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CITY OF ANN ARBOR

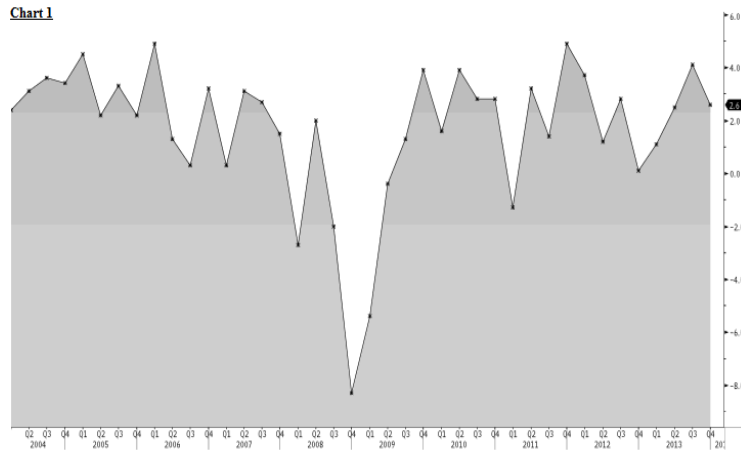
Report for the period March 1, 2014 - March 31, 2014

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

(This report was prepared on April 3, 2014)

Fixed Income Market Review March 31, 2014

U.S. Gross Domestic Product
01/01/04 - 12/31/13



Economic Indicators & Monetary Policy – The final release of the fourth quarter Gross Domestic Product (GDP) was revised to 2.6 percent in March from the second reading of 2.4 percent. The improvement in GDP reflected signs of strength in the U.S. economy at the end of last year. Consumer spending advanced at a 3.3 percent pace in the fourth quarter, which was the most since the fourth quarter of 2010.¹ (See Chart 1)

Consumer confidence improved in March, as the Conference Board Consumer Confidence index reached its highest level in more than six years. The Conference Board’s index increased to 82.3, which greatly exceeded analyst estimates of 78.5 and surpassed the February reading of 78.3.

Although the extreme weather conditions this year forced a number of economic indicators to decline in January and February, many indicators recovered in March. Non-farm payrolls increased by 175,000, a gain of more than 60,000 from the previous month, and retail sales increased by 0.3 percent, following a 0.6 percent drop the month before. The labor force participation rate, however, remained very low at 63percent.

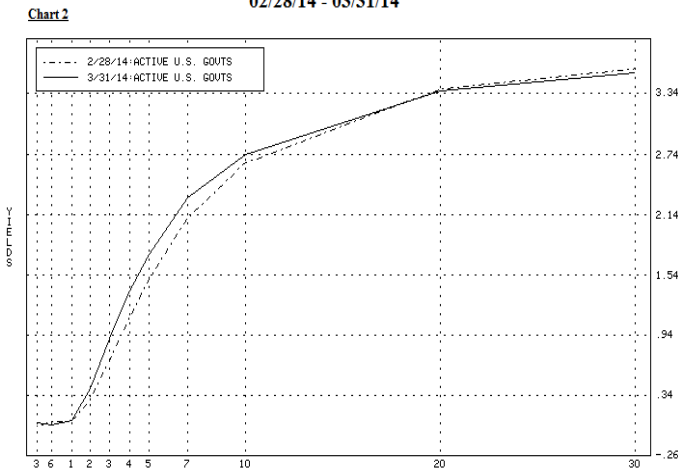
The Federal Open Market Committee (FOMC) continued tapering the asset purchase program at the March 19 meeting, reducing the monthly asset purchases by the expected amount of \$10 billion. The FOMC currently purchases \$55 billion per month of U.S. Treasury and mortgage-backed securities and if it continues to taper at the current rate, the asset purchases would end later this year.

The FOMC also stated that an unemployment rate of 6.5 percent will no longer be used as an indicator for the timing regarding tightening monetary policy. According to the statement from the March meeting, the FOMC continues to “seek maximum employment and price stability”.² Following Janet Yellen’s first press conference as Chair of the FOMC, the theme of the markets was volatility as investors began to speculate on the timing of the end of the quantitative easing program.

Yield Curve & Spreads – After a relatively flat month of February, the treasury yield curve steepened in March.

At the end of February, the 3-month Treasury bill yielded 0.06 percent, 6-month Treasury bill yielded 0.05 percent, 2-year Treasury note yielded 0.41 percent, 5-year Treasury note yielded 1.74 percent, 10-year Treasury note yielded 2.73 percent, and the 30-year Treasury yielded 3.55 percent. (See Chart 2)

Treasury Yield Curves
02/28/14 - 03/31/14



Additional Information

March 31, 2014

The opinions expressed above are those of Cutwater Asset Management and are subject to change without notice. All statistics represent month-end figures unless otherwise noted.

A current version of the investment adviser brochure for Cutwater Investor Services Corp., in the form of the Firm's ADV Part 2A, is available for your review. Please contact our Client Service Desk at 1-800-395-5505 or mail your request to:

Cutwater Investor Services Corp.
Attention: Client Services
113 King Street
Armonk, NY 10504

A copy of the brochure will be sent to you either by mail or electronically at your option.

In addition, a copy of the most recent version of the Firm's complete Form ADV can be downloaded from the SEC website at www.adviserinfo.sec.gov/.

¹"Fewer Firings a Sign U.S. to Regain Growth Momentum." Bloomberg Finance LP. March 27, 2014

² Press Release, Federal Open Market Committee Minutes from March 19.

**City of Ann Arbor
Activity and Performance Summary
for the period March 1, 2014 - March 31, 2014**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value	215,687,712.46
Additions	
Contributions	0.00
Interest Received	537,875.00
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	537,875.00
Deductions	
Withdrawals	2,856,083.81
Fees Paid	13,612.54
Accrued Interest Purchased	1,990.58
Loss on Sales	0.00
Total Deductions	(2,871,686.93)
Accretion (Amortization) for the Period	(90,337.66)
Ending Amortized Cost Value	213,263,562.87
Ending Fair Value	212,962,596.67
Unrealized Gain (Loss)	(300,966.20)

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Certificates of Deposit	37.42	0.00	0.00	37.42
U.S. Treasury	157,798.96	(71,295.98)	0.00	86,502.98
U.S. Instrumentality	111,342.85	(14,844.32)	0.00	96,498.53
Sales and Maturities				
U.S. Treasury	2,417.13	(2,288.24)	0.00	128.89
U.S. Instrumentality	10,607.64	(1,909.12)	0.00	8,698.52
Total	282,204.00	(90,337.66)	0.00	191,866.34

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.09 %	0.08 %	0.08 %
Overnight Repo	0.06 %	0.06 %	0.08 %
3 Month T-Bill	0.04 %	0.04 %	0.04 %
6 Month T-Bill	0.06 %	0.06 %	0.06 %
1 Year T-Note	0.12 %	0.12 %	0.13 %
2 Year T-Note	0.33 %	0.35 %	0.40 %
5 Year T-Note	1.37 %	1.52 %	1.64 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	282,204.00	282,204.00
Accretion (Amortization)	(90,337.66)	(90,337.66)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	191,866.34	191,866.34
Average Daily Historical Cost	213,453,885.41	201,283,504.11
Annualized Return	1.06%	1.12%
Annualized Return Net of Fees	0.98%	1.04%
Annualized Return Year to Date Net of Fees	1.00%	1.05%
Weighted Average Effective Maturity in Days	1,005	1,068

**City of Ann Arbor
Activity and Performance Summary
for the period March 1, 2014 - March 31, 2014**

Fair Value Basis Activity Summary

Beginning Fair Value		216,041,145.92
Additions		
Contributions	0.00	
Interest Received	537,875.00	
Accrued Interest Sold	0.00	
Total Additions		537,875.00
Deductions		
Withdrawals	2,856,083.81	
Fees Paid	13,612.54	
Accrued Interest Purchased	1,990.58	
Total Deductions		(2,871,686.93)
Change in Fair Value for the Period		(744,737.32)
Ending Fair Value		212,962,596.67

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Certificates of Deposit	37.42	0.00	37.42
U.S. Treasury	157,798.96	(327,357.43)	(169,558.47)
U.S. Instrumentality	111,342.85	(407,064.89)	(295,722.04)
Sales and Maturities			
U.S. Treasury	2,417.13	(1,760.00)	657.13
U.S. Instrumentality	10,607.64	(8,555.00)	2,052.64
Total	282,204.00	(744,737.32)	(462,533.32)

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.09 %	0.08 %	0.08 %
Overnight Repo	0.06 %	0.06 %	0.08 %
3 Month T-Bill	0.10 %	0.10 %	0.12 %
6 Month T-Bill	0.16 %	0.13 %	0.18 %
1 Year T-Note	0.28 %	0.25 %	0.44 %
2 Year T-Note	0.39 %	0.51 %	-1.00 %
5 Year T-Note	-1.90 %	-0.33 %	-9.69 %

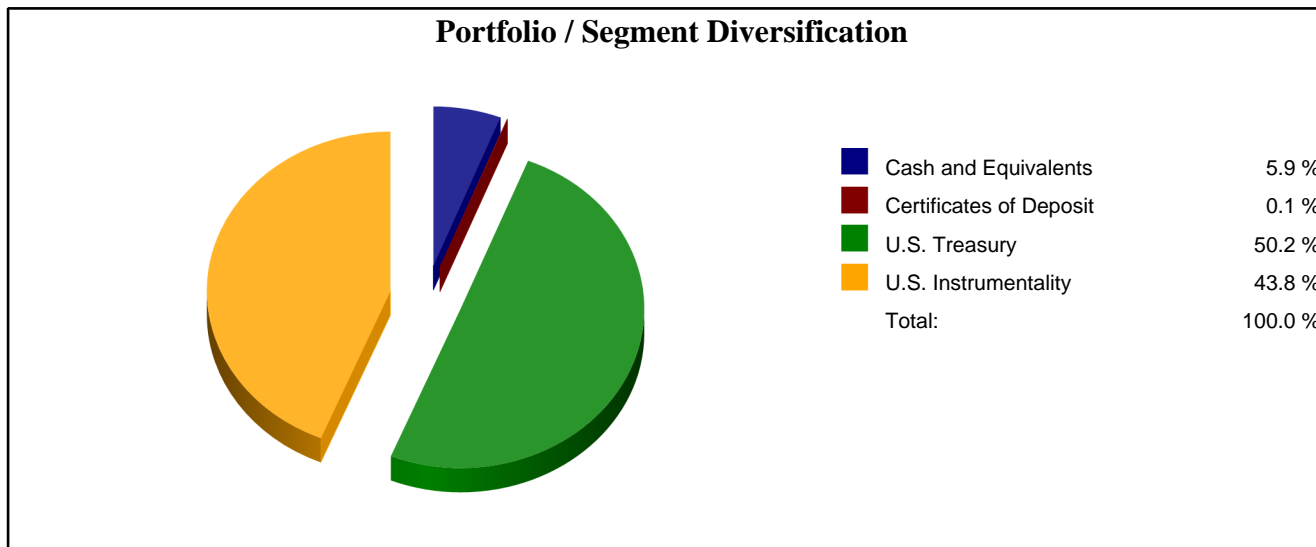
Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	282,204.00	282,204.00
Change in Fair Value	<u>(744,737.32)</u>	<u>(744,737.32)</u>
Total Income on Portfolio	(462,533.32)	(462,533.32)
Average Daily Historical Cost	213,453,885.41	201,283,504.11
Annualized Return	(2.55%)	(2.71%)
Annualized Return Net of Fees	(2.62%)	(2.78%)
Annualized Return Year to Date Net of Fees	1.94%	2.04%
Weighted Average Effective Maturity in Days	1,005	1,068

**City of Ann Arbor
Recap of Securities Held
March 31, 2014**

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	12,823,584.98	12,823,584.98	12,823,584.98	0.00	1	1	5.93	0.00	0.00
Certificates of Deposit	108,665.21	108,665.21	108,665.21	0.00	203	203	0.05	0.40	0.56
U.S. Treasury	108,501,718.77	105,903,604.43	106,754,058.50	850,454.07	748	748	50.21	0.97	2.00
U.S. Instrumentality	94,647,322.90	94,427,708.25	93,276,287.98	(1,151,420.27)	1,506	1,437	43.80	1.33	3.73
Total	216,081,291.86	213,263,562.87	212,962,596.67	(300,966.20)	1,035	1,005	100.00	1.07	2.64

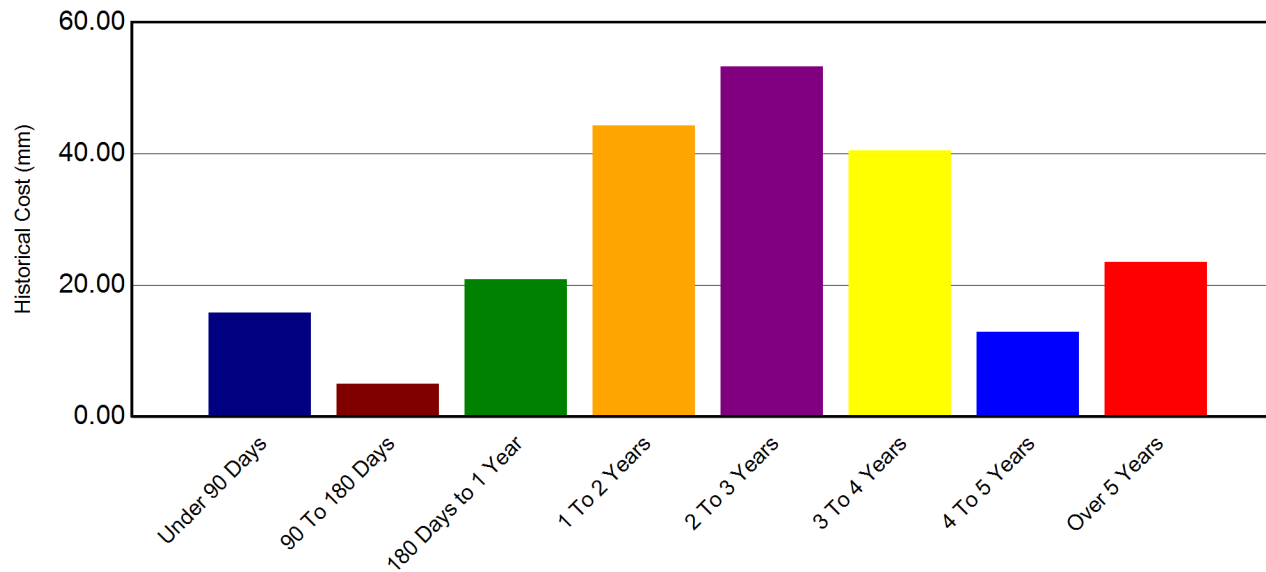
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Ann Arbor
Maturity Distribution of Securities Held
March 31, 2014**

Maturity	Historical Cost	Percent
Under 90 Days	15,813,654.98	7.32 %
90 To 180 Days	5,004,800.00	2.32 %
180 Days to 1 Year	20,889,133.96	9.67 %
1 To 2 Years	44,241,723.84	20.47 %
2 To 3 Years	53,238,184.70	24.64 %
3 To 4 Years	40,449,734.38	18.72 %
4 To 5 Years	12,933,210.00	5.99 %
Over 5 Years	23,510,850.00	10.88 %
	216,081,291.86	100.00 %

Maturity Distribution



**City of Ann Arbor
Securities Held
March 31, 2014**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
<u>Cash and Equivalents</u>													
JPMorgan Chase	03/31/14	0.000V		12,823,584.98	12,823,584.98	12,823,584.98	12,823,584.98	0.00	0.00	0.00	0.00	5.93	0.00
					0.00	0.00	0.00						
TOTAL (Cash and Equivalents)				12,823,584.98	12,823,584.98	12,823,584.98	12,823,584.98	0.00	0.00	0.00	0.00	5.93	
					0.00	0.00	0.00						
<u>Certificates of Deposit</u>													
Ann Arbor Bank	01/21/14	0.400	10/20/14	108,665.21	108,665.21	108,665.21	108,665.21	0.00	0.00	37.42	418.96	0.05	0.40
					0.00	0.00	0.00						
TOTAL (Certificates of Deposit)				108,665.21	108,665.21	108,665.21	108,665.21	0.00	0.00	37.42	418.96	0.05	
					0.00	0.00	0.00						
<u>U.S. Treasury</u>													
912828LS7	08/29/11	2.375	10/31/14	5,000,000.00	5,314,062.50	5,057,718.13	5,066,210.00	8,491.87	0.00	10,169.20	49,861.88	2.46	0.38
T-Note					0.00	(8,400.29)	(8,400.00)						
912828LZ1	08/26/10	2.125	11/30/14	5,000,000.00	5,207,031.25	5,032,311.24	5,067,190.00	34,878.76	0.00	9,048.76	35,611.26	2.41	1.13
T-Note					0.00	(4,122.01)	(6,835.00)						
912828MR8	08/26/10	2.375	02/28/15	5,000,000.00	5,258,593.75	5,052,283.98	5,101,365.00	49,081.02	0.00	10,003.40	10,326.09	2.43	1.19
T-Note					0.00	(4,867.28)	(8,400.00)						
912828SK7	09/06/13	0.375	03/15/15	5,000,000.00	5,000,781.25	5,000,489.86	5,010,940.00	10,450.14	9,375.00	1,591.31	866.17	2.31	0.36
T-Note					0.00	(43.64)	(390.00)						
912828NL0	08/29/11	1.875	06/30/15	5,000,000.00	5,249,218.75	5,080,938.28	5,105,665.00	24,726.72	0.00	8,028.32	23,566.99	2.43	0.56
T-Note					0.00	(5,514.48)	(6,445.00)						
912828PE4	08/29/11	1.250	10/31/15	5,000,000.00	5,121,875.00	5,046,222.93	5,077,540.00	31,317.07	0.00	5,352.21	26,243.09	2.37	0.66
T-Note					0.00	(2,479.09)	(5,860.00)						
912828PE4	09/06/12	1.250	10/31/15	5,000,000.00	5,143,359.38	5,072,053.67	5,077,540.00	5,486.33	0.00	5,352.21	26,243.09	2.38	0.33
T-Note					0.00	(3,864.47)	(5,860.00)						
912828EN6	08/26/10	4.500	11/15/15	5,000,000.00	5,795,312.50	5,247,310.07	5,340,625.00	93,314.93	0.00	19,267.95	85,151.93	2.68	1.33
T-Note					0.00	(12,928.52)	(20,115.00)						
912828PJ3	08/29/11	1.375	11/30/15	5,000,000.00	5,146,093.75	5,057,158.94	5,088,865.00	31,706.06	0.00	5,855.08	23,042.58	2.38	0.68
T-Note					0.00	(2,914.36)	(7,425.00)						
912828B41	03/21/14	0.375	01/31/16	3,500,000.00	3,498,496.09	3,498,520.38	3,501,368.50	2,848.12	0.00	398.82	2,175.41	1.62	0.40
T-Note					1,776.59	24.29	2,872.41						
912828KS8	08/26/10	2.625	02/29/16	5,000,000.00	5,287,890.63	5,099,967.98	5,212,890.00	112,922.02	0.00	11,056.38	11,413.04	2.45	1.53
T-Note					0.00	(4,433.49)	(15,235.00)						
912828US7	03/21/14	0.375	03/15/16	3,500,000.00	3,495,214.84	3,495,287.44	3,497,812.50	2,525.06	0.00	392.33	606.32	1.62	0.44
T-Note					213.99	72.60	2,597.66						

**City of Ann Arbor
Securities Held
March 31, 2014**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
912828QP8 T-Note	09/06/12	1.750	05/31/16	5,000,000.00	5,247,656.25 0.00	5,143,724.21 (5,632.68)	5,133,205.00 (15,235.00)	(10,519.21)	0.00	7,451.92	29,326.92	2.43	0.41
912828KZ2 T-Note	09/30/10	3.250	06/30/16	2,500,000.00	2,732,617.19 0.00	2,590,942.24 (3,433.88)	2,651,367.50 (10,352.50)	60,425.26	0.00	6,957.87	20,424.72	1.26	1.55
912828QR4 T-Note	08/29/11	1.500	06/30/16	5,000,000.00	5,148,437.50 0.00	5,068,968.41 (2,604.17)	5,105,080.00 (16,795.00)	36,111.59	0.00	6,422.65	18,853.59	2.38	0.87
912828MA5 T-Note	08/26/10	2.750	11/30/16	5,000,000.00	5,291,796.88 0.00	5,124,217.73 (3,953.54)	5,264,060.00 (26,565.00)	139,842.27	0.00	11,710.16	46,085.16	2.45	1.76
912828RX0 T-Note	09/10/13	0.875	12/31/16	5,000,000.00	4,973,828.13 0.00	4,978,226.22 671.63	5,012,110.00 (21,095.00)	33,883.78	0.00	3,746.55	10,997.93	2.30	1.04
912828MS6 T-Note	08/26/10	3.000	02/28/17	5,000,000.00	5,360,156.25 0.00	5,161,146.45 (4,695.05)	5,306,640.00 (30,470.00)	145,493.55	0.00	12,635.87	13,043.48	2.48	1.82
912828SJ0 T-Note	09/10/13	0.875	02/28/17	5,000,000.00	4,957,812.50 0.00	4,964,571.82 1,032.21	5,001,560.00 (23,050.00)	36,988.18	0.00	3,685.46	3,804.35	2.29	1.12
912828PA2 T-Note	08/29/11	1.875	09/30/17	5,000,000.00	5,175,000.00 0.00	5,100,562.05 (2,439.30)	5,123,045.00 (34,765.00)	22,482.95	46,875.00	7,982.80	256.15	2.39	1.28
912828PF1 T-Note	08/29/11	1.875	10/31/17	5,000,000.00	5,172,656.25 0.00	5,100,224.85 (2,373.54)	5,119,920.00 (36,330.00)	19,695.15	0.00	8,028.31	39,364.64	2.39	1.29
912828UA6 T-Note	11/18/13	0.625	11/30/17	5,000,000.00	4,923,828.13 0.00	4,930,757.55 1,603.08	4,889,060.00 (33,205.00)	(41,697.55)	0.00	2,661.40	10,473.90	2.28	1.01
TOTAL (U.S. Treasury)				104,500,000.00	108,501,718.77 1,990.58	105,903,604.43 (71,295.98)	106,754,058.50 (327,357.43)	850,454.07	56,250.00	157,798.96	487,738.69	50.21	

U.S. Instrumentality

31331JQA4 FFCB	06/11/10	1.900	06/02/14	3,000,000.00	2,990,070.00 0.00	2,999,575.99 212.00	3,009,225.00 (4,119.00)	9,649.01	0.00	4,750.00	18,841.67	1.38	1.99
3134G3YW4 FHLMC	08/30/12	0.375	08/28/14	5,000,000.00	5,004,800.00 0.00	5,000,982.42 (204.39)	5,005,875.00 (345.00)	4,892.58	0.00	1,562.50	1,718.75	2.32	0.33
31331GY29 FFCB	10/15/09	2.900	10/09/15	1,905,000.00	1,890,712.50 0.00	1,901,364.37 202.71	1,979,672.19 (4,573.91)	78,307.82	0.00	4,603.75	26,394.83	0.88	3.04
3137EACT4 FHLMC	01/11/12	2.500	05/27/16	4,000,000.00	4,253,480.00 0.00	4,124,836.52 (4,917.32)	4,169,832.00 (18,844.00)	44,995.48	0.00	8,333.33	34,444.44	1.97	1.02
313370TW8 FHLB	09/10/12	2.000	09/09/16	5,000,000.00	5,276,700.00 0.00	5,169,052.33 (5,875.14)	5,162,745.00 (10,245.00)	(6,307.33)	50,000.00	8,333.33	6,111.11	2.44	0.60
313381B53 FHLB	11/26/12	0.580	11/14/16	5,000,000.00	4,995,700.00 0.00	4,997,157.07 91.99	4,970,110.00 (18,090.00)	(27,047.07)	0.00	2,416.67	11,036.11	2.31	0.60
3133CEGF5 FFCB	Call 02/27/13	0.800	02/27/17 04/01/14	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,974,460.00 (13,135.00)	(25,540.00)	0.00	3,333.34	3,777.78	2.31	0.80

**City of Ann Arbor
Securities Held
March 31, 2014**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield	
3133EDEB4 FFCB	01/30/14	1.100	06/28/17	5,000,000.00	5,012,500.00	5,011,887.55	4,997,540.00	(14,347.55)	0.00	4,583.33	9,625.00	2.32	1.03	
					305.56	(311.25)	(26,550.00)							
313370SZ2 FHLB	01/09/14	2.250	09/08/17	5,000,000.00	5,171,550.00	5,161,036.47	5,175,750.00	14,713.53	56,250.00	9,375.00	7,187.50	2.39	1.29	
					0.00	(3,974.63)	(23,200.00)							
3134G3H52 FHLMC	Call	09/12/12	1.000	09/12/17	5,000,000.00	4,997,500.00	4,998,274.92	4,955,135.00	(43,139.92)	25,000.00	4,166.67	2,638.89	2.31	1.01
						0.00	42.44	(14,095.00)						
3135G0SF1 FNMA	Call	11/28/12	1.000	11/28/17	5,000,000.00	5,000,000.00	5,000,000.00	4,928,675.00	(71,325.00)	0.00	4,166.66	17,083.33	2.31	1.00
						0.00	0.00	(22,215.00)						
3133ECJX3 FFCB	Call	04/02/13	1.040	03/26/18	5,000,000.00	4,996,700.00	4,997,360.36	4,906,195.00	(91,165.36)	26,000.00	4,333.33	722.22	2.31	1.05
						0.00	56.24	(42,125.00)						
3135G0WJ8 FNMA		06/03/13	0.875	05/21/18	3,000,000.00	2,953,560.00	2,961,295.73	2,919,375.00	(41,920.73)	0.00	2,187.50	9,479.17	1.37	1.20
						0.00	794.06	(21,084.00)						
3135G0XG3 FNMA	Call	05/21/13	1.000	05/21/18	5,000,000.00	4,982,150.00	4,985,229.27	4,887,460.00	(97,769.27)	0.00	4,166.67	18,055.56	2.31	1.07
						0.00	303.04	(23,615.00)						
3130A15L8 FHLB	Call	03/26/14	1.000V	03/26/19	5,000,000.00	4,997,500.00	4,997,508.21	4,961,770.00	(35,738.21)	0.00	694.44	694.44	2.31	2.12
						0.00	8.21	(35,730.00)						
3134G3JM3 FHLMC		02/28/14	2.000	07/30/19	5,000,000.00	5,025,300.00	5,024,890.70	4,991,150.00	(33,740.70)	0.00	8,333.33	16,944.44	2.33	1.90
						7,777.78	(396.51)	(48,660.00)						
3134G3K90 FHLMC	Call	09/25/12	1.700	09/25/20	5,000,000.00	5,000,000.00	5,000,000.00	4,764,355.00	(235,645.00)	42,500.00	7,083.34	1,416.67	2.31	1.70
						0.00	0.00	(25,825.00)						
313380PE1 FHLB	Call	09/28/12	1.850	09/28/20	5,000,000.00	4,990,000.00	4,991,882.27	4,797,625.00	(194,257.27)	46,250.00	7,708.33	770.83	2.31	1.88
						0.00	106.09	(21,675.00)						
3130A0A34 FHLB	Call	11/18/13	2.790	11/04/20	3,590,000.00	3,613,550.40	3,609,142.92	3,606,445.79	(2,697.13)	0.00	8,346.75	40,899.08	1.67	2.45
						3,895.15	(1,019.64)	(16,413.48)						
313380NM5 FHLB	Call	09/19/12	2.300	09/19/22	5,000,000.00	4,995,550.00	4,996,231.15	4,719,685.00	(276,546.15)	57,500.00	9,583.33	3,833.33	2.31	2.31
						0.00	37.78	(10,775.00)						
313380XN2 FHLB	Call	10/24/12	1.125V	10/24/22	3,500,000.00	3,500,000.00	3,500,000.00	3,393,208.00	(106,792.00)	0.00	3,281.25	17,171.88	1.62	1.12
						0.00	0.00	(5,750.50)						
TOTAL (U.S. Instrumentality)					93,995,000.00	94,647,322.90	94,427,708.25	93,276,287.98	(1,151,420.27)	303,500.00	111,342.85	248,847.03	43.80	
						11,978.49	(14,844.32)	(407,064.89)						

**City of Ann Arbor
Securities Held
March 31, 2014**

GRAND TOTAL	211,427,250.19	216,081,291.86	213,263,562.87	212,962,596.67	(300,966.20)	359,750.00	269,179.23	737,004.68	100.00
		13,969.07	(86,140.30)	(734,422.32)					

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

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2014

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<u>T-Note</u>												
912828LS7	U.S. Treasury	2.375	10/31/2014		AA+	Aaa	5,000,000.00	5,314,062.50	2.46	5,066,210.00	2.38	0.58
912828LZ1	U.S. Treasury	2.125	11/30/2014		AA+	Aaa	5,000,000.00	5,207,031.25	2.41	5,067,190.00	2.38	0.66
912828MR8	U.S. Treasury	2.375	02/28/2015		AA+	Aaa	5,000,000.00	5,258,593.75	2.43	5,101,365.00	2.40	0.91
912828SK7	U.S. Treasury	0.375	03/15/2015		AA+	Aaa	5,000,000.00	5,000,781.25	2.31	5,010,940.00	2.35	0.95
912828NL0	U.S. Treasury	1.875	06/30/2015		AA+	Aaa	5,000,000.00	5,249,218.75	2.43	5,105,665.00	2.40	1.24
912828EN6	U.S. Treasury	4.500	11/15/2015		AA+	Aaa	5,000,000.00	5,795,312.50	2.68	5,340,625.00	2.51	1.56
912828PE4	U.S. Treasury	1.250	10/31/2015		AA+	Aaa	10,000,000.00	10,265,234.38	4.75	10,155,080.00	4.77	1.56
912828PJ3	U.S. Treasury	1.375	11/30/2015		AA+	Aaa	5,000,000.00	5,146,093.75	2.38	5,088,865.00	2.39	1.64
912828B41	U.S. Treasury	0.375	01/31/2016		AA+	Aaa	3,500,000.00	3,498,496.09	1.62	3,501,368.50	1.64	1.83
912828KS8	U.S. Treasury	2.625	02/29/2016		AA+	Aaa	5,000,000.00	5,287,890.63	2.45	5,212,890.00	2.45	1.87
912828US7	U.S. Treasury	0.375	03/15/2016		AA+	Aaa	3,500,000.00	3,495,214.84	1.62	3,497,812.50	1.64	1.95
912828QP8	U.S. Treasury	1.750	05/31/2016		AA+	Aaa	5,000,000.00	5,247,656.25	2.43	5,133,205.00	2.41	2.12
912828KZ2	U.S. Treasury	3.250	06/30/2016		AA+	Aaa	2,500,000.00	2,732,617.19	1.26	2,651,367.50	1.24	2.17
912828QR4	U.S. Treasury	1.500	06/30/2016		AA+	Aaa	5,000,000.00	5,148,437.50	2.38	5,105,080.00	2.40	2.21
912828MA5	U.S. Treasury	2.750	11/30/2016		AA+	Aaa	5,000,000.00	5,291,796.88	2.45	5,264,060.00	2.47	2.56
912828RX0	U.S. Treasury	0.875	12/31/2016		AA+	Aaa	5,000,000.00	4,973,828.13	2.30	5,012,110.00	2.35	2.71
912828MS6	U.S. Treasury	3.000	02/28/2017		AA+	Aaa	5,000,000.00	5,360,156.25	2.48	5,306,640.00	2.49	2.80
912828SJ0	U.S. Treasury	0.875	02/28/2017		AA+	Aaa	5,000,000.00	4,957,812.50	2.29	5,001,560.00	2.35	2.87
912828PA2	U.S. Treasury	1.875	09/30/2017		AA+	Aaa	5,000,000.00	5,175,000.00	2.39	5,123,045.00	2.41	3.39
912828PF1	U.S. Treasury	1.875	10/31/2017		AA+	Aaa	5,000,000.00	5,172,656.25	2.39	5,119,920.00	2.40	3.44
912828UA6	U.S. Treasury	0.625	11/30/2017		AA+	Aaa	5,000,000.00	4,923,828.13	2.28	4,889,060.00	2.30	3.60
ISSUER TOTAL							104,500,000.00	108,501,718.77	50.21	106,754,058.50	50.13	2.01
<u>FHLB</u>												
3130A0A34	U.S. Instrumentality	2.790	11/04/2020	11/04/2015	AA+	Aaa	3,590,000.00	3,613,550.40	1.67	3,606,445.79	1.69	1.53
313370TW8	U.S. Instrumentality	2.000	09/09/2016		AA+	Aaa	5,000,000.00	5,276,700.00	2.44	5,162,745.00	2.42	2.38
313381B53	U.S. Instrumentality	0.580	11/14/2016		AA+	Aaa	5,000,000.00	4,995,700.00	2.31	4,970,110.00	2.33	2.59
313370SZ2	U.S. Instrumentality	2.250	09/08/2017		AA+	Aaa	5,000,000.00	5,171,550.00	2.39	5,175,750.00	2.43	3.30
3130A15L8	U.S. Instrumentality	1.000	03/26/2019	09/26/2014	AA+	Aaa	5,000,000.00	4,997,500.00	2.31	4,961,770.00	2.33	4.78
313380PE1	U.S. Instrumentality	1.850	09/28/2020	04/28/2014	AA+	Aaa	5,000,000.00	4,990,000.00	2.31	4,797,625.00	2.25	6.06
313380NM5	U.S. Instrumentality	2.300	09/19/2022	04/19/2014	AA+	Aaa	5,000,000.00	4,995,550.00	2.31	4,719,685.00	2.22	7.59
313380XN2	U.S. Instrumentality	1.125	10/24/2022	10/24/2014	AA+	Aaa	3,500,000.00	3,500,000.00	1.62	3,393,208.00	1.59	7.74
ISSUER TOTAL							37,090,000.00	37,540,550.40	17.37	36,787,338.79	17.27	4.42

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2014

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<u>FHLMC</u>												
3134G3YW4	U.S. Instrumentality	0.375	08/28/2014		AA+	Aaa	5,000,000.00	5,004,800.00	2.32	5,005,875.00	2.35	0.41
3137EACT4	U.S. Instrumentality	2.500	05/27/2016		AA+	Aaa	4,000,000.00	4,253,480.00	1.97	4,169,832.00	1.96	2.09
3134G3H52	U.S. Instrumentality	1.000	09/12/2017	06/12/2014	AA+	Aaa	5,000,000.00	4,997,500.00	2.31	4,955,135.00	2.33	3.37
3134G3JM3	U.S. Instrumentality	2.000	07/30/2019		AA+	Aaa	5,000,000.00	5,025,300.00	2.33	4,991,150.00	2.34	5.02
3134G3K90	U.S. Instrumentality	1.700	09/25/2020	09/25/2014	AA+	Aaa	5,000,000.00	5,000,000.00	2.31	4,764,355.00	2.24	6.08
ISSUER TOTAL							24,000,000.00	24,281,080.00	11.24	23,886,347.00	11.22	3.41
<u>FFCB</u>												
31331JQA4	U.S. Instrumentality	1.900	06/02/2014		AA+	Aaa	3,000,000.00	2,990,070.00	1.38	3,009,225.00	1.41	0.17
31331GY29	U.S. Instrumentality	2.900	10/09/2015		AA+	Aaa	1,905,000.00	1,890,712.50	0.88	1,979,672.19	0.93	1.48
3133ECGF5	U.S. Instrumentality	0.800	02/27/2017	04/01/2014	AA+	Aaa	5,000,000.00	5,000,000.00	2.31	4,974,460.00	2.34	2.86
3133EDEB4	U.S. Instrumentality	1.100	06/28/2017		AA+	Aaa	5,000,000.00	5,012,500.00	2.32	4,997,540.00	2.35	3.17
3133ECJX3	U.S. Instrumentality	1.040	03/26/2018	04/01/2014	AA+	Aaa	5,000,000.00	4,996,700.00	2.31	4,906,195.00	2.30	3.88
ISSUER TOTAL							19,905,000.00	19,889,982.50	9.20	19,867,092.19	9.33	2.65
<u>JPMorgan Chase</u>												
	Cash and Equivalents	0.000					12,823,584.98	12,823,584.98	5.93	12,823,584.98	6.02	0.00
ISSUER TOTAL							12,823,584.98	12,823,584.98	5.93	12,823,584.98	6.02	0.00
<u>FNMA</u>												
3135G0SF1	U.S. Instrumentality	1.000	11/28/2017	05/28/2014	AA+	Aaa	5,000,000.00	5,000,000.00	2.31	4,928,675.00	2.31	3.56
3135G0XG3	U.S. Instrumentality	1.000	05/21/2018	05/21/2014	AA+	Aaa	5,000,000.00	4,982,150.00	2.31	4,887,460.00	2.29	4.02
3135G0WJ8	U.S. Instrumentality	0.875	05/21/2018		AA+	Aaa	3,000,000.00	2,953,560.00	1.37	2,919,375.00	1.37	4.03
ISSUER TOTAL							13,000,000.00	12,935,710.00	5.99	12,735,510.00	5.98	3.84
<u>Ann Arbor Bank</u>												
	Certificates of Deposit	0.400	10/20/2014		NR	NR	108,665.21	108,665.21	0.05	108,665.21	0.05	0.56
ISSUER TOTAL							108,665.21	108,665.21	0.05	108,665.21	0.05	0.56

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2014

GRAND TOTAL	211,427,250.19	216,081,291.86	100.00	212,962,596.67	100.00	2.63
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Highlighted totals are issuers representing 5.00% or more of the portfolio's market value

**City of Ann Arbor
Securities Purchased
March 1, 2014 - March 31, 2014**

CUSIP/Description	Purchase Date	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
<u>Cash and Equivalents</u>								
JPMorgan Chase	03/31/2014	0.000V		674,977.14	100.000	674,977.14	0.00	0.00
TOTAL (Cash and Equivalents)				674,977.14		674,977.14	0.00	
<u>U.S. Treasury</u>								
912828B41	03/21/2014	0.375	01/31/2016	3,500,000.00	99.957	3,498,496.09	1,776.59	0.40
T-Note								
912828US7	03/21/2014	0.375	03/15/2016	3,500,000.00	99.863	3,495,214.84	213.99	0.44
T-Note								
TOTAL (U.S. Treasury)				7,000,000.00		6,993,710.93	1,990.58	
<u>U.S. Instrumentality</u>								
3130A15L8	Call	03/26/2014	1.000V	03/26/2019	5,000,000.00	99.950	4,997,500.00	0.00
FHLB				09/26/2014				2.12
TOTAL (U.S. Instrumentality)				5,000,000.00		4,997,500.00	0.00	
GRAND TOTAL				12,674,977.14		12,666,188.07	1,990.58	

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

City of Ann Arbor
Securities Sold and Matured
March 1, 2014 - March 31, 2014

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Acct/ (Amort)	Sale/ Maturity Price	Fair Value at Sale or Maturity / Chg.In Fair Value	Realized Gain (Loss)	Accrued Interest Sold	Interest Received	Interest Earned	Yield
<u>U.S. Treasury</u>													
912828PZ7 T-Note	03/15/2014	1.250	03/15/2014	5,000,000.00	5,031,054.69	5,000,000.00 (2,288.24)	100.00	5,000,000.00 (1,760.00)	0.00	0.00	31,250.00	2,417.13	0.07
TOTAL (U.S. Treasury)				5,000,000.00	5,031,054.69	5,000,000.00 (2,288.24)		5,000,000.00 (1,760.00)	0.00	0.00	31,250.00	2,417.13	
<u>U.S. Instrumentality</u>													
31331XSR4 FFCB	03/14/2014	4.875	03/14/2014	5,000,000.00	5,182,500.00	5,000,000.00 (1,118.58)	100.00	5,000,000.00 (7,290.00)	0.00	0.00	121,875.00	8,802.08	4.16
3134G3RK8 FHLMC	03/14/2014	1.000	03/14/2016	5,000,000.00	5,011,250.00	5,000,000.00 (790.54)	100.00	5,000,000.00 (1,265.00)	0.00	0.00	25,000.00	1,805.56	0.56
TOTAL (U.S. Instrumentality)				10,000,000.00	10,193,750.00	10,000,000.00 (1,909.12)		10,000,000.00 (8,555.00)	0.00	0.00	146,875.00	10,607.64	
GRAND TOTAL				15,000,000.00	15,224,804.69	15,000,000.00 (4,197.36)		15,000,000.00 (10,315.00)	0.00	0.00	178,125.00	13,024.77	

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

**City of Ann Arbor
Transaction Report
for the period March 1, 2014 - March 31, 2014**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
03/08/2014	313370SZ2	Interest	INS	FHLB	09/08/2017	5,000,000.00	0.00	56,250.00	56,250.00	56,250.00
03/09/2014	313370TW8	Interest	INS	FHLB	09/09/2016	5,000,000.00	0.00	50,000.00	50,000.00	106,250.00
03/12/2014	3134G3H52	Interest	INS	FHLMC	09/12/2017	5,000,000.00	0.00	25,000.00	25,000.00	131,250.00
03/14/2014	31331XSR4	Maturity	INS	FFCB	03/14/2014	5,000,000.00	5,000,000.00	0.00	5,000,000.00	5,131,250.00
03/14/2014	31331XSR4	Interest	INS	FFCB	03/14/2014	5,000,000.00	0.00	121,875.00	121,875.00	5,253,125.00
03/14/2014	3134G3RK8	Interest	INS	FHLMC	03/14/2016	5,000,000.00	0.00	25,000.00	25,000.00	5,278,125.00
03/14/2014	3134G3RK8	Call	INS	FHLMC	03/14/2016	5,000,000.00	5,000,000.00	0.00	5,000,000.00	10,278,125.00
03/15/2014	912828PZ7	Maturity	TSY	T-Note	03/15/2014	5,000,000.00	5,000,000.00	0.00	5,000,000.00	15,278,125.00
03/15/2014	912828PZ7	Interest	TSY	T-Note	03/15/2014	5,000,000.00	0.00	31,250.00	31,250.00	15,309,375.00
03/15/2014	912828SK7	Interest	TSY	T-Note	03/15/2015	5,000,000.00	0.00	9,375.00	9,375.00	15,318,750.00
03/19/2014	313380NM5	Interest	INS	FHLB	09/19/2022	5,000,000.00	0.00	57,500.00	57,500.00	15,376,250.00
03/21/2014	912828B41	Bought	TSY	T-Note	01/31/2016	3,500,000.00	3,498,496.09	1,776.59	(3,500,272.68)	11,875,977.32
03/21/2014	912828US7	Bought	TSY	T-Note	03/15/2016	3,500,000.00	3,495,214.84	213.99	(3,495,428.83)	8,380,548.49
03/25/2014	3134G3K90	Interest	INS	FHLMC	09/25/2020	5,000,000.00	0.00	42,500.00	42,500.00	8,423,048.49
03/26/2014	3130A15L8	Bought	INS	FHLB	03/26/2019	5,000,000.00	4,997,500.00	0.00	(4,997,500.00)	3,425,548.49
03/26/2014	3133ECJX3	Interest	INS	FFCB	03/26/2018	5,000,000.00	0.00	26,000.00	26,000.00	3,451,548.49
03/28/2014	313380PE1	Interest	INS	FHLB	09/28/2020	5,000,000.00	0.00	46,250.00	46,250.00	3,497,798.49
03/31/2014		Bought	CE	JPMorgan Chase		674,977.14	674,977.14	0.00	(674,977.14)	2,822,821.35
03/31/2014	912828PA2	Interest	TSY	T-Note	09/30/2017	5,000,000.00	0.00	46,875.00	46,875.00	2,869,696.35
Portfolio Activity Total										2,869,696.35

Net Contributions:	0.00
Net Withdrawals:	2,856,083.81

Fees Charged:	13,340.87
Fees Paid:	13,612.54

**City of Ann Arbor
Securities Bid and Offer
for the period 3/1/2014 - 3/31/2014**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
BUY	03/21/2014	T-Note .375 01/31/2016		MOR	3,500,000		99.957	0.40	MIZ @ 99-30.625 JEF @ 99-30.75
BUY	03/21/2014	T-Note .375 03/15/2016		JEF	3,500,000		99.863	0.44	MIZ @ 99-27.75 MOR @ 99-27.75
BUY	03/26/2014	FHLB 1 03/26/2019	09/26/14	RBC	5,000,000		99.950	2.12/1.10	MER - FHLMC 3.75 03/27/19 @ YTM 1.64 MOR - FHLB 1.00 09/22/14 @ YTM 0.11

**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
04/09/2014	Interest	31331GY29	FFCB	2.900	10/09/2015		1,905,000.00	0.00	27,622.50	27,622.50
04/24/2014	Interest	313380XN2	FHLB	1.125	10/24/2022	10/24/2014	3,500,000.00	0.00	19,687.50	19,687.50
04/30/2014	Interest	912828PF1	T-Note	1.875	10/31/2017		5,000,000.00	0.00	46,875.00	46,875.00
04/30/2014	Interest	912828PE4	T-Note	1.250	10/31/2015		5,000,000.00	0.00	31,250.00	31,250.00
04/30/2014	Interest	912828LS7	T-Note	2.375	10/31/2014		5,000,000.00	0.00	59,375.00	59,375.00
04/30/2014	Interest	912828PE4	T-Note	1.250	10/31/2015		5,000,000.00	0.00	31,250.00	31,250.00
05/04/2014	Interest	3130A0A34	FHLB	2.790	11/04/2020	11/04/2015	3,590,000.00	0.00	50,080.50	50,080.50
05/14/2014	Interest	313381B53	FHLB	0.580	11/14/2016		5,000,000.00	0.00	14,500.00	14,500.00
05/15/2014	Interest	912828EN6	T-Note	4.500	11/15/2015		5,000,000.00	0.00	112,500.00	112,500.00

END OF REPORTS



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