

CITY OF ANN ARBOR

Report for the period March 1, 2015 - March 31, 2015

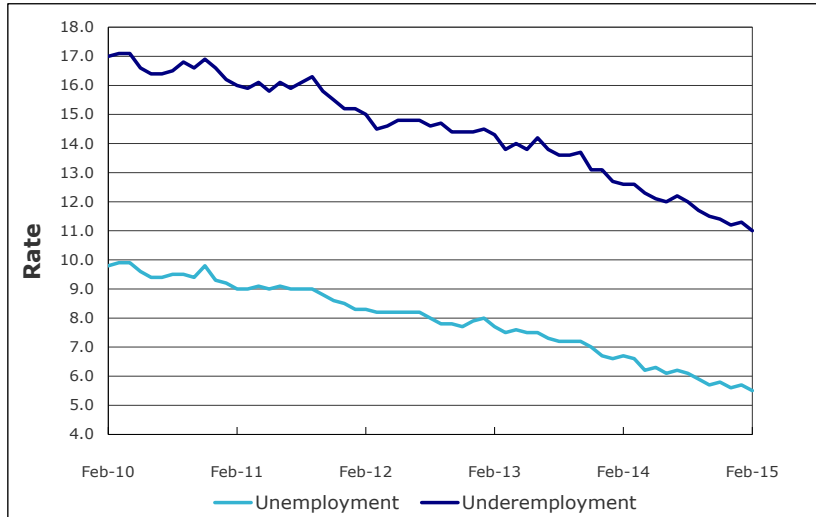
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(This report was prepared on April 7, 2015)

Fixed Income Market Review March 31, 2015

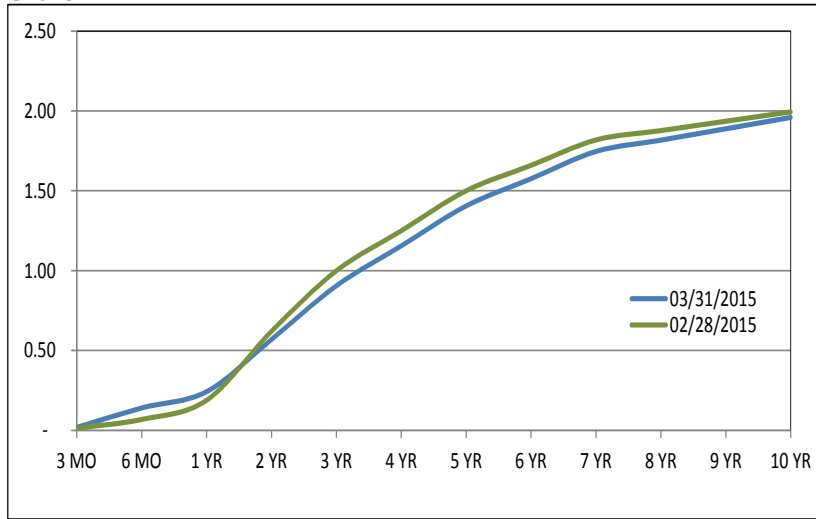
Unemployment and Underemployment
02/2010 – 02/2015

Chart 1



Treasury Yield Curves
02/28/2015 – 03/31/2015

Chart 2



Economic Indicators & Monetary Policy – Gross Domestic Product (GDP) for the fourth quarter of 2014 increased 2.2 percent, according to the final estimate, released in March. Contributing to the growth in fourth quarter GDP was consumer spending, which experienced its largest gain in eight years. Corporate profits declined during the fourth quarter, adding downward pressure to the American economy. The Institute for Supply Management (ISM) indices wavered in February, with the ISM manufacturing index falling to 52.9 from 53.5 and the non-manufacturing index increasing from 56.7 to 56.9.

The unemployment rate dropped to 5.5 percent in February as 295,000 new jobs were created. Job growth continues to be a source of strength for the American economy. Over the past twelve months the labor force has added roughly 3.1 million jobs and the unemployment rate has dropped from 6.6 percent to 5.5 percent. The underemployment rate has also improved, dropping from 12.6 percent to 11.0 percent since March, 2014 (See Chart 1).

The Producer Price Index (PPI) including food and energy decreased 0.5 percent on a month-over-month basis. The PPI including food and energy has now declined in each of the past four months, and six of the past seven. The core PPI, which excludes food and energy, dropped 0.5 percent on a month-over-month basis in February. On the consumer side, prices have begun to increase. The Consumer Price Indices including and excluding food and energy (CPI) increased 0.2 percent on a month-over-month basis in February. On a year-over-year basis, the CPI including food and energy remained unchanged, while the core CPI increased 1.7 percent.

New and existing home sales rebounded in February, increasing by 7.8 percent and 1.2 percent respectively, as a drop in mortgage rates incentivized many Americans to purchase homes. Mortgage applications also rose as a result of lower rates. Applications increased 9.5 percent for the week ending March 20 compared to a 3.9 percent decline during the previous week.

The Federal Open Market Committee (FOMC) met on March 17 and 18 and voted to maintain the Fed funds target rate at zero to 0.25 percent. The FOMC also stated that a rate increase during the April meeting was unlikely. However, the FOMC did not indicate the importance of patience in regards to a rate increase as it had in the past, which led to speculation that rates may rise this year.

Yield Curve & Spreads - At the end of March, the 3-month Treasury bill yielded 0.02 percent, the 6-month Treasury bill yielded 0.13 percent, the 2-year Treasury note yielded 0.56 percent, the 5-year Treasury note yielded 1.37 percent, and the 10-year Treasury note yielded 1.92 percent (See Chart 2).

Additional Information
March 31, 2015

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/.

The information contained in this presentation comes from public sources which Cutwater Asset Management believes to be reliable. All opinions expressed in this document are solely those of Cutwater. A list of sources used for this document is available upon request.

**City of Ann Arbor
Activity and Performance Summary
for the period March 1, 2015 - March 31, 2015**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value	228,116,512.97
Additions	
Contributions	0.00
Interest Received	479,712.50
Accrued Interest Sold	0.00
Gain on Sales	2,000.27
Total Additions	481,712.77
Deductions	
Withdrawals	2,364,985.44
Fees Paid	14,519.58
Accrued Interest Purchased	291.67
Loss on Sales	0.00
Total Deductions	(2,379,796.69)
Accretion (Amortization) for the Period	(68,670.45)
Ending Amortized Cost Value	226,149,758.60
Ending Fair Value	227,373,474.51
Unrealized Gain (Loss)	1,223,715.91

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Certificates of Deposit	37.54	0.00	0.00	37.54
U.S. Treasury	124,523.37	(48,813.52)	0.00	75,709.85
U.S. Instrumentality	157,706.52	(19,777.87)	0.00	137,928.65
Sales and Maturities				
U.S. Treasury	725.14	(19.71)	0.00	705.43
U.S. Instrumentality	3,702.43	(59.35)	2,000.27	5,643.35
Total	286,695.00	(68,670.45)	2,000.27	220,024.82

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	One Month
Fed Funds	0.10 %	0.11 %	0.11 %
Overnight Repo	0.11 %	0.13 %	0.18 %
3 Month T-Bill	0.02 %	0.01 %	0.02 %
6 Month T-Bill	0.05 %	0.06 %	0.08 %
1 Year T-Note	0.14 %	0.18 %	0.25 %
2 Year T-Note	0.51 %	0.55 %	0.64 %
5 Year T-Note	1.58 %	1.48 %	1.52 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	286,695.00	286,695.00
Accretion (Amortization)	(68,670.45)	(68,670.45)
Realized Gain (Loss) on Sales	<u>2,000.27</u>	<u>2,000.27</u>
Total Income on Portfolio	220,024.82	220,024.82
Average Daily Historical Cost	222,558,456.96	210,150,896.22
Annualized Return	1.16%	1.23%
Annualized Return Net of Fees	1.09%	1.15%
Annualized Return Year to Date Net of Fees	1.08%	1.14%
Weighted Average Effective Maturity in Days	779	836

**City of Ann Arbor
Activity and Performance Summary
for the period March 1, 2015 - March 31, 2015**

Fair Value Basis Activity Summary

Beginning Fair Value	228,854,692.25
Additions	
Contributions	0.00
Interest Received	479,712.50
Accrued Interest Sold	0.00
Total Additions	479,712.50
Deductions	
Withdrawals	2,364,985.44
Fees Paid	14,519.58
Accrued Interest Purchased	291.67
Total Deductions	(2,379,796.69)
Change in Fair Value for the Period	418,866.45
Ending Fair Value	227,373,474.51

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Certificates of Deposit	37.54	0.00	37.54
U.S. Treasury	124,523.37	33,407.50	157,930.87
U.S. Instrumentality	157,706.52	386,926.95	544,633.47
Sales and Maturities			
U.S. Treasury	725.14	390.00	1,115.14
U.S. Instrumentality	3,702.43	(1,858.00)	1,844.43
Total	286,695.00	418,866.45	705,561.45

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	One Month
Fed Funds	0.10 %	0.11 %	0.11 %
Overnight Repo	0.11 %	0.13 %	0.18 %
3 Month T-Bill	0.04 %	0.02 %	-0.01 %
6 Month T-Bill	0.12 %	0.13 %	0.08 %
1 Year T-Note	0.19 %	0.11 %	0.15 %
BAML 1-3 Yr Tsy Index	1.00 %	1.40 %	2.74 %
BAML 1-5 Yr Tsy Index	1.90 %	2.83 %	4.94 %

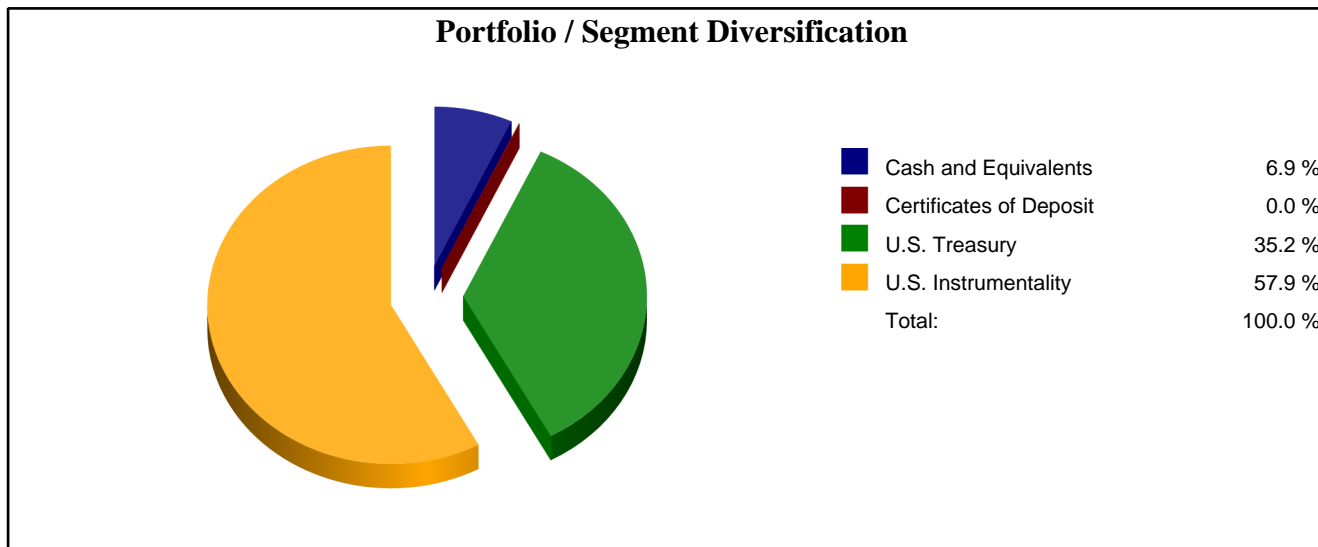
Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	286,695.00	286,695.00
Change in Fair Value	<u>418,866.45</u>	<u>418,866.45</u>
Total Income on Portfolio	705,561.45	705,561.45
Average Daily Historical Cost	222,558,456.96	210,150,896.22
Annualized Return	3.73%	3.95%
Annualized Return Net of Fees	3.66%	3.88%
Annualized Return Year to Date Net of Fees	2.87%	3.02%
Weighted Average Effective Maturity in Days	779	836

**City of Ann Arbor
Recap of Securities Held
March 31, 2015**

	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	15,730,881.69	15,730,881.69	15,730,881.69	0.00	1	1	6.87	0.00	0.00
Certificates of Deposit	108,993.62	108,993.62	108,993.62	0.00	108	108	0.05	0.40	0.30
U.S. Treasury	80,469,726.59	78,206,629.15	78,977,147.50	770,518.35	585	585	35.16	1.12	1.57
U.S. Instrumentality	132,528,765.90	132,103,254.14	132,556,451.70	453,197.56	1,194	990	57.91	1.33	2.61
Total	228,838,367.80	226,149,758.60	227,373,474.51	1,223,715.91	898	779	100.00	1.17	2.07

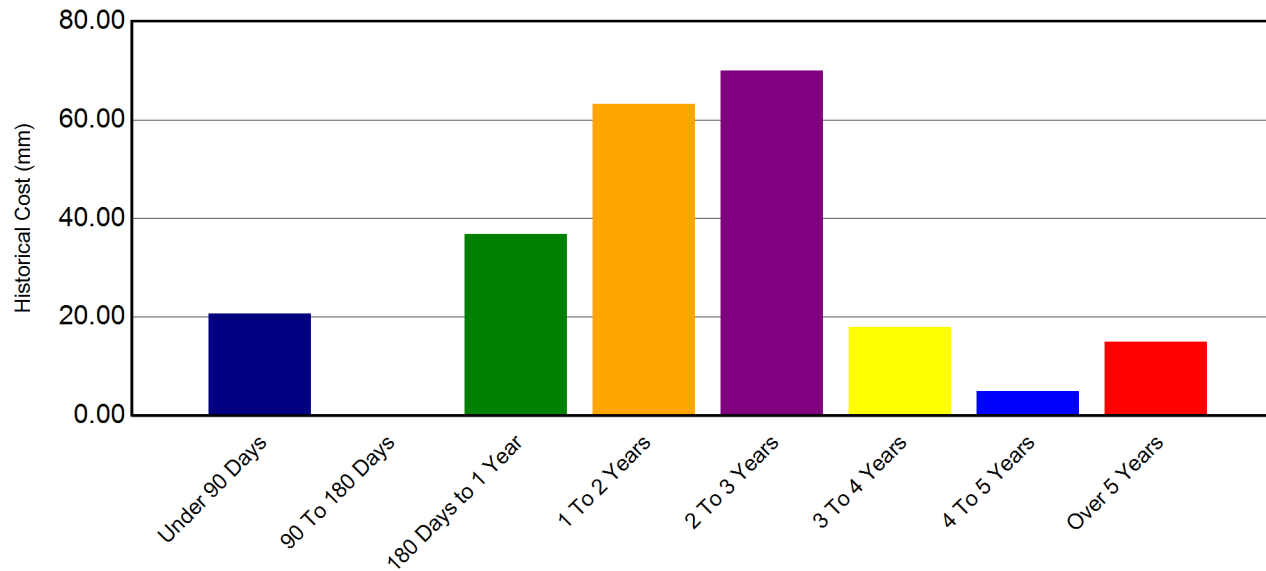
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Ann Arbor
Maturity Distribution of Securities Held
March 31, 2015**

Maturity	Historical Cost	Percent
Under 90 Days	20,723,381.69	9.06 %
90 To 180 Days	108,993.62	0.05 %
180 Days to 1 Year	36,850,434.78	16.10 %
1 To 2 Years	63,264,384.70	27.65 %
2 To 3 Years	69,902,363.01	30.55 %
3 To 4 Years	17,977,960.00	7.86 %
4 To 5 Years	5,025,300.00	2.20 %
Over 5 Years	14,985,550.00	6.55 %
	228,838,367.80	100.00 %

Maturity Distribution



**City of Ann Arbor
Securities Held
March 31, 2015**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
Cash and Equivalents													
JPMorgan Chase	03/31/15	0.000V		15,730,881.69	15,730,881.69	15,730,881.69	15,730,881.69	0.00	0.00	0.00	0.00	6.87	0.00
					0.00	0.00	0.00						
TOTAL (Cash and Equivalents)				15,730,881.69	15,730,881.69	15,730,881.69	15,730,881.69	0.00	0.00	0.00	0.00	6.87	
					0.00	0.00	0.00						
Certificates of Deposit													
Ann Arbor Bank	10/20/14	0.400	07/17/15	108,993.62	108,993.62	108,993.62	108,993.62	0.00	0.00	37.54	197.40	0.05	0.40
					0.00	0.00	0.00						
TOTAL (Certificates of Deposit)				108,993.62	108,993.62	108,993.62	108,993.62	0.00	0.00	37.54	197.40	0.05	
					0.00	0.00	0.00						
U.S. Treasury													
912828PE4	08/29/11	1.250	10/31/15	5,000,000.00	5,121,875.00	5,017,033.71	5,030,860.00	13,826.29	0.00	5,352.21	26,243.09	2.24	0.66
T-Note					0.00	(2,479.09)	(3,905.00)						
912828EN6	08/26/10	4.500	11/15/15	5,000,000.00	5,795,312.50	5,095,087.18	5,133,595.00	38,507.82	0.00	19,267.95	85,151.93	2.53	1.33
T-Note					0.00	(12,928.52)	(18,360.00)						
912828PJ3	08/29/11	1.375	11/30/15	5,000,000.00	5,146,093.75	5,022,844.78	5,038,670.00	15,825.22	0.00	5,855.08	23,042.58	2.25	0.68
T-Note					0.00	(2,914.35)	(5,470.00)						
912828KS8	08/26/10	2.625	02/29/16	5,000,000.00	5,287,890.63	5,047,767.25	5,107,030.00	59,262.75	0.00	11,056.38	11,413.04	2.31	1.53
T-Note					0.00	(4,433.49)	(9,375.00)						
912828QP8	09/06/12	1.750	05/31/16	5,000,000.00	5,247,656.25	5,077,403.93	5,081,250.00	3,846.07	0.00	7,451.92	29,326.92	2.29	0.41
T-Note					0.00	(5,632.69)	(4,295.00)						
912828KZ2	09/30/10	3.250	06/30/16	2,500,000.00	2,732,617.19	2,550,511.16	2,589,647.50	39,136.34	0.00	6,957.87	20,424.72	1.19	1.55
T-Note					0.00	(3,433.87)	(4,492.50)						
912828QR4	08/29/11	1.500	06/30/16	5,000,000.00	5,148,437.50	5,038,306.45	5,069,530.00	31,223.55	0.00	6,422.65	18,853.59	2.25	0.87
T-Note					0.00	(2,604.17)	(2,345.00)						
912828MA5	08/26/10	2.750	11/30/16	5,000,000.00	5,291,796.88	5,077,667.96	5,189,455.00	111,787.04	0.00	11,710.16	46,085.16	2.31	1.76
T-Note					0.00	(3,953.54)	(1,950.00)						
912828RU6	09/23/14	0.875	11/30/16	5,000,000.00	5,018,750.00	5,014,291.30	5,033,985.00	19,693.70	0.00	3,725.96	14,663.46	2.19	0.70
T-Note					0.00	(727.47)	5,470.00						
912828RX0	09/10/13	0.875	12/31/16	5,000,000.00	4,973,828.13	4,986,134.11	5,033,985.00	47,850.89	0.00	3,746.55	10,997.93	2.17	1.04
T-Note					0.00	671.63	5,080.00						
912828MS6	08/26/10	3.000	02/28/17	5,000,000.00	5,360,156.25	5,105,865.95	5,233,985.00	128,119.05	0.00	12,635.87	13,043.48	2.34	1.82
T-Note					0.00	(4,695.05)	0.00						
912828SJ0	09/10/13	0.875	02/28/17	5,000,000.00	4,957,812.50	4,976,725.29	5,031,640.00	54,914.71	0.00	3,685.46	3,804.35	2.17	1.12
T-Note					0.00	1,032.22	7,810.00						

**City of Ann Arbor
Securities Held
March 31, 2015**

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
912828PA2 T-Note	08/29/11	1.875	09/30/17	5,000,000.00	5,175,000.00 0.00	5,071,841.28 (2,439.30)	5,140,625.00 14,065.00	68,783.72	46,875.00	7,982.80	256.15	2.26	1.28
912828PA2 T-Note	12/09/14	1.875	09/30/17	5,000,000.00	5,116,015.63 0.00	5,103,238.08 (3,505.35)	5,140,625.00 14,065.00	37,386.92	46,875.00	7,982.80	256.15	2.24	1.03
912828PF1 T-Note	08/29/11	1.875	10/31/17	5,000,000.00	5,172,656.25 0.00	5,072,278.27 (2,373.55)	5,143,360.00 16,015.00	71,081.73	0.00	8,028.31	39,364.64	2.26	1.29
912828UA6 T-Note	11/18/13	0.625	11/30/17	5,000,000.00	4,923,828.13 0.00	4,949,632.45 1,603.07	4,978,905.00 21,095.00	29,272.55	0.00	2,661.40	10,473.90	2.15	1.01
TOTAL (U.S. Treasury)				77,500,000.00	80,469,726.59 0.00	78,206,629.15 (48,813.52)	78,977,147.50 33,407.50	770,518.35	93,750.00	124,523.37	353,401.09	35.16	

U.S. Instrumentality

31331GY29 FFCB	10/15/09	2.900	10/09/15	1,905,000.00	1,890,712.50 0.00	1,903,751.07 202.71	1,931,447.12 (4,210.05)	27,696.05	0.00	4,603.75	26,394.83	0.83	3.04
3137EACT4 FHLMC	01/11/12	2.500	05/27/16	4,000,000.00	4,253,480.00 0.00	4,066,939.02 (4,917.33)	4,095,288.00 (6,952.00)	28,348.98	0.00	8,333.33	34,444.44	1.86	1.02
313370TW8 FHLB	09/10/12	2.000	09/09/16	5,000,000.00	5,276,700.00 0.00	5,099,877.33 (5,875.14)	5,109,655.00 6,760.00	9,777.67	50,000.00	8,333.33	6,111.11	2.31	0.60
313381B53 FHLB	11/26/12	0.580	11/14/16	5,000,000.00	4,995,700.00 0.00	4,998,240.23 91.99	5,000,180.00 500.00	1,939.77	0.00	2,416.67	11,036.11	2.18	0.60
3133EEUT5 FFCB	03/26/15	0.700	01/23/17	5,000,000.00	5,007,450.00 291.67	5,007,383.18 (66.82)	5,007,100.00 (350.00)	(283.18)	0.00	486.11	777.78	2.19	0.62
3133ECGF5 FFCB	Call 02/27/13	0.800	02/27/17 04/01/15	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,999,430.00 15,095.00	(570.00)	0.00	3,333.34	3,777.78	2.18	0.80
3133EDEB4 FFCB	01/30/14	1.100	06/28/17	5,000,000.00	5,012,500.00 0.00	5,008,222.89 (311.25)	5,042,440.00 12,980.00	34,217.11	0.00	4,583.33	14,208.33	2.19	1.03
3133EECS7 FFCB	Call 12/01/14	1.010	08/25/17 04/25/15	5,000,000.00	4,995,000.00 0.00	4,995,606.21 155.31	4,992,675.00 (7,580.00)	(2,931.21)	0.00	4,208.33	5,050.00	2.18	1.05
313370SZ2 FHLB	01/09/14	2.250	09/08/17	5,000,000.00	5,171,550.00 0.00	5,114,238.45 (3,974.63)	5,169,170.00 10,260.00	54,931.55	56,250.00	9,375.00	7,187.50	2.26	1.29
3134G3H52 FHLMC	Call 09/12/12	1.000	09/12/17 06/12/15	5,000,000.00	4,997,500.00 0.00	4,998,774.64 42.44	4,997,740.00 10,850.00	(1,034.64)	25,000.00	4,166.67	2,638.89	2.18	1.01
3133EC2M5 FFCB	Call 11/25/14	0.940	11/13/17 04/13/15	3,185,000.00	3,171,623.00 997.97	3,173,190.23 382.55	3,178,250.99 3,427.06	5,060.76	0.00	2,494.92	11,476.62	1.39	1.08
3135G0SF1 FNMA	Call 11/28/12	1.000	11/28/17 05/28/15	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,987,210.00 12,445.00	(12,790.00)	0.00	4,166.66	17,083.33	2.18	1.00
313371VG8 FHLB	10/22/14	2.250	12/08/17	5,000,000.00	5,191,000.00 0.00	5,164,096.24 (5,180.23)	5,158,340.00 12,275.00	(5,756.24)	0.00	9,375.00	35,312.50	2.27	1.01

**City of Ann Arbor
Securities Held
March 31, 2015**

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	
3135G0VC4 FNMA	11/25/14	1.130	02/28/18	6,000,000.00	5,990,040.00 0.00	5,991,102.07 259.25	6,038,286.00 44,958.00	47,183.93	0.00	5,650.00	5,838.33	2.62	1.18	
3133EETE0 FFCB	03/12/15	1.125	03/12/18	5,000,000.00	4,988,950.00 0.00	4,989,151.64 201.64	5,024,265.00 35,315.00	35,113.36	0.00	2,968.75	2,968.75	2.18	1.20	
3133ECJX3 FFCB	Call 04/02/13	1.040	03/26/18 04/01/15	5,000,000.00	4,996,700.00 0.00	4,998,022.54 56.24	4,992,605.00 8,235.00	(5,417.54)	26,000.00	4,333.33	722.22	2.18	1.05	
3135G0WJ8 FNMA	06/03/13	0.875	05/21/18	3,000,000.00	2,953,560.00 0.00	2,970,645.21 794.07	2,992,872.00 23,538.00	22,226.79	0.00	2,187.50	9,479.17	1.29	1.20	
3135G0XG3 FNMA	Call 05/21/13	1.000	05/21/18 05/21/15	5,000,000.00	4,982,150.00 0.00	4,988,797.32 303.04	4,969,775.00 20,245.00	(19,022.32)	0.00	4,166.67	18,055.56	2.18	1.07	
3130A4T93 FHLB	Call 03/30/15	1.125	06/29/18 03/29/16	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,004,680.00 4,680.00	4,680.00	0.00	156.25	156.25	2.18	1.13	
3133EDZ62 FFCB	Call 10/22/14	1.550	10/22/18 10/22/15	5,000,000.00	4,995,000.00 0.00	4,995,550.99 106.09	5,008,375.00 20,860.00	12,824.01	0.00	6,458.34	34,229.17	2.18	1.58	
3135G0YT4 FNMA	12/09/14	1.625	11/27/18	5,000,000.00	5,017,650.00 2,708.33	5,016,273.57 (377.60)	5,079,405.00 25,130.00	63,131.43	0.00	6,770.83	27,986.11	2.19	1.53	
3133EDVK5 FFCB	12/09/14	1.750	03/18/19	5,000,000.00	5,024,600.00 0.00	5,022,818.08 (488.84)	5,080,475.00 30,130.00	57,656.92	43,750.00	7,291.66	3,159.72	2.20	1.63	
3134G3JM3 FHLMC	02/28/14	2.000	07/30/19	5,000,000.00	5,025,300.00 0.00	5,020,222.09 (396.51)	5,142,685.00 42,165.00	122,462.91	0.00	8,333.33	16,944.44	2.20	1.90	
3134G3K90 FHLMC	09/25/12	1.700	09/25/20	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,000,225.00 41,430.00	225.00	42,500.00	7,083.34	1,416.67	2.18	1.70	
313380PE1 FHLB	Call 09/28/12	1.850	09/28/20 04/28/15	5,000,000.00	4,990,000.00 0.00	4,993,131.42 106.09	4,967,840.00 33,405.00	(25,291.42)	46,250.00	7,708.33	770.83	2.18	1.88	
3130A0A34 FHLB	Call 11/18/13	2.790	11/04/20 11/04/15	3,590,000.00	3,613,550.40 0.00	3,597,137.48 (1,019.64)	3,629,852.59 595.94	32,715.11	0.00	8,346.75	40,899.08	1.58	2.45	
3133EDMG4 FFCB	Call 05/27/14	2.590	05/27/21 05/27/15	5,000,000.00	4,992,500.00 0.00	4,993,406.34 90.93	5,012,755.00 (5,320.00)	19,348.66	0.00	10,791.67	44,605.56	2.18	2.61	
313380NM5 FHLB	Call 09/19/12	2.300	09/19/22 04/19/15	5,000,000.00	4,995,550.00 0.00	4,996,675.90 37.77	4,943,430.00 (3,940.00)	(53,245.90)	57,500.00	9,583.33	3,833.33	2.18	2.31	
TOTAL (U.S. Instrumentality)					131,680,000.00	132,528,765.90 3,997.97	132,103,254.14 (19,777.87)	132,556,451.70 386,926.95	453,197.56	347,250.00	157,706.52	386,564.41	57.91	

**City of Ann Arbor
Securities Held
March 31, 2015**

GRAND TOTAL	225,019,875.31	228,838,367.80	226,149,758.60	227,373,474.51	1,223,715.91	441,000.00	282,267.43	740,162.90	100.00
		3,997.97	(68,591.39)	420,334.45					

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

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2015

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>												
912828PE4	U.S. Treasury	1.250	10/31/2015		AA+	Aaa	5,000,000.00	5,121,875.00	2.24	5,030,860.00	2.21	0.58
912828EN6	U.S. Treasury	4.500	11/15/2015		AA+	Aaa	5,000,000.00	5,795,312.50	2.53	5,133,595.00	2.26	0.61
912828PJ3	U.S. Treasury	1.375	11/30/2015		AA+	Aaa	5,000,000.00	5,146,093.75	2.25	5,038,670.00	2.22	0.66
912828KS8	U.S. Treasury	2.625	02/29/2016		AA+	Aaa	5,000,000.00	5,287,890.63	2.31	5,107,030.00	2.25	0.91
912828QP8	U.S. Treasury	1.750	05/31/2016		AA+	Aaa	5,000,000.00	5,247,656.25	2.29	5,081,250.00	2.23	1.15
912828KZ2	U.S. Treasury	3.250	06/30/2016		AA+	Aaa	2,500,000.00	2,732,617.19	1.19	2,589,647.50	1.14	1.23
912828QR4	U.S. Treasury	1.500	06/30/2016		AA+	Aaa	5,000,000.00	5,148,437.50	2.25	5,069,530.00	2.23	1.24
912828MA5	U.S. Treasury	2.750	11/30/2016		AA+	Aaa	5,000,000.00	5,291,796.88	2.31	5,189,455.00	2.28	1.62
912828RU6	U.S. Treasury	0.875	11/30/2016		AA+	Aaa	5,000,000.00	5,018,750.00	2.19	5,033,985.00	2.21	1.65
912828RX0	U.S. Treasury	0.875	12/31/2016		AA+	Aaa	5,000,000.00	4,973,828.13	2.17	5,033,985.00	2.21	1.73
912828MS6	U.S. Treasury	3.000	02/28/2017		AA+	Aaa	5,000,000.00	5,360,156.25	2.34	5,233,985.00	2.30	1.87
912828SJ0	U.S. Treasury	0.875	02/28/2017		AA+	Aaa	5,000,000.00	4,957,812.50	2.17	5,031,640.00	2.21	1.90
912828PA2	U.S. Treasury	1.875	09/30/2017		AA+	Aaa	10,000,000.00	10,291,015.63	4.50	10,281,250.00	4.52	2.45
912828PF1	U.S. Treasury	1.875	10/31/2017		AA+	Aaa	5,000,000.00	5,172,656.25	2.26	5,143,360.00	2.26	2.51
912828UA6	U.S. Treasury	0.625	11/30/2017		AA+	Aaa	5,000,000.00	4,923,828.13	2.15	4,978,905.00	2.19	2.63
ISSUER TOTAL							77,500,000.00	80,469,726.59	35.16	78,977,147.50	34.73	1.59
<u>FFCB</u>												
3133EDMG4	U.S. Instrumentality	2.590	05/27/2021	05/27/2015	AA+	Aaa	5,000,000.00	4,992,500.00	2.18	5,012,755.00	2.20	0.16
31331GY29	U.S. Instrumentality	2.900	10/09/2015		AA+	Aaa	1,905,000.00	1,890,712.50	0.83	1,931,447.12	0.85	0.51
3133EDZ62	U.S. Instrumentality	1.550	10/22/2018	10/22/2015	AA+	Aaa	5,000,000.00	4,995,000.00	2.18	5,008,375.00	2.20	0.55
3133EEUT5	U.S. Instrumentality	0.700	01/23/2017		AA+	Aaa	5,000,000.00	5,007,450.00	2.19	5,007,100.00	2.20	1.80
3133ECGF5	U.S. Instrumentality	0.800	02/27/2017	04/01/2015	AA+	Aaa	5,000,000.00	5,000,000.00	2.18	4,999,430.00	2.20	1.89
3133EDEB4	U.S. Instrumentality	1.100	06/28/2017		AA+	Aaa	5,000,000.00	5,012,500.00	2.19	5,042,440.00	2.22	2.21
3133EECS7	U.S. Instrumentality	1.010	08/25/2017	04/25/2015	AA+	Aaa	5,000,000.00	4,995,000.00	2.18	4,992,675.00	2.20	2.36
3133EC2M5	U.S. Instrumentality	0.940	11/13/2017	04/13/2015	AA+	Aaa	3,185,000.00	3,171,623.00	1.39	3,178,250.99	1.40	2.57
3133EETE0	U.S. Instrumentality	1.125	03/12/2018		AA+	Aaa	5,000,000.00	4,988,950.00	2.18	5,024,265.00	2.21	2.89
3133ECJX3	U.S. Instrumentality	1.040	03/26/2018	04/01/2015	AA+	Aaa	5,000,000.00	4,996,700.00	2.18	4,992,605.00	2.20	2.93
3133EDVK5	U.S. Instrumentality	1.750	03/18/2019		AA+	Aaa	5,000,000.00	5,024,600.00	2.20	5,080,475.00	2.23	3.82
ISSUER TOTAL							50,090,000.00	50,075,035.50	21.88	50,269,818.11	22.11	2.04
<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	1.58	3,629,852.59	1.60	0.58
3130A4T93	U.S. Instrumentality	1.125	06/29/2018	03/29/2016	AA+	Aaa	5,000,000.00	5,000,000.00	2.18	5,004,680.00	2.20	0.99

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2015

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)
313370TW8	U.S. Instrumentality	2.000	09/09/2016		AA+	Aaa	5,000,000.00	5,276,700.00	2.31	5,109,655.00	2.25	1.42
313381B53	U.S. Instrumentality	0.580	11/14/2016		AA+	Aaa	5,000,000.00	4,995,700.00	2.18	5,000,180.00	2.20	1.61
313370SZ2	U.S. Instrumentality	2.250	09/08/2017		AA+	Aaa	5,000,000.00	5,171,550.00	2.26	5,169,170.00	2.27	2.37
313371VG8	U.S. Instrumentality	2.250	12/08/2017		AA+	Aaa	5,000,000.00	5,191,000.00	2.27	5,158,340.00	2.27	2.59
313380PE1	U.S. Instrumentality	1.850	09/28/2020	04/28/2015	AA+	Aaa	5,000,000.00	4,990,000.00	2.18	4,967,840.00	2.18	5.19
313380NM5	U.S. Instrumentality	2.300	09/19/2022	04/19/2015	AA+	Aaa	5,000,000.00	4,995,550.00	2.18	4,943,430.00	2.17	6.81
ISSUER TOTAL							38,590,000.00	39,234,050.40	17.14	38,983,147.59	17.14	2.76

FNMA

3135G0SF1	U.S. Instrumentality	1.000	11/28/2017	05/28/2015	AA+	Aaa	5,000,000.00	5,000,000.00	2.18	4,987,210.00	2.19	2.61
3135G0VC4	U.S. Instrumentality	1.130	02/28/2018		AA+	Aaa	6,000,000.00	5,990,040.00	2.62	6,038,286.00	2.66	2.86
3135G0XG3	U.S. Instrumentality	1.000	05/21/2018	05/21/2015	AA+	Aaa	5,000,000.00	4,982,150.00	2.18	4,969,775.00	2.19	3.07
3135G0WJ8	U.S. Instrumentality	0.875	05/21/2018		AA+	Aaa	3,000,000.00	2,953,560.00	1.29	2,992,872.00	1.32	3.08
3135G0YT4	U.S. Instrumentality	1.625	11/27/2018		AA+	Aaa	5,000,000.00	5,017,650.00	2.19	5,079,405.00	2.23	3.52
ISSUER TOTAL							24,000,000.00	23,943,400.00	10.46	24,067,548.00	10.59	3.02

FHLMC

3137EACT4	U.S. Instrumentality	2.500	05/27/2016		AA+	Aaa	4,000,000.00	4,253,480.00	1.86	4,095,288.00	1.80	1.14
3134G3H52	U.S. Instrumentality	1.000	09/12/2017	06/12/2015	AA+	Aaa	5,000,000.00	4,997,500.00	2.18	4,997,740.00	2.20	2.41
3134G3JM3	U.S. Instrumentality	2.000	07/30/2019		AA+	Aaa	5,000,000.00	5,025,300.00	2.20	5,142,685.00	2.26	4.13
3134G3K90	U.S. Instrumentality	1.700	09/25/2020		AA+	Aaa	5,000,000.00	5,000,000.00	2.18	5,000,225.00	2.20	5.21
ISSUER TOTAL							19,000,000.00	19,276,280.00	8.42	19,235,938.00	8.46	3.33

JPMorgan Chase

	Cash and Equivalents	0.000			NR	NR	15,730,881.69	15,730,881.69	6.87	15,730,881.69	6.92	0.00
ISSUER TOTAL							15,730,881.69	15,730,881.69	6.87	15,730,881.69	6.92	0.00

Ann Arbor Bank

	Certificates of Deposit	0.400	07/17/2015		NR	NR	108,993.62	108,993.62	0.05	108,993.62	0.05	0.30
ISSUER TOTAL							108,993.62	108,993.62	0.05	108,993.62	0.05	0.30

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2015

GRAND TOTAL	225,019,875.31	228,838,367.80	100.00	227,373,474.51	100.00	2.08
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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, 2015 - March 31, 2015**

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	03/31/2015	0.000V		3,609,290.81	100.000	3,609,290.81	0.00	0.00
TOTAL (Cash and Equivalents)				3,609,290.81		3,609,290.81	0.00	
<u>U.S. Instrumentality</u>								
3133EETE0 FFCB	03/12/2015	1.125	03/12/2018	5,000,000.00	99.779	4,988,950.00	0.00	1.20
3133EEUT5 FFCB	03/26/2015	0.700	01/23/2017	5,000,000.00	100.149	5,007,450.00	291.67	0.62
3130A4T93 FHLB	Call 03/30/2015	1.125	06/29/2018 03/29/2016	5,000,000.00	100.000	5,000,000.00	0.00	1.13
TOTAL (U.S. Instrumentality)				15,000,000.00		14,996,400.00	291.67	
GRAND TOTAL				18,609,290.81		18,605,690.81	291.67	

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

City of Ann Arbor
Securities Sold and Matured
March 1, 2015 - March 31, 2015

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>													
912828SK7 T-Note	03/15/2015	0.375	03/15/2015	5,000,000.00	5,000,781.25	5,000,000.00 (19.71)	100.00	5,000,000.00 390.00	0.00	0.00	9,375.00	725.14	0.36
TOTAL (U.S. Treasury)				5,000,000.00	5,000,781.25	5,000,000.00 (19.71)		5,000,000.00 390.00	0.00	0.00	9,375.00	725.14	
<u>U.S. Instrumentality</u>													
3130A1FG8 FHLB	03/02/2015	0.140	03/02/2015	2,000,000.00	2,000,100.00	2,000,000.00 (0.52)	100.00	2,000,000.00 0.00	0.00	0.00	1,400.00	7.78	0.13
3130A2D52 FHLB	03/09/2015	0.100	03/09/2015	2,200,000.00	2,199,626.00	2,200,000.00 14.89	100.00	2,200,000.00 11.00	0.00	0.00	1,100.00	48.89	0.13
3134G36G0 FHLMC	03/18/2015	0.350	03/18/2015	1,050,000.00	1,051,333.50	1,050,000.00 (107.95)	100.00	1,050,000.00 (84.00)	0.00	0.00	1,837.50	173.54	0.13
3130A15L8 FHLB	Call 03/26/2015	1.250V	03/26/2019 06/26/2015	5,000,000.00	4,997,500.00	4,997,999.73 34.23	100.00	5,000,000.00 (1,785.00)	2,000.27	0.00	25,000.00	3,472.22	1.25
TOTAL (U.S. Instrumentality)				10,250,000.00	10,248,559.50	10,247,999.73 (59.35)		10,250,000.00 (1,858.00)	2,000.27	0.00	29,337.50	3,702.43	
GRAND TOTAL				15,250,000.00	15,249,340.75	15,247,999.73 (79.06)		15,250,000.00 (1,468.00)	2,000.27	0.00	38,712.50	4,427.57	

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

**City of Ann Arbor
Transaction Report
for the period March 1, 2015 - March 31, 2015**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
03/02/2015		Maturity	CE	Int Receivable	03/02/2015	255,775.00	255,775.00	0.00	255,775.00	255,775.00
03/02/2015		Maturity	CE	Prn Receivable	03/02/2015	5,000,000.00	5,000,000.00	0.00	5,000,000.00	5,255,775.00
03/02/2015	3130A1FG8	Maturity	INS	FHLB	03/02/2015	2,000,000.00	2,000,000.00	0.00	2,000,000.00	7,255,775.00
03/02/2015	3130A1FG8	Interest	INS	FHLB	03/02/2015	2,000,000.00	0.00	1,400.00	1,400.00	7,257,175.00
03/08/2015	313370SZ2	Interest	INS	FHLB	09/08/2017	5,000,000.00	0.00	56,250.00	56,250.00	7,313,425.00
03/09/2015	3130A2D52	Interest	INS	FHLB	03/09/2015	2,200,000.00	0.00	1,100.00	1,100.00	7,314,525.00
03/09/2015	3130A2D52	Maturity	INS	FHLB	03/09/2015	2,200,000.00	2,200,000.00	0.00	2,200,000.00	9,514,525.00
03/09/2015	313370TW8	Interest	INS	FHLB	09/09/2016	5,000,000.00	0.00	50,000.00	50,000.00	9,564,525.00
03/12/2015	3133EETE0	Bought	INS	FFCB	03/12/2018	5,000,000.00	4,988,950.00	0.00	(4,988,950.00)	4,575,575.00
03/12/2015	3134G3H52	Interest	INS	FHLMC	09/12/2017	5,000,000.00	0.00	25,000.00	25,000.00	4,600,575.00
03/15/2015	912828SK7	Maturity	TSY	T-Note	03/15/2015	5,000,000.00	5,000,000.00	0.00	5,000,000.00	9,600,575.00
03/15/2015	912828SK7	Interest	TSY	T-Note	03/15/2015	5,000,000.00	0.00	9,375.00	9,375.00	9,609,950.00
03/18/2015	3133EDVK5	Interest	INS	FFCB	03/18/2019	5,000,000.00	0.00	43,750.00	43,750.00	9,653,700.00
03/18/2015	3134G36G0	Interest	INS	FHLMC	03/18/2015	1,050,000.00	0.00	1,837.50	1,837.50	9,655,537.50
03/18/2015	3134G36G0	Maturity	INS	FHLMC	03/18/2015	1,050,000.00	1,050,000.00	0.00	1,050,000.00	10,705,537.50
03/19/2015	313380NM5	Interest	INS	FHLB	09/19/2022	5,000,000.00	0.00	57,500.00	57,500.00	10,763,037.50
03/25/2015	3134G3K90	Interest	INS	FHLMC	09/25/2020	5,000,000.00	0.00	42,500.00	42,500.00	10,805,537.50
03/26/2015	3130A15L8	Interest	INS	FHLB	03/26/2019	5,000,000.00	0.00	25,000.00	25,000.00	10,830,537.50
03/26/2015	3130A15L8	Call	INS	FHLB	03/26/2019	5,000,000.00	5,000,000.00	0.00	5,000,000.00	15,830,537.50
03/26/2015	3133ECJX3	Interest	INS	FFCB	03/26/2018	5,000,000.00	0.00	26,000.00	26,000.00	15,856,537.50
03/26/2015	3133EEUT5	Bought	INS	FFCB	01/23/2017	5,000,000.00	5,007,450.00	291.67	(5,007,741.67)	10,848,795.83
03/28/2015	313380PE1	Interest	INS	FHLB	09/28/2020	5,000,000.00	0.00	46,250.00	46,250.00	10,895,045.83
03/30/2015	3130A4T93	Bought	INS	FHLB	06/29/2018	5,000,000.00	5,000,000.00	0.00	(5,000,000.00)	5,895,045.83
03/31/2015		Bought	CE	JPMorgan Chase		3,609,290.81	3,609,290.81	0.00	(3,609,290.81)	2,285,755.02
03/31/2015	912828PA2	Interest	TSY	T-Note	09/30/2017	10,000,000.00	0.00	93,750.00	93,750.00	2,379,505.02
Portfolio Activity Total									2,379,505.02	

Net Contributions:	0.00
Net Withdrawals:	2,364,985.44

Fees Charged:	13,909.90
Fees Paid:	14,519.58

**City of Ann Arbor
Securities Bid and Offer
for the period 3/1/2015 - 3/31/2015**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
BUY	03/12/2015	FFCB 1.125 03/12/2018		WELLS	5,000,000		99.779	1.20	MOR - FHLMC 0.875 03/07/18 @ YTM 1.16 JEF - FHLB 1.375 03/09/18 @ YTM 1.19
BUY	03/26/2015	FFCB .7 01/23/2017		MIZ	5,000,000		100.149	0.62	MER - FHLMC 0.50 01/27/17 @ YTM 0.58 JEF - TSY NOTE 0.50 01/31/17 @ YTM 0.53
BUY	03/30/2015	FHLB 1.125 06/29/2018	03/29/16	RAY	5,000,000		100.000	1.125/1.125	MER @ 100.00 UBS @ 100.00

**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
04/09/2015	Interest	31331GY29	FFCB	2.900	10/09/2015		1,905,000.00	0.00	27,622.50	27,622.50
04/22/2015	Interest	3133EDZ62	FFCB	1.550	10/22/2018	10/22/2015	5,000,000.00	0.00	38,750.00	38,750.00
04/30/2015	Interest	912828PE4	T-Note	1.250	10/31/2015		5,000,000.00	0.00	31,250.00	31,250.00
04/30/2015	Interest	912828PF1	T-Note	1.875	10/31/2017		5,000,000.00	0.00	46,875.00	46,875.00
05/04/2015	Interest	3130A0A34	FHLB	2.790	11/04/2020	11/04/2015	3,590,000.00	0.00	50,080.50	50,080.50
05/13/2015	Interest	3133EC2M5	FFCB	0.940	11/13/2017	04/13/2015	3,185,000.00	0.00	14,969.50	14,969.50
05/14/2015	Interest	313381B53	FHLB	0.580	11/14/2016		5,000,000.00	0.00	14,500.00	14,500.00
05/15/2015	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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For any questions concerning this report please contact accounting either by phone or email to camreports@cutwater.com.

➤ A BNY MELLON COMPANYSM

