

# CITY OF ANN ARBOR

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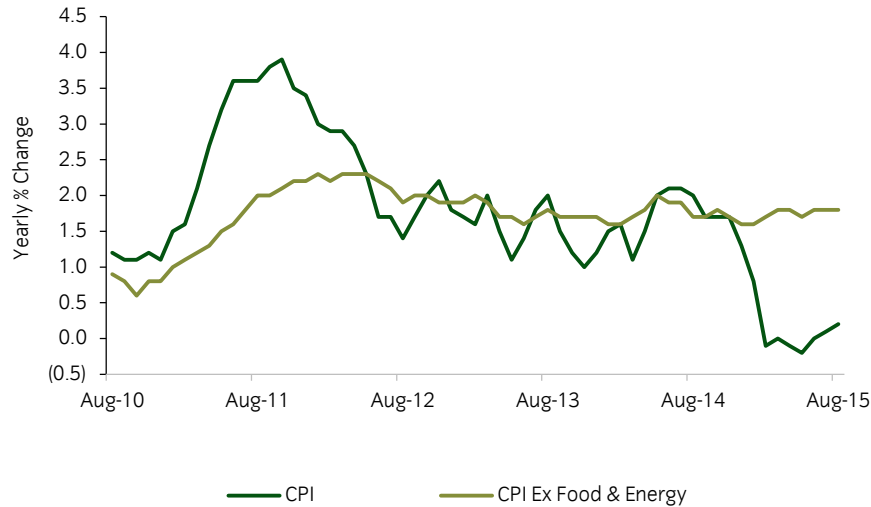
Report for the period September 1, 2015 - September 30, 2015

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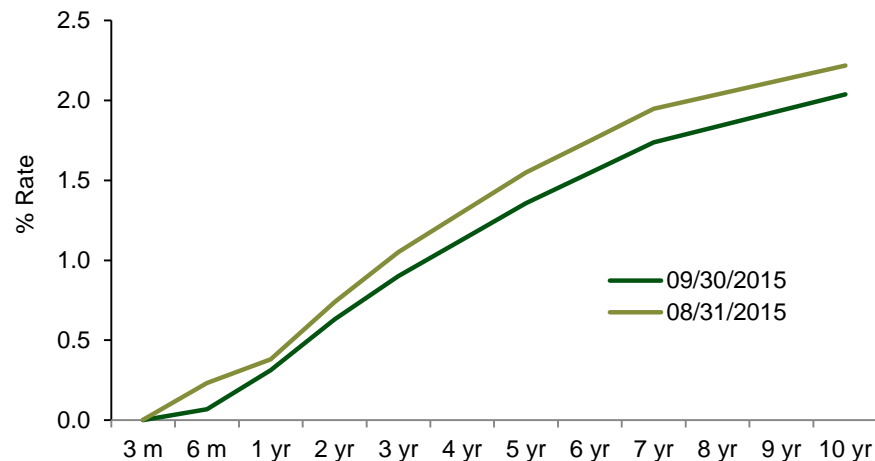
( This report was prepared on October 6, 2015 )

## Fixed Income Market Review September 30, 2015

**Chart 1: Consumer Price Index 8/31/2010-8/31/2015**



**Chart 2: Treasury Yield Curves 8/31/2015-9/30/2015**



**Past performance is not indicative of future results.** See important disclosures for additional information

Charts sourced from Bloomberg Finance LP, August 31, 2015, September 30, 2015.

**Economic Indicators & Monetary Policy:** Gross Domestic Product (GDP) for the second quarter of 2015 was revised upward a second time, and the final reading showed 3.9 percent growth. Gains in consumption, specifically in the services sector, helped bolster the strong GDP report. Year-over-year GDP increased by 2.7 percent. The first estimate of third quarter GDP will be released on October 29<sup>th</sup>. The Institute for Supply Management (ISM) indices declined in August as the non-manufacturing index fell to 59.0 percent from 60.3 percent, and the manufacturing index fell to 51.1 percent from 52.7 percent. The manufacturing index has decreased steadily since June and is nearing 50 percent, which indicates the minimum level for economic expansion.

August employment metrics were mixed, as the workforce added 173,000 jobs, a 42,000 job decline from the July report. However, the unemployment and underemployment rates fell to post-recession lows of 5.1 percent and 10.3 percent respectively. Small signs of wage growth were also present in the employment report as average hourly earnings increased 2.2 percent compared to 2.1 percent in July.

In what has become a theme for most of 2015, inflation indicators continue to show little to no growth, with the exception of the year-over-year core Consumer Price Index (CPI). The core CPI, which excludes food and energy because of their volatile nature, increased 1.8 percent on a year-over-year basis. Including food and energy, the CPI increased 0.2 percent on a year-over-year basis (See chart 1). On a month-over-month basis, core CPI increased 0.1 percent, while the CPI including food and energy decreased 0.1 percent. The Producer Price Index (PPI) experienced similar trends. Core PPI increased 0.9 percent on a year-over-year basis and PPI, including food and energy, decreased 0.8 percent, year-over-year. On a month-over-month basis, core PPI increased 0.3 percent, while PPI including food and energy experienced zero growth. The Federal Open Markets Committee (FOMC) set its target inflation rate at 2.0 percent.

Home sale data was mixed in August, as new home sales increased 5.7 percent while existing home sales decreased 4.8 percent. New home sales, which are measured at the time of contract execution rather than closing, reached a seven year high at an annualized rate of 552,000. Further mixed results were reported as housing starts declined 3.0 percent, while building permits increased 3.5 percent.

The FOMC met in September and voted to maintain the Fed funds target rate at zero to 0.25 percent. The almost unanimous vote rejected the predictions of many analysts who expected an interest rate increase to be announced. FOMC members have indicated that an interest rate hike is still possible in 2015.

**Yield Curve & Spreads:** At the end of September, the 3-month Treasury bill yielded 0.00 percent, the 6-month Treasury bill yielded 0.07 percent, the 2-year Treasury note yielded 0.63 percent, the 5-year Treasury note yielded 1.35 percent, and the 10-year Treasury note yielded 2.04 percent (See Chart 2).

Insight Investment

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**City of Ann Arbor  
Activity and Performance Summary  
for the period September 1, 2015 - September 30, 2015**

**Amortized Cost Basis Activity Summary**

<b>Beginning Amortized Cost Value</b>	266,383,779.28
Additions	
Contributions	0.00
Interest Received	463,968.75
Accrued Interest Sold	0.00
Gain on Sales	1,000.82
<b>Total Additions</b>	<b>464,969.57</b>
Deductions	
Withdrawals	5,513,565.79
Fees Paid	9,253.09
Accrued Interest Purchased	27,893.06
Loss on Sales	0.00
<b>Total Deductions</b>	<b>(5,550,711.94)</b>
Accretion (Amortization) for the Period	(57,635.00)
<b>Ending Amortized Cost Value</b>	<b>261,240,401.91</b>
Ending Fair Value	262,335,593.23
Unrealized Gain (Loss)	1,095,191.32

**Detail of Amortized Cost Basis Return**

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
<b>Current Holdings</b>				
U.S. Treasury	118,264.09	(43,407.69)	0.00	74,856.40
U.S. Instrumentality	154,078.74	(14,242.37)	0.00	139,836.37
<b>Sales and Maturities</b>				
U.S. Instrumentality	1,527.78	15.06	1,000.82	2,543.66
<b>Total</b>	<b>273,870.61</b>	<b>(57,635.00)</b>	<b>1,000.82</b>	<b>217,236.43</b>

**Annualized Comparative Rates of Return**

	Twelve Month Trailing	Six Month Trailing	One Month
Fed Funds	0.12 %	0.13 %	0.14 %
Overnight Repo	0.15 %	0.17 %	0.15 %
3 Month T-Bill	0.02 %	0.02 %	0.02 %
6 Month T-Bill	0.07 %	0.09 %	0.13 %
1 Year T-Note	0.24 %	0.30 %	0.37 %
2 Year T-Note	0.60 %	0.65 %	0.71 %
5 Year T-Note	1.50 %	1.53 %	1.49 %

**Summary of Amortized Cost Basis Return for the Period**

	Total Portfolio	Excl. Cash Eq.
Interest Earned	273,870.61	273,870.61
Accretion (Amortization)	(57,635.00)	(57,635.00)
Realized Gain (Loss) on Sales	<u>1,000.82</u>	<u>1,000.82</u>
Total Income on Portfolio	217,236.43	217,236.43
Average Daily Historical Cost	266,702,218.80	228,416,893.48
Annualized Return	0.99%	1.16%
Annualized Return Net of Fees	0.93%	1.09%
Annualized Return Year to Date Net of Fees	1.06%	1.14%
Weighted Average Effective Maturity in Days	521	596

**City of Ann Arbor  
Activity and Performance Summary  
for the period September 1, 2015 - September 30, 2015**

**Fair Value Basis Activity Summary**

<b>Beginning Fair Value</b>	266,913,501.65
Additions	
Contributions	0.00
Interest Received	463,968.75
Accrued Interest Sold	0.00
<b>Total Additions</b>	463,968.75
Deductions	
Withdrawals	5,513,565.79
Fees Paid	9,253.09
Accrued Interest Purchased	27,893.06
<b>Total Deductions</b>	(5,550,711.94)
Change in Fair Value for the Period	508,834.77
<b>Ending Fair Value</b>	262,335,593.23

**Detail of Fair Value Basis Return**

	<b>Interest Earned</b>	<b>Change in Fair Value</b>	<b>Total Income</b>
<b>Current Holdings</b>			
U.S. Treasury	118,264.09	33,602.50	151,866.59
U.S. Instrumentality	154,078.74	470,687.27	624,766.01
<b>Sales and Maturities</b>			
U.S. Instrumentality	1,527.78	4,545.00	6,072.78
<b>Total</b>	<b>273,870.61</b>	<b>508,834.77</b>	<b>782,705.38</b>

**Annualized Comparative Rates of Return**

	<b>Twelve Month Trailing</b>	<b>Six Month Trailing</b>	<b>One Month</b>
Fed Funds	0.12 %	0.13 %	0.14 %
Overnight Repo	0.15 %	0.17 %	0.15 %
3 Month T-Bill	0.05 %	0.07 %	0.24 %
6 Month T-Bill	0.26 %	0.39 %	1.47 %
1 Year T-Note	0.27 %	0.44 %	1.19 %
BAML 1-3 Yr Tsy Index	1.15 %	0.91 %	3.68 %
BAML 1-5 Yr Tsy Index	2.13 %	1.44 %	6.48 %

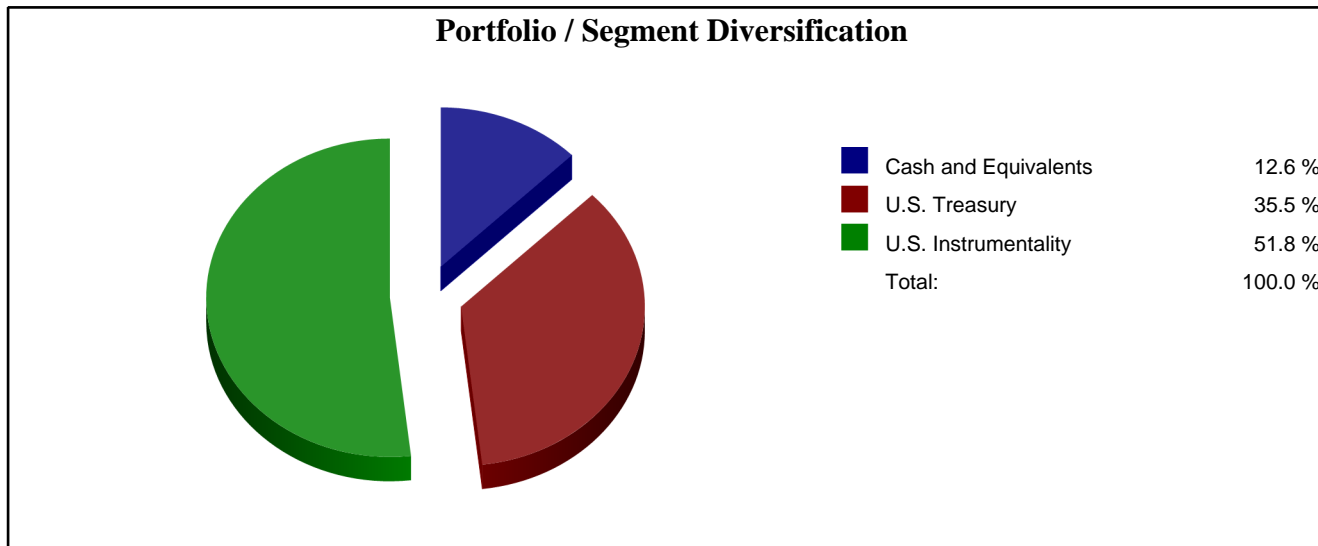
**Summary of Fair Value Basis Return for the Period**

	<b>Total Portfolio</b>	<b>Excl. Cash Eq.</b>
Interest Earned	273,870.61	273,870.61
Change in Fair Value	<u>508,834.77</u>	<u>508,834.77</u>
Total Income on Portfolio	782,705.38	782,705.38
Average Daily Historical Cost	266,702,218.80	228,416,893.48
Annualized Return	3.57%	4.17%
Annualized Return Net of Fees	3.51%	4.10%
Annualized Return Year to Date Net of Fees	1.58%	1.70%
Weighted Average Effective Maturity in Days	521	596

**City of Ann Arbor  
Recap of Securities Held  
September 30, 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	33,376,163.57	33,376,163.57	33,376,163.57	0.00	1	1	12.65	0.00	0.00
U.S. Treasury	93,732,929.72	91,382,370.78	91,952,882.50	570,511.72	362	362	35.51	0.99	0.98
U.S. Instrumentality	136,816,265.07	136,481,867.56	137,006,547.16	524,679.60	996	757	51.84	1.27	2.00
<b>Total</b>	<b>263,925,358.36</b>	<b>261,240,401.91</b>	<b>262,335,593.23</b>	<b>1,095,191.32</b>	<b>645</b>	<b>521</b>	<b>100.00</b>	<b>1.01</b>	<b>1.38</b>

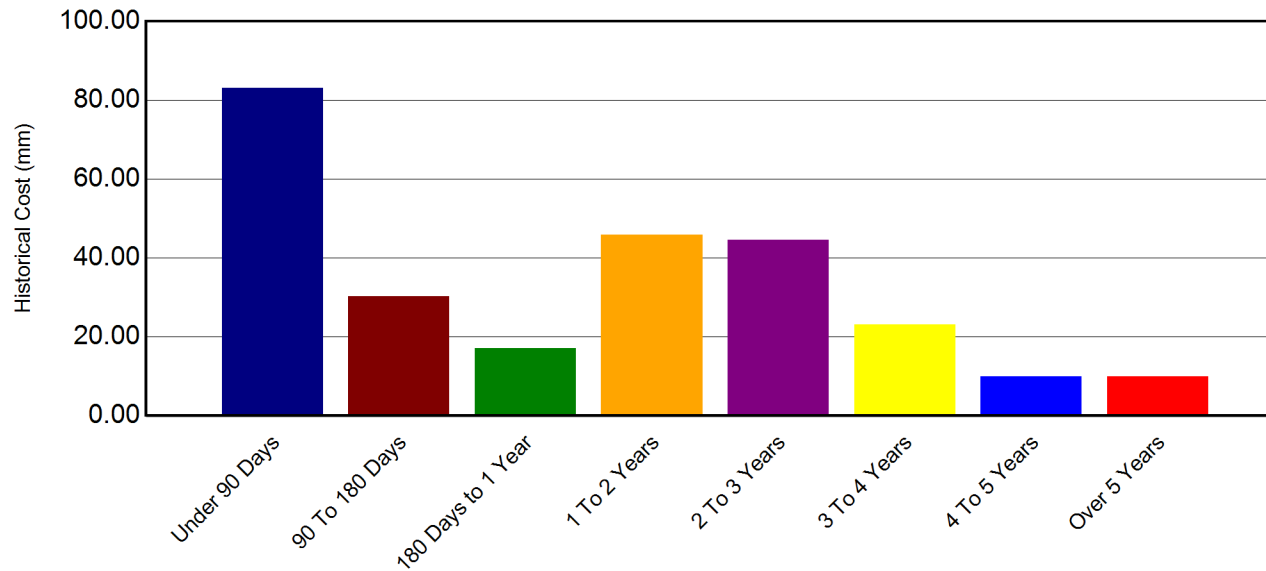
\* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Ann Arbor  
Maturity Distribution of Securities Held  
September 30, 2015**

Maturity	Historical Cost	Percent
Under 90 Days	83,102,030.72	31.49 %
90 To 180 Days	30,291,719.18	11.48 %
180 Days to 1 Year	17,134,534.69	6.49 %
1 To 2 Years	45,789,543.76	17.35 %
2 To 3 Years	44,493,200.01	16.86 %
3 To 4 Years	23,137,080.00	8.77 %
4 To 5 Years	9,991,700.00	3.79 %
Over 5 Years	9,985,550.00	3.78 %
	<b>263,925,358.36</b>	<b>100.00 %</b>

**Maturity Distribution**



**City of Ann Arbor  
Securities Held  
September 30, 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
<b>Cash and Equivalents</b>													
JPMorgan Chase	09/30/15	0.000V		33,376,163.57	33,376,163.57	33,376,163.57	33,376,163.57	0.00	0.00	0.00	0.00	12.65	0.00
					0.00	0.00	0.00						
<b>TOTAL (Cash and Equivalents)</b>				33,376,163.57	33,376,163.57	33,376,163.57	33,376,163.57	0.00	0.00	0.00	0.00	12.65	
					0.00	0.00	0.00						
<b>U.S. Treasury</b>													
912828PE4	08/29/11	1.250	10/31/15	5,000,000.00	5,121,875.00	5,002,399.11	5,003,905.00	1,505.89	0.00	5,095.11	26,154.89	1.94	0.66
T-Note					0.00	(2,399.12)	(5,860.00)						
912828EN6	08/26/10	4.500	11/15/15	5,000,000.00	5,795,312.50	5,018,767.21	5,026,560.00	7,792.79	0.00	18,342.39	84,986.41	2.20	1.33
T-Note					0.00	(12,511.47)	(19,535.00)						
912828PJ3	08/29/11	1.375	11/30/15	5,000,000.00	5,146,093.75	5,005,640.69	5,010,450.00	4,809.31	0.00	5,635.25	23,104.51	1.95	0.68
T-Note					0.00	(2,820.34)	(5,045.00)						
912828UM0	08/10/15	0.375	02/15/16	9,500,000.00	9,505,937.50	9,504,303.90	9,509,775.50	5,471.60	0.00	2,904.21	4,549.93	3.60	0.25
T-Note					0.00	(942.46)	5,567.00						
912828KS8	08/26/10	2.625	02/29/16	5,000,000.00	5,287,890.63	5,021,595.37	5,051,075.00	29,479.63	0.00	10,817.30	11,177.88	2.00	1.53
T-Note					0.00	(4,290.47)	(6,735.00)						
912828US7	08/10/15	0.375	03/15/16	9,000,000.00	9,004,921.88	9,003,747.85	9,009,027.00	5,279.15	16,875.00	2,767.49	1,483.52	3.41	0.28
T-Note					0.00	(677.33)	4,923.00						
912828KZ2	09/30/10	3.250	06/30/16	2,500,000.00	2,732,617.19	2,530,240.23	2,554,785.00	24,544.77	0.00	6,623.64	20,533.29	1.04	1.55
T-Note					0.00	(3,323.11)	(4,492.50)						
912828QR4	08/29/11	1.500	06/30/16	5,000,000.00	5,148,437.50	5,022,933.47	5,045,245.00	22,311.53	0.00	6,114.13	18,953.80	1.95	0.87
T-Note					0.00	(2,520.16)	(1,760.00)						
912828MA5	08/26/10	2.750	11/30/16	5,000,000.00	5,291,796.88	5,054,329.31	5,133,595.00	79,265.69	0.00	11,270.50	46,209.02	2.01	1.76
T-Note					0.00	(3,826.01)	(3,805.00)						
912828RU6	09/23/14	0.875	11/30/16	5,000,000.00	5,018,750.00	5,009,996.87	5,025,325.00	15,328.13	0.00	3,586.07	14,702.87	1.90	0.70
T-Note					0.00	(704.01)	4,295.00						
912828RX0	09/10/13	0.875	12/31/16	5,000,000.00	4,973,828.13	4,990,098.89	5,025,065.00	34,966.11	0.00	3,566.58	11,056.39	1.88	1.04
T-Note					0.00	649.97	4,070.00						
912828MS6	08/26/10	3.000	02/28/17	5,000,000.00	5,360,156.25	5,078,149.97	5,176,695.00	98,545.03	0.00	12,362.64	12,774.73	2.03	1.82
T-Note					0.00	(4,543.60)	(1,300.00)						
912828SJ0	09/10/13	0.875	02/28/17	5,000,000.00	4,957,812.50	4,982,818.67	5,025,910.00	43,091.33	0.00	3,605.77	3,725.96	1.88	1.12
T-Note					0.00	998.92	6,575.00						
912828PA2	08/29/11	1.875	09/30/17	5,000,000.00	5,175,000.00	5,057,441.55	5,120,965.00	63,523.45	46,875.00	7,684.43	256.15	1.96	1.28
T-Note					0.00	(2,360.61)	12,435.00						
912828PA2	12/09/14	1.875	09/30/17	5,000,000.00	5,116,015.63	5,082,545.23	5,120,965.00	38,419.77	46,875.00	7,684.43	256.15	1.94	1.03
T-Note					0.00	(3,392.27)	12,435.00						



**City of Ann Arbor  
Securities Held  
September 30, 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
912828PF1 T-Note	08/29/11	1.875	10/31/17	5,000,000.00	5,172,656.25 0.00	5,058,266.70 (2,296.98)	5,122,655.00 12,955.00	64,388.30	0.00	7,642.67	39,232.34	1.96	1.29
912828UA6 T-Note	11/18/13	0.625	11/30/17	5,000,000.00	4,923,828.13 0.00	4,959,095.76 1,551.36	4,990,885.00 18,880.00	31,789.24	0.00	2,561.48	10,502.05	1.87	1.01
<b>TOTAL (U.S. Treasury)</b>				91,000,000.00	93,732,929.72 0.00	91,382,370.78 (43,407.69)	91,952,882.50 33,602.50	570,511.72	110,625.00	118,264.09	329,659.89	35.51	

**U.S. Instrumentality**

31331GY29 FFCB	10/15/09	2.900	10/09/15	1,905,000.00	1,890,712.50 0.00	1,904,947.69 196.17	1,906,192.53 (4,448.18)	1,244.84	0.00	4,603.75	26,394.83	0.72	3.04
313588SQ9 FNMA	08/10/15	0.000	02/03/16	6,500,000.00	6,492,969.17 0.00	6,495,034.72 1,191.66	6,496,139.00 3,445.00	1,104.28	0.00	0.00	0.00	2.46	0.22
3137EACT4 FHLMC	01/11/12	2.500	05/27/16	4,000,000.00	4,253,480.00 0.00	4,037,910.96 (4,758.70)	4,056,748.00 (4,964.00)	18,837.04	0.00	8,333.33	34,444.44	1.61	1.02
313381B53 FHLB	11/26/12	0.580	11/14/16	5,000,000.00	4,995,700.00 0.00	4,998,783.30 89.03	5,003,865.00 5,430.00	5,081.70	0.00	2,416.67	11,036.11	1.89	0.60
3133EEU5 FFCB	03/26/15	0.700	01/23/17	5,000,000.00	5,007,450.00 0.00	5,005,345.29 (334.08)	5,012,175.00 8,270.00	6,829.71	0.00	2,916.67	6,611.11	1.90	0.62
3133ECGF5 FFCB	Call 02/27/13	0.800	02/27/17	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,000,075.00 5,925.00	75.00	0.00	3,333.34	3,777.78	1.89	0.80
3133EDEB4 FFCB	01/30/14	1.100	06/28/17	5,000,000.00	5,012,500.00 0.00	5,006,385.54 (301.21)	5,038,550.00 10,825.00	32,164.46	0.00	4,583.33	14,208.33	1.90	1.03
3133EECS7 FFCB	Call 12/01/14	1.010	08/25/17	5,000,000.00	4,995,000.00 0.00	4,996,523.05 150.30	5,000,425.00 1,775.00	3,901.95	0.00	4,208.33	5,050.00	1.89	1.05
313370SZ2 FHLB	01/09/14	2.250	09/08/17	5,000,000.00	5,171,550.00 0.00	5,090,775.34 (3,846.41)	5,148,995.00 17,150.00	58,219.66	56,250.00	9,375.00	7,187.50	1.96	1.29
3133EC2M5 FFCB	Call 11/25/14	0.940	11/13/17	3,185,000.00	3,171,623.00 0.00	3,175,448.53 370.22	3,185,184.73 7,691.77	9,736.20	0.00	2,494.92	11,476.62	1.20	1.08
3135G0SF1 FNMA	Call 11/28/12	1.000	11/28/17	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,000,660.00 7,140.00	660.00	0.00	4,166.66	17,083.33	1.89	1.00
313371VG8 FHLB	10/22/14	2.250	12/08/17	5,000,000.00	5,191,000.00 0.00	5,133,516.19 (5,013.12)	5,142,185.00 10,055.00	8,668.81	0.00	9,375.00	35,312.50	1.97	1.01
3135G0VC4 FNMA	11/25/14	1.130	02/28/18	6,000,000.00	5,990,040.00 0.00	5,992,632.44 250.88	6,042,870.00 16,962.00	50,237.56	0.00	5,650.00	6,215.00	2.27	1.18
3133EETE0 FFCB	03/12/15	1.125	03/12/18	5,000,000.00	4,988,950.00 0.00	4,990,996.67 302.46	5,028,060.00 11,245.00	37,063.33	28,125.00	4,687.50	2,968.75	1.89	1.20
3133ECJX3 FFCB	Call 04/02/13	1.040	03/26/18	5,000,000.00	4,996,700.00 0.00	4,998,354.54 54.43	5,000,505.00 9,020.00	2,150.46	26,000.00	4,333.33	722.22	1.89	1.05

**City of Ann Arbor  
Securities Held  
September 30, 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	
3135G0WJ8 FNMA	06/03/13	0.875	05/21/18	3,000,000.00	2,953,560.00	2,975,332.75	2,998,197.00	22,864.25	0.00	2,187.50	9,479.17	1.12	1.20	
					0.00	768.45	16,749.00							
3135G0XG3 FNMA	Call 05/21/13	1.000	05/21/18 11/21/15	5,000,000.00	4,982,150.00	4,990,586.23	4,983,485.00	(7,101.23)	0.00	4,166.67	18,055.56	1.89	1.07	
					0.00	293.27	17,185.00							
3130A4T93 FHLB	Call 03/30/15	1.125	06/29/18 03/29/16	5,000,000.00	5,000,000.00	5,000,000.00	5,003,285.00	3,285.00	27,968.75	4,687.50	312.50	1.89	1.13	
					0.00	0.00	16,745.00							
3133EDZ62 FFCB	Call 10/22/14	1.550	10/22/18 10/22/15	5,000,000.00	4,995,000.00	4,996,177.28	5,003,455.00	7,277.72	0.00	6,458.34	34,229.17	1.89	1.58	
					0.00	102.67	2,545.00							
3135G0YT4 FNMA	12/09/14	1.625	11/27/18	5,000,000.00	5,017,650.00	5,014,044.48	5,089,400.00	75,355.52	0.00	6,770.83	27,986.11	1.90	1.53	
					0.00	(365.42)	26,650.00							
313376BR5 FHLB	08/31/15	1.750	12/14/18	3,000,000.00	3,053,880.00	3,052,489.26	3,060,972.00	8,482.74	0.00	4,375.00	15,604.17	1.16	1.19	
					11,229.17	(1,345.88)	8,952.00							
3133EE5P1 FFCB	08/31/15	1.320	01/30/19	5,000,000.00	5,015,650.00	5,015,261.26	5,021,595.00	6,333.74	0.00	5,500.00	11,183.33	1.90	1.23	
					5,500.00	(376.20)	22,560.00							
3133EDVK5 FFCB	12/09/14	1.750	03/18/19	5,000,000.00	5,024,600.00	5,019,932.31	5,099,330.00	79,397.69	43,750.00	7,291.66	3,159.72	1.90	1.63	
					0.00	(473.07)	21,905.00							
3134G3JM3 FHLMC	02/28/14	2.000	07/30/19	5,000,000.00	5,025,300.00	5,017,881.40	5,125,515.00	107,633.60	0.00	8,333.33	16,944.44	1.90	1.90	
					0.00	(383.72)	104,690.00							
3136G0T68 FNMA	09/25/15	1.330	10/24/19	5,000,000.00	4,991,700.00	4,991,733.42	5,003,060.00	11,326.58	0.00	1,108.33	29,001.39	1.89	1.37	
					27,893.06	33.42	11,360.00							
3134G3K90 FHLMC	09/25/12	1.700	09/25/20	5,000,000.00	5,000,000.00	5,000,000.00	5,031,100.00	31,100.00	42,500.00	7,083.34	1,416.67	1.89	1.70	
					0.00	0.00	33,725.00							
313380PE1 FHLB	Call 09/28/12	1.850	09/28/20 10/28/15	5,000,000.00	4,990,000.00	4,993,757.70	4,981,410.00	(12,347.70)	46,250.00	7,708.33	770.83	1.89	1.88	
					0.00	102.67	36,295.00							
3130A0A34 FHLB	Call 11/18/13	2.790	11/04/20 11/04/15	3,590,000.00	3,613,550.40	3,591,118.32	3,597,933.90	6,815.58	0.00	8,346.75	40,899.08	1.37	2.45	
					0.00	(986.74)	(4,480.32)							
313380NM5 FHLB	Call 09/19/12	2.300	09/19/22 10/19/15	5,000,000.00	4,995,550.00	4,996,898.89	4,945,180.00	(51,718.89)	57,500.00	9,583.33	3,833.33	1.89	2.31	
					0.00	36.55	50,285.00							
<b>TOTAL (U.S. Instrumentality)</b>					136,180,000.00	136,816,265.07	136,481,867.56	137,006,547.16	524,679.60	328,343.75	154,078.74	395,363.99	51.84	
						44,622.23	(14,242.37)	470,687.27						

**City of Ann Arbor  
Securities Held  
September 30, 2015**

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<b>GRAND TOTAL</b>	260,556,163.57	263,925,358.36	261,240,401.91	262,335,593.23	1,095,191.32	438,968.75	272,342.83	725,023.88	100.00
		44,622.23	(57,650.06)	504,289.77					

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

**City of Ann Arbor**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**September 30, 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)
<b><u>T-Note</u></b>												
912828PE4	U.S. Treasury	1.250	10/31/2015		AA+	Aaa	5,000,000.00	5,121,875.00	1.94	5,003,905.00	1.91	0.08
912828EN6	U.S. Treasury	4.500	11/15/2015		AA+	Aaa	5,000,000.00	5,795,312.50	2.20	5,026,560.00	1.92	0.12
912828PJ3	U.S. Treasury	1.375	11/30/2015		AA+	Aaa	5,000,000.00	5,146,093.75	1.95	5,010,450.00	1.91	0.17
912828UM0	U.S. Treasury	0.375	02/15/2016		AA+	Aaa	9,500,000.00	9,505,937.50	3.60	9,509,775.50	3.63	0.37
912828KS8	U.S. Treasury	2.625	02/29/2016		AA+	Aaa	5,000,000.00	5,287,890.63	2.00	5,051,075.00	1.93	0.42
912828US7	U.S. Treasury	0.375	03/15/2016		AA+	Aaa	9,000,000.00	9,004,921.88	3.41	9,009,027.00	3.43	0.46
912828KZ2	U.S. Treasury	3.250	06/30/2016		AA+	Aaa	2,500,000.00	2,732,617.19	1.04	2,554,785.00	0.97	0.74
912828QR4	U.S. Treasury	1.500	06/30/2016		AA+	Aaa	5,000,000.00	5,148,437.50	1.95	5,045,245.00	1.92	0.75
912828MA5	U.S. Treasury	2.750	11/30/2016		AA+	Aaa	5,000,000.00	5,291,796.88	2.01	5,133,595.00	1.96	1.14
912828RU6	U.S. Treasury	0.875	11/30/2016		AA+	Aaa	5,000,000.00	5,018,750.00	1.90	5,025,325.00	1.92	1.16
912828RX0	U.S. Treasury	0.875	12/31/2016		AA+	Aaa	5,000,000.00	4,973,828.13	1.88	5,025,065.00	1.92	1.24
912828MS6	U.S. Treasury	3.000	02/28/2017		AA+	Aaa	5,000,000.00	5,360,156.25	2.03	5,176,695.00	1.97	1.39
912828SJ0	U.S. Treasury	0.875	02/28/2017		AA+	Aaa	5,000,000.00	4,957,812.50	1.88	5,025,910.00	1.92	1.41
912828PA2	U.S. Treasury	1.875	09/30/2017		AA+	Aaa	10,000,000.00	10,291,015.63	3.90	10,241,930.00	3.90	1.97
912828PF1	U.S. Treasury	1.875	10/31/2017		AA+	Aaa	5,000,000.00	5,172,656.25	1.96	5,122,655.00	1.95	2.03
912828UA6	U.S. Treasury	0.625	11/30/2017		AA+	Aaa	5,000,000.00	4,923,828.13	1.87	4,990,885.00	1.90	2.14
<b>ISSUER TOTAL</b>							91,000,000.00	93,732,929.72	35.51	91,952,882.50	35.05	0.99
<b><u>FFCB</u></b>												
3133ECJX3	U.S. Instrumentality	1.040	03/26/2018	10/01/2015	AA+	Aaa	5,000,000.00	4,996,700.00	1.89	5,000,505.00	1.91	0.00
3133ECGF5	U.S. Instrumentality	0.800	02/27/2017	10/02/2015	AA+	Aaa	5,000,000.00	5,000,000.00	1.89	5,000,075.00	1.91	0.01
31331GY29	U.S. Instrumentality	2.900	10/09/2015		AA+	Aaa	1,905,000.00	1,890,712.50	0.72	1,906,192.53	0.73	0.02
3133EC2M5	U.S. Instrumentality	0.940	11/13/2017	10/13/2015	AA+	Aaa	3,185,000.00	3,171,623.00	1.20	3,185,184.73	1.21	0.04
3133EDZ62	U.S. Instrumentality	1.550	10/22/2018	10/22/2015	AA+	Aaa	5,000,000.00	4,995,000.00	1.89	5,003,455.00	1.91	0.06
3133EES7	U.S. Instrumentality	1.010	08/25/2017	10/25/2015	AA+	Aaa	5,000,000.00	4,995,000.00	1.89	5,000,425.00	1.91	0.07
3133EEUT5	U.S. Instrumentality	0.700	01/23/2017		AA+	Aaa	5,000,000.00	5,007,450.00	1.90	5,012,175.00	1.91	1.31
3133EDEB4	U.S. Instrumentality	1.100	06/28/2017		AA+	Aaa	5,000,000.00	5,012,500.00	1.90	5,038,550.00	1.92	1.72
3133EETE0	U.S. Instrumentality	1.125	03/12/2018		AA+	Aaa	5,000,000.00	4,988,950.00	1.89	5,028,060.00	1.92	2.41
3133EE5P1	U.S. Instrumentality	1.320	01/30/2019		AA+	Aaa	5,000,000.00	5,015,650.00	1.90	5,021,595.00	1.91	3.25
3133EDVK5	U.S. Instrumentality	1.750	03/18/2019		AA+	Aaa	5,000,000.00	5,024,600.00	1.90	5,099,330.00	1.94	3.36
<b>ISSUER TOTAL</b>							50,090,000.00	50,098,185.50	18.98	50,295,547.26	19.17	1.23

**City of Ann Arbor**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**September 30, 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)
<b><u>FHLB</u></b>												
3130A0A34	U.S. Instrumentality	2.790	11/04/2020	11/04/2015	AA+	Aaa	3,590,000.00	3,613,550.40	1.37	3,597,933.90	1.37	0.09
3130A4T93	U.S. Instrumentality	1.125	06/29/2018	03/29/2016	AA+	Aaa	5,000,000.00	5,000,000.00	1.89	5,003,285.00	1.91	0.49
313381B53	U.S. Instrumentality	0.580	11/14/2016		AA+	Aaa	5,000,000.00	4,995,700.00	1.89	5,003,865.00	1.91	1.12
313370SZ2	U.S. Instrumentality	2.250	09/08/2017		AA+	Aaa	5,000,000.00	5,171,550.00	1.96	5,148,995.00	1.96	1.90
313371VG8	U.S. Instrumentality	2.250	12/08/2017		AA+	Aaa	5,000,000.00	5,191,000.00	1.97	5,142,185.00	1.96	2.12
313376BR5	U.S. Instrumentality	1.750	12/14/2018		AA+	Aaa	3,000,000.00	3,053,880.00	1.16	3,060,972.00	1.17	3.10
313380PE1	U.S. Instrumentality	1.850	09/28/2020	10/28/2015	AA+	Aaa	5,000,000.00	4,990,000.00	1.89	4,981,410.00	1.90	4.75
313380NM5	U.S. Instrumentality	2.300	09/19/2022	10/19/2015	AA+	Aaa	5,000,000.00	4,995,550.00	1.89	4,945,180.00	1.89	6.39
<b>ISSUER TOTAL</b>							<b>36,590,000.00</b>	<b>37,011,230.40</b>	<b>14.02</b>	<b>36,883,825.90</b>	<b>14.06</b>	<b>2.54</b>
<b><u>FNMA</u></b>												
3135G0SF1	U.S. Instrumentality	1.000	11/28/2017	11/28/2015	AA+	Aaa	5,000,000.00	5,000,000.00	1.89	5,000,660.00	1.91	0.16
313588SQ9	U.S. Instrumentality	0.000	02/03/2016		A-1+	P-1	6,500,000.00	6,492,969.17	2.46	6,496,139.00	2.48	0.34
3135G0VC4	U.S. Instrumentality	1.130	02/28/2018		AA+	Aaa	6,000,000.00	5,990,040.00	2.27	6,042,870.00	2.30	2.37
3135G0XG3	U.S. Instrumentality	1.000	05/21/2018	11/21/2015	AA+	Aaa	5,000,000.00	4,982,150.00	1.89	4,983,485.00	1.90	2.59
3135G0WJ8	U.S. Instrumentality	0.875	05/21/2018		AA+	Aaa	3,000,000.00	2,953,560.00	1.12	2,998,197.00	1.14	2.60
3135G0YT4	U.S. Instrumentality	1.625	11/27/2018		AA+	Aaa	5,000,000.00	5,017,650.00	1.90	5,089,400.00	1.94	3.06
3136G0T68	U.S. Instrumentality	1.330	10/24/2019		AA+	Aaa	5,000,000.00	4,991,700.00	1.89	5,003,060.00	1.91	3.92
<b>ISSUER TOTAL</b>							<b>35,500,000.00</b>	<b>35,428,069.17</b>	<b>13.42</b>	<b>35,613,811.00</b>	<b>13.58</b>	<b>2.06</b>
<b><u>JPMorgan Chase</u></b>												
	Cash and Equivalents	0.000			NR	NR	33,376,163.57	33,376,163.57	12.65	33,376,163.57	12.72	0.00
<b>ISSUER TOTAL</b>							<b>33,376,163.57</b>	<b>33,376,163.57</b>	<b>12.65</b>	<b>33,376,163.57</b>	<b>12.72</b>	<b>0.00</b>
<b><u>FHLMC</u></b>												
3137EACT4	U.S. Instrumentality	2.500	05/27/2016		AA+	Aaa	4,000,000.00	4,253,480.00	1.61	4,056,748.00	1.55	0.65
3134G3JM3	U.S. Instrumentality	2.000	07/30/2019		AA+	Aaa	5,000,000.00	5,025,300.00	1.90	5,125,515.00	1.95	3.68
3134G3K90	U.S. Instrumentality	1.700	09/25/2020		AA+	Aaa	5,000,000.00	5,000,000.00	1.89	5,031,100.00	1.92	4.76
<b>ISSUER TOTAL</b>							<b>14,000,000.00</b>	<b>14,278,780.00</b>	<b>5.41</b>	<b>14,213,363.00</b>	<b>5.42</b>	<b>3.20</b>

**City of Ann Arbor**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**September 30, 2015**

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<b>GRAND TOTAL</b>	260,556,163.57	263,925,358.36	100.00	262,335,593.23	100.00	1.39
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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  
September 1, 2015 - September 30, 2015**

CUSIP/Description	Purchase Date	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
<b><u>U.S. Instrumentality</u></b>								
3136G0T68 FNMA	09/25/2015	1.330	10/24/2019	5,000,000.00	99.834	4,991,700.00	27,893.06	1.37
<b>TOTAL (U.S. Instrumentality)</b>				<b>5,000,000.00</b>		<b>4,991,700.00</b>	<b>27,893.06</b>	
<b>GRAND TOTAL</b>				<b>5,000,000.00</b>		<b>4,991,700.00</b>	<b>27,893.06</b>	

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

**City of Ann Arbor  
Securities Sold and Matured  
September 1, 2015 - September 30, 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	
<b><u>Cash and Equivalents</u></b>														
JPMorgan Chase	09/30/2015	0.000V		5,078,443.19	5,078,443.19	5,078,443.19	100.00	5,078,443.19	0.00	0.00	0.00	0.00	0.00	
						0.00		0.00						
<b>TOTAL (Cash and Equivalents)</b>				5,078,443.19	5,078,443.19	5,078,443.19		5,078,443.19	0.00	0.00	0.00	0.00		
						0.00		0.00						
<b><u>U.S. Instrumentality</u></b>														
3134G3H52	Call	09/12/2015	1.000	09/12/2017	5,000,000.00	4,997,500.00	4,998,999.18	100.00	5,000,000.00	1,000.82	0.00	25,000.00	1,527.78	1.01
FHLMC				12/12/2015			15.06		4,545.00					
<b>TOTAL (U.S. Instrumentality)</b>				5,000,000.00	4,997,500.00	4,998,999.18		5,000,000.00	1,000.82	0.00	25,000.00	1,527.78		
						15.06		4,545.00						
<b>GRAND TOTAL</b>				10,078,443.19	10,075,943.19	10,077,442.37		10,078,443.19	1,000.82	0.00	25,000.00	1,527.78		
						15.06		4,545.00						

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



**City of Ann Arbor  
Transaction Report  
for the period September 1, 2015 - September 30, 2015**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
09/08/2015	313370SZ2	Interest	INS	FHLB	09/08/2017	5,000,000.00	0.00	56,250.00	56,250.00	56,250.00
09/12/2015	3133EETE0	Interest	INS	FFCB	03/12/2018	5,000,000.00	0.00	28,125.00	28,125.00	84,375.00
09/12/2015	3134G3H52	Call	INS	FHLMC	09/12/2017	5,000,000.00	5,000,000.00	0.00	5,000,000.00	5,084,375.00
09/12/2015	3134G3H52	Interest	INS	FHLMC	09/12/2017	5,000,000.00	0.00	25,000.00	25,000.00	5,109,375.00
09/15/2015	912828US7	Interest	TSY	T-Note	03/15/2016	9,000,000.00	0.00	16,875.00	16,875.00	5,126,250.00
09/18/2015	3133EDVK5	Interest	INS	FFCB	03/18/2019	5,000,000.00	0.00	43,750.00	43,750.00	5,170,000.00
09/19/2015	313380NM5	Interest	INS	FHLB	09/19/2022	5,000,000.00	0.00	57,500.00	57,500.00	5,227,500.00
09/25/2015	3134G3K90	Interest	INS	FHLMC	09/25/2020	5,000,000.00	0.00	42,500.00	42,500.00	5,270,000.00
09/25/2015	3136G0T68	Bought	INS	FNMA	10/24/2019	5,000,000.00	4,991,700.00	27,893.06	(5,019,593.06)	250,406.94
09/26/2015	3133ECJX3	Interest	INS	FFCB	03/26/2018	5,000,000.00	0.00	26,000.00	26,000.00	276,406.94
09/28/2015	313380PE1	Interest	INS	FHLB	09/28/2020	5,000,000.00	0.00	46,250.00	46,250.00	322,656.94
09/29/2015	3130A4T93	Interest	INS	FHLB	06/29/2018	5,000,000.00	0.00	27,968.75	27,968.75	350,625.69
09/30/2015		Sold	CE	JPMorgan Chase		5,078,443.19	5,078,443.19	0.00	5,078,443.19	5,429,068.88
09/30/2015	912828PA2	Interest	TSY	T-Note	09/30/2017	10,000,000.00	0.00	93,750.00	93,750.00	5,522,818.88
<b>Portfolio Activity Total</b>									<b>5,522,818.88</b>	

<b>Net Contributions:</b>	<b>0.00</b>
<b>Net Withdrawals:</b>	<b>5,513,565.79</b>

<b>Fees Charged:</b>	<b>13,231.23</b>
<b>Fees Paid:</b>	<b>9,253.09</b>

**City of Ann Arbor  
Securities Bid and Offer  
for the period 9/1/2015 - 9/30/2015**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
BUY	09/25/2015	FNMA 1.33 10/24/2019		MOR	5,000,000		99.834	1.37	WELLS - FNMA 1.33 10/24/19 @ YTM 1.35 MER - FHLMC 1.25 10/02/19 @ YTM 1.32

**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
10/09/2015	Maturity	31331GY29	FFCB	2.900	10/09/2015		1,905,000.00	1,905,000.00	27,622.50	1,932,622.50
10/22/2015	Interest	3133EDZ62	FFCB	1.550	10/22/2018	10/22/2015	5,000,000.00	0.00	38,750.00	38,750.00
10/24/2015	Interest	3136G0T68	FNMA	1.330	10/24/2019		5,000,000.00	0.00	33,250.00	33,250.00
10/31/2015	Maturity	912828PE4	T-Note	1.250	10/31/2015		5,000,000.00	5,000,000.00	31,250.00	5,031,250.00
10/31/2015	Interest	912828PF1	T-Note	1.875	10/31/2017		5,000,000.00	0.00	46,875.00	46,875.00
11/04/2015	Potential Call	3130A0A34	FHLB	2.790	11/04/2020	11/04/2015	3,590,000.00	3,590,000.00	50,080.50	3,640,080.50
11/13/2015	Interest	3133EC2M5	FFCB	0.940	11/13/2017	10/13/2015	3,185,000.00	0.00	14,969.50	14,969.50
11/14/2015	Interest	313381B53	FHLB	0.580	11/14/2016		5,000,000.00	0.00	14,500.00	14,500.00

# 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](mailto:camreports@cutwater.com).