



Cutwater Asset Management
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CITY OF ANN ARBOR

Report for the period October 1, 2012 - December 31, 2012

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

(This report was prepared on January 11, 2013)

**City of Ann Arbor
Activity and Performance Summary
for the period October 1, 2012 - December 31, 2012**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value	222,622,219.08
Additions	
Contributions	0.00
Interest Received	1,179,072.50
Accrued Interest Sold	0.00
Gain on Sales	1,999.18
Total Additions	1,181,071.68
Deductions	
Withdrawals	12,649,913.40
Fees Paid	42,910.20
Accrued Interest Purchased	1,137.30
Loss on Sales	0.00
Total Deductions	(12,693,960.90)
Accretion (Amortization) for the Period	(342,735.29)
Ending Amortized Cost Value	210,766,594.57
Ending Fair Value	213,355,968.85
Unrealized Gain (Loss)	2,589,374.28

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Certificates of Deposit	120.33	0.00	0.00	120.33
U.S. Treasury	515,458.64	(248,061.94)	0.00	267,396.70
U.S. Instrumentality	470,574.65	(93,367.98)	0.00	377,206.67
Sales and Maturities				
U.S. Instrumentality	75,795.14	(1,305.37)	1,999.18	76,488.95
Total	1,061,948.76	(342,735.29)	1,999.18	721,212.65

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.14 %	0.15 %	0.17 %
Overnight Repo	0.17 %	0.21 %	0.22 %
3 Month T-Bill	0.07 %	0.08 %	0.06 %
6 Month T-Bill	0.11 %	0.13 %	0.12 %
1 Year T-Note	0.17 %	0.18 %	0.15 %
2 Year T-Note	0.28 %	0.26 %	0.26 %
5 Year T-Note	0.76 %	0.68 %	0.70 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	1,061,948.76	1,061,948.76
Accretion (Amortization)	(342,735.29)	(342,735.29)
Realized Gain (Loss) on Sales	<u>1,999.18</u>	<u>1,999.18</u>
Total Income on Portfolio	721,212.65	721,212.65
Average Daily Historical Cost	217,845,044.98	206,451,322.23
Annualized Return	1.32%	1.39%
Annualized Return Net of Fees	1.24%	1.31%
Annualized Return Year to Date Net of Fees	1.39%	1.50%
Weighted Average Effective Maturity in Days	688	739

**City of Ann Arbor
Activity and Performance Summary
for the period October 1, 2012 - December 31, 2012**

Fair Value Basis Activity Summary

Beginning Fair Value	225,715,337.86
Additions	
Contributions	0.00
Interest Received	1,179,072.50
Accrued Interest Sold	0.00
Total Additions	1,179,072.50
Deductions	
Withdrawals	12,649,913.40
Fees Paid	42,910.20
Accrued Interest Purchased	1,137.30
Total Deductions	(12,693,960.90)
Change in Fair Value for the Period	(844,480.61)
Ending Fair Value	213,355,968.85

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Certificates of Deposit	120.33	0.00	120.33
U.S. Treasury	515,458.64	(495,097.50)	20,361.14
U.S. Instrumentality	470,574.65	(282,118.11)	188,456.54
Sales and Maturities			
U.S. Instrumentality	75,795.14	(67,265.00)	8,530.14
Total	1,061,948.76	(844,480.61)	217,468.15

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.14 %	0.15 %	0.17 %
Overnight Repo	0.17 %	0.21 %	0.22 %
3 Month T-Bill	0.12 %	0.14 %	0.12 %
6 Month T-Bill	0.19 %	0.24 %	0.24 %
1 Year T-Note	0.23 %	0.34 %	0.47 %
2 Year T-Note	0.29 %	0.50 %	0.35 %
5 Year T-Note	2.29 %	1.63 %	-3.90 %

Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	1,061,948.76	1,061,948.76
Change in Fair Value	<u>(844,480.61)</u>	<u>(844,480.61)</u>
Total Income on Portfolio	217,468.15	217,468.15
Average Daily Historical Cost	217,845,044.98	206,451,322.23
Annualized Return	0.40%	0.42%
Annualized Return Net of Fees	0.32%	0.34%
Annualized Return Year to Date Net of Fees	0.97%	1.05%
Weighted Average Effective Maturity in Days	688	739

END OF REPORTS



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