375%	1.375	10/31/2020		AA+	Aaa	5,000,000.00	5,036,328.13	1.99	4,919,335.00	1.97	2.77
912828N89	USA TREASURY 1.375%	1.375	01/31/2021		AA+	Aaa	5,000,000.00	5,072,656.25	2.01	4,904,690.00	1.96	2.99
912828C57	USA TREASURY 2.25%	2.250	03/31/2021		AA+	Aaa	5,000,000.00	5,108,789.06	2.02	5,033,010.00	2.01	3.11
912828WG1	USA TREASURY 2.25%	2.250	04/30/2021		AA+	Aaa	5,000,000.00	5,108,789.06	2.02	5,033,205.00	2.01	3.19
Issuer total							90,000,000.00	90,662,500.02	35.86	89,482,140.00	35.76	1.77
Federal National Mortgage Association												
3135G0VC4	FANNIE MAE 1.13%	1.130	02/28/2018		AA+	Aaa	6,000,000.00	5,990,040.00	2.37	5,997,720.00	2.40	0.16
3135G0XG3	FANNIE MAE 1%	1.000	05/21/2018	02/21/2018	AA+	Aaa	5,000,000.00	4,982,150.00	1.97	4,989,250.00	1.99	0.39
3135G0WJ8	FANNIE MAE 0.875%	0.875	05/21/2018		AA+	Aaa	3,000,000.00	2,953,560.00	1.17	2,992,125.00	1.20	0.39
3135G0YT4	FANNIE MAE 1.625%	1.625	11/27/2018		AA+	Aaa	5,000,000.00	5,017,650.00	1.98	4,992,110.00	1.99	0.90
3136FTZZ5	FANNIE MAE 1.75%	1.750	01/30/2019		AA+	Aaa	5,000,000.00	5,094,650.00	2.01	4,996,300.00	2.00	1.06

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of December 31, 2017

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 National Mortgage Association												
3136G3RW7	FANNIE MAE 1.27%	1.270	05/30/2019		AA+	Aaa	5,000,000.00	5,000,000.00	1.98	4,959,100.00	1.98	1.38
3136G3K87	FANNIE MAE 1.18%	1.180	07/25/2019	01/25/2018	AA+	Aaa	5,000,000.00	4,996,250.00	1.98	4,917,850.00	1.97	1.53
3136G34F9	FANNIE MAE 1.125%	1.125	08/28/2019		AA+	Aaa	5,000,000.00	4,996,900.00	1.98	4,932,900.00	1.97	1.62
3135G0Q30	FANNIE MAE 1.18%	1.180	09/27/2019		AA+	Aaa	5,000,000.00	4,962,000.00	1.96	4,936,400.00	1.97	1.71
3136G0T68	FANNIE MAE 1.33%	1.330	10/24/2019		AA+	Aaa	5,000,000.00	4,991,700.00	1.97	4,945,300.00	1.98	1.78
3136G2YA9	FANNIE MAE 1.4%	1.400	11/26/2019	02/26/2018	AA+	Aaa	5,000,000.00	4,998,750.00	1.98	4,928,150.00	1.97	1.84
3135G0F73	FANNIE MAE 1.5%	1.500	11/30/2020		AA+	Aaa	5,000,000.00	5,080,350.00	2.01	4,926,530.00	1.97	2.84
Issuer total							59,000,000.00	59,064,000.00	23.36	58,513,735.00	23.38	1.31
Federal Home Loan Mortgage Corp												
3134G3JM3	FREDDIE MAC 2%	2.000	07/30/2019		AA+	Aaa	5,000,000.00	5,025,300.00	1.99	5,007,240.00	2.00	1.54
3134G8PD5	FREDDIE MAC 1.35%	1.350	09/30/2019		AA+	Aaa	5,000,000.00	5,000,000.00	1.98	4,949,350.00	1.98	1.67
3137EADM8	FREDDIE MAC 1.25%	1.250	10/02/2019		AA+	Aaa	5,000,000.00	5,013,050.00	1.98	4,940,455.00	1.97	1.72
3134GABM5	FREDDIE MAC 1.3%	1.300	08/28/2020		AA+	Aaa	5,000,000.00	5,000,000.00	1.98	4,905,550.00	1.96	2.46
3134G3K90	FREDDIE MAC 1.7%	1.700	09/25/2020		AA+	Aaa	5,000,000.00	5,000,000.00	1.98	4,954,950.00	1.98	2.65
3134GBG48	FREDDIE MAC 1.75%	1.750	03/29/2021	03/29/2018	AA+	Aaa	5,000,000.00	5,000,000.00	1.98	4,937,500.00	1.97	2.59
3134GBC75	FREDDIE MAC 1.875%	1.875	05/28/2021	02/28/2018	AA+	Aaa	5,000,000.00	5,000,000.00	1.98	4,959,400.00	1.98	2.42
Issuer total							35,000,000.00	35,038,350.00	13.86	34,654,445.00	13.85	2.15
Federal Farm Credit Banks												
3133EETE0	FEDERAL FARM CREDIT	1.125	03/12/2018		AA+	Aaa	5,000,000.00	4,988,950.00	1.97	4,998,750.00	2.00	0.20
3133ECJX3	FEDERAL FARM CREDIT	1.040	03/26/2018		AA+	Aaa	5,000,000.00	4,996,700.00	1.98	4,996,600.00	2.00	0.23
3133EE5P1	FEDERAL FARM CREDIT	1.320	01/30/2019		AA+	Aaa	5,000,000.00	5,015,650.00	1.98	4,974,700.00	1.99	1.07
3133EDVK5	FEDERAL FARM CREDIT	1.750	03/18/2019		AA+	Aaa	5,000,000.00	5,024,600.00	1.99	4,995,550.00	2.00	1.19
3133EFZT7	FEDERAL FARM CREDIT	1.400	02/24/2020		AA+	Aaa	5,000,000.00	5,000,000.00	1.98	4,931,550.00	1.97	2.02

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of December 31, 2017

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												
3133EGXX8	FEDERAL FARM CREDIT	1.340	10/13/2020		AA+	Aaa	5,000,000.00	4,988,750.00	1.97	4,881,500.00	1.95	2.62
Issuer total							30,000,000.00	30,014,650.00	11.87	29,778,650.00	11.90	1.22
Federal Home Loan Banks												
3130A6AE7	FEDERAL HOME LOAN	1.125	09/14/2018		AA+	Aaa	5,000,000.00	5,017,900.00	1.98	4,978,845.00	1.99	0.70
313376BR5	FEDERAL HOME LOAN	1.750	12/14/2018		AA+	Aaa	8,000,000.00	8,153,030.00	3.22	7,991,264.00	3.19	0.94
3130A3UQ5	FEDERAL HOME LOAN	1.875	12/11/2020		AA+	Aaa	5,000,000.00	4,981,650.00	1.97	4,979,250.00	1.99	2.86
3130ABZQ2	FEDERAL HOME LOAN	1.750	02/08/2021	08/08/2018	AA+	Aaa	5,000,000.00	5,000,000.00	1.98	4,937,250.00	1.97	2.52
3130ACLQ5	FEDERAL HOME LOAN	2.000	04/30/2021	04/30/2018	AA+	Aaa	5,000,000.00	5,000,000.00	1.98	4,984,700.00	1.99	1.95
Issuer total							28,000,000.00	28,152,580.00	11.13	27,871,309.00	11.14	1.70
ING US FDG LLC												
4497W1B62	CP ING US FUNDING LLC	0.000	02/06/2018		A-1	P-1	5,000,000.00	4,965,000.00	1.96	4,991,517.50	1.99	0.10
Issuer total							5,000,000.00	4,965,000.00	1.96	4,991,517.50	1.99	0.10
Toyota Motor Credit Corp												
89233HG65	CP TOYOTA MOTOR	0.000	07/06/2018		A-1+	P-1	5,000,000.00	4,948,333.35	1.96	4,954,876.25	1.98	0.51
Issuer total							5,000,000.00	4,948,333.35	1.96	4,954,876.25	1.98	0.51
Grand total							252,000,000.00	252,845,413.37	100.00	250,246,672.75	100.00	1.58

SECURITIES PURCHASED

For the period December 1, 2017 - December 31, 2017

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
Government Agencies							
3130A3UQ5	12/07/2017	1.875	12/11/2020	5,000,000.00	99.63	(4,981,650.00)	(46,093.75)
FEDERAL HOME LOAN BANK 1.875% 11/12/2020	12/08/2017						
MORGAN STANLEY AND CO., LLC							
Total Government Agencies				5,000,000.00		(4,981,650.00)	(46,093.75)
Government Bonds							
912828C24	12/20/2017	1.500	02/28/2019	5,000,000.00	99.63	(4,981,640.63)	(23,204.42)
USA TREASURY 1.5% 28/02/2019	12/21/2017						
HSBC SECURITIES (USA) INC.							
Total Government Bonds				5,000,000.00		(4,981,640.63)	(23,204.42)
Grand total				10,000,000.00		(9,963,290.63)	(69,298.17)

SECURITIES SOLD AND MATURED

For the period December 1, 2017 - December 31, 2017

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												
313371VG8	12/08/2017	2.250		(5,000,000.00)	5,191,000.00	5,000,000.00	0.00	5,000,000.00	0.00	0.00	56,250.00	2,500.00
FHLB 2.25 12-08-2017	12/08/2017					(1,353.41)		(1,100.00)				
Total (Government Agencies)				(5,000,000.00)	5,191,000.00	5,000,000.00 (1,353.41)		5,000,000.00 (1,100.00)	0.00	0.00	56,250.00	2,500.00
Grand total				(5,000,000.00)	5,191,000.00	5,000,000.00 (1,353.41)		5,000,000.00 (1,100.00)	0.00	0.00	56,250.00	2,500.00

TRANSACTION REPORT

For the period December 1, 2017 - December 31, 2017

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
12/07/2017 12/08/2017	3130A3UQ5	Bought	Government Agencies	FEDERAL HOME LOAN BANK	12/11/2020	5,000,000.00	0.00	(4,981,650.00)	(46,093.75)	(5,027,743.75)
12/08/2017 12/08/2017	313371VG8	Income	Government Agencies	FHLB 2.25 12-08-2017	12/08/2017	5,000,000.00	0.00	0.00	56,250.00	56,250.00
12/08/2017 12/08/2017	313371VG8	Capital Change	Government Agencies	FHLB 2.25 12-08-2017	12/08/2017	(5,000,000.00)	0.00	5,000,000.00	0.00	5,000,000.00
12/11/2017 12/11/2017	3130A3UQ5	Income	Government Agencies	FEDERAL HOME LOAN BANK	12/11/2020	5,000,000.00	0.00	0.00	46,875.00	46,875.00
12/14/2017 12/14/2017	313376BR5	Income	Government Agencies	FEDERAL HOME LOAN BANK	12/14/2018	8,000,000.00	0.00	0.00	70,000.00	70,000.00
12/15/2017 12/15/2017	912828XF2	Income	Government Bonds	USA TREASURY 1.125%	06/15/2018	5,000,000.00	0.00	0.00	28,125.00	28,125.00
12/20/2017 12/21/2017	912828C24	Bought	Government Bonds	USA TREASURY 1.5%	02/28/2019	5,000,000.00	0.00	(4,981,640.63)	(23,204.42)	(5,004,845.05)

ADDITIONAL INFORMATION

As of December 31, 2017

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

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

Unless otherwise stated, the source of information is Insight. Any forecasts or opinions are Insights own at the date of this document (or as otherwise specified) and may change. Material in this publication is for general information only and is not advice, investment advice, or the recommendation of any purchase or sale of any security. Insight makes no implied or expressed recommendations concerning the manner in which an account should or would be handled, as appropriate investment strategies depend upon specific investment guidelines and objectives and should not be construed to be an assurance that any particular security in a strategy will remain in any fund, account, or strategy, or that a previously held security will not be repurchased. It should not be assumed that any of the security transactions or holdings referenced herein have been or will prove to be profitable or that future investment decisions will be profitable or will equal or exceed the past investment performance of the securities listed.

For trading activity the Clearing broker will be reflected. In certain cases the Clearing broker will differ from the Executing broker.

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

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

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

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

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

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

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

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

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

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ADDITIONAL INFORMATION

As of December 31, 2017

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