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# CITY OF ANN ARBOR

April 2018

➤ A BNY MELLON COMPANY<sup>SM</sup>

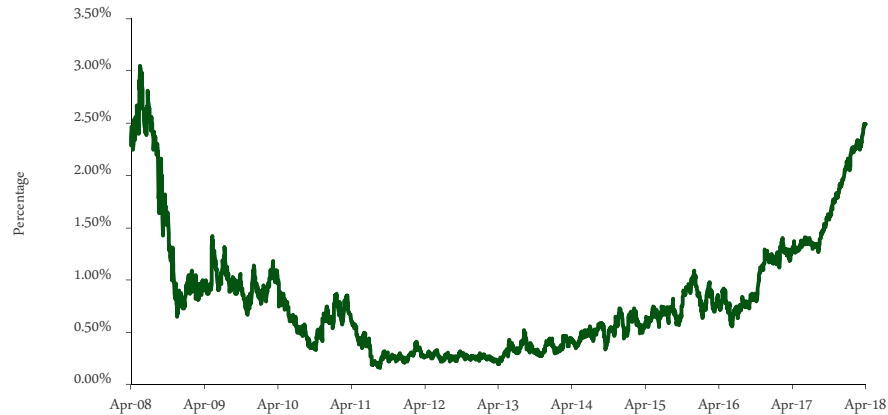


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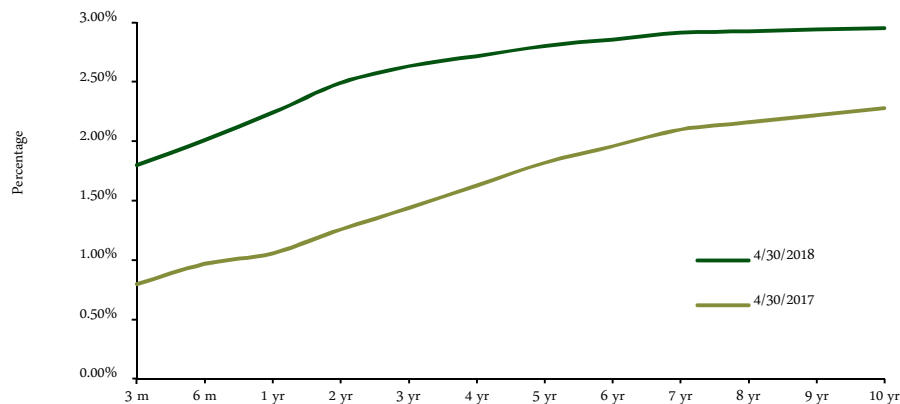
As of April 30, 2018

Chart 1: 2-year Treasury note yield: 04/30/2008—04/30/2018



Source: Bloomberg Finance LP, April 30, 2018.

Chart 2: Treasury yield curve: 04/30/2017 and 04/30/2018



Source: Bloomberg Finance LP, April 30, 2018.

## Economic Indicators and Monetary Policy

Continuing strength in the US economy was illustrated by many economic releases during April. That data, along with expectations for further rate increases by the Federal Reserve and growing concerns about potentially higher future Treasury issuance, contributed to rising interest rates across the yield curve during the month. The 10-year Treasury note closed in April with a yield over 3% for the first time since December 2013 before retreating to 2.95% at month-end. The yield on the 2-year Treasury note increased 22bp during April to end the month at nearly 2.5%, a level not seen since 2008. (See Chart 1).

The March payroll report was released on April 6. Average hourly earnings increased 0.3% in March to a year-over-year rate of 2.7%, in line with expectations and 0.1% higher than February’s annual level. The unemployment rate held steady at 4.1% while the underemployment rate decreased 0.2% to 8.0% in March. Although jobs added disappointed somewhat at 103,000 versus expectations for 185,000, February job growth was revised up to 326,000 from 313,000.

The Institute for Supply Management (ISM) Manufacturing Index was released on April 2 at 59.3 and the Non-Manufacturing Index was released on April 4 at 58.8 for March. Both indices reflect an expanding economic environment and comments from business leaders showed concerns over tariffs, somewhat longer delivery times and early indications of certain supply bottlenecks.

The headline and the core Producer Price Index (PPI) levels released on April 10 each rose 0.3% in March. The year-over-year increase was 3.0% at the headline level and excluding food and energy the PPI increased 2.7%. The Consumer Price Index (CPI) data was released the next day and showed a 2.4% increase on a year-over-year basis in March including food and energy. The core CPI was 2.1% in March on a year-over-year basis, a 13-month high.

## Interest Rate Summary

At the end of April the 3-month US Treasury bill yielded 1.80%, the 6-month US Treasury bill yielded 2.01%, the 2-year US Treasury note yielded 2.49%, the 5-year US Treasury note yielded 2.80% and the 10-year US Treasury note yielded 2.95%. (See Chart 2).

# ACTIVITY AND PERFORMANCE SUMMARY

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

<u>Amortized Cost Basis Activity Summary</u>	
<b>Opening balance</b>	241,399,052.75
Income received	432,375.00
<b>Total receipts</b>	432,375.00
<b>Total disbursements</b>	0.00
Interportfolio transfers	(5,432,375.00)
<b>Total Interportfolio transfers</b>	(5,432,375.00)
Realized gain (loss)	0.00
<b>Total amortization expense</b>	(27,615.67)
<b>Total OID/MKT accretion income</b>	35,678.40
Return of capital	0.00
<b>Closing balance</b>	236,407,115.48
<b>Ending fair value</b>	232,696,993.70
Unrealized gain (loss)	(3,710,121.78)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Commercial Paper	0.00	22,492.68	0.00	22,492.68
Government Agencies	173,117.32	(6,837.46)	0.00	166,279.86
Government Bonds	98,991.76	(10,289.50)	0.00	88,702.26
Short Term Bills and Notes	0.00	2,697.01	0.00	2,697.01
<b>Total</b>	<b>272,109.08</b>	<b>8,062.73</b>	<b>0.00</b>	<b>280,171.81</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.25	0.70	0.14
Overnight Repo	1.23	0.70	0.14
Merrill Lynch 3m US Treas Bill	1.22	0.72	0.14
Merrill Lynch 6m US Treas Bill	1.35	0.80	0.15
ML 1 Year US Treasury Note	1.55	0.92	0.18
ML 2 Year US Treasury Note	1.75	1.05	0.19
ML 5 Year US Treasury Note	2.13	1.19	0.22

\* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	272,109.08
Accretion (amortization)	8,062.73
Realized gain (loss) on sales	0.00
Total income on portfolio	280,171.81
Average daily amortized cost	238,237,265.49
Period return (%)	0.12
YTD return (%)	0.46
Weighted average final maturity in days	561

# ACTIVITY AND PERFORMANCE SUMMARY

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

<u>Fair Value Basis Activity Summary</u>		
<b>Opening balance</b>		238,188,914.25
Income received	432,375.00	
<b>Total receipts</b>		432,375.00
<b>Total disbursements</b>		0.00
Interportfolio transfers	(5,432,375.00)	
<b>Total Interportfolio transfers</b>		(5,432,375.00)
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		(491,920.55)
<b>Ending fair value</b>		232,696,993.70

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Commercial Paper	0.00	34,604.45	34,604.45
Government Agencies	173,117.32	(316,305.00)	(143,187.68)
Government Bonds	98,991.76	(212,490.00)	(113,498.24)
Short Term Bills and Notes	0.00	2,270.00	2,270.00
<b>Total</b>	<b>272,109.08</b>	<b>(491,920.55)</b>	<b>(219,811.47)</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.25	0.70	0.14
Overnight Repo	1.23	0.70	0.14
ICE ML 3m US Treas Bill	1.17	0.68	0.13
ICE ML 6m US Treas Bill	1.21	0.65	0.15
ICE ML 1 Year US Treasury Note	0.64	0.29	0.06
ICE ML US Treasury 1-3	(0.26)	(0.47)	(0.16)
ICE ML US Treasury 1-5	(0.75)	(1.01)	(0.35)

\* rates reflected are cumulative

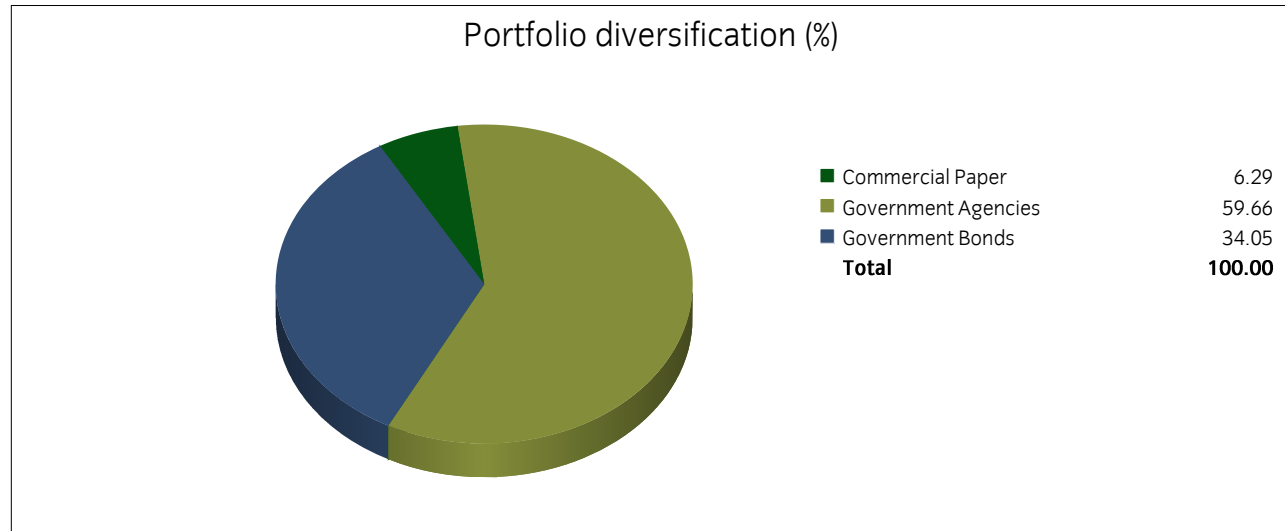
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	272,109.08
Change in fair value	(491,920.55)
Total income on portfolio	(219,811.47)
Average daily total value *	235,532,700.70
Period return (%)	(0.09)
YTD return (%)	(0.12)
Weighted average final maturity in days	561

\* Total value equals market value and accrued interest

# RECAP OF SECURITIES HELD

As of April 30, 2018

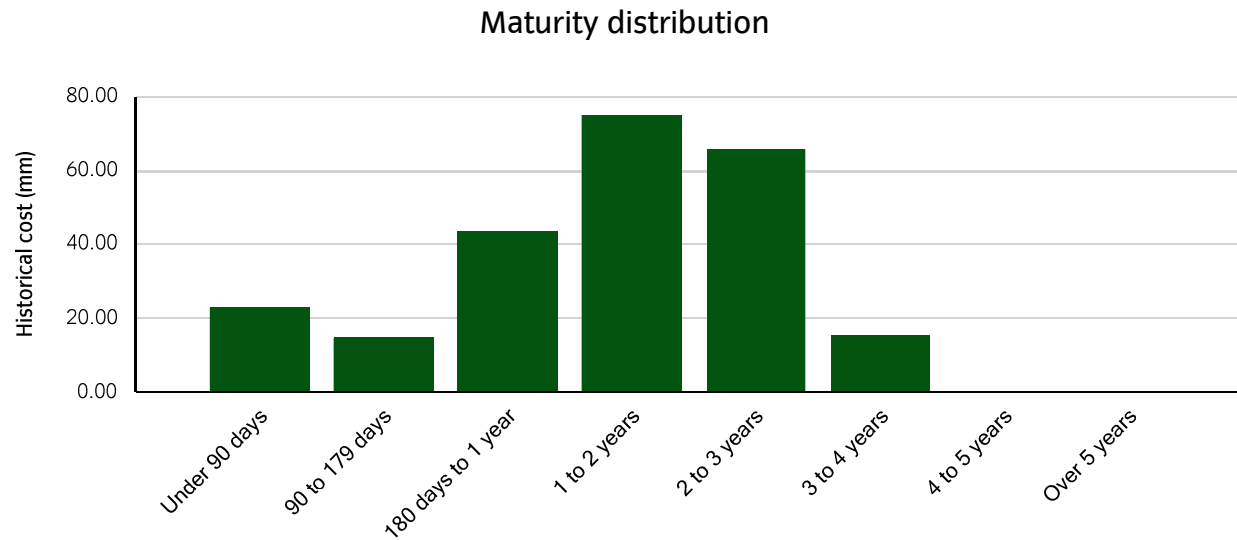
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Commercial Paper	14,884,845.85	14,959,479.18	14,953,680.70	(5,798.48)	55	6.29	0.15
Government Agencies	141,273,540.00	141,061,983.25	138,919,668.00	(2,142,315.25)	575	59.66	1.52
Government Bonds	80,637,304.71	80,385,653.05	78,823,645.00	(1,562,008.05)	630	34.05	1.68
<b>Total</b>	<b>236,795,690.56</b>	<b>236,407,115.48</b>	<b>232,696,993.70</b>	<b>(3,710,121.78)</b>	<b>561</b>	<b>100.00</b>	<b>1.49</b>



# MATURITY DISTRIBUTION OF SECURITIES HELD

As of April 30, 2018

Maturity	Historic cost	Percent
Under 90 days	22,820,555.85	9.64
90 to 179 days	14,964,384.37	6.32
180 days to 1 year	43,337,220.64	18.30
1 to 2 years	75,112,428.14	31.72
2 to 3 years	65,452,312.50	27.64
3 to 4 years	15,108,789.06	6.38
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	<b>236,795,690.56</b>	<b>100.00</b>



# SECURITIES HELD

## As of April 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
<b>Commercial Paper</b>											
4497W1FD3 CP ING US FUNDING LLC 0% 13/06/2018	0.000	06/13/2018	5,000,000.00	4,967,720.85 0.00	4,989,158.15 7,392.17	4,987,838.90 10,533.35	(1,319.25)	0.00	0.00	0.00	2.10
88602UFN5 CP THUNDER BAY FUNDING LLC 0% 22/06/2018	0.000	06/22/2018	5,000,000.00	4,968,791.65 0.00	4,984,684.79 8,668.98	4,984,983.35 11,876.40	298.56	0.00	0.00	0.00	2.10
89233HG65 TOYOTA MTR CR CORP 06JUL2018	0.000	07/06/2018	5,000,000.00	4,948,333.35 0.00	4,985,636.24 6,431.53	4,980,858.45 12,194.70	(4,777.79)	0.00	0.00	0.00	2.09
<b>Total Commercial Paper</b>			<b>15,000,000.00</b>	<b>14,884,845.85</b> <b>0.00</b>	<b>14,959,479.18</b> <b>22,492.68</b>	<b>14,953,680.70</b> <b>34,604.45</b>	<b>(5,798.48)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.29</b>
<b>Government Agencies</b>											
3135G0WJ8 FANNIE MAE 0.875% 21MAY2018	0.875	05/21/2018	3,000,000.00	2,953,560.00 0.00	2,999,455.78 803.37	2,998,551.00 2,037.00	(904.78)	0.00	2,114.58	11,593.75	1.25
3135G0XG3 FANNIE MAE 1% 21MAY2018 CALLABLE #0000	1.000	05/21/2018	5,000,000.00	4,982,150.00 0.00	4,999,792.33 296.68	4,997,850.00 3,100.00	(1,942.33)	0.00	4,027.77	22,083.33	2.10
3130A6AE7 FEDERAL HOME LOAN BANK 1.125% 14SEP2018	1.125	09/14/2018	5,000,000.00	5,017,900.00 0.00	5,002,271.40 (508.52)	4,984,425.00 4,100.00	(17,846.40)	0.00	4,531.25	7,187.50	2.12
3135G0YT4 FANNIE MAE 1.625% 27NOV2018	1.625	11/27/2018	5,000,000.00	5,017,650.00 0.00	5,002,554.93 (370.28)	4,988,125.00 1,095.00	(14,429.93)	0.00	6,545.14	34,531.25	2.12
313376BR5 FEDERAL HOME LOAN BANK 1.75% 14DEC2018	1.750	12/14/2018	8,000,000.00	8,153,030.00 0.00	8,032,179.25 (4,309.71)	7,980,432.00 (2,512.00)	(51,747.25)	0.00	11,277.78	52,888.89	3.44
3136FTZZ5 FANNIE MAE 1.75% 30JAN2019 CALLABLE	1.750	01/30/2019	5,000,000.00	5,094,650.00 0.00	5,024,835.28 (2,759.47)	4,975,650.00 (3,050.00)	(49,185.28)	0.00	7,291.67	21,875.00	2.15



# SECURITIES HELD

## As of April 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
<b>Government Agencies</b>											
3133EE5P1 FEDERAL FARM CREDIT BANK 1.32% 30JAN2019	1.320	01/30/2019	5,000,000.00	5,015,650.00 0.00	5,003,427.01 (380.78)	4,961,850.00 (12,650.00)	(41,577.01)	0.00	5,500.00	16,500.00	2.12
3133EDVK5 FEDERAL FARM CREDIT BANK 1.75% 18MAR2019	1.750	03/18/2019	5,000,000.00	5,024,600.00 0.00	5,005,076.44 (478.91)	4,977,600.00 (4,650.00)	(27,476.44)	0.00	7,048.61	10,208.33	2.12
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	4,943,950.00 (3,600.00)	(56,050.00)	0.00	5,291.66	26,458.33	2.11
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	4,998,464.81 103.49	4,925,600.00 (6,850.00)	(72,864.81)	0.00	4,752.77	15,569.44	2.11
3134G3JM3 FREDDIE MAC 2% 30JUL2019 CALLABLE	2.000	07/30/2019	5,000,000.00	5,025,300.00 0.00	5,005,808.67 (387.25)	4,973,885.00 (9,155.00)	(31,923.67)	0.00	8,333.33	25,000.00	2.12
3136G34F9 FANNIE MAE 1.125% 28AUG2019 CALLABLE #0001	1.125	08/28/2019	5,000,000.00	4,996,900.00 0.00	4,998,636.80 85.56	4,916,000.00 (7,150.00)	(82,636.80)	0.00	4,531.25	9,687.50	2.11
3135G0Q30 FANNIE MAE 1.18% 27SEP2019 CALLABLE	1.180	09/27/2019	5,000,000.00	4,962,000.00 0.00	4,981,037.40 1,122.05	4,913,200.00 (7,650.00)	(67,837.40)	0.00	4,752.77	5,408.33	2.10
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	4,925,150.00 (7,600.00)	(74,850.00)	0.00	5,625.00	5,625.00	2.11
3137EADM8 FREDDIE MAC 1.25% 02OCT2019	1.250	10/02/2019	5,000,000.00	5,013,050.00 0.00	5,005,535.71 (324.36)	4,917,155.00 (7,875.00)	(88,380.71)	31,250.00	5,034.72	4,861.11	2.12
3136G0T68 FANNIE MAE 1.33% 24OCT2019 CALLABLE	1.330	10/24/2019	5,000,000.00	4,991,700.00 0.00	4,996,986.95 169.27	4,917,450.00 (6,100.00)	(79,536.95)	33,250.00	5,356.94	1,108.33	2.11

# SECURITIES HELD

## As of April 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
<b>Government Agencies</b>											
3136G2YA9 FANNIE MAE 1.4% 26NOV2019 (CALLABLE 26MAY18)	1.400	11/26/2019 05/26/2018	5,000,000.00	4,998,750.00 0.00	4,999,476.31 27.75	4,918,300.00 (11,150.00)	(81,176.31)	0.00	5,638.88	12,444.44	2.11
3130ADN32 FEDERAL HOME LOAN BANK 2.125% 11FEB2020	2.125	02/11/2020	5,000,000.00	4,979,650.00 0.00	4,981,040.19 887.36	4,965,890.00 (13,400.00)	(15,150.19)	0.00	8,559.03	23,906.25	2.10
3133EFZT7 FEDERAL FARM CREDIT BANK 1.4% 24FEB2020 (CALLABLE 10MAY18)	1.400	02/24/2020	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,889,950.00 (13,500.00)	(110,050.00)	0.00	5,638.89	12,833.33	2.11
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	4,855,700.00 (17,800.00)	(144,300.00)	0.00	5,236.11	11,194.44	2.11
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	4,891,850.00 (24,250.00)	(108,150.00)	0.00	6,847.22	8,263.89	2.11
3133EGXX8 FEDERAL FARM CREDIT BANK 1.34% 13OCT2020 (CALLABLE 10MAY18)	1.340	10/13/2020	5,000,000.00	4,988,750.00 0.00	4,993,139.68 233.08	4,825,400.00 (22,300.00)	(167,739.68)	33,500.00	5,397.22	3,163.89	2.11
3135G0F73 FANNIE MAE 1.5% 30NOV2020	1.500	11/30/2020	5,000,000.00	5,080,350.00 0.00	5,048,178.92 (1,554.16)	4,860,295.00 (21,730.00)	(187,883.92)	0.00	6,250.00	31,250.00	2.15
3130A3UQ5 FEDERAL HOME LOAN BANK 1.875% 11DEC2020	1.875	12/11/2020	5,000,000.00	4,981,650.00 0.00	4,984,085.39 507.37	4,905,010.00 (22,215.00)	(79,075.39)	0.00	7,552.09	36,197.92	2.10
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	4,866,200.00 (25,450.00)	(133,800.00)	0.00	7,048.62	19,930.56	2.11

# SECURITIES HELD

## As of April 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
<b>Government Agencies</b>											
3134GBG48 FREDDIE MAC 1.75% 29MAR2021 (CALLABLE 29JUN18)	1.750	03/29/2021 06/29/2018	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,866,650.00 (18,150.00)	(133,350.00)	0.00	7,048.61	7,534.72	2.11
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	4,892,600.00 (28,400.00)	(107,400.00)	50,000.00	8,333.33	0.00	2.11
3134GBC75 FREDDIE MAC 1.875% 28MAY2021 (CALLABLE 28MAY18)	1.875	05/28/2021 05/28/2018	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,884,950.00 (29,450.00)	(115,050.00)	0.00	7,552.08	39,583.33	2.11
<b>Total Government Agencies</b>			<b>141,000,000.00</b>	<b>141,273,540.00</b> <b>0.00</b>	<b>141,061,983.25</b> <b>(6,837.46)</b>	<b>138,919,668.00</b> <b>(316,305.00)</b>	<b>(2,142,315.25)</b>	<b>148,000.00</b>	<b>173,117.32</b>	<b>476,888.86</b>	<b>59.66</b>
<b>Government Bonds</b>											
912828L40 USA TREASURY 1% 15SEP2018	1.000	09/15/2018	5,000,000.00	4,992,382.81 0.00	4,998,184.50 394.67	4,981,250.00 975.00	(16,934.50)	0.00	4,076.09	6,250.00	2.11
912828L81 USA TREASURY 0.875% 15OCT2018	0.875	10/15/2018	5,000,000.00	4,954,101.56 0.00	4,992,780.02 1,289.28	4,973,635.00 3,125.00	(19,145.02)	21,875.00	3,595.91	1,793.03	2.09
912828M64 USA TREASURY 1.25% 15NOV2018	1.250	11/15/2018	5,000,000.00	4,976,171.88 0.00	4,979,735.92 3,054.89	4,977,930.00 1,565.00	(1,805.92)	0.00	5,179.56	28,660.22	2.10
912828B33 USA TREASURY 1.5% 31JAN2019	1.500	01/31/2019	5,000,000.00	5,073,828.13 0.00	5,017,080.10 (1,856.54)	4,973,440.00 (1,170.00)	(43,640.10)	0.00	6,215.47	18,439.23	2.14
912828C24 USA TREASURY 1.5% 28FEB2019	1.500	02/28/2019	5,000,000.00	4,981,640.63 0.00	4,987,169.54 1,266.16	4,968,750.00 (3,515.00)	(18,419.54)	0.00	6,114.13	12,432.07	2.10

# SECURITIES HELD

## As of April 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
<b>Government Bonds</b>											
912828WS5 USA TREASURY 1.625% 30JUN2019	1.625	06/30/2019	5,000,000.00	5,087,890.63 0.00	5,031,331.72 (2,206.46)	4,959,180.00 (6,640.00)	(72,151.72)	0.00	6,733.42	26,933.70	2.15
912828F62 USA TREASURY 1.5% 31OCT2019	1.500	10/31/2019	5,000,000.00	5,009,765.63 0.00	5,005,415.49 (295.92)	4,932,225.00 (9,375.00)	(73,190.49)	37,500.00	6,215.47	0.00	2.12
912828UL2 USA TREASURY 1.375% 31JAN2020	1.375	01/31/2020	5,000,000.00	4,990,429.69 0.00	4,994,707.02 247.73	4,908,010.00 (13,475.00)	(86,697.02)	0.00	5,697.51	16,902.62	2.11
912828J50 USA TREASURY 1.375% 29FEB2020	1.375	02/29/2020	5,000,000.00	5,060,742.19 0.00	5,032,376.51 (1,449.69)	4,901,565.00 (13,475.00)	(130,811.51)	0.00	5,604.62	11,396.06	2.14
912828XH8 USA TREASURY 1.625% 30JUN2020	1.625	06/30/2020	5,000,000.00	5,119,531.25 0.00	5,065,787.87 (2,491.97)	4,905,080.00 (17,575.00)	(160,707.87)	0.00	6,733.42	26,933.70	2.16
912828L65 USA TREASURY 1.375% 30SEP2020	1.375	09/30/2020	5,000,000.00	5,064,062.50 0.00	5,037,754.17 (1,281.25)	4,860,740.00 (19,925.00)	(177,014.17)	34,375.00	5,635.25	5,635.25	2.14
912828WC0 USA TREASURY 1.75% 31OCT2020	1.750	10/31/2020	5,000,000.00	5,000,195.31 0.00	5,000,164.10 (5.38)	4,899,415.00 (23,435.00)	(100,749.10)	43,750.00	7,251.38	0.00	2.11
912828L99 USA TREASURY 1.375% 31OCT2020	1.375	10/31/2020	5,000,000.00	5,036,328.13 0.00	5,022,767.29 (746.47)	4,855,080.00 (21,090.00)	(167,687.29)	34,375.00	5,697.51	0.00	2.13
912828N89 USA TREASURY 1.375% 31JAN2021	1.375	01/31/2021	5,000,000.00	5,072,656.25 0.00	5,044,749.14 (1,333.14)	4,836,720.00 (24,415.00)	(208,029.14)	0.00	5,697.51	16,902.62	2.14
912828C57 USA TREASURY 2.25% 31MAR2021	2.250	03/31/2021	5,000,000.00	5,108,789.06 0.00	5,087,589.98 (2,465.01)	4,946,875.00 (31,250.00)	(140,714.98)	56,250.00	9,221.31	9,221.31	2.16

# SECURITIES HELD

As of April 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
<b>Government Bonds</b>											
912828WG1 USA TREASURY 2.25% 30APR2021	2.250	04/30/2021	5,000,000.00	5,108,789.06 0.00	5,088,059.68 (2,410.40)	4,943,750.00 (32,815.00)	(144,309.68)	56,250.00	9,323.20	0.00	2.16
<b>Total Government Bonds</b>			<b>80,000,000.00</b>	<b>80,637,304.71</b> <b>0.00</b>	<b>80,385,653.05</b> <b>(10,289.50)</b>	<b>78,823,645.00</b> <b>(212,490.00)</b>	<b>(1,562,008.05)</b>	<b>284,375.00</b>	<b>98,991.76</b>	<b>181,499.81</b>	<b>34.05</b>
<b>Grand total</b>			<b>236,000,000.00</b>	<b>236,795,690.56</b> <b>0.00</b>	<b>236,407,115.48</b> <b>5,365.72</b>	<b>232,696,993.70</b> <b>(494,190.55)</b>	<b>(3,710,121.78)</b>	<b>432,375.00</b>	<b>272,109.08</b>	<b>658,388.67</b>	<b>100.00</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

## As of April 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)
<b>United States Treasury Note/Bond</b>												
912828L40	USA TREASURY 1%	1.000	09/15/2018		AA+	Aaa	5,000,000.00	4,992,382.81	2.11	4,981,250.00	2.14	0.37
912828L81	USA TREASURY 0.875%	0.875	10/15/2018		AA+	Aaa	5,000,000.00	4,954,101.56	2.09	4,973,635.00	2.14	0.46
912828M64	USA TREASURY 1.25%	1.250	11/15/2018		AA+	Aaa	5,000,000.00	4,976,171.88	2.10	4,977,930.00	2.14	0.54
912828B33	USA TREASURY 1.5%	1.500	01/31/2019		AA+	Aaa	5,000,000.00	5,073,828.13	2.14	4,973,440.00	2.14	0.74
912828C24	USA TREASURY 1.5%	1.500	02/28/2019		AA+	Aaa	5,000,000.00	4,981,640.63	2.10	4,968,750.00	2.14	0.82
912828W55	USA TREASURY 1.625%	1.625	06/30/2019		AA+	Aaa	5,000,000.00	5,087,890.63	2.15	4,959,180.00	2.13	1.14
912828F62	USA TREASURY 1.5%	1.500	10/31/2019		AA+	Aaa	5,000,000.00	5,009,765.63	2.12	4,932,225.00	2.12	1.48
912828UL2	USA TREASURY 1.375%	1.375	01/31/2020		AA+	Aaa	5,000,000.00	4,990,429.69	2.11	4,908,010.00	2.11	1.72
912828J50	USA TREASURY 1.375%	1.375	02/29/2020		AA+	Aaa	5,000,000.00	5,060,742.19	2.14	4,901,565.00	2.11	1.79
912828XH8	USA TREASURY 1.625%	1.625	06/30/2020		AA+	Aaa	5,000,000.00	5,119,531.25	2.16	4,905,080.00	2.11	2.10
912828L65	USA TREASURY 1.375%	1.375	09/30/2020		AA+	Aaa	5,000,000.00	5,064,062.50	2.14	4,860,740.00	2.09	2.36
912828WC0	USA TREASURY 1.75%	1.750	10/31/2020		AA+	Aaa	5,000,000.00	5,000,195.31	2.11	4,899,415.00	2.11	2.44
912828L99	USA TREASURY 1.375%	1.375	10/31/2020		AA+	Aaa	5,000,000.00	5,036,328.13	2.13	4,855,080.00	2.09	2.44
912828N89	USA TREASURY 1.375%	1.375	01/31/2021		AA+	Aaa	5,000,000.00	5,072,656.25	2.14	4,836,720.00	2.08	2.68
912828C57	USA TREASURY 2.25%	2.250	03/31/2021		AA+	Aaa	5,000,000.00	5,108,789.06	2.16	4,946,875.00	2.13	2.81
912828WG1	USA TREASURY 2.25%	2.250	04/30/2021		AA+	Aaa	5,000,000.00	5,108,789.06	2.16	4,943,750.00	2.12	2.89
<b>Issuer total</b>							<b>80,000,000.00</b>	<b>80,637,304.71</b>	<b>34.05</b>	<b>78,823,645.00</b>	<b>33.87</b>	<b>1.68</b>
<b>Federal National Mortgage Association</b>												
3135G0XG3	FANNIE MAE 1%	1.000	05/21/2018		AA+	Aaa	5,000,000.00	4,982,150.00	2.10	4,997,850.00	2.15	0.06
3135G0WJ8	FANNIE MAE 0.875%	0.875	05/21/2018		AA+	Aaa	3,000,000.00	2,953,560.00	1.25	2,998,551.00	1.29	0.06
3135G0YT4	FANNIE MAE 1.625%	1.625	11/27/2018		AA+	Aaa	5,000,000.00	5,017,650.00	2.12	4,988,125.00	2.14	0.57
3136FTZ5	FANNIE MAE 1.75%	1.750	01/30/2019		AA+	Aaa	5,000,000.00	5,094,650.00	2.15	4,975,650.00	2.14	0.74
3136G3RW7	FANNIE MAE 1.27%	1.270	05/30/2019		AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,943,950.00	2.12	1.06
3136G3K87	FANNIE MAE 1.18%	1.180	07/25/2019	07/25/2018	AA+	Aaa	5,000,000.00	4,996,250.00	2.11	4,925,600.00	2.12	1.21

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

## As of April 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)
<b>Federal National Mortgage Association</b>												
3136G34F9	FANNIE MAE 1.125%	1.125	08/28/2019		AA+	Aaa	5,000,000.00	4,996,900.00	2.11	4,916,000.00	2.11	1.31
3135G0Q30	FANNIE MAE 1.18%	1.180	09/27/2019		AA+	Aaa	5,000,000.00	4,962,000.00	2.10	4,913,200.00	2.11	1.39
3136G0T68	FANNIE MAE 1.33%	1.330	10/24/2019		AA+	Aaa	5,000,000.00	4,991,700.00	2.11	4,917,450.00	2.11	1.46
3136G2YA9	FANNIE MAE 1.4%	1.400	11/26/2019	05/26/2018	AA+	Aaa	5,000,000.00	4,998,750.00	2.11	4,918,300.00	2.11	1.53
3135G0F73	FANNIE MAE 1.5%	1.500	11/30/2020		AA+	Aaa	5,000,000.00	5,080,350.00	2.15	4,860,295.00	2.09	2.50
<b>Issuer total</b>							<b>53,000,000.00</b>	<b>53,073,960.00</b>	<b>22.41</b>	<b>52,354,971.00</b>	<b>22.50</b>	<b>1.12</b>
<b>Federal Home Loan Mortgage Corp</b>												
3134G3JM3	FREDDIE MAC 2%	2.000	07/30/2019		AA+	Aaa	5,000,000.00	5,025,300.00	2.12	4,973,885.00	2.14	1.22
3134G8PD5	FREDDIE MAC 1.35%	1.350	09/30/2019		AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,925,150.00	2.12	1.39
3137EADM8	FREDDIE MAC 1.25%	1.250	10/02/2019		AA+	Aaa	5,000,000.00	5,013,050.00	2.12	4,917,155.00	2.11	1.40
3134GABM5	FREDDIE MAC 1.3%	1.300	08/28/2020		AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,855,700.00	2.09	2.27
3134G3K90	FREDDIE MAC 1.7%	1.700	09/25/2020		AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,891,850.00	2.10	2.34
3134GBG48	FREDDIE MAC 1.75%	1.750	03/29/2021	06/29/2018	AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,866,650.00	2.09	2.74
3134GBC75	FREDDIE MAC 1.875%	1.875	05/28/2021	05/28/2018	AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,884,950.00	2.10	2.80
<b>Issuer total</b>							<b>35,000,000.00</b>	<b>35,038,350.00</b>	<b>14.80</b>	<b>34,315,340.00</b>	<b>14.75</b>	<b>2.02</b>
<b>Federal Home Loan Banks</b>												
3130A6AE7	FEDERAL HOME LOAN	1.125	09/14/2018		AA+	Aaa	5,000,000.00	5,017,900.00	2.12	4,984,425.00	2.14	0.37
313376BR5	FEDERAL HOME LOAN	1.750	12/14/2018		AA+	Aaa	8,000,000.00	8,153,030.00	3.44	7,980,432.00	3.43	0.61
3130ADN32	FEDERAL HOME LOAN	2.125	02/11/2020		AA+	Aaa	5,000,000.00	4,979,650.00	2.10	4,965,890.00	2.13	1.73
3130A3UQ5	FEDERAL HOME LOAN	1.875	12/11/2020		AA+	Aaa	5,000,000.00	4,981,650.00	2.10	4,905,010.00	2.11	2.52
3130ABZQ2	FEDERAL HOME LOAN	1.750	02/08/2021	08/08/2018	AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,866,200.00	2.09	2.68
3130ACLQ5	FEDERAL HOME LOAN	2.000	04/30/2021	07/30/2018	AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,892,600.00	2.10	2.74
<b>Issuer total</b>							<b>33,000,000.00</b>	<b>33,132,230.00</b>	<b>13.99</b>	<b>32,594,557.00</b>	<b>14.01</b>	<b>1.66</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of April 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)
<b>Federal Farm Credit Banks</b>												
3133EE5P1	FEDERAL FARM CREDIT	1.320	01/30/2019		AA+	Aaa	5,000,000.00	5,015,650.00	2.12	4,961,850.00	2.13	0.74
3133EDVK5	FEDERAL FARM CREDIT	1.750	03/18/2019		AA+	Aaa	5,000,000.00	5,024,600.00	2.12	4,977,600.00	2.14	0.87
3133EFZT7	FEDERAL FARM CREDIT	1.400	02/24/2020		AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,889,950.00	2.10	1.77
3133EGXX8	FEDERAL FARM CREDIT	1.340	10/13/2020		AA+	Aaa	5,000,000.00	4,988,750.00	2.11	4,825,400.00	2.07	2.39
<b>Issuer total</b>							<b>20,000,000.00</b>	<b>20,029,000.00</b>	<b>8.46</b>	<b>19,654,800.00</b>	<b>8.45</b>	<b>1.44</b>
<b>ING US FDG LLC</b>												
4497W1FD3	CP ING US FUNDING LLC	0.000	06/13/2018		A-1	P-1	5,000,000.00	4,967,720.85	2.10	4,987,838.90	2.14	0.12
<b>Issuer total</b>							<b>5,000,000.00</b>	<b>4,967,720.85</b>	<b>2.10</b>	<b>4,987,838.90</b>	<b>2.14</b>	<b>0.12</b>
<b>Thunder Bay Funding LLC</b>												
88602UFN5	CP THUNDER BAY	0.000	06/22/2018		A-1	P-1	5,000,000.00	4,968,791.65	2.10	4,984,983.35	2.14	0.14
<b>Issuer total</b>							<b>5,000,000.00</b>	<b>4,968,791.65</b>	<b>2.10</b>	<b>4,984,983.35</b>	<b>2.14</b>	<b>0.14</b>
<b>Toyota Motor Credit Corp</b>												
89233HG65	TOYOTA MTR CR CORP	0.000	07/06/2018		A-1+	P-1	5,000,000.00	4,948,333.35	2.09	4,980,858.45	2.14	0.18
<b>Issuer total</b>							<b>5,000,000.00</b>	<b>4,948,333.35</b>	<b>2.09</b>	<b>4,980,858.45</b>	<b>2.14</b>	<b>0.18</b>
<b>Grand total</b>							<b>236,000,000.00</b>	<b>236,795,690.56</b>	<b>100.00</b>	<b>232,696,993.70</b>	<b>100.00</b>	<b>1.49</b>



# SECURITIES SOLD AND MATURED

For the period April 1, 2018 - April 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
<b>Short Term Bills and Notes</b>												
912796PA1	04/12/2018	0.000		(5,000,000.00)	4,993,482.22	5,000,000.00	0.00	5,000,000.00	0.00	0.00	0.00	0.00
UNITED STATES 0.0% T-BILL 04-12-2018	04/12/2018					2,697.01		2,270.00				
<b>Total (Short Term Bills and Notes)</b>				<b>(5,000,000.00)</b>	<b>4,993,482.22</b>	<b>5,000,000.00</b>		<b>5,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
						<b>2,697.01</b>		<b>2,270.00</b>				
<b>Grand total</b>				<b>(5,000,000.00)</b>	<b>4,993,482.22</b>	<b>5,000,000.00</b>		<b>5,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
						<b>2,697.01</b>		<b>2,270.00</b>				

# TRANSACTION REPORT

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

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
03/31/2018 03/31/2018	912828C57	Income	Government Bonds	USA TREASURY 2.25%	03/31/2021	5,000,000.00	0.00	0.00	56,250.00	56,250.00
03/31/2018 03/31/2018	912828L65	Income	Government Bonds	USA TREASURY 1.375%	09/30/2020	5,000,000.00	0.00	0.00	34,375.00	34,375.00
04/02/2018 04/02/2018	3137EADM8	Income	Government Agencies	FREDDIE MAC 1.25%	10/02/2019	5,000,000.00	0.00	0.00	31,250.00	31,250.00
04/12/2018 04/12/2018	912796PA1	Capital Change	Short Term Bills And Notes	UNITED STATES 0.0% T-BILL	04/12/2018	(5,000,000.00)	0.00	5,000,000.00	0.00	5,000,000.00
04/13/2018 04/13/2018	3133EGXX8	Income	Government Agencies	FEDERAL FARM CREDIT BANK	10/13/2020	5,000,000.00	0.00	0.00	33,500.00	33,500.00
04/15/2018 04/15/2018	912828L81	Income	Government Bonds	USA TREASURY 0.875%	10/15/2018	5,000,000.00	0.00	0.00	21,875.00	21,875.00
04/24/2018 04/24/2018	3136G0T68	Income	Government Agencies	FANNIE MAE 1.33% 24OCT2019	10/24/2019	5,000,000.00	0.00	0.00	33,250.00	33,250.00
04/30/2018 04/30/2018	3130ACLQ5	Income	Government Agencies	FEDERAL HOME LOAN BANK 2%	04/30/2021	5,000,000.00	0.00	0.00	50,000.00	50,000.00
04/30/2018 04/30/2018	912828F62	Income	Government Bonds	USA TREASURY 1.5%	10/31/2019	5,000,000.00	0.00	0.00	37,500.00	37,500.00
04/30/2018 04/30/2018	912828L99	Income	Government Bonds	USA TREASURY 1.375%	10/31/2020	5,000,000.00	0.00	0.00	34,375.00	34,375.00
04/30/2018 04/30/2018	912828WC0	Income	Government Bonds	USA TREASURY 1.75%	10/31/2020	5,000,000.00	0.00	0.00	43,750.00	43,750.00
04/30/2018 04/30/2018	912828WG1	Income	Government Bonds	USA TREASURY 2.25%	04/30/2021	5,000,000.00	0.00	0.00	56,250.00	56,250.00

# ADDITIONAL INFORMATION

## As of April 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.

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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.

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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.

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# ADDITIONAL INFORMATION

## As of April 30, 2018

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