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CITY OF ANN ARBOR

Reports for the period March 1, 2010 – March 31, 2010

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

Fixed Income Market Review March 31, 2010

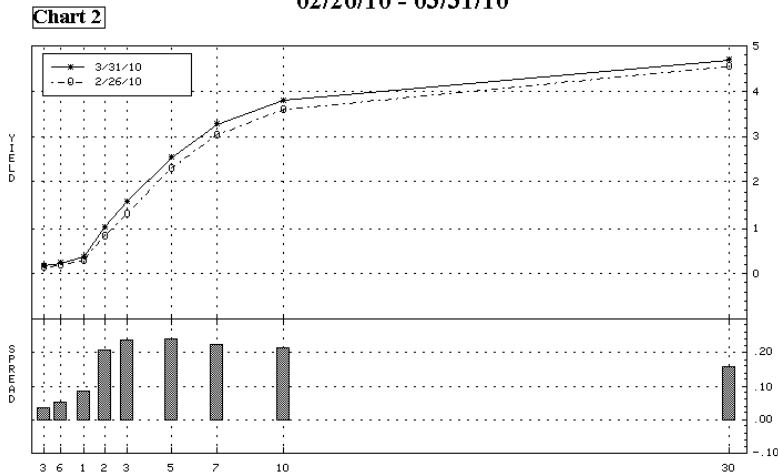
Nonfarm Payrolls Monthly Net Changes
03/31/05 - 03/31/10



Economic Indicators & Monetary Policy – The U.S. economy created 162,000 net jobs in March, the largest monthly gain in three years. (See Chart 1.) This includes 48,000 temporary jobs added for the 2010 census and another 17,000 jobs created in the manufacturing industry. Positive revisions to the January and February payroll reports helped the U.S. economy register an overall net growth of 224,000 jobs in the 1st quarter of 2010. Payroll growth continues to confirm that the business environment and outlook at larger companies is constructive. The unemployment rate, which remained stable at 9.7% for the third straight month, can often do a better job at capturing employment trends for small businesses and suggests that stabilization in the jobs market is broad based.

In gross domestic product terms, the economy grew at a revised annual pace of 5.6 percent during the final quarter of last year, the largest increase in more than six years. Economists expect this pace to moderate in coming quarters with 3.0 percent growth expected for all of 2010. Durable goods orders rose in February for the third consecutive month with an increase of 0.5 percent. This follows a revised surge of 3.9 percent in January and is an indication that strength in the manufacturing sector will continue. Despite persistent job concerns and weather related disruptions, retail sales unexpectedly climbed 0.3 percent in February. This may be pointing to a broadening in demand that will help the economy expand this year.

Treasury Yield Curves
02/26/10 - 03/31/10



As expected, the fed funds target rate was unchanged at the latest Federal Open Market Committee (FOMC) meeting on March 16th. The FOMC still expects inflationary pressures to remain low with “substantial resource slack” in the economy and current market conditions are “likely to warrant exceptionally low levels of the federal funds rate for an extended period.” At the end of March, the FOMC completed the final purchases of agency mortgage-backed securities and agency debt it targeted over a year ago.

Yield Curve & Spreads – In March, Treasury yields moved higher with growing concerns of a ballooning deficit and increased odds of a rate increase by the FOMC before the end of 2010.

At the end of March, three-month Treasury bills yielded 0.15 percent, six-month Treasury bills yielded 0.23 percent, two-year Treasuries yielded 1.02 percent, five-year Treasuries yielded 2.54 percent, 10-year Treasuries yielded 3.83 percent, and 30-year bonds yielded 4.71 percent. (See Chart 2.)

Additional Information
March 31, 2010

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

Cutwater Investor Service Corporation
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.

City of Ann Arbor
Activity and Performance Summary
for the period March 1, 2010 - March 31, 2010

<u>Amortized Cost Basis Activity Summary</u>	
Beginning Amortized Cost Value	221,880,436.65
Additions	
Contributions	0.00
Interest Received	817,593.69
Accrued Interest Sold	26,094.50
Gain on Sales	0.00
Total Additions	843,688.19
Deductions	
Withdrawals	26,436,515.34
Fees Paid	13,666.80
Accrued Interest Purchased	26,549.91
Loss on Sales	0.00
Total Deductions	(26,476,732.05)
Accretion (Amortization) for the Period	(130,720.73)
Ending Amortized Cost Value	196,116,672.06
Ending Fair Value	199,744,781.39
Unrealized Gain (Loss)	3,628,109.33

<u>Detail of Amortized Cost Basis Return</u>				
	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	243.69	0.00	0.00	243.69
U.S. Treasury	57,409.28	(442.43)	0.00	56,966.85
U.S. Instrumentality	495,382.27	(124,547.80)	0.00	370,834.47
Sales and Maturities				
Repurchase Agreement	1,017.94	0.00	0.00	1,017.94
U.S. Instrumentality	39,150.00	(5,730.50)	0.00	33,419.50
Total	593,203.18	(130,720.73)	0.00	462,482.45

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.15%	0.13%	0.16%
Overnight Repo	0.07%	0.05%	0.08%
3 Month T-Bill	0.12%	0.08%	0.15%
6 Month T-Bill	0.23%	0.17%	0.22%
1 Year T-Note	0.42%	0.36%	0.40%
2 Year T-Note	0.95%	0.89%	0.95%
5 Year T-Note	2.36%	2.36%	2.44%

<u>Summary of Amortized Cost Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	593,203.18	592,959.49
Accretion (Amortization)	(130,720.73)	(130,720.73)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	462,482.45	462,238.76
Average Daily Historical Cost	215,647,869.98	207,024,163.26
Annualized Return	2.53%	2.63%
Annualized Return Net of Fees	2.45%	2.55%
Annualized Return Year to Date Net of Fees	2.62%	2.70%
Weighted Average Effective Maturity in Days	470	480

City of Ann Arbor
Activity and Performance Summary
for the period March 1, 2010 - March 31, 2010

<u>Fair Value Basis Activity Summary</u>		
Beginning Fair Value		226,233,979.61
Additions		
Contributions	0.00	
Interest Received	817,593.69	
Accrued Interest Sold	26,094.50	
Total Additions		843,688.19
Deductions		
Withdrawals	26,436,515.34	
Fees Paid	13,666.80	
Accrued Interest Purchased	26,549.91	
Total Deductions		(26,476,732.05)
Change in Fair Value for the Period		(856,154.36)
Ending Fair Value		199,744,781.39

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	243.69	0.00	243.69
U.S. Treasury	57,409.28	(95,705.63)	(38,296.35)
U.S. Instrumentality	495,382.27	(726,742.15)	(231,359.88)
Sales and Maturities			
Repurchase Agreement	1,017.94	0.00	1,017.94
U.S. Instrumentality	39,150.00	(33,706.58)	5,443.42
Total	593,203.18	(856,154.36)	(262,951.18)

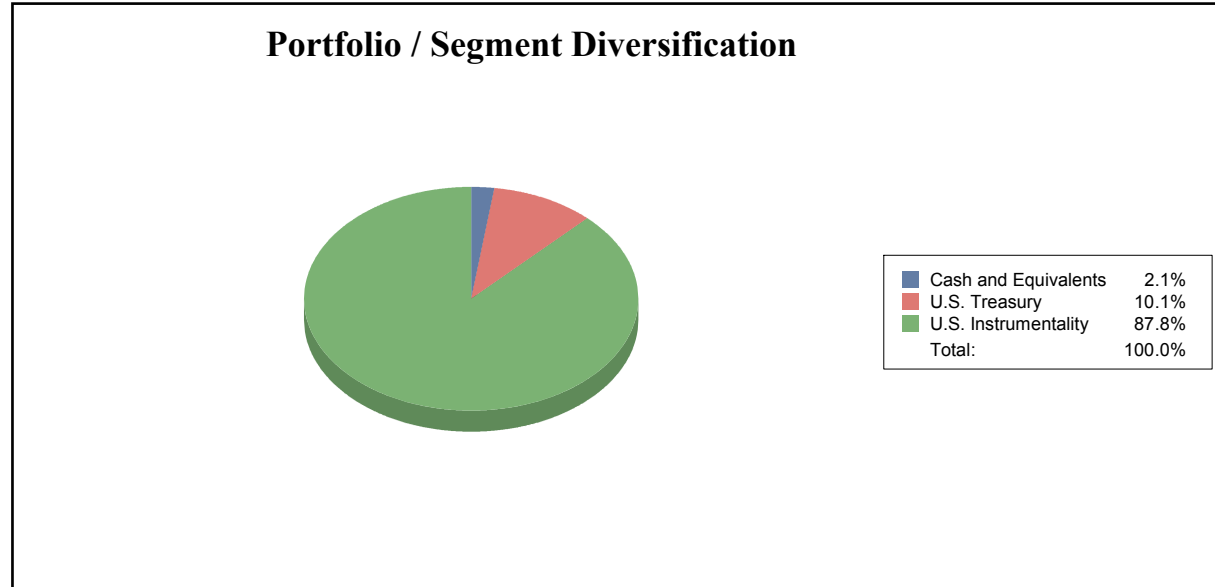
<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.15%	0.13%	0.16%
Overnight Repo	0.07%	0.05%	0.08%
3 Month T-Bill	0.19%	0.10%	0.12%
6 Month T-Bill	0.51%	0.30%	0.12%
1 Year T-Note	0.88%	0.58%	(0.24%)
2 Year T-Note	1.57%	1.68%	(3.30%)
5 Year T-Note	(0.11%)	2.23%	(11.07%)

<u>Summary of Fair Value Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	593,203.18	592,959.49
Change in Fair Value	<u>(856,154.36)</u>	<u>(856,154.36)</u>
Total Income on Portfolio	(262,951.18)	(263,194.87)
Average Daily Historical Cost	215,647,869.98	207,024,163.26
Annualized Return	(1.44%)	(1.50%)
Annualized Return Net of Fees	(1.51%)	(1.57%)
Annualized Return Year to Date Net of Fees	2.63%	2.70%
Weighted Average Effective Maturity in Days	470	480

**City of Ann Arbor
Recap of Securities Held
March 31, 2010**

	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	4,115,559.44	4,115,559.44	4,115,559.44	0.00	1	1	2.08	0.05	0.00
U.S. Treasury	20,034,375.01	20,021,189.00	20,724,610.00	703,421.00	648	648	10.15	3.41	1.71
U.S. Instrumentality	173,318,190.02	171,979,923.62	174,904,611.95	2,924,688.33	1,110	461	87.77	2.74	1.19
TOTAL	197,468,124.47	196,116,672.06	199,744,781.39	3,628,109.33	1,040	470	100.00	2.76	1.22

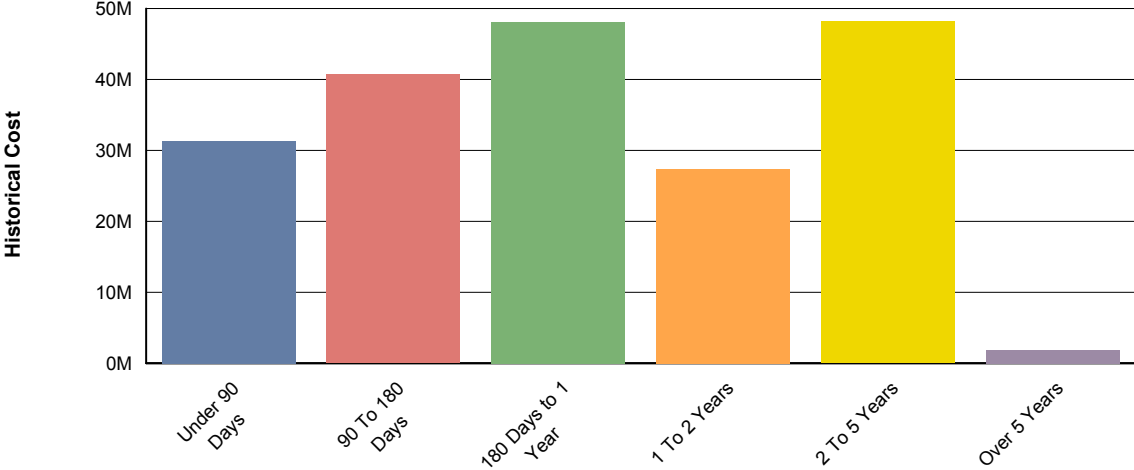
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Ann Arbor
Maturity Distribution of Securities Held
March 31, 2010**

Maturity	Historical Cost	Percent
Under 90 Days	31,341,469.44	15.87%
90 To 180 Days	40,654,762.50	20.59%
180 Days to 1 Year	48,095,541.13	24.36%
1 To 2 Years	27,354,961.03	13.85%
2 To 5 Years	48,130,677.87	24.37%
Over 5 Years	1,890,712.50	0.96%
	197,468,124.47	100.00%

Maturity Distribution



**City of Ann Arbor
Securities Held
March 31, 2010**

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>													
BankOne	03/31/10	0.050 V		4,115,559.44	4,115,559.44 0.00	4,115,559.44 0.00	4,115,559.44 0.00	0.00	243.69	243.69	0.00	2.08	0.05
TOTAL				4,115,559.44	4,115,559.44 0.00	4,115,559.44 0.00	4,115,559.44 0.00	0.00	243.69	243.69	0.00	2.08	
<u>U.S. Treasury</u>													
912828EX4 T-Note	09/01/06	4.500	02/28/11	5,000,000.00	4,958,203.13 0.00	4,991,518.37 789.58	5,185,740.00 (20,510.00)	194,221.63	0.00	18,953.81	19,565.22	2.51	4.71
912828FK1 T-Note	08/15/06	5.125	06/30/11	5,000,000.00	5,046,093.75 0.00	5,011,782.39 (802.76)	5,284,375.00 (27,345.00)	272,592.61	0.00	21,944.06	64,416.44	2.56	4.91
912828MM9 T-Note	03/12/10	0.750	11/30/11	5,000,000.00	4,994,140.63 10,508.24	4,994,327.23 186.60	4,993,165.00 (975.63)	(1,162.23)	0.00	2,060.44	12,568.68	2.53	0.82
912828JD3 T-Note	07/17/08	3.375	06/30/13	5,000,000.00	5,035,937.50 0.00	5,023,561.01 (615.85)	5,261,330.00 (46,875.00)	237,768.99	0.00	14,450.97	42,420.58	2.55	3.22
TOTAL				20,000,000.00	20,034,375.01 10,508.24	20,021,189.00 (442.43)	20,724,610.00 (95,705.63)	703,421.00	0.00	57,409.28	138,970.92	10.15	
<u>U.S. Instrumentality</u>													
3137EABG3 FHLMC	03/16/09	2.875	04/30/10	7,000,000.00	7,127,610.00 0.00	7,009,026.07 (9,648.56)	7,015,008.00 (16,926.00)	5,981.93	0.00	16,770.83	84,413.19	3.61	1.23
3133XFLE4 FHLB	09/01/06	5.250	06/11/10	5,000,000.00	5,035,800.00 0.00	5,001,843.22 (804.79)	5,048,550.00 (22,515.00)	46,706.78	0.00	21,875.00	80,208.33	2.55	5.04
3133XTCW4 FHLB	04/15/09	1.450	09/30/10	4,200,000.00	4,220,538.00 0.00	4,207,012.98 (1,194.51)	4,207,824.60 (1,793.40)	811.62	30,450.00	5,075.00	169.17	2.14	1.11
3128X2EV3 FHLMC	Call 08/26/04	4.750	12/08/10 12/08/10	3,000,000.00	3,017,250.00 0.00	3,000,000.00 0.00	3,085,515.00 (15,402.00)	85,515.00	0.00	11,875.00	44,729.17	1.53	4.75
31331TZN4 FFCB	03/28/08	3.750	04/07/11	5,000,000.00	5,131,700.00 0.00	5,044,217.83 (3,694.75)	5,159,895.00 (17,705.00)	115,677.17	0.00	15,625.00	90,625.00	2.60	2.84
3133XR4U1 FHLB	05/23/08	3.125	06/10/11	5,000,000.00	4,940,350.00 0.00	4,976,686.66 1,661.41	5,128,005.00 (15,765.00)	151,318.34	0.00	13,020.83	48,177.08	2.50	3.54
3136F9XC2 FNMA	Call 12/16/08	4.250	07/01/11 07/01/10	5,000,000.00	5,169,900.00 0.00	5,027,510.50 (9,371.71)	5,047,115.00 (17,455.00)	19,604.50	0.00	17,708.33	53,125.00	2.62	2.00
3133XHB43 FHLB	02/19/09	4.875	10/05/11	6,765,000.00	7,242,676.65 0.00	7,040,237.49 (15,457.17)	7,170,987.95 (36,767.77)	130,750.46	0.00	27,482.81	161,232.50	3.67	2.10
31331XG30 FFCB	11/15/07	5.450	06/21/12	3,885,000.00	4,039,584.15 0.00	3,959,715.67 (2,852.45)	4,232,723.04 (28,939.37)	273,007.37	0.00	17,644.37	58,814.58	2.05	4.48
3128X8DF6 FHLMC	Call 08/21/09	2.200	06/29/12 12/29/10	4,000,000.00	4,014,000.00 0.00	4,007,692.93 (876.77)	4,037,340.00 (11,216.00)	29,647.07	0.00	7,333.33	22,488.89	2.03	1.94

**City of Ann Arbor
Securities Held
March 31, 2010**

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.S. Instrumentality														
3128X9TD2 FHLMC	Call	01/15/10	1.570	06/29/12 12/29/10	2,500,000.00	2,498,750.00 1,744.44	2,498,856.03 43.25	2,506,710.00 (11,482.50)	7,853.97	0.00	3,270.84	10,030.56	1.27	1.59
3133XLMW0 FHLB	Call	12/07/07	5.510	07/20/12 07/20/10	5,000,000.00	5,191,000.00 0.00	5,021,976.99 (6,193.51)	5,075,985.00 (21,285.00)	54,008.01	0.00	22,958.33	54,334.72	2.63	3.96
31331Y3X6 FFCB		08/01/08	3.950	07/23/12	5,000,000.00	4,988,100.00 0.00	4,993,082.92 254.06	5,286,295.00 (33,585.00)	293,212.08	0.00	16,458.34	37,305.56	2.53	4.02
3133XUL27 FHLB	Call	08/24/09	1.500V	08/24/12 08/24/10	5,000,000.00	4,995,000.00 0.00	4,996,003.65 141.42	5,014,340.00 (3,550.00)	18,336.35	0.00	6,250.00	7,708.33	2.53	2.52
31331YGE4 FFCB		12/31/07	4.250	12/04/12	5,000,000.00	5,040,100.00 0.00	5,021,787.67 (690.61)	5,337,385.00 (51,900.00)	315,597.33	0.00	17,708.33	69,062.50	2.55	4.07
31398ALB6 FNMA	Call	01/18/08	4.000	01/18/13 01/18/11	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,118,000.00 (15,510.00)	118,000.00	0.00	16,666.67	40,555.56	2.53	4.00
31359MQV8 FNMA	Call	09/18/06	4.750	02/21/13 02/21/13	5,000,000.00	4,902,300.00 0.00	4,956,018.36 1,289.91	5,419,200.00 (40,485.00)	463,181.64	0.00	19,791.67	26,388.89	2.48	5.11
31359MQV8 FNMA	Call	08/07/09	4.750	02/21/13 02/21/13	3,418,000.00	3,691,234.92 0.00	3,641,191.12 (6,545.81)	3,704,565.12 (27,675.55)	63,374.00	0.00	13,529.58	18,039.44	1.87	2.38
31359MQV8 FNMA	Call	12/09/09	4.750	02/21/13 02/21/13	2,870,000.00	3,151,231.30 0.00	3,124,069.64 (7,451.43)	3,110,620.80 (23,238.39)	(13,448.84)	0.00	11,360.41	15,147.22	1.60	1.60
31331GZL6 FFCB		07/01/09	2.800	06/03/13	3,000,000.00	3,018,360.00 0.00	3,014,849.43 (397.19)	3,074,868.00 (32,937.00)	60,018.57	0.00	7,000.00	27,533.33	1.53	2.64
3128X7R89 FHLMC	Call	09/25/08	4.510	08/06/13 08/06/10	4,080,000.00	4,087,012.50 0.00	4,081,309.69 (319.69)	4,138,278.72 (15,993.60)	56,969.03	0.00	15,334.00	28,112.33	2.07	4.41
31331GS83 FFCB		10/15/09	2.350	09/23/13	3,300,000.00	3,322,770.00 0.00	3,320,111.65 (490.53)	3,326,119.50 (28,069.80)	6,007.85	38,775.00	6,462.50	1,723.33	1.68	2.17
31331GDF3 FFCB	Call	12/18/09	4.250	10/15/13 10/15/10	3,000,000.00	3,088,680.00 22,312.50	3,058,039.73 (9,133.16)	3,060,915.00 (11,277.00)	2,875.27	0.00	10,625.00	58,791.67	1.56	0.65
3128X9KT6 FHLMC	Call	01/15/10	2.500	11/05/13 05/05/10	5,000,000.00	5,011,250.00 24,305.56	5,003,477.27 (3,170.46)	5,010,535.00 (6,650.00)	7,057.73	0.00	10,416.66	50,694.44	2.54	1.75
31331XSR4 FFCB		05/23/08	4.875	03/14/14	5,000,000.00	5,182,500.00 0.00	5,124,161.95 (2,667.38)	5,478,090.00 (38,265.00)	353,928.05	121,875.00	20,312.50	11,510.42	2.62	4.16
31331GYT0 FFCB	Call	09/17/09	3.750	06/17/14 06/17/10	5,000,000.00	5,085,600.00 0.00	5,024,143.59 (9,720.15)	5,038,820.00 (13,975.00)	14,676.41	0.00	15,625.00	54,166.67	2.58	1.44
31331GZF9 FFCB	Call	06/23/09	3.500	06/23/14 06/23/10	5,000,000.00	4,965,650.00 0.00	4,970,954.87 583.16	5,038,200.00 (11,690.00)	67,245.13	0.00	14,583.33	47,638.89	2.51	3.65
31398AYW6 FNMA	Call	08/25/09	3.500	08/25/14 08/25/10	4,000,000.00	4,000,000.00 0.00	4,000,000.00 0.00	4,040,436.00 (12,612.00)	40,436.00	0.00	11,666.67	14,000.00	2.03	3.50

**City of Ann Arbor
Securities Held
March 31, 2010**

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.S. Instrumentality													
3133XLWD1 FHLB	Call	12/31/07	08/27/14 08/27/10	5,000,000.00	5,156,250.00 0.00	5,023,840.21 (4,993.55)	5,111,875.00 (21,790.00)	88,034.79	0.00	23,958.34	27,152.78	2.61	4.49
3133XV3P4 FHLB	Call	10/15/09	10/15/14 10/15/10	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,020,530.00 (4,450.00)	20,530.00	0.00	6,250.00	34,583.33	2.53	1.50
3133XV3P4 FHLB	Call	10/15/09	10/15/14 10/15/10	8,835,000.00	8,835,000.00 0.00	8,835,000.00 0.00	8,871,276.51 (7,863.15)	36,276.51	0.00	11,043.75	61,108.75	4.47	1.50
3136FJZV6 FNMA	Call	12/30/09	12/30/14 06/30/10	7,000,000.00	7,000,000.00 0.00	7,000,000.00 0.00	7,003,332.00 (21,742.00)	3,332.00	0.00	13,416.66	40,697.22	3.54	2.30
3136FJ2M2 FNMA	Call	03/12/10	02/09/15 08/09/10	5,000,000.00	5,055,600.00 16,041.67	5,048,186.67 (7,413.33)	5,042,175.00 (13,425.00)	(6,011.67)	0.00	9,236.11	25,277.78	2.56	0.77
3136FMEV2 FNMA	Call	03/31/10	03/30/15 09/30/10	5,760,000.00	5,758,560.00 0.00	5,758,560.79 0.79	5,735,928.96 (22,631.04)	(22,631.83)	0.00	360.00	360.00	2.92	3.35
31331GY29 FFCB		10/15/09	10/09/15	1,905,000.00	1,890,712.50 920.75	1,891,811.04 202.71	1,897,284.75 (15,308.58)	5,473.71	0.00	4,603.75	26,394.83	0.96	3.04
3128X4W72 FHLMC	Call	09/14/09	03/28/16 03/28/11	7,000,000.00	7,463,120.00 0.00	7,298,547.00 (25,637.00)	7,309,883.00 (34,867.00)	11,336.00	192,500.00	32,083.33	3,208.33	3.78	1.15
TOTAL				170,518,000.00	173,318,190.02 65,324.92	171,979,923.62 (124,547.80)	174,904,611.95 (726,742.15)	2,924,688.33	383,600.00	495,382.27	1,435,509.79	87.77	
GRAND TOTAL				194,633,559.44	197,468,124.47 75,833.16	196,116,672.06 (124,990.23)	199,744,781.39 (822,447.78)	3,628,109.33	383,843.69	553,035.24	1,574,480.71	100.00	

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

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2010

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>FHLB</u>												
3133XFLE4	U.S. Instrumentality	5.250	06/11/2010		AAA	Aaa	5,000,000.00	5,035,800.00	2.55	5,048,550.00	2.53	0.19
3133XLMW0	U.S. Instrumentality	5.510	07/20/2012	07/20/2010	AAA	Aaa	5,000,000.00	5,191,000.00	2.63	5,075,985.00	2.54	0.30
3133XUL27	U.S. Instrumentality	1.500	08/24/2012	08/24/2010	AAA	Aaa	5,000,000.00	4,995,000.00	2.53	5,014,340.00	2.51	0.40
3133XLWD1	U.S. Instrumentality	5.750	08/27/2014	08/27/2010	AAA	Aaa	5,000,000.00	5,156,250.00	2.61	5,111,875.00	2.56	0.41
3133XTCW4	U.S. Instrumentality	1.450	09/30/2010		AAA	Aaa	4,200,000.00	4,220,538.00	2.14	4,207,824.60	2.11	0.50
3133XV3P4	U.S. Instrumentality	1.500	10/15/2014	10/15/2010	AAA	Aaa	13,835,000.00	13,835,000.00	7.01	13,891,806.51	6.95	0.54
3133XR4U1	U.S. Instrumentality	3.125	06/10/2011		AAA	Aaa	5,000,000.00	4,940,350.00	2.50	5,128,005.00	2.57	1.16
3133XHB43	U.S. Instrumentality	4.875	10/05/2011		AAA	Aaa	6,765,000.00	7,242,676.65	3.67	7,170,987.95	3.59	1.44
ISSUER TOTAL							49,800,000.00	50,616,614.65	25.63	50,649,374.06	25.36	0.64
<u>FFCB</u>												
31331GYT0	U.S. Instrumentality	3.750	06/17/2014	06/17/2010	AAA	Aaa	5,000,000.00	5,085,600.00	2.58	5,038,820.00	2.52	0.21
31331GZF9	U.S. Instrumentality	3.500	06/23/2014	06/23/2010	AAA	Aaa	5,000,000.00	4,965,650.00	2.51	5,038,200.00	2.52	0.23
31331GDF3	U.S. Instrumentality	4.250	10/15/2013	10/15/2010	AAA	Aaa	3,000,000.00	3,088,680.00	1.56	3,060,915.00	1.53	0.53
31331TZN4	U.S. Instrumentality	3.750	04/07/2011		AAA	Aaa	5,000,000.00	5,131,700.00	2.60	5,159,895.00	2.58	0.99
31331XG30	U.S. Instrumentality	5.450	06/21/2012		AAA	Aaa	3,885,000.00	4,039,584.15	2.05	4,232,723.04	2.12	2.09
31331Y3X6	U.S. Instrumentality	3.950	07/23/2012		AAA	Aaa	5,000,000.00	4,988,100.00	2.53	5,286,295.00	2.65	2.20
31331YGE4	U.S. Instrumentality	4.250	12/04/2012		AAA	Aaa	5,000,000.00	5,040,100.00	2.55	5,337,385.00	2.67	2.51
31331GZL6	U.S. Instrumentality	2.800	06/03/2013		AAA	Aaa	3,000,000.00	3,018,360.00	1.53	3,074,868.00	1.54	3.00
31331GS83	U.S. Instrumentality	2.350	09/23/2013		AAA	Aaa	3,300,000.00	3,322,770.00	1.68	3,326,119.50	1.67	3.32
31331XSR4	U.S. Instrumentality	4.875	03/14/2014		AAA	Aaa	5,000,000.00	5,182,500.00	2.62	5,478,090.00	2.74	3.61
31331GY29	U.S. Instrumentality	2.900	10/09/2015		AAA	Aaa	1,905,000.00	1,890,712.50	0.96	1,897,284.75	0.95	5.00
ISSUER TOTAL							45,090,000.00	45,753,756.65	23.17	46,930,595.29	23.50	1.97
<u>FNMA</u>												
3136FJZV6	U.S. Instrumentality	2.300	12/30/2014	06/30/2010	AAA	Aaa	7,000,000.00	7,000,000.00	3.54	7,003,332.00	3.51	0.25
3136F9XC2	U.S. Instrumentality	4.250	07/01/2011	07/01/2010	AAA	Aaa	5,000,000.00	5,169,900.00	2.62	5,047,115.00	2.53	0.25
3136FJ2M2	U.S. Instrumentality	3.500	02/09/2015	08/09/2010	AAA	Aaa	5,000,000.00	5,055,600.00	2.56	5,042,175.00	2.52	0.35
31398AYW6	U.S. Instrumentality	3.500	08/25/2014	08/25/2010	AAA	Aaa	4,000,000.00	4,000,000.00	2.03	4,040,436.00	2.02	0.40
31398ALB6	U.S. Instrumentality	4.000	01/18/2013	01/18/2011	AAA	Aaa	5,000,000.00	5,000,000.00	2.53	5,118,000.00	2.56	0.78
31359MQV8	U.S. Instrumentality	4.750	02/21/2013	02/21/2013	AAA	Aaa	11,288,000.00	11,744,766.22	5.95	12,234,385.92	6.13	2.70
3136FMEV2	U.S. Instrumentality	2.250	03/30/2015	09/30/2010	AAA	Aaa	5,760,000.00	5,758,560.00	2.92	5,735,928.96	2.87	4.64
ISSUER TOTAL							43,048,000.00	43,728,826.22	22.14	44,221,372.88	22.14	1.59
<u>FHLMC</u>												
3137EABG3	U.S. Instrumentality	2.875	04/30/2010		AAA	Aaa	7,000,000.00	7,127,610.00	3.61	7,015,008.00	3.51	0.08
3128X9KT6	U.S. Instrumentality	2.500	11/05/2013	05/05/2010	AAA	Aaa	5,000,000.00	5,011,250.00	2.54	5,010,535.00	2.51	0.09

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2010

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>												
3128X7R89	U.S. Instrumentality	4.510	08/06/2013	08/06/2010	AAA	Aaa	4,080,000.00	4,087,012.50	2.07	4,138,278.72	2.07	0.35
3128X2EV3	U.S. Instrumentality	4.750	12/08/2010	12/08/2010	AAA	Aaa	3,000,000.00	3,017,250.00	1.53	3,085,515.00	1.54	0.67
3128X8DF6	U.S. Instrumentality	2.200	06/29/2012	12/29/2010	AAA	Aaa	4,000,000.00	4,014,000.00	2.03	4,037,340.00	2.02	0.74
3128X9TD2	U.S. Instrumentality	1.570	06/29/2012	12/29/2010	AAA	Aaa	2,500,000.00	2,498,750.00	1.27	2,506,710.00	1.25	0.74
3128X4W72	U.S. Instrumentality	5.500	03/28/2016	03/28/2011	AAA	Aaa	7,000,000.00	7,463,120.00	3.78	7,309,883.00	3.66	0.97
ISSUER TOTAL							32,580,000.00	33,218,992.50	16.82	33,103,269.72	16.57	0.50
<u>T-Note</u>												
912828EX4	U.S. Treasury	4.500	02/28/2011		AAA	Aaa	5,000,000.00	4,958,203.13	2.51	5,185,740.00	2.60	0.90
912828FK1	U.S. Treasury	5.125	06/30/2011		AAA	Aaa	5,000,000.00	5,046,093.75	2.56	5,284,375.00	2.65	1.21
912828MM9	U.S. Treasury	0.750	11/30/2011		AAA	Aaa	5,000,000.00	4,994,140.63	2.53	4,993,165.00	2.50	1.65
912828JD3	U.S. Treasury	3.375	06/30/2013		AAA	Aaa	5,000,000.00	5,035,937.50	2.55	5,261,330.00	2.63	3.06
ISSUER TOTAL							20,000,000.00	20,034,375.01	10.15	20,724,610.00	10.38	1.71
<u>BankOne</u>												
	Cash and Equivalents	0.050					4,115,559.44	4,115,559.44	2.08	4,115,559.44	2.06	0.00
ISSUER TOTAL							4,115,559.44	4,115,559.44	2.08	4,115,559.44	2.06	0.00
GRAND TOTAL							194,633,559.44	197,468,124.47	100.00	199,744,781.39	100.00	1.24

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

**City of Ann Arbor
Securities Purchased
for the period March 1, 2010 - March 31, 2010**

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>									
BankOne	03/31/2010	0.050 V		243.69	100.000	243.69	0.00	0.05	
TOTAL				243.69		243.69	0.00		
<u>Repurchase Agreement</u>									
Morgan Stanley	03/01/2010	0.120 V		4,186,752.19	100.000	4,186,752.19	0.00	0.12	
Morgan Stanley	03/10/2010	0.100 V		11,193,750.00	100.000	11,193,750.00	0.00	0.10	
Morgan Stanley	03/12/2010	0.110 V		6,591,027.87	100.000	6,591,027.87	0.00	0.11	
TOTAL				21,971,530.06		21,971,530.06	0.00		
<u>U.S. Treasury</u>									
912828MM9 T-Note	03/12/2010	0.750	11/30/2011	5,000,000.00	99.883	4,994,140.63	10,508.24	0.82	
TOTAL				5,000,000.00		4,994,140.63	10,508.24		
<u>U.S. Instrumentality</u>									
3136FJ2M2 FNMA	Call	03/12/2010	3.500	02/09/2015 08/09/2010	5,000,000.00	101.112	5,055,600.00	16,041.67	0.77
3136FMEV2 FNMA	Call	03/31/2010	2.250 V	03/30/2015 09/30/2010	5,760,000.00	99.975	5,758,560.00	0.00	3.35
TOTAL				10,760,000.00		10,814,160.00	16,041.67		
GRAND TOTAL				37,731,773.75		37,780,074.38	26,549.91		

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

**City of Ann Arbor
Securities Sold and Matured
for the period March 1, 2010 - March 31, 2010**

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Accr / (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
Cash and Equivalents													
BankOne	03/31/10	0.050 V		4,658,662.55	4,658,662.55	4,658,662.55 0.00	100.00	4,658,662.55 0.00	0.00	0.00	0.00	0.00	0.05
TOTAL				4,658,662.55	4,658,662.55	4,658,662.55 0.00		4,658,662.55 0.00	0.00	0.00	0.00	0.00	
Repurchase Agreement													
Morgan Stanley	03/01/10	0.100 V		9,186,675.63	9,186,675.63	9,186,675.63 0.00	100.00	9,186,675.63 0.00	0.00	76.56	0.00	0.00	0.10
Morgan Stanley	03/12/10	0.100 V		11,193,750.00	11,193,750.00	11,193,750.00 0.00	100.00	11,193,750.00 0.00	0.00	68.41	0.00	68.41	0.10
Morgan Stanley	03/31/10	0.120 V		10,777,780.06	10,777,780.06	10,777,780.06 0.00	100.00	10,777,780.06 0.00	0.00	949.53	0.00	949.53	0.12
TOTAL				31,158,205.69	31,158,205.69	31,158,205.69 0.00		31,158,205.69 0.00	0.00	1,094.50	0.00	1,017.94	
U.S. Instrumentality													
3128X9DL1 FHLMC	Call	03/09/10	4.150	09/09/16 06/09/10	5,000,000.00	5,000,000.00 0.00	100.00	5,000,000.00 (4,045.00)	0.00	0.00	103,750.00	4,611.11	4.15
31398APJ5 FNMA		03/10/10	3.000	03/10/10	6,000,000.00	5,978,220.00 388.93	100.00	6,000,000.00 (4,302.00)	0.00	0.00	90,000.00	4,500.00	3.27
3133XJUS5 FHLB		03/12/10	5.000	03/12/10	5,340,000.00	5,539,716.00 (6,119.43)	100.00	5,340,000.00 (7,940.58)	0.00	0.00	133,500.00	8,158.33	1.16
3133XW5S4 FHLB	Call	03/24/10	2.000	12/24/12 06/24/10	5,000,000.00	5,000,000.00 0.00	100.00	5,000,000.00 (3,490.00)	0.00	25,000.00	0.00	6,388.89	2.00
3133XKBC8 FHLB	Call	03/26/10	5.000	03/26/12 03/26/12	3,000,000.00	3,000,000.00 0.00	100.00	3,000,000.00 (9,732.00)	0.00	0.00	75,000.00	10,416.67	5.00
3136FJDK4 FNMA	Call	03/30/10	2.100 V	09/30/14 06/30/10	3,000,000.00	3,000,000.00 0.00	100.00	3,000,000.00 (4,197.00)	0.00	0.00	31,500.00	5,075.00	2.10
TOTAL				27,340,000.00	27,517,936.00	27,340,000.00 (5,730.50)		27,340,000.00 (33,706.58)	0.00	25,000.00	433,750.00	39,150.00	
GRAND TOTAL				63,156,868.24	63,334,804.24	63,156,868.24 (5,730.50)		63,156,868.24 (33,706.58)	0.00	26,094.50	433,750.00	40,167.94	

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

**City of Ann Arbor
Transaction Report
for the period March 1, 2010 - March 31, 2010**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
03/01/2010		Maturity	CE	Int Receivable	03/01/2010	256,250.00	256,250.00	0.00	256,250.00	256,250.00
		Maturity Repo Lend	RP	Morgan Stanley		9,186,675.63	9,186,675.63	76.56	9,186,752.19	9,443,002.19
		Repo Bought	RP	Morgan Stanley		4,186,752.19	4,186,752.19	0.00	(4,186,752.19)	5,256,250.00
03/09/2010	3128X9DL1	Interest	INS	FHLMC	09/09/2016	5,000,000.00	0.00	103,750.00	103,750.00	5,360,000.00
	3128X9DL1	Call	INS	FHLMC	09/09/2016	5,000,000.00	5,000,000.00	0.00	5,000,000.00	10,360,000.00
03/10/2010	31398APJ5	Maturity	INS	FNMA	03/10/2010	6,000,000.00	6,000,000.00	0.00	6,000,000.00	16,360,000.00
	31398APJ5	Interest	INS	FNMA	03/10/2010	6,000,000.00	0.00	90,000.00	90,000.00	16,450,000.00
		Repo Bought	RP	Morgan Stanley		11,193,750.00	11,193,750.00	0.00	(11,193,750.00)	5,256,250.00
03/12/2010	3133XJUS5	Maturity	INS	FHLB	03/12/2010	5,340,000.00	5,340,000.00	0.00	5,340,000.00	10,596,250.00
	3133XJUS5	Interest	INS	FHLB	03/12/2010	5,340,000.00	0.00	133,500.00	133,500.00	10,729,750.00
	3136FJ2M2	Bought	INS	FNMA	02/09/2015	5,000,000.00	5,055,600.00	16,041.67	(5,071,641.67)	5,658,108.33
	912828MM9	Bought	TSY	T-Note	11/30/2011	5,000,000.00	4,994,140.63	10,508.24	(5,004,648.87)	653,459.46
		Maturity Repo Lend	RP	Morgan Stanley		11,193,750.00	11,193,750.00	68.41	11,193,818.41	11,847,277.87
		Repo Bought	RP	Morgan Stanley		6,591,027.87	6,591,027.87	0.00	(6,591,027.87)	5,256,250.00
03/14/2010	31331XSR4	Interest	INS	FFCB	03/14/2014	5,000,000.00	0.00	121,875.00	121,875.00	5,378,125.00
03/23/2010	31331GS83	Interest	INS	FFCB	09/23/2013	3,300,000.00	0.00	38,775.00	38,775.00	5,416,900.00
03/24/2010	3133XW5S4	Call	INS	FHLB	12/24/2012	5,000,000.00	5,000,000.00	25,000.00	5,025,000.00	10,441,900.00
03/26/2010	3133XKBC8	Interest	INS	FHLB	03/26/2012	3,000,000.00	0.00	75,000.00	75,000.00	10,516,900.00
	3133XKBC8	Call	INS	FHLB	03/26/2012	3,000,000.00	3,000,000.00	0.00	3,000,000.00	13,516,900.00
03/28/2010	3128X4W72	Interest	INS	FHLMC	03/28/2016	7,000,000.00	0.00	192,500.00	192,500.00	13,709,400.00
03/30/2010	3133XTCW4	Interest	INS	FHLB	09/30/2010	4,200,000.00	0.00	30,450.00	30,450.00	13,739,850.00
	3136FJDK4	Interest	INS	FNMA	09/30/2014	3,000,000.00	0.00	31,500.00	31,500.00	13,771,350.00
	3136FJDK4	Call	INS	FNMA	09/30/2014	3,000,000.00	3,000,000.00	0.00	3,000,000.00	16,771,350.00
03/31/2010	3136FMEV2	Bought	INS	FNMA	03/30/2015	5,760,000.00	5,758,560.00	0.00	(5,758,560.00)	11,012,790.00
		Interest	CE	BankOne		8,773,978.30	0.00	243.69	243.69	11,013,033.69
		Bought	CE	BankOne		243.69	243.69	0.00	(243.69)	11,012,790.00
		Sold	CE	BankOne		4,658,662.55	4,658,662.55	0.00	4,658,662.55	15,671,452.55
		Maturity Repo Lend	RP	Morgan Stanley		6,591,027.87	6,591,027.87	479.68	6,591,507.55	22,262,960.10
		Maturity Repo Lend	RP	Morgan Stanley		4,186,752.19	4,186,752.19	469.85	4,187,222.04	26,450,182.14
Portfolio Activity Total									26,450,182.14	

Net Contributions

0.00

Net Withdrawals

26,436,515.34

Fees Charged

13,477.99

Fees Paid

13,666.80

City of Ann Arbor
Securities Purchased Bid and Offer
for the period March 1, 2010 – March 31, 2010

Date	Description	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Broker	Bid/Offer	Comments	Accepted
3/12/2010	FNMA	3.500	2/9/2015 8/9/2010	5,000,000.00	Mizuho Securities DTC# 239	YTC 0.77	FNMA Call 3.50% 02/09/15(08/09/10)	x
					Brokers Screen	YTM 0.22	FNMA Disc 08/09/10	
					Brokers Screen	YTM 0.14	T-Note 4.125% 08/15/10	
3/12/2010	T-Note	0.750	11/30/2011	5,000,000.00	Banc of America DTC# 773	price 99-28 1/4	T-Note 0.75% 11/30/11	x
					Jefferies & Co. DTC# 0019	price 99-28 3/8	T-Note 0.75% 11/30/11	
					Mizuho Securities DTC# 239	price 99-28 3/8	T-Note 0.75% 11/30/11	
3/31/2010	FNMA	2.250	3/30/2015 9/30/2010	5,760,000.00	UBS Financial Services DTC # 0221	YTM 3.35	FNMA Call-Step 2.25% 03/30/15(09/30/10)	x
					CitiGroup DTC# 418	YTM 3.21	FNMA Call 2.125% 04/15/15(10/15/10)	
					Banc of America DTC# 773	YTM 2.82	FHLB 2.75% 03/13/15	

**City of Ann Arbor
Repurchase Agreement Bid and Offer
for the period March 1, 2010 - March 31, 2010**

Date	Description	Rate	Maturity	Par Value/Shares	Broker	Bid/Offer	*Accepted	Comments
Purchases								
03/01/10	Repo	var	open	4,186,752.19	Morgan Stanley	0.12	*Accepted	Ann Arbor
					Mizuho Securities	0.12		
					Banc of America	0.10		
03/10/10	Repo	var	open	11,193,750.00	Morgan Stanley	0.10	*Accepted	Ann Arbor
					Mizuho Securities	0.08		
					Banc of America	0.08		
03/12/10	Repo	var	open	6,591,027.87	Morgan Stanley	0.11	*Accepted	Ann Arbor
					Mizuho Securities	0.09		
					Banc of America	0.09		

City of Ann Arbor
Securities Purchased Bid and Offer
for the period March 1, 2010 – March 31, 2010

Date	Description	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Broker	Bid/Offer	Comments	Accepted
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No Purchase Activity

City of Ann Arbor
Securities Sold Bid and Offer
for the period March 1, 2010 – March 31, 2010

Date	Description	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Broker	Bid/Offer	Comments	Accepted
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No Sale Activity

**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
04/05/2010	Interest	3133XHB43	FHLB	4.875	10/05/2011		6,765,000.00	0.00	164,896.88	164,896.88
04/07/2010	Interest	31331TZN4	FFCB	3.750	04/07/2011		5,000,000.00	0.00	93,750.00	93,750.00
04/09/2010	Interest	31331GY29	FFCB	2.900	10/09/2015		1,905,000.00	0.00	27,622.50	27,622.50
04/15/2010	Interest	31331GDF3	FFCB	4.250	10/15/2013	10/15/2010	3,000,000.00	0.00	63,750.00	63,750.00
04/15/2010	Interest	3133XV3P4	FHLB	0.000	10/15/2014	10/15/2010	8,835,000.00	0.00	66,262.50	66,262.50
04/15/2010	Interest	3133XV3P4	FHLB	0.000	10/15/2014	10/15/2010	5,000,000.00	0.00	37,500.00	37,500.00
04/30/2010	Maturity	3137EABG3	FHLMC	2.875	04/30/2010		7,000,000.00	7,000,000.00	100,625.00	7,100,625.00
05/05/2010	Potential Call	3128X9KT6	FHLMC	2.500	11/05/2013	05/05/2010	5,000,000.00	5,000,000.00	62,500.00	5,062,500.00