

FOR PROFESSIONAL CLIENTS ONLY
NOT TO BE DISTRIBUTED TO RETAIL CLIENTS

THIS DOCUMENT SHOULD NOT BE REPRODUCED IN
ANY FORM WITHOUT PRIOR WRITTEN APPROVAL

CITY OF ANN ARBOR

June 2018

Part of  BNY MELLON

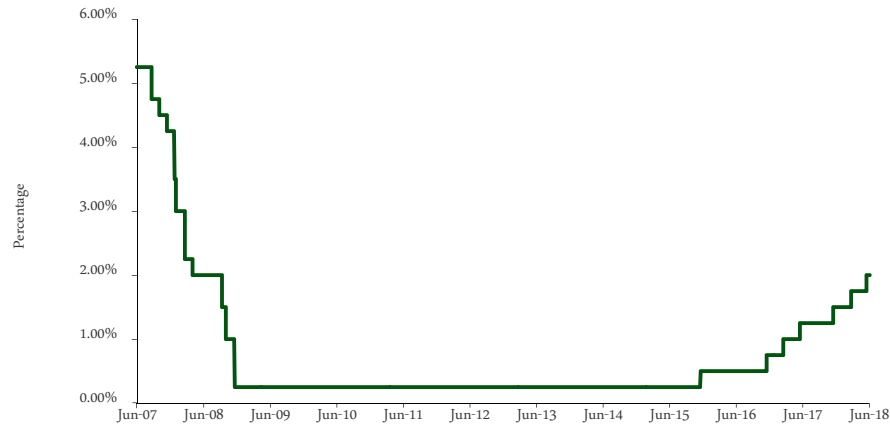


Contents

Fixed income market review	3
Activity and performance summary	4
Recap of securities held	6
Maturity distribution of securities held	7
Securities held	8
GASB 40 - Deposit and investment risk disclosure	14
Securities purchased	17
Securities sold and matured	18
Transaction report	19
Additional information	20

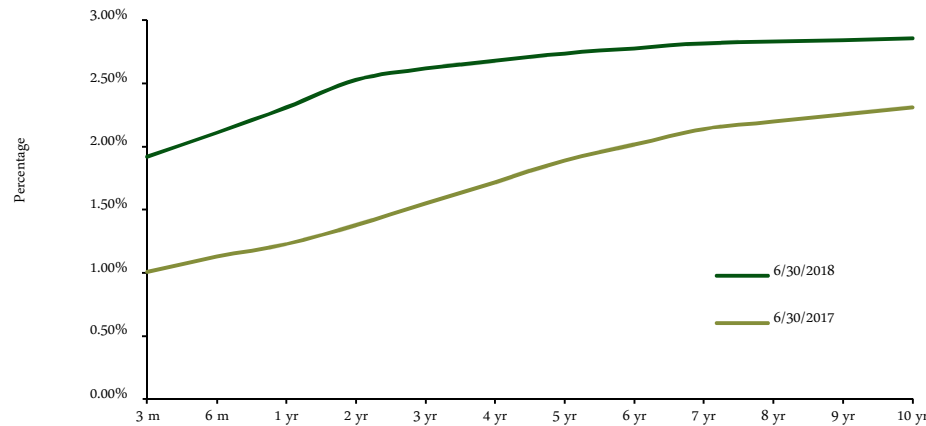
As of June 30, 2018

Chart 1: Fed funds target rate: 6/30/2007—6/30/2018



Source: Bloomberg Finance LP, June 30, 2018.

Chart 2: Treasury yield curve: 6/30/2017 and 6/30/2018



Source: Bloomberg Finance LP, June 30, 2018.

Economic Indicators and Monetary Policy

On June 13, the Federal Open Market Committee (FOMC) met and unanimously agreed to increase the federal funds target range by 25 basis points to 1.75% to 2%. (See Chart 1). The FOMC statement noted a strengthening labor market and solid economic activity since the May meeting. The statement also reflected that the FOMC expects further gradual increases in the target rate will be consistent with continued economic expansion, strong labor market conditions and inflation near the FOMC’s 2% symmetrical target over the medium-term. Forward guidance from the FOMC meeting revealed that the median forecast for the upper range of the federal funds target rate at year-end 2018 is 2.375%, indicating that one-to-two additional rate increases are expected this year as of the June meeting.

The employment report released on June 1 showed an increase of 223,000 jobs in May, better than expectations for 190,000 jobs added. The unemployment rate decreased 0.1% to 3.8% and the underemployment rate fell 0.2% to 7.6% in May. Average hourly earnings increased 0.1% to 2.7% annual growth, better than expectations for 2.6% growth.

At the start of June, the Institute for Supply Management (ISM) Manufacturing and Non-Manufacturing Indices both pushed higher for May readings of 58.7% and 58.6% respectively. The final estimate for first quarter Gross Domestic Product (GDP) was released on June 28 showing 2% growth, revised down from the second estimate of 2.2% and an original estimate of 2.3% growth. Personal consumption was revised downward to 0.9% growth and inventories and net exports subtracted from the final estimate of first quarter GDP.

The Consumer Price Index (CPI) data released on June 12 showed 0.2% increases in the headline and core readings, in line with expectations. On an annual basis, the headline CPI was 2.8% for May and factoring out food and energy, the core level was 2.2%.

Interest Rate Summary

At the end of June, the 3-month US Treasury bill yielded 1.92%, the 6-month US Treasury bill yielded 2.11%, the 2-year US Treasury note yielded 2.53%, the 5-year US Treasury note yielded 2.74% and the 10-year US Treasury note yielded 2.86%. (See Chart 2).

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2018 - June 30, 2018

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	233,362,741.75
Income received	116,875.00
Total receipts	116,875.00
Total disbursements	0.00
Interportfolio transfers	(10,197,588.90)
Total Interportfolio transfers	(10,197,588.90)
Realized gain (loss)	(209.92)
Total amortization expense	(27,615.66)
Total OID/MKT accretion income	38,906.05
Return of capital	0.00
Closing balance	223,293,108.32
Ending fair value	219,911,656.00
Unrealized gain (loss)	(3,381,452.32)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Commercial Paper	0.00	32,050.60	(209.92)	31,840.68
Government Agencies	177,044.49	(7,415.86)	0.00	169,628.63
Government Bonds	93,337.90	(13,344.35)	0.00	79,993.55
Total	270,382.39	11,290.39	(209.92)	281,462.86

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.38	0.79	0.15
Overnight Repo	1.38	0.80	0.15
Merrill Lynch 3m US Treas Bill	1.38	0.83	0.15
Merrill Lynch 6m US Treas Bill	1.51	0.90	0.17
ML 1 Year US Treasury Note	1.74	1.03	0.19
ML 2 Year US Treasury Note	1.95	1.14	0.21
ML 5 Year US Treasury Note	2.29	1.31	0.23

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	270,382.39
Accretion (amortization)	11,290.39
Realized gain (loss) on sales	(209.92)
Total income on portfolio	281,462.86
Average daily amortized cost	231,486,375.29
Period return (%)	0.12
YTD return (%)	0.70
Weighted average final maturity in days	551

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2018 - June 30, 2018

<u>Fair Value Basis Activity Summary</u>		
Opening balance		230,146,172.15
Income received	116,875.00	
Total receipts		116,875.00
Total disbursements		0.00
Interportfolio transfers	(10,197,588.90)	
Total Interportfolio transfers		(10,197,588.90)
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		(153,802.25)
Ending fair value		219,911,656.00

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Commercial Paper	0.00	30,767.75	30,767.75
Government Agencies	177,044.49	(125,735.00)	51,309.49
Government Bonds	93,337.90	(58,835.00)	34,502.90
Total	270,382.39	(153,802.25)	116,580.14

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.38	0.79	0.15
Overnight Repo	1.38	0.80	0.15
ICE ML 3m US Treas Bill	1.36	0.81	0.17
ICE ML 6m US Treas Bill	1.39	0.80	0.16
ICE ML 1 Year US Treasury Note	0.92	0.65	0.12
ICE ML US Treasury 1-3	0.08	0.09	0.02
ICE ML US Treasury 1-5	(0.35)	(0.25)	(0.01)

* rates reflected are cumulative

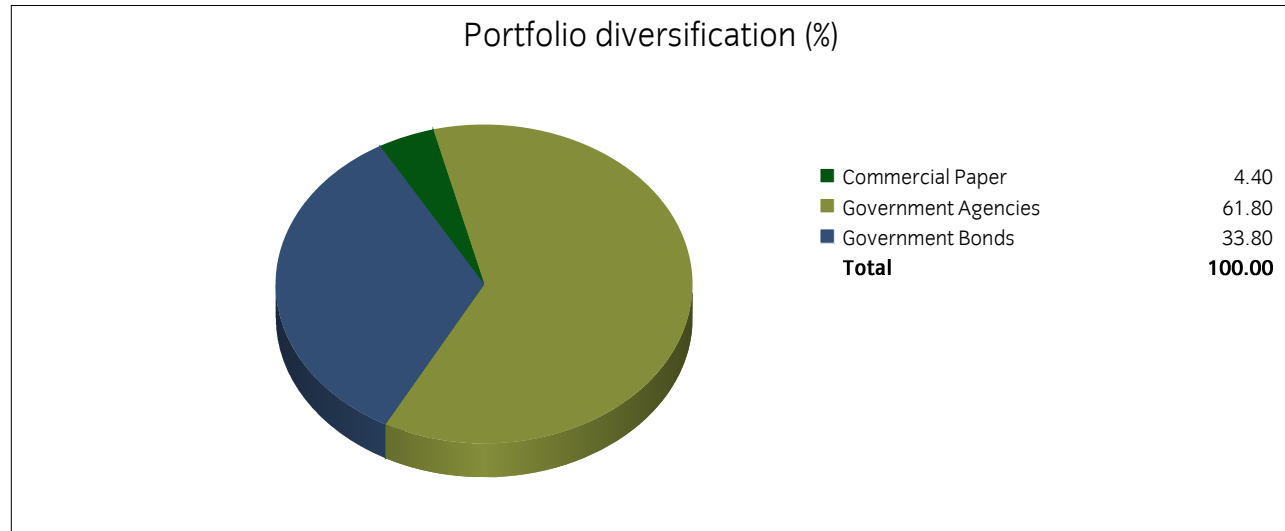
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	270,382.39
Change in fair value	(153,802.25)
Total income on portfolio	116,580.14
Average daily total value *	228,782,561.81
Period return (%)	0.05
YTD return (%)	0.27
Weighted average final maturity in days	551

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of June 30, 2018

	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Commercial Paper	9,857,027.75	9,878,819.09	9,875,215.00	(3,604.09)	179	4.40	0.48
Government Agencies	138,325,780.00	138,035,505.65	136,083,236.00	(1,952,269.65)	552	61.80	1.45
Government Bonds	75,661,132.83	75,378,783.58	73,953,205.00	(1,425,578.58)	598	33.80	1.59
Total	223,843,940.58	223,293,108.32	219,911,656.00	(3,381,452.32)	551	100.00	1.46

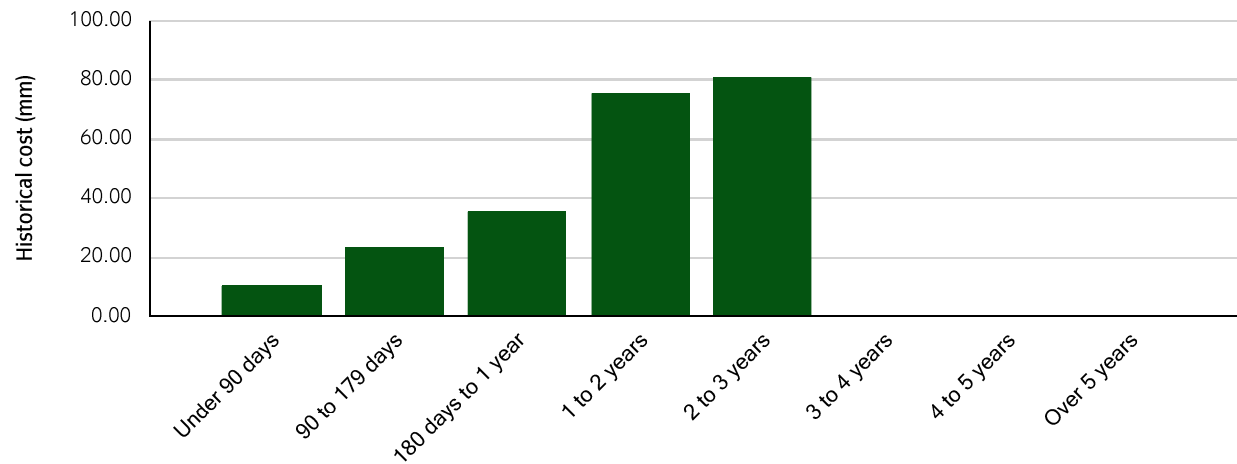


MATURITY DISTRIBUTION OF SECURITIES HELD

As of June 30, 2018

Maturity	Historic cost	Percent
Under 90 days	10,010,282.81	4.47
90 to 179 days	23,064,448.21	10.30
180 days to 1 year	35,107,729.86	15.68
1 to 2 years	75,100,378.14	33.55
2 to 3 years	80,561,101.56	35.99
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	223,843,940.58	100.00

Maturity distribution



SECURITIES HELD

As of June 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
Commercial Paper											
46640QLD1 CP J.P. MORGAN SECURITIES LLC - ARRANGING BROKER 0% 13/11/2018	0.000	11/13/2018	5,000,000.00	4,939,666.65 0.00	4,954,915.74 9,945.06	4,954,333.35 10,611.95	(582.39)	0.00	0.00	0.00	2.21
4497W1P67 CP ING US FUNDING LLC 0% 06/02/2019	0.000	02/06/2019	5,000,000.00	4,917,361.10 0.00	4,923,903.35 6,542.25	4,920,881.65 3,520.55	(3,021.70)	0.00	0.00	0.00	2.20
Total Commercial Paper			10,000,000.00	9,857,027.75 0.00	9,878,819.09 16,487.31	9,875,215.00 14,132.50	(3,604.09)	0.00	0.00	0.00	4.40
Government Agencies											
3130A6AE7 FEDERAL HOME LOAN BANK 1.125% 14SEP2018	1.125	09/14/2018	5,000,000.00	5,017,900.00 0.00	5,001,254.36 (508.52)	4,990,430.00 7,355.00	(10,824.36)	0.00	4,531.25	16,562.50	2.24
3135G0YT4 FANNIE MAE 1.625% 27NOV2018	1.625	11/27/2018	5,000,000.00	5,017,650.00 0.00	5,001,814.37 (370.28)	4,990,150.00 1,680.00	(11,664.37)	0.00	6,545.14	7,447.92	2.24
313376BR5 FEDERAL HOME LOAN BANK 1.75% 14DEC2018	1.750	12/14/2018	8,000,000.00	8,153,030.00 0.00	8,023,559.81 (4,309.72)	7,983,696.00 680.00	(39,863.81)	70,000.00	11,277.78	6,222.22	3.64
3136FTZZ5 FANNIE MAE 1.75% 30JAN2019 CALLABLE	1.750	01/30/2019	5,000,000.00	5,094,650.00 0.00	5,019,316.33 (2,759.47)	4,985,850.00 6,600.00	(33,466.33)	0.00	7,291.66	36,458.33	2.28
3133EE5P1 FEDERAL FARM CREDIT BANK 1.32% 30JAN2019	1.320	01/30/2019	5,000,000.00	5,015,650.00 0.00	5,002,665.45 (380.78)	4,974,350.00 1,300.00	(28,315.45)	0.00	5,500.00	27,500.00	2.24
3133EDVK5 FEDERAL FARM CREDIT BANK 1.75% 18MAR2019	1.750	03/18/2019	5,000,000.00	5,024,600.00 0.00	5,004,118.62 (478.91)	4,981,200.00 (1,050.00)	(22,918.62)	0.00	7,048.61	24,791.67	2.24

SECURITIES HELD

As of June 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
Government Agencies											
3136G3RW7 FANNIE MAE 1.27% 30MAY2019 CALLABLE	1.270	05/30/2019	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,950,350.00 (350.00)	(49,650.00)	0.00	5,291.67	5,291.67	2.23
3136G3K87 FANNIE MAE 1.18% 25JUL2019 (CALLABLE 25JUL18)	1.180	07/25/2019 07/25/2018	5,000,000.00	4,996,250.00 0.00	4,998,671.80 103.49	4,934,500.00 (1,100.00)	(64,171.80)	0.00	4,752.78	25,402.78	2.23
3134G3JM3 FREDDIE MAC 2% 30JUL2019 CALLABLE	2.000	07/30/2019	5,000,000.00	5,025,300.00 0.00	5,005,034.18 (387.25)	4,975,825.00 (6,860.00)	(29,209.18)	0.00	8,333.34	41,666.67	2.25
3136G34F9 FANNIE MAE 1.125% 28AUG2019 CALLABLE #0001	1.125	08/28/2019	5,000,000.00	4,996,900.00 0.00	4,998,807.91 85.55	4,925,650.00 (1,300.00)	(73,157.91)	0.00	4,531.25	19,062.50	2.23
3135G0Q30 FANNIE MAE 1.18% 27SEP2019 CALLABLE	1.180	09/27/2019	5,000,000.00	4,962,000.00 0.00	4,983,281.50 1,122.05	4,920,350.00 (4,750.00)	(62,931.50)	0.00	4,752.78	15,241.67	2.22
3134G8PD5 FREDDIE MAC 1.35% 30SEP2019 CALLABLE	1.350	09/30/2019	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,930,650.00 (4,100.00)	(69,350.00)	0.00	5,625.00	16,875.00	2.23
3137EADM8 FREDDIE MAC 1.25% 02OCT2019	1.250	10/02/2019	5,000,000.00	5,013,050.00 0.00	5,004,886.99 (324.36)	4,924,030.00 (3,680.00)	(80,856.99)	0.00	5,034.72	15,277.78	2.24
3136G0T68 FANNIE MAE 1.33% 24OCT2019 CALLABLE	1.330	10/24/2019	5,000,000.00	4,991,700.00 0.00	4,997,325.49 169.27	4,920,950.00 (9,050.00)	(76,375.49)	0.00	5,356.95	12,191.67	2.23
3136G2YA9 FANNIE MAE 1.4% 26NOV2019 (CALLABLE 26AUG18)	1.400	11/26/2019 08/26/2018	5,000,000.00	4,998,750.00 0.00	4,999,531.83 27.76	4,926,350.00 (4,850.00)	(73,181.83)	0.00	5,638.89	24,111.11	2.23
3130ADN32 FEDERAL HOME LOAN BANK 2.125% 11FEB2020	2.125	02/11/2020	5,000,000.00	4,979,650.00 0.00	4,982,814.90 887.36	4,969,460.00 (5,780.00)	(13,354.90)	0.00	8,559.02	41,614.58	2.22

SECURITIES HELD

As of June 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
Government Agencies											
3133EFZT7 FEDERAL FARM CREDIT BANK 1.4% 24FEB2020 (CALLABLE 12JUL18)	1.400	02/24/2020	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,898,100.00 (4,850.00)	(101,900.00)	0.00	5,638.89	24,500.00	2.23
3137EAEM7 FREDDIE MAC 2.5% 23APR2020	2.500	04/23/2020	5,000,000.00	4,987,950.00 0.00	4,988,645.53 521.65	4,991,265.00 (11,100.00)	2,619.47	0.00	10,069.45	24,652.78	2.23
3134GABM5 FREDDIE MAC 1.3% 28AUG2020 CALLABLE	1.300	08/28/2020	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,866,050.00 (7,250.00)	(133,950.00)	0.00	5,236.11	22,027.78	2.23
3134G3K90 FREDDIE MAC 1.7% 25SEP2020 CALLABLE	1.700	09/25/2020	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,903,650.00 (4,800.00)	(96,350.00)	0.00	6,847.23	22,430.56	2.23
3133EGXX8 FEDERAL FARM CREDIT BANK 1.34% 13OCT2020 (CALLABLE 12JUL18)	1.340	10/13/2020	5,000,000.00	4,988,750.00 0.00	4,993,605.84 233.08	4,834,750.00 (7,500.00)	(158,855.84)	0.00	5,397.23	14,330.56	2.23
3135G0F73 FANNIE MAE 1.5% 30NOV2020	1.500	11/30/2020	5,000,000.00	5,080,350.00 0.00	5,045,070.60 (1,554.16)	4,866,335.00 (13,175.00)	(178,735.60)	0.00	6,250.00	6,250.00	2.27
3130A3UQ5 FEDERAL HOME LOAN BANK 1.875% 11DEC2020	1.875	12/11/2020	5,000,000.00	4,981,650.00 0.00	4,985,100.14 507.38	4,897,695.00 (18,605.00)	(87,405.14)	46,875.00	7,552.09	4,947.92	2.23
3130ABZQ2 FEDERAL HOME LOAN BANK 1.75% 08FEB2021 (CALLABLE 08AUG18) #0000	1.750	02/08/2021 08/08/2018	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,875,300.00 (7,350.00)	(124,700.00)	0.00	7,048.61	34,513.89	2.23
3134GBG48 FREDDIE MAC 1.75% 29MAR2021 (CALLABLE 29SEP18)	1.750	03/29/2021 09/29/2018	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,873,600.00 (6,300.00)	(126,400.00)	0.00	7,048.62	22,118.06	2.23

SECURITIES HELD

As of June 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
Government Agencies											
3130ACLQ5 FEDERAL HOME LOAN BANK 2% 30APR2021 (CALLABLE 30JUL18) #0000	2.000	04/30/2021 07/30/2018	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,900,000.00 (9,650.00)	(100,000.00)	0.00	8,333.34	16,666.67	2.23
3134GBC75 FREDDIE MAC 1.875% 28MAY2021 (CALLABLE 28AUG18)	1.875	05/28/2021 08/28/2018	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,892,700.00 (9,900.00)	(107,300.00)	0.00	7,552.08	8,333.33	2.23
Total Government Agencies			138,000,000.00	138,325,780.00 0.00	138,035,505.65 (7,415.86)	136,083,236.00 (125,735.00)	(1,952,269.65)	116,875.00	177,044.49	536,489.62	61.80
Government Bonds											
912828L40 USA TREASURY 1% 15SEP2018	1.000	09/15/2018	5,000,000.00	4,992,382.81 0.00	4,998,987.01 394.68	4,990,400.00 4,350.00	(8,587.01)	0.00	4,076.08	14,538.04	2.23
912828L81 USA TREASURY 0.875% 15OCT2018	0.875	10/15/2018	5,000,000.00	4,954,101.56 0.00	4,995,401.56 1,289.28	4,983,900.00 5,190.00	(11,501.56)	0.00	3,586.07	9,084.70	2.21
912828B33 USA TREASURY 1.5% 31JAN2019	1.500	01/31/2019	5,000,000.00	5,073,828.13 0.00	5,013,305.15 (1,856.54)	4,979,100.00 1,560.00	(34,205.15)	0.00	6,215.47	31,077.35	2.27
912828C24 USA TREASURY 1.5% 28FEB2019	1.500	02/28/2019	5,000,000.00	4,981,640.63 0.00	4,989,744.08 1,266.17	4,975,585.00 1,950.00	(14,159.08)	0.00	6,114.13	24,864.13	2.23
912828W55 USA TREASURY 1.625% 30JUN2019	1.625	06/30/2019	5,000,000.00	5,087,890.63 0.00	5,026,845.26 (2,206.45)	4,963,475.00 (1,175.00)	(63,370.26)	0.00	6,733.42	40,625.00	2.27
912828F62 USA TREASURY 1.5% 31OCT2019	1.500	10/31/2019	5,000,000.00	5,009,765.63 0.00	5,004,813.77 (295.92)	4,937,890.00 (2,930.00)	(66,923.77)	0.00	6,114.13	12,432.07	2.24

SECURITIES HELD

As of June 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
Government Bonds											
912828UL2 USA TREASURY 1.375% 31JAN2020	1.375	01/31/2020	5,000,000.00	4,990,429.69 0.00	4,995,210.72 247.73	4,914,260.00 (4,685.00)	(80,950.72)	0.00	5,697.51	28,487.57	2.23
912828J50 USA TREASURY 1.375% 29FEB2020	1.375	02/29/2020	5,000,000.00	5,060,742.19 0.00	5,029,428.79 (1,449.70)	4,907,615.00 (5,080.00)	(121,813.79)	0.00	5,604.62	22,792.12	2.26
912828XH8 USA TREASURY 1.625% 30JUN2020	1.625	06/30/2020	5,000,000.00	5,119,531.25 0.00	5,060,720.88 (2,491.96)	4,911,135.00 (7,810.00)	(149,585.88)	0.00	6,733.42	40,625.00	2.29
912828L65 USA TREASURY 1.375% 30SEP2020	1.375	09/30/2020	5,000,000.00	5,064,062.50 0.00	5,035,148.96 (1,281.25)	4,870,115.00 (7,035.00)	(165,033.96)	0.00	5,635.25	17,093.58	2.26
912828WC0 USA TREASURY 1.75% 31OCT2020	1.750	10/31/2020	5,000,000.00	5,000,195.31 0.00	5,000,153.16 (5.38)	4,906,445.00 (7,620.00)	(93,708.16)	0.00	7,133.16	14,504.08	2.23
912828L99 USA TREASURY 1.375% 31OCT2020	1.375	10/31/2020	5,000,000.00	5,036,328.13 0.00	5,021,249.47 (746.47)	4,864,065.00 (6,640.00)	(157,184.47)	0.00	5,604.62	11,396.06	2.25
912828N89 USA TREASURY 1.375% 31JAN2021	1.375	01/31/2021	5,000,000.00	5,072,656.25 0.00	5,042,038.42 (1,333.14)	4,847,460.00 (7,230.00)	(194,578.42)	0.00	5,697.51	28,487.57	2.27
912828C57 USA TREASURY 2.25% 31MAR2021	2.250	03/31/2021	5,000,000.00	5,108,789.06 0.00	5,082,577.80 (2,465.01)	4,951,760.00 (10,740.00)	(130,817.80)	0.00	9,221.31	27,971.31	2.28

SECURITIES HELD

As of June 30, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
Government Bonds											
912828WG1 USA TREASURY 2.25% 30APR2021	2.250	04/30/2021	5,000,000.00	5,108,789.06 0.00	5,083,158.55 (2,410.39)	4,950,000.00 (10,940.00)	(133,158.55)	0.00	9,171.20	18,648.10	2.28
Total Government Bonds			75,000,000.00	75,661,132.83 0.00	75,378,783.58 (13,344.35)	73,953,205.00 (58,835.00)	(1,425,578.58)	0.00	93,337.90	342,626.68	33.80
Grand total			223,000,000.00	223,843,940.58 0.00	223,293,108.32 (4,272.90)	219,911,656.00 (170,437.50)	(3,381,452.32)	116,875.00	270,382.39	879,116.30	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2018

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
United States Treasury Note/Bond												
912828L40	USA TREASURY 1%	1.000	09/15/2018		AA+	Aaa	5,000,000.00	4,992,382.81	2.23	4,990,400.00	2.27	0.21
912828L81	USA TREASURY 0.875%	0.875	10/15/2018		AA+	Aaa	5,000,000.00	4,954,101.56	2.21	4,983,900.00	2.27	0.29
912828B33	USA TREASURY 1.5%	1.500	01/31/2019		AA+	Aaa	5,000,000.00	5,073,828.13	2.27	4,979,100.00	2.26	0.58
912828C24	USA TREASURY 1.5%	1.500	02/28/2019		AA+	Aaa	5,000,000.00	4,981,640.63	2.23	4,975,585.00	2.26	0.66
912828W55	USA TREASURY 1.625%	1.625	06/30/2019		AA+	Aaa	5,000,000.00	5,087,890.63	2.27	4,963,475.00	2.26	0.98
912828F62	USA TREASURY 1.5%	1.500	10/31/2019		AA+	Aaa	5,000,000.00	5,009,765.63	2.24	4,937,890.00	2.25	1.31
912828UL2	USA TREASURY 1.375%	1.375	01/31/2020		AA+	Aaa	5,000,000.00	4,990,429.69	2.23	4,914,260.00	2.23	1.55
912828J50	USA TREASURY 1.375%	1.375	02/29/2020		AA+	Aaa	5,000,000.00	5,060,742.19	2.26	4,907,615.00	2.23	1.63
912828XH8	USA TREASURY 1.625%	1.625	06/30/2020		AA+	Aaa	5,000,000.00	5,119,531.25	2.29	4,911,135.00	2.23	1.95
912828L65	USA TREASURY 1.375%	1.375	09/30/2020		AA+	Aaa	5,000,000.00	5,064,062.50	2.26	4,870,115.00	2.21	2.19
912828WC0	USA TREASURY 1.75%	1.750	10/31/2020		AA+	Aaa	5,000,000.00	5,000,195.31	2.23	4,906,445.00	2.23	2.26
912828L99	USA TREASURY 1.375%	1.375	10/31/2020		AA+	Aaa	5,000,000.00	5,036,328.13	2.25	4,864,065.00	2.21	2.27
912828N89	USA TREASURY 1.375%	1.375	01/31/2021		AA+	Aaa	5,000,000.00	5,072,656.25	2.27	4,847,460.00	2.20	2.51
912828C57	USA TREASURY 2.25%	2.250	03/31/2021		AA+	Aaa	5,000,000.00	5,108,789.06	2.28	4,951,760.00	2.25	2.63
912828WG1	USA TREASURY 2.25%	2.250	04/30/2021		AA+	Aaa	5,000,000.00	5,108,789.06	2.28	4,950,000.00	2.25	2.72
Issuer total							75,000,000.00	75,661,132.83	33.80	73,953,205.00	33.63	1.59
Federal National Mortgage Association												
3135G0YT4	FANNIE MAE 1.625%	1.625	11/27/2018		AA+	Aaa	5,000,000.00	5,017,650.00	2.24	4,990,150.00	2.27	0.41
3136FTZZ5	FANNIE MAE 1.75%	1.750	01/30/2019		AA+	Aaa	5,000,000.00	5,094,650.00	2.28	4,985,850.00	2.27	0.58
3136G3RW7	FANNIE MAE 1.27%	1.270	05/30/2019		AA+	Aaa	5,000,000.00	5,000,000.00	2.23	4,950,350.00	2.25	0.90
3136G3K87	FANNIE MAE 1.18%	1.180	07/25/2019	07/25/2018	AA+	Aaa	5,000,000.00	4,996,250.00	2.23	4,934,500.00	2.24	1.05
3136G34F9	FANNIE MAE 1.125%	1.125	08/28/2019		AA+	Aaa	5,000,000.00	4,996,900.00	2.23	4,925,650.00	2.24	1.14
3135G0Q30	FANNIE MAE 1.18%	1.180	09/27/2019		AA+	Aaa	5,000,000.00	4,962,000.00	2.22	4,920,350.00	2.24	1.22
3136G0T68	FANNIE MAE 1.33%	1.330	10/24/2019		AA+	Aaa	5,000,000.00	4,991,700.00	2.23	4,920,950.00	2.24	1.29

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2018

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Federal National Mortgage Association												
3136G2YA9	FANNIE MAE 1.4%	1.400	11/26/2019	08/26/2018	AA+	Aaa	5,000,000.00	4,998,750.00	2.23	4,926,350.00	2.24	1.37
3135G0F73	FANNIE MAE 1.5%	1.500	11/30/2020		AA+	Aaa	5,000,000.00	5,080,350.00	2.27	4,866,335.00	2.21	2.35
Issuer total							45,000,000.00	45,138,250.00	20.17	44,420,485.00	20.20	1.15
Federal Home Loan Mortgage Corp												
3134G3JM3	FREDDIE MAC 2%	2.000	07/30/2019		AA+	Aaa	5,000,000.00	5,025,300.00	2.25	4,975,825.00	2.26	1.05
3134G8PD5	FREDDIE MAC 1.35%	1.350	09/30/2019		AA+	Aaa	5,000,000.00	5,000,000.00	2.23	4,930,650.00	2.24	1.23
3137EADM8	FREDDIE MAC 1.25%	1.250	10/02/2019		AA+	Aaa	5,000,000.00	5,013,050.00	2.24	4,924,030.00	2.24	1.23
3137EAEM7	FREDDIE MAC 2.5%	2.500	04/23/2020		AA+	Aaa	5,000,000.00	4,987,950.00	2.23	4,991,265.00	2.27	1.75
3134GABM5	FREDDIE MAC 1.3%	1.300	08/28/2020		AA+	Aaa	5,000,000.00	5,000,000.00	2.23	4,866,050.00	2.21	2.11
3134G3K90	FREDDIE MAC 1.7%	1.700	09/25/2020		AA+	Aaa	5,000,000.00	5,000,000.00	2.23	4,903,650.00	2.23	2.17
3134GBG48	FREDDIE MAC 1.75%	1.750	03/29/2021	09/29/2018	AA+	Aaa	5,000,000.00	5,000,000.00	2.23	4,873,600.00	2.22	2.57
3134GBC75	FREDDIE MAC 1.875%	1.875	05/28/2021	08/28/2018	AA+	Aaa	5,000,000.00	5,000,000.00	2.23	4,892,700.00	2.22	2.65
Issuer total							40,000,000.00	40,026,300.00	17.88	39,357,770.00	17.90	1.84
Federal Home Loan Banks												
3130A6AE7	FEDERAL HOME LOAN	1.125	09/14/2018		AA+	Aaa	5,000,000.00	5,017,900.00	2.24	4,990,430.00	2.27	0.21
313376BR5	FEDERAL HOME LOAN	1.750	12/14/2018		AA+	Aaa	8,000,000.00	8,153,030.00	3.64	7,983,696.00	3.63	0.46
3130ADN32	FEDERAL HOME LOAN	2.125	02/11/2020		AA+	Aaa	5,000,000.00	4,979,650.00	2.22	4,969,460.00	2.26	1.56
3130A3UQ5	FEDERAL HOME LOAN	1.875	12/11/2020		AA+	Aaa	5,000,000.00	4,981,650.00	2.23	4,897,695.00	2.23	2.37
3130ABZQ2	FEDERAL HOME LOAN	1.750	02/08/2021	08/08/2018	AA+	Aaa	5,000,000.00	5,000,000.00	2.23	4,875,300.00	2.22	2.52
3130ACLQ5	FEDERAL HOME LOAN	2.000	04/30/2021	07/30/2018	AA+	Aaa	5,000,000.00	5,000,000.00	2.23	4,900,000.00	2.23	2.57
Issuer total							33,000,000.00	33,132,230.00	14.80	32,616,581.00	14.83	1.50
Federal Farm Credit Banks												
3133EE5P1	FEDERAL FARM CREDIT	1.320	01/30/2019		AA+	Aaa	5,000,000.00	5,015,650.00	2.24	4,974,350.00	2.26	0.58

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2018

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Federal Farm Credit Banks												
3133EDVK5	FEDERAL FARM CREDIT	1.750	03/18/2019		AA+	Aaa	5,000,000.00	5,024,600.00	2.24	4,981,200.00	2.27	0.71
3133EFZT7	FEDERAL FARM CREDIT	1.400	02/24/2020		AA+	Aaa	5,000,000.00	5,000,000.00	2.23	4,898,100.00	2.23	1.61
3133EGXX8	FEDERAL FARM CREDIT	1.340	10/13/2020		AA+	Aaa	5,000,000.00	4,988,750.00	2.23	4,834,750.00	2.20	2.22
Issuer total							20,000,000.00	20,029,000.00	8.95	19,688,400.00	8.95	1.28
JP Morgan Securities LLC												
46640QLD1	CP J.P. MORGAN	0.000	11/13/2018		A-1	P-1	5,000,000.00	4,939,666.65	2.21	4,954,333.35	2.25	0.37
Issuer total							5,000,000.00	4,939,666.65	2.21	4,954,333.35	2.25	0.37
ING US FDG LLC												
4497W1P67	CP ING US FUNDING LLC	0.000	02/06/2019		A-1	P-1	5,000,000.00	4,917,361.10	2.20	4,920,881.65	2.24	0.60
Issuer total							5,000,000.00	4,917,361.10	2.20	4,920,881.65	2.24	0.60
Grand total							223,000,000.00	223,843,940.58	100.00	219,911,656.00	100.00	1.46

SECURITIES PURCHASED

For the period June 1, 2018 - June 30, 2018

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
Commercial Paper							
4497W1P67	06/11/2018	0.000	02/06/2019	5,000,000.00	98.35	(4,917,361.10)	0.00
CP ING US FUNDING LLC 0% 06/02/2019 J.P. MORGAN SECURITIES PLC	06/13/2018						
Total Commercial Paper				5,000,000.00		(4,917,361.10)	0.00
Grand total				5,000,000.00		(4,917,361.10)	0.00

SECURITIES SOLD AND MATURED

For the period June 1, 2018 - June 30, 2018

Cusip/ Description/ Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost at sale or maturity /Accr (amort)	Price	Fair value at sale or maturity / Chg.in fair value	Realized gain (loss)	Accrued interest sold	Interest received	Interest earned
Commercial Paper												
4497W1FD3 ING U S FDG LLC DISC COML PAPER 3/A3 YRS 3&4 06-13-2018	06/13/2018 06/13/2018	0.000		(5,000,000.00)	4,967,720.85	5,000,000.00 3,203.27	0.00	5,000,000.00 3,322.20	0.00	0.00	0.00	0.00
88602UFN5 THUNDER BAY FDG LLC DISC COML PAPER 4/2 YRS 3&4 DUE 06-22-2018	06/22/2018 06/22/2018	0.000		(5,000,000.00)	4,968,791.65	5,000,000.00 6,357.26	0.00	5,000,000.00 5,778.05	0.00	0.00	0.00	0.00
89233HG65 TOYOTA MTR CR CORP 06JUL2018 CITIGROUP GLOBAL MARKETS INC.	06/28/2018 06/29/2018	0.000	07/06/2018	(5,000,000.00)	4,948,333.35	4,998,284.92 6,002.76	99.96	4,998,075.00 7,535.00	(209.92)	0.00	0.00	0.00
Total (Commercial Paper)				(15,000,000.00)	14,884,845.85	14,998,284.92 15,563.29		14,998,075.00 16,635.25	(209.92)	0.00	0.00	0.00
Grand total				(15,000,000.00)	14,884,845.85	14,998,284.92 15,563.29		14,998,075.00 16,635.25	(209.92)	0.00	0.00	0.00

TRANSACTION REPORT

For the period June 1, 2018 - June 30, 2018

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
06/11/2018 06/11/2018	3130A3UQ5	Income	Government Agencies	FEDERAL HOME LOAN BANK	12/11/2020	5,000,000.00	0.00	0.00	46,875.00	46,875.00
06/11/2018 06/13/2018	4497W1P67	Bought	Commercial Paper	CP ING US FUNDING LLC 0%	02/06/2019	5,000,000.00	0.00	(4,917,361.10)	0.00	(4,917,361.10)
06/13/2018 06/13/2018	4497W1FD3	Capital Change	Commercial Paper	ING U S FDG LLC DISC COML	06/13/2018	(5,000,000.00)	0.00	5,000,000.00	0.00	5,000,000.00
06/14/2018 06/14/2018	313376BR5	Income	Government Agencies	FEDERAL HOME LOAN BANK	12/14/2018	8,000,000.00	0.00	0.00	70,000.00	70,000.00
06/22/2018 06/22/2018	88602UFN5	Capital Change	Commercial Paper	THUNDER BAY FDG LLC DISC	06/22/2018	(5,000,000.00)	0.00	5,000,000.00	0.00	5,000,000.00
06/28/2018 06/29/2018	89233HG65	Sold	Commercial Paper	TOYOTA MTR CR CORP	07/06/2018	(5,000,000.00)	(209.92)	4,998,075.00	0.00	4,998,075.00

ADDITIONAL INFORMATION

As of June 30, 2018

Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes) and investors may not get back the amount invested. Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The information contained herein is for your reference only and is being provided in response to your specific request and has been obtained from sources believed to be reliable; however, no representation is made regarding its accuracy or completeness. This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended, or forwarded to a third party without consent from Insight. This is a marketing document intended for professional clients only and should not be made available to or relied upon by retail clients.

Investment advisory services in North America are provided through four different SEC-registered investment advisers using the brand Insight Investment: Cutwater Asset Management Corp. (CAMC), Cutwater Investor Services Corp. (CISC), Insight North America LLC (INA) and Insight Investment International Limited (IILL). The North American investment advisers are associated with a broader group of global investment managers that also (individually and collectively) use the corporate brand Insight Investment and may be referred to as Insight, Insight Group or Insight Investment.

Both CISC and CAMC are investment advisers registered with the Securities and Exchange Commission (SEC), under the Investment Advisers Act of 1940, as amended. Registration with the SEC does not imply a certain level of skill or training. You may request, without charge, additional information about Insight. Moreover, specific information relating to Insights strategies, including investment advisory fees, may be obtained from CAMCs and CISCs Forms ADV Part 2A, which are available without charge upon request.

Where indicated, performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. CAMC and CISC charge management fees on all portfolios managed and these fees will reduce the returns on the portfolios. For example, assume that \$30 million is invested in an account with either CAMC or CISC, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to \$38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be \$38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. CAMCS and CISC's investment advisory fees are discussed in Part 2A of the Firms Form ADV.

Unless otherwise stated, the source of information is Insight. Any forecasts or opinions are Insights own at the date of this document (or as otherwise specified) and may change. Material in this publication is for general information only and is not advice, investment advice, or the recommendation of any purchase or sale of any security. Insight makes no implied or expressed recommendations concerning the manner in which an account should or would be handled, as appropriate investment strategies depend upon specific investment guidelines and objectives and should not be construed to be an assurance that any particular security in a strategy will remain in any fund, account, or strategy, or that a previously held security will not be repurchased. It should not be assumed that any of the security transactions or holdings referenced herein have been or will prove to be profitable or that future investment decisions will be profitable or will equal or exceed the past investment performance of the securities listed.

For trading activity the Clearing broker will be reflected. In certain cases the Clearing broker will differ from the Executing broker.

In calculating ratings distributions and weighted average portfolio quality, Insight assigns U.S Treasury and U.S agency securities a quality rating based on the methodology used within the respective benchmark index. When Moodys, S&P and Fitch rate a security, Bank of America and Merrill Lynch indexes assign a simple weighted average statistic while Barclays indexes assign the median statistic. Insight assigns all other securities the lower of Moodys and S&P ratings.

Information about the indices shown here is provided to allow for comparison of the performance of the strategy to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index and the indices represented do not take into account trading commissions and/or other brokerage or custodial costs. The volatility of the indices may be materially different from that of the strategy. In addition, the strategys holdings may differ substantially from the securities that comprise the indices shown.

The BofA Merrill Lynch 3 Mo US T-Bill index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

The BofA Merrill Lynch 6 Mo US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The BofA Merrill Lynch Current 1-Year US Treasury Index is a one-security index comprised of the most recently issued 1-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 1-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 3-Year US Treasury Index is a one-security index comprised of the most recently issued 3-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 3-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 5-Year US Treasury Index is a one-security index comprised of the most recently issued 5-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 5-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch 1-3 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

The BofA Merrill Lynch 1-5 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than five years.

Insight does not provide tax or legal advice to its clients and all investors are strongly urged to consult their tax and legal advisors regarding any potential strategy or investment.

ADDITIONAL INFORMATION

As of June 30, 2018

Insight is a group of wholly owned subsidiaries of The Bank of New York Mellon Corporation. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation and may also be used as a generic term to reference the Corporation as a whole or its various subsidiaries generally. Products and services may be provided under various brand names and in various countries by subsidiaries, affiliates and joint ventures of The Bank of New York Mellon Corporation where authorized and regulated as required within each jurisdiction. Unless you are notified to the contrary, the products and services mentioned are not insured by the FDIC (or by any governmental entity) and are not guaranteed by or obligations of The Bank of New York Mellon Corporation or any of its affiliates. The Bank of New York Corporation assumes no responsibility for the accuracy or completeness of the above data and disclaims all expressed or implied warranties in connection therewith.

© 2018 Insight Investment. All rights reserved.