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# CITY OF ANN ARBOR

September 2016

➤ A BNY MELLON COMPANY<sup>SM</sup>



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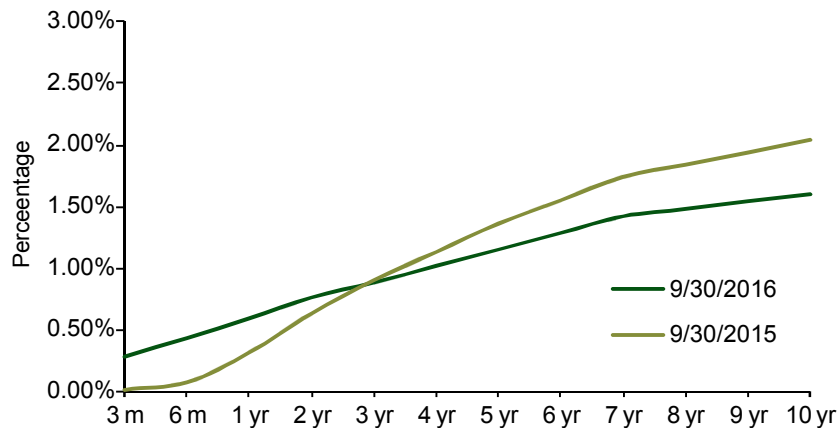
## As of September 30, 2016

Chart 1: Institute of Supply Management 09/2011 – 09/2016



Source: Bloomberg Finance LP, September 30, 2016.

Chart 2: Treasury Yield Curves 9/30/2015 – 9/30/2016



Source: Bloomberg Finance LP, September 30, 2015, September 30, 2016.

### Economic Indicators & Monetary Policy

Durable goods orders for the month of August were flat after a 4.4% jump in July. Analysts had expected a drop of 1.5% so the flat number was better than the surveys had predicted. There was also good news from the pick-up in durable goods capital equipment orders for the last three months, which may foreshadow a positive economic contribution from this sector in the latter half of this year.

Institute for Supply Management (ISM) survey for the manufacturing sector rebounded significantly in the month of September. The results topped expectations with the index moving from 49.4 in August to 51.5 for September. Any number over 50 represents an expansion of the economic activity within that sector.

The third and final revision for the second quarter GDP showed an economy that was stronger than previously reported. The most recent numbers showed the economy expanded at a 1.4% rate in the second quarter up from the 1.1% rate that was previously reported. This revision beats analysts' expectations. Consumer spending, the most important component of economic growth, remained nearly unchanged. However, exports and non-residential construction were both revised upward for a positive contribution to the overall improvement.

Personal Consumption Expenditures (PCE) the Federal Reserve's preferred measure of inflation was up 0.1% for September. The small increase shows that inflation remains very modest. Analysts had expected the September number to increase 0.2% as the August number had remained unchanged.

### Yield Curve & Spreads

At the end of September, the 3-month US Treasury bill yielded 0.28%, the 6-month US Treasury bill yielded 0.43%, the 2-year US Treasury note yielded 0.76%, the 5-year US Treasury note yielded 1.15%, and the 10-year US Treasury note yielded 1.60% (see Chart 2).

# ACTIVITY AND PERFORMANCE SUMMARY

For the period September 1, 2016 - September 30, 2016

## Amortized Cost Basis Activity Summary

<b>Opening balance</b>		247,905,180.91
Income received	440,136.74	
<b>Total receipts</b>		440,136.74
<b>Total disbursements</b>		0.00
Interportfolio transfers	(379,394.55)	
<b>Total Interportfolio transfers</b>		(379,394.55)
Realized gain (loss)		2,658.92
<b>Total amortization expense</b>		(48,454.90)
<b>Total OID/MKT accretion income</b>		7,313.18
Return of capital		0.00
<b>Closing balance</b>		247,927,440.30
<b>Ending fair value</b>		248,856,677.25
Unrealized gain (loss)		929,236.95

## Detail of Amortized Cost Basis Return

	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Government Agencies	170,537.40	(18,484.95)	2,658.92	154,711.37
Government Bonds	109,235.60	(22,656.77)	0.00	86,578.83
<b>Total</b>	<b>279,773.00</b>	<b>(41,141.72)</b>	<b>2,658.92</b>	<b>241,290.20</b>

## Comparative Rates of Return (%)

	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.32	0.19	0.03
Overnight Repo	0.40	0.23	0.04
Merrill Lynch 3m US Treas Bill	0.22	0.13	0.02
Merrill Lynch 6m US Treas Bill	0.34	0.18	0.03
ML 1 Year US Treasury Note	0.54	0.28	0.05
ML 2 Year US Treasury Note	0.79	0.37	0.06
ML 5 Year US Treasury Note	1.33	0.59	0.10

\* rates reflected are cumulative

## Summary of Amortized Cost Basis Return for the Period

	Total portfolio
Interest earned	279,773.00
Accretion (amortization)	(41,141.72)
Realized gain (loss) on sales	2,658.92
Total income on portfolio	241,290.20
Average daily amortized cost	247,572,489.10
Period return (%)	0.10
YTD return (%)	0.89
Weighted average final maturity in days	723

# ACTIVITY AND PERFORMANCE SUMMARY

For the period September 1, 2016 - September 30, 2016

<u>Fair Value Basis Activity Summary</u>	
<b>Opening balance</b>	248,712,921.25
Income received	440,136.74
<b>Total receipts</b>	440,136.74
<b>Total disbursements</b>	0.00
Interportfolio transfers	(379,394.55)
<b>Total Interportfolio transfers</b>	(379,394.55)
Unrealized gain (loss) on security movements	0.00
Return of capital	0.00
Change in fair value for the period	83,013.81
<b>Ending fair value</b>	248,856,677.25

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Government Agencies	170,537.40	69,893.00	240,430.40
Government Bonds	109,235.60	13,120.81	122,356.41
<b>Total</b>	<b>279,773.00</b>	<b>83,013.81</b>	<b>362,786.81</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.32	0.19	0.03
Overnight Repo	0.40	0.23	0.04
Merrill Lynch 3m US Treas Bill	0.27	0.17	0.05
Merrill Lynch 6m US Treas Bill	0.54	0.33	0.09
ML 1 Year US Treasury Note	0.54	0.35	0.07
ML US Treasury 1-3	0.88	0.42	0.12
ML US Treasury 1-5	1.52	0.62	0.17

\* rates reflected are cumulative

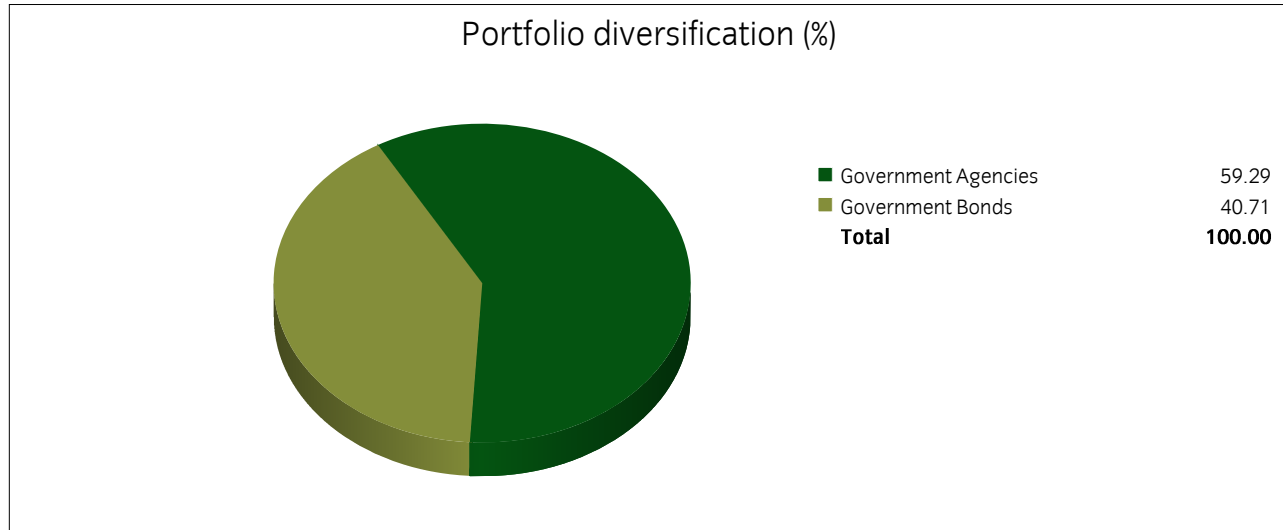
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	279,773.00
Change in fair value	83,013.81
Total income on portfolio	362,786.81
Average daily total value *	249,250,632.45
Period return (%)	0.15
YTD return (%)	1.43
Weighted average final maturity in days	723

\* Total value equals market value and accrued interest

# RECAP OF SECURITIES HELD

As of September 30, 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	147,715,380.00	147,414,884.67	148,061,716.00	646,831.33	835	59.29	1.75
Government Bonds	101,434,960.95	100,512,555.63	100,794,961.25	282,405.62	561	40.71	1.50
<b>Total</b>	<b>249,150,340.95</b>	<b>247,927,440.30</b>	<b>248,856,677.25</b>	<b>929,236.95</b>	<b>723</b>	<b>100.00</b>	<b>1.65</b>

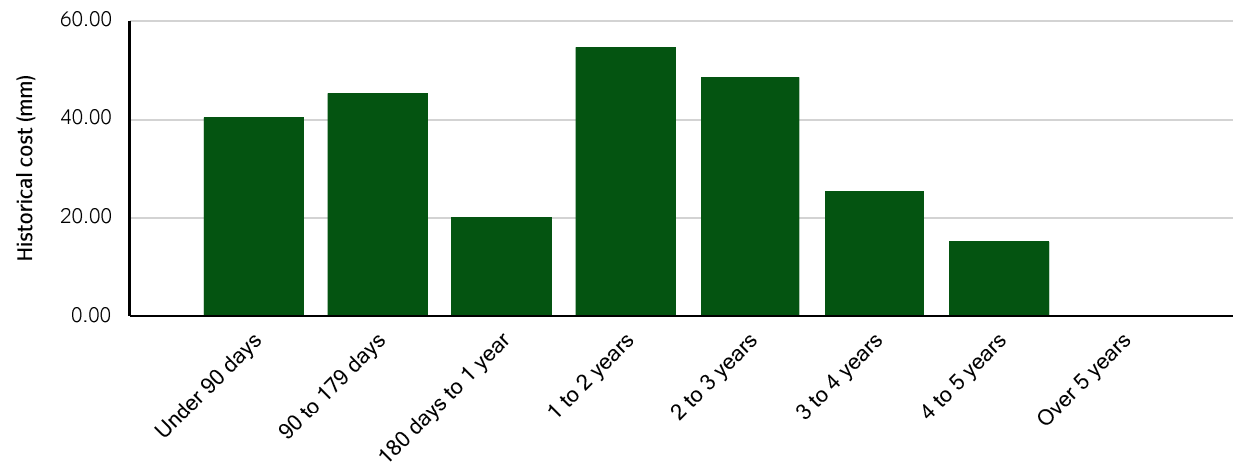


# MATURITY DISTRIBUTION OF SECURITIES HELD

As of September 30, 2016

Maturity	Historic cost	Percent
Under 90 days	40,288,123.44	16.17
90 to 179 days	45,290,248.43	18.18
180 days to 1 year	20,184,050.00	8.10
1 to 2 years	54,539,126.57	21.89
2 to 3 years	48,446,700.32	19.45
3 to 4 years	25,185,023.44	10.11
4 to 5 years	15,217,068.75	6.11
Over 5 years	0.00	0.00
	<b>249,150,340.95</b>	<b>100.00</b>

Maturity distribution



# SECURITIES HELD

## As of September 30, 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
<b>Government Agencies</b>											
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	4,999,868.06 89.96	5,001,750.00 550.00	1,881.94	0.00	2,336.12	10,955.56	2.01
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	5,001,277.47 (339.15)	5,002,700.00 750.00	1,422.53	0.00	2,819.45	6,513.89	2.01
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	5,002,725.79 (315.30)	5,018,150.00 1,000.00	15,424.21	0.00	4,430.56	14,055.56	2.01
313370S22 FEDERAL HOME LOAN BANK 2.25% 08/09/2017	2.250	09/08/2017	5,000,000.00	5,171,550.00 0.00	5,043,893.94 (3,895.92)	5,068,440.00 (9,745.00)	24,546.06	56,250.00	9,062.50	6,875.00	2.08
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	5,072,407.44 (5,075.29)	5,082,150.00 (6,300.00)	9,742.56	0.00	9,062.50	35,000.00	2.08
3135G0VC4 FANNIE MAE 1.13% 28/02/2018 CALLABLE	1.130	02/28/2018	6,000,000.00	5,990,040.00 0.00	5,995,684.28 253.86	6,021,840.00 240.00	26,155.72	0.00	5,461.67	6,026.67	2.40
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	4,994,678.87 305.81	5,024,950.00 7,700.00	30,271.13	28,125.00	4,531.25	2,812.50	2.00
3133ECJX3 FEDERAL FARM CREDIT BANK 1.04% 26/03/2018 (CALLABLE 12/10/16)	1.040	03/26/2018	5,000,000.00	4,996,700.00 0.00	4,999,016.79 55.03	4,998,400.00 5,250.00	(616.79)	26,000.00	4,188.89	577.78	2.01
3135G0WJ8 FANNIE MAE 0.875% 21/05/2018	0.875	05/21/2018	3,000,000.00	2,953,560.00 0.00	2,984,684.13 803.37	3,002,664.00 474.00	17,979.87	0.00	2,114.58	9,406.25	1.19
3135G0XG3 FANNIE MAE 1% 21/05/2018 (CALLABLE 21/11/16) #0000	1.000	05/21/2018 11/21/2016	5,000,000.00	4,982,150.00 0.00	4,994,155.48 296.67	5,000,150.00 2,000.00	5,994.52	0.00	4,027.78	17,916.67	2.00



# SECURITIES HELD

## As of September 30, 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
<b>Government Agencies</b>											
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	5,011,933.33 (508.53)	5,021,880.00 4,180.00	9,946.67	28,125.00	4,531.25	2,500.00	2.01
3135G0YT4 FANNIE MAE 1.625% 27/11/2018	1.625	11/27/2018	5,000,000.00	5,017,650.00 0.00	5,009,590.24 (370.28)	5,080,770.00 1,360.00	71,179.76	0.00	6,545.14	27,760.42	2.01
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	8,114,063.93 (4,309.73)	8,144,432.00 4,624.00	30,368.07	0.00	11,277.78	41,222.22	3.27
3136FTZZ5 FANNIE MAE 1.75% 30/01/2019 CALLABLE	1.750	01/30/2019	5,000,000.00	5,094,650.00 0.00	5,077,265.31 (2,759.47)	5,094,650.00 3,550.00	17,384.69	0.00	7,291.66	14,583.33	2.04
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	5,010,661.80 (380.78)	5,041,950.00 5,300.00	31,288.20	0.00	5,500.00	11,000.00	2.01
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	5,014,175.73 (478.91)	5,099,350.00 5,600.00	85,174.27	43,750.00	7,048.61	2,916.67	2.02
3136G3RW7 FANNIE MAE 1.27% 30/05/2019 (CALLABLE 30/11/16)	1.270	05/30/2019 11/30/2016	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,001,100.00 50.00	1,100.00	0.00	5,291.66	21,695.83	2.01
3136G3K87 FANNIE MAE 1.18% 25/07/2019 (CALLABLE 25/01/17)	1.180	07/25/2019 01/25/2017	5,000,000.00	4,996,250.00 0.00	4,996,498.39 103.50	4,990,450.00 8,100.00	(6,048.39)	0.00	4,752.78	10,652.78	2.01
3134G3JM3 FREDDIE MAC 2% 30/07/2019 CALLABLE	2.000	07/30/2019	5,000,000.00	5,025,300.00 0.00	5,013,166.33 (387.24)	5,132,105.00 (5,310.00)	118,938.67	0.00	8,333.34	16,666.67	2.02
3136G34F9 FANNIE MAE 1.125% 28/08/2019 (CALLABLE 28/02/17) #0001	1.125	08/28/2019 02/28/2017	5,000,000.00	4,996,900.00 0.00	4,997,011.22 85.55	4,993,150.00 8,100.00	(3,861.22)	0.00	4,531.25	4,843.75	2.01

# SECURITIES HELD

## As of September 30, 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
<b>Government Agencies</b>											
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	5,007,350.00 0.00	7,350.00	33,750.00	5,625.00	0.00	2.01
3137EADM8 FREDDIE MAC 1.25% 02/10/2019	1.250	10/02/2019	5,000,000.00	5,013,050.00 0.00	5,011,698.51 (324.36)	5,035,300.00 3,525.00	23,601.49	0.00	5,034.72	30,902.78	2.01
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	5,000,150.00 (900.00)	150.00	0.00	5,840.28	34,840.28	2.01
3136G0T68 FANNIE MAE 1.33% 24/10/2019 CALLABLE	1.330	10/24/2019	5,000,000.00	4,991,700.00 0.00	4,993,770.77 169.27	5,047,250.00 4,900.00	53,479.23	0.00	5,356.95	28,816.67	2.00
3136G2YA9 FANNIE MAE 1.4% 26/11/2019 (CALLABLE 26/11/16)	1.400	11/26/2019 11/26/2016	5,000,000.00	4,998,750.00 0.00	4,998,948.93 27.76	5,001,700.00 (350.00)	2,751.07	0.00	5,638.89	6,611.11	2.01
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	5,005,000.00 200.00	5,000.00	0.00	5,638.89	7,000.00	2.01
3134GABM5 FREDDIE MAC 1.3% 28/08/2020 (CALLABLE 28/08/17)	1.300	08/28/2020 08/28/2017	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,985,200.00 11,650.00	(14,800.00)	0.00	5,416.67	5,416.67	2.01
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	5,091,450.00 4,200.00	91,450.00	42,500.00	6,847.23	1,180.56	2.01

# SECURITIES HELD

## As of September 30, 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
<b>Government Agencies</b>											
3135G0F73 FANNIE MAE 1.5% 30/11/2020	1.500	11/30/2020	5,000,000.00	5,080,350.00 0.00	5,077,707.93 (1,554.16)	5,067,285.00 9,345.00	(10,422.93)	0.00	6,250.00	25,000.00	2.04
<b>Total Government Agencies</b>			<b>147,000,000.00</b>	<b>147,715,380.00</b> <b>0.00</b>	<b>147,414,884.67</b> <b>(18,508.34)</b>	<b>148,061,716.00</b> <b>70,043.00</b>	<b>646,831.33</b>	<b>258,500.00</b>	<b>164,787.40</b>	<b>403,749.62</b>	<b>59.29</b>
<b>Government Bonds</b>											
912828WA4 USA TREASURY 0.625% 15/10/2016	0.625	10/15/2016	5,000,000.00	5,000,976.56 0.00	5,000,043.34 (86.68)	5,000,810.00 (1,260.00)	766.66	0.00	2,561.47	14,344.26	2.01
912828RU6 USA TREASURY 0.875% 30/11/2016	0.875	11/30/2016	5,000,000.00	5,018,750.00 0.00	5,001,429.69 (703.12)	5,005,420.00 (1,265.00)	3,990.31	0.00	3,586.06	14,583.33	2.01
912828MA5 USA TREASURY 2.75% 30/11/2016	2.750	11/30/2016	5,000,000.00	5,291,796.88 0.00	5,007,776.15 (3,824.34)	5,019,571.25 (9,397.00)	11,795.10	0.00	11,270.49	45,833.33	2.12
912828RX0 USA TREASURY 0.875% 31/12/2016	0.875	12/31/2016	5,000,000.00	4,973,828.13 0.00	4,998,008.43 649.43	5,007,305.00 (815.00)	9,296.57	0.00	3,566.58	10,937.50	2.00
912828SC5 USA TREASURY 0.875% 31/01/2017	0.875	01/31/2017	5,000,000.00	5,006,835.95 0.00	5,001,983.07 (483.68)	5,009,030.00 (345.00)	7,046.93	0.00	3,566.58	7,252.04	2.01
912828B74 USA TREASURY 0.625% 15/02/2017	0.625	02/15/2017	5,000,000.00	4,991,015.60 0.00	4,997,175.75 613.97	5,004,850.00 2,770.00	7,674.25	0.00	2,547.55	3,906.25	2.00
912828S10 USA TREASURY 0.875% 28/02/2017	0.875	02/28/2017	5,000,000.00	4,957,812.50 0.00	4,994,976.09 998.12	5,010,505.00 1,780.00	15,528.91	0.00	3,625.69	3,625.69	1.99
912828MS6 USA TREASURY 3% 28/02/2017	3.000	02/28/2017	5,000,000.00	5,360,156.25 0.00	5,022,859.85 (4,541.70)	5,053,865.00 (7,860.00)	31,005.15	0.00	12,430.94	12,430.94	2.15

# SECURITIES HELD

## As of September 30, 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
<b>Government Bonds</b>											
912828PA2 USA TREASURY 1.875% 30/09/2017	1.875	09/30/2017	10,000,000.00	10,291,015.63 0.00	10,069,914.51 (5,746.41)	10,117,970.00 (7,810.00)	48,055.49	93,750.00	15,368.85	0.00	4.13
912828PF1 USA TREASURY 1.875% 31/10/2017	1.875	10/31/2017	5,000,000.00	5,172,656.25 0.00	5,030,279.84 (2,293.93)	5,063,085.00 (3,320.00)	32,805.16	0.00	7,642.66	38,977.58	2.08
912828UA6 USA TREASURY 0.625% 30/11/2017	0.625	11/30/2017	5,000,000.00	4,923,828.13 0.00	4,978,015.44 1,548.21	4,996,095.00 2,735.00	18,079.56	0.00	2,561.48	10,416.67	1.98
912828XF2 USA TREASURY 1.125% 15/06/2018	1.125	06/15/2018	5,000,000.00	5,013,476.56 0.00	5,008,791.52 (423.34)	5,031,055.00 2,540.00	22,263.48	0.00	4,610.65	16,444.67	2.01
912828L81 USA TREASURY 0.875% 15/10/2018	0.875	10/15/2018	5,000,000.00	4,954,101.56 0.00	4,967,982.83 1,289.28	5,008,205.00 2,735.00	40,222.17	0.00	3,586.07	20,081.97	1.99
912828B33 USA TREASURY 1.5% 31/01/2019	1.500	01/31/2019	5,000,000.00	5,073,828.13 0.00	5,052,787.42 (1,856.54)	5,076,760.00 785.00	23,972.58	0.00	6,114.13	12,432.07	2.04
912828W55 USA TREASURY 1.625% 30/06/2019	1.625	06/30/2019	5,000,000.00	5,087,890.63 0.00	5,073,769.29 (2,206.46)	5,101,760.00 1,175.00	27,990.71	0.00	6,623.64	20,312.50	2.04
912828J50 USA TREASURY 1.375% 29/02/2020	1.375	02/29/2020	5,000,000.00	5,060,742.19 (3,988.26)	5,060,258.96 (483.23)	5,065,430.00 4,687.81	5,171.04	0.00	1,709.25	5,697.51	2.03
912828XH8 USA TREASURY 1.625% 30/06/2020	1.625	06/30/2020	5,000,000.00	5,119,531.25 0.00	5,113,716.67 (2,491.96)	5,108,985.00 7,425.00	(4,731.67)	0.00	6,623.64	20,312.50	2.05
912828L65 USA TREASURY 1.375% 30/09/2020	1.375	09/30/2020	5,000,000.00	5,064,062.50 0.00	5,062,396.87 (1,281.25)	5,059,570.00 9,180.00	(2,826.87)	34,375.00	5,635.25	0.00	2.03

# SECURITIES HELD

## As of September 30, 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
<b>Government Bonds</b>											
912828N89 USA TREASURY 1.375% 31/01/2021	1.375	01/31/2021	5,000,000.00	5,072,656.25 0.00	5,070,389.91 (1,333.14)	5,054,690.00 9,380.00	(15,699.91)	0.00	5,604.62	11,396.06	2.04
<b>Total Government Bonds</b>			<b>100,000,000.00</b>	<b>101,434,960.95</b> <b>(3,988.26)</b>	<b>100,512,555.63</b> <b>(22,656.77)</b>	<b>100,794,961.25</b> <b>13,120.81</b>	<b>282,405.62</b>	<b>128,125.00</b>	<b>109,235.60</b>	<b>268,984.87</b>	<b>40.71</b>
<b>Grand total</b>			<b>247,000,000.00</b>	<b>249,150,340.95</b> <b>(3,988.26)</b>	<b>247,927,440.30</b> <b>(41,165.11)</b>	<b>248,856,677.25</b> <b>83,163.81</b>	<b>929,236.95</b>	<b>386,625.00</b>	<b>274,023.00</b>	<b>672,734.49</b>	<b>100.00</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

## As of September 30, 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)
<b>United States Treasury Note/Bond</b>												
912828WA4	USA TREASURY 0.625%	0.625	10/15/2016		AA+	Aaa	5,000,000.00	5,000,976.56	2.01	5,000,810.00	2.01	0.04
912828MA5	USA TREASURY 2.75%	2.750	11/30/2016		AA+	Aaa	5,000,000.00	5,291,796.88	2.12	5,019,571.25	2.02	0.16
912828RU6	USA TREASURY 0.875%	0.875	11/30/2016		AA+	Aaa	5,000,000.00	5,018,750.00	2.01	5,005,420.00	2.01	0.16
912828RX0	USA TREASURY 0.875%	0.875	12/31/2016		AA+	Aaa	5,000,000.00	4,973,828.13	2.00	5,007,305.00	2.01	0.26
912828SC5	USA TREASURY 0.875%	0.875	01/31/2017		AA+	Aaa	5,000,000.00	5,006,835.95	2.01	5,009,030.00	2.01	0.33
912828B74	USA TREASURY 0.625%	0.625	02/15/2017		AA+	Aaa	5,000,000.00	4,991,015.60	2.00	5,004,850.00	2.01	0.37
912828MS6	USA TREASURY 3%	3.000	02/28/2017		AA+	Aaa	5,000,000.00	5,360,156.25	2.15	5,053,865.00	2.03	0.41
912828SJ0	USA TREASURY 0.875%	0.875	02/28/2017		AA+	Aaa	5,000,000.00	4,957,812.50	1.99	5,010,505.00	2.01	0.41
912828PA2	USA TREASURY 1.875%	1.875	09/30/2017		AA+	Aaa	10,000,000.00	10,291,015.63	4.13	10,117,970.00	4.07	1.00
912828PF1	USA TREASURY 1.875%	1.875	10/31/2017		AA+	Aaa	5,000,000.00	5,172,656.25	2.08	5,063,085.00	2.03	1.07
912828UA6	USA TREASURY 0.625%	0.625	11/30/2017		AA+	Aaa	5,000,000.00	4,923,828.13	1.98	4,996,095.00	2.01	1.16
912828XF2	USA TREASURY 1.125%	1.125	06/15/2018		AA+	Aaa	5,000,000.00	5,013,476.56	2.01	5,031,055.00	2.02	1.68
912828L81	USA TREASURY 0.875%	0.875	10/15/2018		AA+	Aaa	5,000,000.00	4,954,101.56	1.99	5,008,205.00	2.01	2.01
912828B33	USA TREASURY 1.5%	1.500	01/31/2019		AA+	Aaa	5,000,000.00	5,073,828.13	2.04	5,076,760.00	2.04	2.29
912828W55	USA TREASURY 1.625%	1.625	06/30/2019		AA+	Aaa	5,000,000.00	5,087,890.63	2.04	5,101,760.00	2.05	2.68
912828J50	USA TREASURY 1.375%	1.375	02/29/2020		AA+	Aaa	5,000,000.00	5,060,742.19	2.03	5,065,430.00	2.04	3.34
912828XH8	USA TREASURY 1.625%	1.625	06/30/2020		AA+	Aaa	5,000,000.00	5,119,531.25	2.05	5,108,985.00	2.05	3.63
912828L65	USA TREASURY 1.375%	1.375	09/30/2020		AA+	Aaa	5,000,000.00	5,064,062.50	2.03	5,059,570.00	2.03	3.90
912828N89	USA TREASURY 1.375%	1.375	01/31/2021		AA+	Aaa	5,000,000.00	5,072,656.25	2.04	5,054,690.00	2.03	4.21
<b>Issuer total</b>							<b>100,000,000.00</b>	<b>101,434,960.95</b>	<b>40.71</b>	<b>100,794,961.25</b>	<b>40.50</b>	<b>1.50</b>

### Federal National Mortgage Association

3135G0VC4	FANNIE MAE 1.13%	1.130	02/28/2018		AA+	Aaa	6,000,000.00	5,990,040.00	2.40	6,021,840.00	2.42	1.40
3135G0XG3	FANNIE MAE 1%	1.000	05/21/2018	11/21/2016	AA+	Aaa	5,000,000.00	4,982,150.00	2.00	5,000,150.00	2.01	0.87
3135G0WJ8	FANNIE MAE 0.875%	0.875	05/21/2018		AA+	Aaa	3,000,000.00	2,953,560.00	1.19	3,002,664.00	1.21	1.62

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

## As of September 30, 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)
<b>Federal National Mortgage Association</b>												
3135G0YT4	FANNIE MAE 1.625%	1.625	11/27/2018		AA+	Aaa	5,000,000.00	5,017,650.00	2.01	5,080,770.00	2.04	2.11
3136FTZZ5	FANNIE MAE 1.75%	1.750	01/30/2019		AA+	Aaa	5,000,000.00	5,094,650.00	2.04	5,094,650.00	2.05	2.28
3136G3RW7	FANNIE MAE 1.27%	1.270	05/30/2019	11/30/2016	AA+	Aaa	5,000,000.00	5,000,000.00	2.01	5,001,100.00	2.01	1.05
3136G3K87	FANNIE MAE 1.18%	1.180	07/25/2019	01/25/2017	AA+	Aaa	5,000,000.00	4,996,250.00	2.01	4,990,450.00	2.01	1.57
3136G34F9	FANNIE MAE 1.125%	1.125	08/28/2019	02/28/2017	AA+	Aaa	5,000,000.00	4,996,900.00	2.01	4,993,150.00	2.01	1.59
3136G0T68	FANNIE MAE 1.33%	1.330	10/24/2019		AA+	Aaa	5,000,000.00	4,991,700.00	2.00	5,047,250.00	2.03	2.98
3136G2YA9	FANNIE MAE 1.4%	1.400	11/26/2019	11/26/2016	AA+	Aaa	5,000,000.00	4,998,750.00	2.01	5,001,700.00	2.01	1.04
3135G0F73	FANNIE MAE 1.5%	1.500	11/30/2020		AA+	Aaa	5,000,000.00	5,080,350.00	2.04	5,067,285.00	2.04	4.03
<b>Issuer total</b>							<b>54,000,000.00</b>	<b>54,102,000.00</b>	<b>21.71</b>	<b>54,301,009.00</b>	<b>21.82</b>	<b>1.87</b>
<b>Federal Farm Credit Banks</b>												
3133EEUT5	FEDERAL FARM CREDIT	0.700	01/23/2017		AA+	Aaa	5,000,000.00	5,007,450.00	2.01	5,002,700.00	2.01	0.31
3133EDEB4	FEDERAL FARM CREDIT	1.100	06/28/2017		AA+	Aaa	5,000,000.00	5,012,500.00	2.01	5,018,150.00	2.02	0.73
3133EETE0	FEDERAL FARM CREDIT	1.125	03/12/2018		AA+	Aaa	5,000,000.00	4,988,950.00	2.00	5,024,950.00	2.02	1.43
3133ECJX3	FEDERAL FARM CREDIT	1.040	03/26/2018		AA+	Aaa	5,000,000.00	4,996,700.00	2.01	4,998,400.00	2.01	0.84
3133EE5P1	FEDERAL FARM CREDIT	1.320	01/30/2019		AA+	Aaa	5,000,000.00	5,015,650.00	2.01	5,041,950.00	2.03	2.29
3133EDVK5	FEDERAL FARM CREDIT	1.750	03/18/2019		AA+	Aaa	5,000,000.00	5,024,600.00	2.02	5,099,350.00	2.05	2.41
3133EFGU5	FEDERAL FARM CREDIT	1.450	10/07/2019	10/07/2016	AA+	Aaa	5,000,000.00	5,000,000.00	2.01	5,000,150.00	2.01	1.00
3133EFZT7	FEDERAL FARM CREDIT	1.400	02/24/2020	02/24/2017	AA+	Aaa	5,000,000.00	5,000,000.00	2.01	5,005,000.00	2.01	1.36
<b>Issuer total</b>							<b>40,000,000.00</b>	<b>40,045,850.00</b>	<b>16.07</b>	<b>40,190,650.00</b>	<b>16.15</b>	<b>1.30</b>
<b>Federal Home Loan Banks</b>												
313381B53	FEDERAL HOME LOAN	0.580	11/14/2016		AA+	Aaa	5,000,000.00	4,995,700.00	2.01	5,001,750.00	2.01	0.12
313370S22	FEDERAL HOME LOAN	2.250	09/08/2017		AA+	Aaa	5,000,000.00	5,171,550.00	2.08	5,068,440.00	2.04	0.93
313371VG8	FEDERAL HOME LOAN	2.250	12/08/2017		AA+	Aaa	5,000,000.00	5,191,000.00	2.08	5,082,150.00	2.04	1.17
3130A6AE7	FEDERAL HOME LOAN	1.125	09/14/2018		AA+	Aaa	5,000,000.00	5,017,900.00	2.01	5,021,880.00	2.02	1.93

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of September 30, 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)
<b>Federal Home Loan Banks</b>												
313376BR5	FEDERAL HOME LOAN	1.750	12/14/2018		AA+	Aaa	8,000,000.00	8,153,030.00	3.27	8,144,432.00	3.27	2.15
<b>Issuer total</b>							<b>28,000,000.00</b>	<b>28,529,180.00</b>	<b>11.45</b>	<b>28,318,652.00</b>	<b>11.38</b>	<b>1.36</b>
<b>Federal Home Loan Mortgage Corp</b>												
3134G3JM3	FREDDIE MAC 2%	2.000	07/30/2019		AA+	Aaa	5,000,000.00	5,025,300.00	2.02	5,132,105.00	2.06	2.75
3134G8PD5	FREDDIE MAC 1.35%	1.350	09/30/2019	03/30/2017	AA+	Aaa	5,000,000.00	5,000,000.00	2.01	5,007,350.00	2.01	1.36
3137EADM8	FREDDIE MAC 1.25%	1.250	10/02/2019		AA+	Aaa	5,000,000.00	5,013,050.00	2.01	5,035,300.00	2.02	2.93
3134GABM5	FREDDIE MAC 1.3%	1.300	08/28/2020	08/28/2017	AA+	Aaa	5,000,000.00	5,000,000.00	2.01	4,985,200.00	2.00	2.34
3134G3K90	FREDDIE MAC 1.7%	1.700	09/25/2020		AA+	Aaa	5,000,000.00	5,000,000.00	2.01	5,091,450.00	2.05	3.86
<b>Issuer total</b>							<b>25,000,000.00</b>	<b>25,038,350.00</b>	<b>10.05</b>	<b>25,251,405.00</b>	<b>10.15</b>	<b>2.65</b>
<b>Grand total</b>							<b>247,000,000.00</b>	<b>249,150,340.95</b>	<b>100.00</b>	<b>248,856,677.25</b>	<b>100.00</b>	<b>1.65</b>



# SECURITIES PURCHASED

For the period September 1, 2016 - September 30, 2016

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
<b>Government Bonds</b>							
912828J50	09/20/2016	1.375	02/29/2020	5,000,000.00	101.21	(5,060,742.19)	(3,988.26)
USA TREASURY 1.375% 29/02/2020	09/21/2016						
THE BANK OF NEW YORK MELLON							
<b>Total Government Bonds</b>				<b>5,000,000.00</b>		<b>(5,060,742.19)</b>	<b>(3,988.26)</b>
<b>Grand total</b>				<b>5,000,000.00</b>		<b>(5,060,742.19)</b>	<b>(3,988.26)</b>

# SECURITIES SOLD AND MATURED

For the period September 1, 2016 - September 30, 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
<b>Government Agencies</b>												
313380NM5 FEDERAL HOME LOAN BANK 2.3% 19/09/2022 CALLABLE #0000	09/19/2016	2.300		(5,000,000.00)	4,995,550.00	4,997,341.08	0.00	5,000,000.00	2,658.92	0.00	57,500.00	5,750.00
	09/19/2016					23.39		(150.00)				
<b>Total (Government Agencies)</b>				<b>(5,000,000.00)</b>	<b>4,995,550.00</b>	<b>4,997,341.08</b>		<b>5,000,000.00</b>	<b>2,658.92</b>	<b>0.00</b>	<b>57,500.00</b>	<b>5,750.00</b>
						<b>23.39</b>		<b>(150.00)</b>				
<b>Grand total</b>				<b>(5,000,000.00)</b>	<b>4,995,550.00</b>	<b>4,997,341.08</b>		<b>5,000,000.00</b>	<b>2,658.92</b>	<b>0.00</b>	<b>57,500.00</b>	<b>5,750.00</b>
						<b>23.39</b>		<b>(150.00)</b>				

# TRANSACTION REPORT

For the period September 1, 2016 - September 30, 2016

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
09/08/2016 09/08/2016	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
09/12/2016 09/12/2016	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
09/14/2016 09/14/2016	3130A6AE7	Income	Government Agencies	FEDERAL HOME LOAN BANK	09/14/2018	5,000,000.00	0.00	0.00	28,125.00	28,125.00
09/18/2016 09/18/2016	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
09/19/2016 09/19/2016	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
09/19/2016 09/19/2016	313380NM5	Capital Change	Government Agencies	FEDERAL HOME LOAN BANK	09/19/2022	(5,000,000.00)	2,658.92	5,000,000.00	0.00	5,000,000.00
09/20/2016 09/21/2016	912828J50	Bought	Government Bonds	USA TREASURY 1.375%	02/29/2020	5,000,000.00	0.00	(5,060,742.19)	(3,988.26)	(5,064,730.45)
09/25/2016 09/25/2016	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
09/26/2016 09/26/2016	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
09/30/2016 09/30/2016	3134G8PD5	Income	Government Agencies	FREDDIE MAC 1.35%	09/30/2019	5,000,000.00	0.00	0.00	33,750.00	33,750.00
09/30/2016 09/30/2016	912828L65	Income	Government Bonds	USA TREASURY 1.375%	09/30/2020	5,000,000.00	0.00	0.00	34,375.00	34,375.00
09/30/2016 09/30/2016	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

# ADDITIONAL INFORMATION

## As of September 30, 2016

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.

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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 September 30, 2016

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