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CITY OF ANN ARBOR

September 2018

Part of  BNY MELLON



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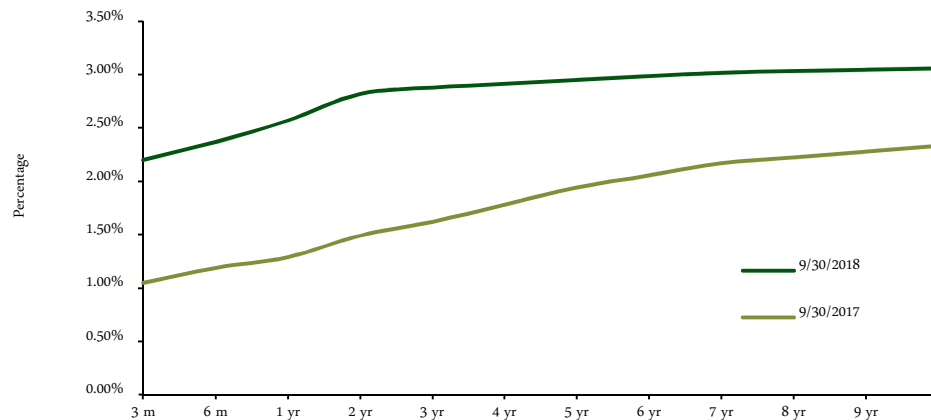
As of September 30, 2018

Chart 1: Consumer Price Index: 8/31/2013—8/31/2018



Source: Bloomberg Finance LP, September 30, 2018.

Chart 2: Treasury yield curve: 9/30/2017 and 9/30/2018



Source: Bloomberg Finance LP, September 30, 2018.

Economic Indicators and Monetary Policy

On September 26, the Federal Open Market Committee (FOMC) voted unanimously to increase the target range for the federal funds rate 25 basis points to 2.00% to 2.25%. The FOMC statement continued to describe a strengthening labor market, rising economic activity and steady longer-term inflation expectations.

Although the language in the FOMC statement was largely unchanged, it no longer characterizes the stance of monetary policy as accommodative. Removing that reference may enable the Committee to more freely adjust policy based on data in the future. In terms of forward guidance, the FOMC signaled it would continue pursuing a gradual hiking path in response to the fundamental backdrop.

The employment report released on September 7 showed employers hired 201,000 workers in August versus expectations for 190,000, and the July payroll report was revised downward by 10,000 jobs added to 147,000. The August unemployment rate was unchanged from the prior month at 3.9% while the underemployment rate fell 0.1% to 7.4%. Average hourly earnings increased to 2.9% year-over-year in August from 2.7% in July.

The Consumer Price Index (CPI) was released on September 13. Medical costs decreased in August and apparel prices fell by the most in nearly 70 years which led to a cooling in the inflation indicator. Gains in the CPI were seen in shelter costs, airfares, fuel costs and prices for used car and trucks. On a year-over-year basis, the CPI decreased to 2.7% in August from 2.9% in July; excluding food and energy the Index decreased 0.2% to 2.2% in August. (See Chart 1).

On September 27, the third and final estimate of second quarter Gross Domestic Product (GDP) was released. The report showed that GDP and personal consumption were 4.2% and 3.8% respectively in the second quarter, unchanged from the second estimate.

Interest Rate Summary

At the end of September, the 3-month US Treasury bill yielded 2.20%, the 6-month US Treasury bill yielded 2.37%, the 2-year US Treasury note yielded 2.82%, the 5-year US Treasury note yielded 2.95% and the 10-year US Treasury note yielded 3.06%. (See Chart 2).

ACTIVITY AND PERFORMANCE SUMMARY

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

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	268,197,824.33
Income received	120,947.01
Total receipts	120,947.01
Total disbursements	0.00
Interportfolio transfers	(171,923.57)
Total Interportfolio transfers	(171,923.57)
Realized gain (loss)	0.00
Total amortization expense	(38,110.99)
Total OID/MKT accretion income	49,453.32
Return of capital	0.00
Closing balance	268,158,190.10
Ending fair value	264,626,294.15
Unrealized gain (loss)	(3,531,895.95)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Commercial Paper	0.00	30,943.15	0.00	30,943.15
Government Agencies	196,294.50	(6,624.56)	0.00	189,669.94
Government Bonds	162,555.56	(12,976.26)	0.00	149,579.30
Total	358,850.06	11,342.33	0.00	370,192.39

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.58	0.91	0.16
Overnight Repo	1.60	0.94	0.16
Merrill Lynch 3m US Treas Bill	1.64	0.96	0.17
Merrill Lynch 6m US Treas Bill	1.79	1.03	0.19
ML 1 Year US Treasury Note	2.05	1.18	0.21
ML 2 Year US Treasury Note	2.28	1.28	0.22
ML 5 Year US Treasury Note	2.54	1.39	0.23

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	358,850.06
Accretion (amortization)	11,342.33
Realized gain (loss) on sales	0.00
Total income on portfolio	370,192.39
Average daily amortized cost	265,864,113.63
Period return (%)	0.14
YTD return (%)	1.10
Weighted average final maturity in days	505

ACTIVITY AND PERFORMANCE SUMMARY

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

<u>Fair Value Basis Activity Summary</u>		
Opening balance		265,050,004.80
Income received	120,947.01	
Total receipts		120,947.01
Total disbursements		0.00
Interportfolio transfers	(171,923.57)	
Total Interportfolio transfers		(171,923.57)
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		(372,734.09)
Ending fair value		264,626,294.15

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Commercial Paper	0.00	26,576.85	26,576.85
Government Agencies	196,294.50	(183,245.00)	13,049.50
Government Bonds	162,555.56	(216,065.94)	(53,510.38)
Total	358,850.06	(372,734.09)	(13,884.03)

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.58	0.91	0.16
Overnight Repo	1.60	0.94	0.16
ICE ML 3m US Treas Bill	1.59	0.95	0.15
ICE ML 6m US Treas Bill	1.58	0.98	0.14
ICE ML 1 Year US Treasury Note	1.08	0.81	0.06
ICE ML US Treasury 1-3	0.04	0.42	(0.12)
ICE ML US Treasury 1-5	(0.58)	0.18	(0.28)

* rates reflected are cumulative

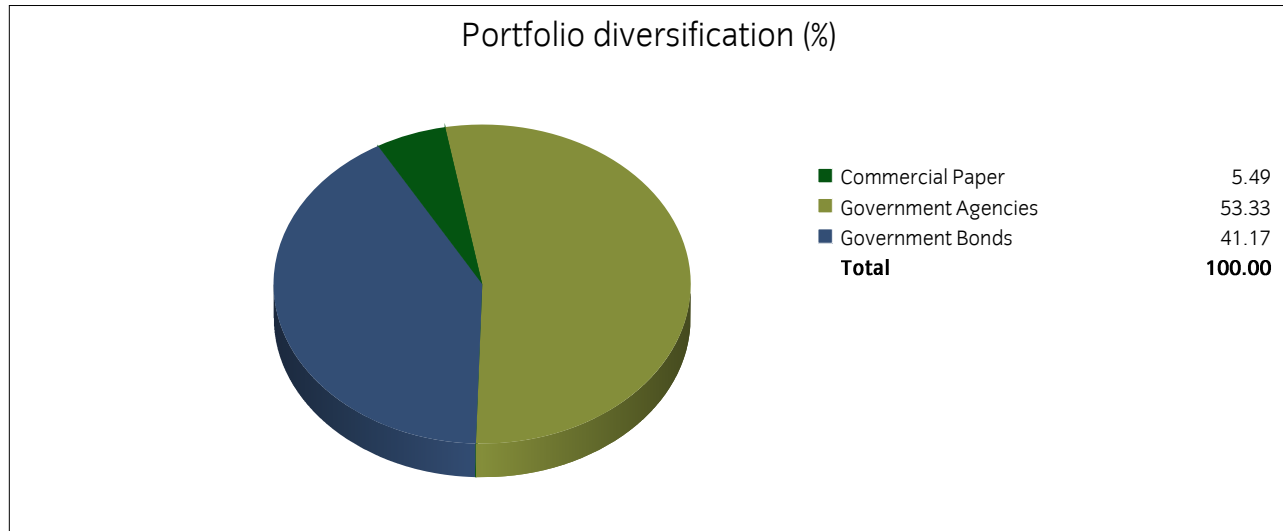
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	358,850.06
Change in fair value	(372,734.09)
Total income on portfolio	(13,884.03)
Average daily total value *	263,557,067.49
Period return (%)	0.00
YTD return (%)	0.62
Weighted average final maturity in days	505

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of September 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	14,762,080.55	14,864,895.51	14,861,159.15	(3,736.36)	131	5.49	0.35
Government Agencies	143,290,780.00	142,997,420.11	141,021,565.00	(1,975,855.11)	511	53.33	1.37
Government Bonds	110,629,397.39	110,295,874.48	108,743,570.00	(1,552,304.48)	547	41.17	1.51
Total	268,682,257.94	268,158,190.10	264,626,294.15	(3,531,895.95)	505	100.00	1.37

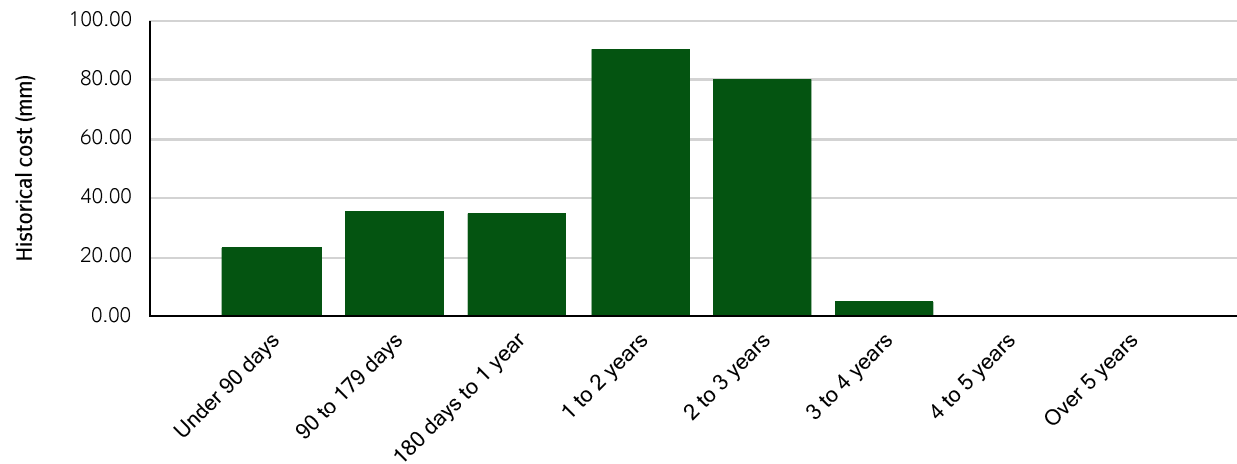


MATURITY DISTRIBUTION OF SECURITIES HELD

As of September 30, 2018

Maturity	Historic cost	Percent
Under 90 days	23,064,448.21	8.58
90 to 179 days	35,086,831.42	13.06
180 days to 1 year	34,973,393.43	13.02
1 to 2 years	90,220,581.07	33.58
2 to 3 years	80,422,143.31	29.93
3 to 4 years	4,914,860.50	1.83
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	268,682,257.94	100.00

Maturity distribution



SECURITIES HELD

As of September 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	0.000	11/13/2018	5,000,000.00	4,939,666.65	4,985,413.92	4,985,586.65	172.73	0.00	0.00	0.00	1.84
CP J.P. MORGAN SECURITIES LLC - ARRANGING BROKER 0% 13/11/2018				0.00	9,945.06	8,444.45					
4497W1P67	0.000	02/06/2019	5,000,000.00	4,917,361.10	4,955,581.59	4,955,132.50	(449.09)	0.00	0.00	0.00	1.83
CP ING US FUNDING LLC 0% 06/02/2019				0.00	10,329.86	9,479.60					
46640QS28	0.000	05/02/2019	5,000,000.00	4,905,052.80	4,923,900.00	4,920,440.00	(3,460.00)	0.00	0.00	0.00	1.83
CP J.P. MORGAN SECURITIES LLC - ARRANGING BROKER 0% 02/05/2019				0.00	10,668.23	8,652.80					
Total Commercial Paper			15,000,000.00	14,762,080.55	14,864,895.51	14,861,159.15	(3,736.36)	0.00	0.00	0.00	5.49
				0.00	30,943.15	26,576.85					
Government Agencies											
3135G0YT4	1.625	11/27/2018	5,000,000.00	5,017,650.00	5,000,703.53	4,995,285.00	(5,418.53)	0.00	6,545.14	27,760.42	1.87
FANNIE MAE 1.625% 27NOV2018				0.00	(370.28)	1,650.00					
313376BR5	1.750	12/14/2018	8,000,000.00	8,153,030.00	8,010,630.65	7,992,240.00	(18,390.65)	0.00	11,277.78	41,222.22	3.03
FEDERAL HOME LOAN BANK 1.75% 14DEC2018				0.00	(4,309.71)	3,200.00					
3136FTZZ5	1.750	01/30/2019	5,000,000.00	5,094,650.00	5,011,037.90	4,991,250.00	(19,787.90)	0.00	7,291.66	14,583.33	1.90
FANNIE MAE 1.75% 30JAN2019 CALLABLE				0.00	(2,759.48)	3,300.00					
3133EE5P1	1.320	01/30/2019	5,000,000.00	5,015,650.00	5,001,523.11	4,982,200.00	(19,323.11)	0.00	5,500.00	11,000.00	1.87
FEDERAL FARM CREDIT BANK 1.32% 30JAN2019				0.00	(380.78)	2,700.00					
3133EDVK5	1.750	03/18/2019	5,000,000.00	5,024,600.00	5,002,681.89	4,983,900.00	(18,781.89)	43,750.00	7,048.61	2,916.67	1.87
FEDERAL FARM CREDIT BANK 1.75% 18MAR2019				0.00	(478.91)	100.00					

SECURITIES HELD

As of September 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	4,960,450.00 1,050.00	(39,550.00)	0.00	5,291.67	21,166.67	1.86
3136G3K87 FANNIE MAE 1.18% 25JUL2019 (CALLABLE 25OCT18)	1.180	07/25/2019 10/25/2018	5,000,000.00	4,996,250.00 0.00	4,998,982.29 103.50	4,943,000.00 (100.00)	(55,982.29)	0.00	4,752.78	10,652.78	1.86
3134G3JM3 FREDDIE MAC 2% 30JUL2019 CALLABLE	2.000	07/30/2019	5,000,000.00	5,025,300.00 0.00	5,003,872.45 (387.24)	4,975,705.00 (1,070.00)	(28,167.45)	0.00	8,333.34	16,666.67	1.87
3136G34F9 FANNIE MAE 1.125% 28AUG2019 CALLABLE #0001	1.125	08/28/2019	5,000,000.00	4,996,900.00 0.00	4,999,064.58 85.56	4,933,450.00 (850.00)	(65,614.58)	0.00	4,531.25	5,000.00	1.86
3135G0Q30 FANNIE MAE 1.18% 27SEP2019 CALLABLE	1.180	09/27/2019	5,000,000.00	4,962,000.00 0.00	4,986,647.64 1,122.05	4,926,900.00 (2,400.00)	(59,747.64)	29,500.00	4,752.78	491.67	1.85
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	4,934,350.00 (2,500.00)	(65,650.00)	0.00	5,625.00	33,750.00	1.86
3137EADM8 FREDDIE MAC 1.25% 02OCT2019	1.250	10/02/2019	5,000,000.00	5,013,050.00 0.00	5,003,913.92 (324.36)	4,931,105.00 (2,275.00)	(72,808.92)	0.00	5,034.72	30,902.78	1.87
3136G0T68 FANNIE MAE 1.33% 24OCT2019 CALLABLE	1.330	10/24/2019	5,000,000.00	4,991,700.00 0.00	4,997,833.31 169.27	4,927,550.00 (5,350.00)	(70,283.31)	0.00	5,356.95	28,816.67	1.86
3136G2YA9 FANNIE MAE 1.4% 26NOV2019 (CALLABLE 26NOV18)	1.400	11/26/2019 11/26/2018	5,000,000.00	4,998,750.00 0.00	4,999,615.10 27.76	4,927,250.00 (4,500.00)	(72,365.10)	0.00	5,638.89	6,611.11	1.86
3130ADN32 FEDERAL HOME LOAN BANK 2.125% 11FEB2020	2.125	02/11/2020	5,000,000.00	4,979,650.00 0.00	4,985,476.96 887.35	4,958,185.00 (8,195.00)	(27,291.96)	0.00	8,559.03	14,461.81	1.85

SECURITIES HELD

As of September 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 11OCT18)	1.400	02/24/2020	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,904,250.00 (7,850.00)	(95,750.00)	0.00	5,638.89	7,000.00	1.86
3137EAEM7 FREDDIE MAC 2.5% 23APR2020	2.500	04/23/2020	5,000,000.00	4,987,950.00 0.00	4,990,210.46 521.64	4,976,800.00 (12,305.00)	(13,410.46)	0.00	10,069.45	55,902.78	1.86
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	4,857,000.00 (11,600.00)	(143,000.00)	0.00	5,236.11	5,777.78	1.86
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	4,888,600.00 (13,650.00)	(111,400.00)	42,500.00	6,847.23	1,180.56	1.86
3133EGXX8 FEDERAL FARM CREDIT BANK 1.34% 13OCT2020 (CALLABLE 11OCT18)	1.340	10/13/2020	5,000,000.00	4,988,750.00 0.00	4,994,305.08 233.08	4,852,150.00 (5,900.00)	(142,155.08)	0.00	5,397.23	31,080.56	1.86
3135G0F73 FANNIE MAE 1.5% 30NOV2020	1.500	11/30/2020	5,000,000.00	5,080,350.00 0.00	5,040,408.12 (1,554.16)	4,859,495.00 (12,850.00)	(180,913.12)	0.00	6,250.00	25,000.00	1.89
3130A3UQ5 FEDERAL HOME LOAN BANK 1.875% 11DEC2020	1.875	12/11/2020	5,000,000.00	4,981,650.00 0.00	4,986,622.26 507.38	4,887,850.00 (6,565.00)	(98,772.26)	0.00	7,552.09	28,385.42	1.85
3130ABZQ2 FEDERAL HOME LOAN BANK 1.75% 08FEB2021 CALLABLE #0000	1.750	02/08/2021	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,871,950.00 (3,950.00)	(128,050.00)	0.00	7,048.61	12,638.89	1.86
3133EJXV6 FEDERAL FARM CREDIT BANK 2.7% 23FEB2021	2.700	02/23/2021	5,000,000.00	4,992,450.00 0.00	4,992,719.94 253.07	4,978,250.00 (17,650.00)	(14,469.94)	0.00	10,875.00	13,875.00	1.86

SECURITIES HELD

As of September 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											
3134GBG48 FREDDIE MAC 1.75% 29MAR2021 (CALLABLE 29DEC18)	1.750	03/29/2021 12/29/2018	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,863,300.00 (16,550.00)	(136,700.00)	0.00	7,048.62	43,993.06	1.86
3130ACLQ5 FEDERAL HOME LOAN BANK 2% 30APR2021 (CALLABLE 30OCT18) #0000	2.000	04/30/2021 10/30/2018	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,880,100.00 (18,800.00)	(119,900.00)	0.00	8,333.34	41,666.67	1.86
3134GBC75 FREDDIE MAC 1.875% 28MAY2021 (CALLABLE 28NOV18)	1.875	05/28/2021 11/28/2018	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,866,300.00 (25,000.00)	(133,700.00)	0.00	7,552.08	31,770.83	1.86
3133EJTF6 FEDERAL FARM CREDIT BANK 2.7% 02JUL2021	2.700	07/02/2021	5,000,000.00	4,990,450.00 0.00	4,991,170.92 267.01	4,972,700.00 (16,750.00)	(18,470.92)	0.00	10,875.00	33,000.00	1.86
Total Government Agencies			143,000,000.00	143,290,780.00 0.00	142,997,420.11 (6,387.25)	141,021,565.00 (184,660.00)	(1,975,855.11)	115,750.00	194,263.25	597,274.35	53.33
Government Bonds											
912828L81 USA TREASURY 0.875% 15OCT2018	0.875	10/15/2018	5,000,000.00	4,954,101.56 0.00	4,999,355.36 1,289.28	4,997,775.00 4,155.00	(1,580.36)	0.00	3,586.07	20,081.97	1.84
912828B33 USA TREASURY 1.5% 31JAN2019	1.500	01/31/2019	5,000,000.00	5,073,828.13 0.00	5,007,611.79 (1,856.53)	4,986,415.00 1,650.00	(21,196.79)	0.00	6,114.13	12,432.07	1.89
912828SD3 USA TREASURY 1.25% 31JAN2019	1.250	01/31/2019	5,000,000.00	4,979,101.56 0.00	4,983,416.08 4,044.86	4,982,320.00 2,435.00	(1,096.08)	0.00	5,095.10	10,360.05	1.85
912828C24 USA TREASURY 1.5% 28FEB2019	1.500	02/28/2019	5,000,000.00	4,981,640.63 0.00	4,993,626.98 1,266.17	4,982,030.00 780.00	(11,596.98)	0.00	6,215.47	6,215.47	1.85

SECURITIES HELD

As of September 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											
912828WS5 USA TREASURY 1.625% 30JUN2019	1.625	06/30/2019	5,000,000.00	5,087,890.63 0.00	5,020,078.78 (2,206.46)	4,966,405.00 (785.00)	(53,673.78)	0.00	6,623.64	20,312.50	1.89
912828F62 USA TREASURY 1.5% 31OCT2019	1.500	10/31/2019	5,000,000.00	5,009,765.63 0.00	5,003,906.25 (295.93)	4,936,915.00 (4,295.00)	(66,991.25)	0.00	6,114.13	31,182.07	1.86
912828LY4 USA TREASURY 3.375% 15NOV2019	3.375	11/15/2019	5,000,000.00	5,051,579.25 0.00	5,045,687.65 (3,334.87)	5,036,330.00 (12,305.00)	(9,357.65)	0.00	13,756.79	63,281.25	1.88
912828U73 USA TREASURY 1.375% 15DEC2019	1.375	12/15/2019	5,000,000.00	4,920,524.56 0.00	4,929,051.28 4,826.45	4,921,485.00 (4,880.00)	(7,566.28)	0.00	5,635.24	20,099.04	1.83
9128283N8 USA TREASURY 1.875% 31DEC2019	1.875	12/31/2019	5,000,000.00	4,949,023.44 (22,927.99)	4,949,355.90 332.46	4,948,440.00 (583.44)	(915.90)	0.00	637.58	23,565.57	1.84
912828UL2 USA TREASURY 1.375% 31JAN2020	1.375	01/31/2020	5,000,000.00	4,990,429.69 0.00	4,995,970.40 247.73	4,911,915.00 (7,030.00)	(84,055.40)	0.00	5,604.62	11,396.06	1.86
912828MP2 USA TREASURY 3.625% 15FEB2020	3.625	02/15/2020	5,000,000.00	5,075,016.75 0.00	5,067,865.87 (4,047.67)	5,058,010.00 (15,035.00)	(9,855.87)	0.00	14,775.81	22,656.25	1.89
912828J50 USA TREASURY 1.375% 29FEB2020	1.375	02/29/2020	5,000,000.00	5,060,742.19 0.00	5,024,983.06 (1,449.70)	4,904,690.00 (7,615.00)	(120,293.06)	0.00	5,697.51	5,697.51	1.88
912828ND8 USA TREASURY 3.5% 15MAY2020	3.500	05/15/2020	5,000,000.00	5,072,868.31 0.00	5,066,889.95 (3,383.98)	5,056,642.50 (16,502.50)	(10,247.45)	0.00	14,266.30	65,625.00	1.89
912828XH8 USA TREASURY 1.625% 30JUN2020	1.625	06/30/2020	5,000,000.00	5,119,531.25 0.00	5,053,078.85 (2,491.97)	4,899,610.00 (11,525.00)	(153,468.85)	0.00	6,623.64	20,312.50	1.91

SECURITIES HELD

As of September 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											
912828L65 USA TREASURY 1.375% 30SEP2020	1.375	09/30/2020	5,000,000.00	5,064,062.50 0.00	5,031,219.79 (1,281.25)	4,859,765.00 (13,085.00)	(171,454.79)	0.00	5,635.25	34,375.00	1.88
912828WC0 USA TREASURY 1.75% 31OCT2020	1.750	10/31/2020	5,000,000.00	5,000,195.31 0.00	5,000,136.66 (5.38)	4,890,430.00 (15,820.00)	(109,706.66)	0.00	7,133.16	36,379.08	1.86
912828L99 USA TREASURY 1.375% 31OCT2020	1.375	10/31/2020	5,000,000.00	5,036,328.13 0.00	5,018,960.30 (746.47)	4,852,930.00 (13,865.00)	(166,030.30)	0.00	5,635.24	28,739.75	1.87
912828PC8 USA TREASURY 2.625% 15NOV2020	2.625	11/15/2020	5,000,000.00	4,997,673.00 0.00	4,997,797.71 85.03	4,977,832.50 (18,360.00)	(19,965.21)	0.00	10,699.73	49,218.75	1.86
912828N89 USA TREASURY 1.375% 31JAN2021	1.375	01/31/2021	5,000,000.00	5,072,656.25 0.00	5,037,950.11 (1,333.15)	4,833,400.00 (16,405.00)	(204,550.11)	0.00	5,604.62	11,396.06	1.89
912828C57 USA TREASURY 2.25% 31MAR2021	2.250	03/31/2021	5,000,000.00	5,108,789.06 0.00	5,075,018.44 (2,465.01)	4,926,365.00 (20,705.00)	(148,653.44)	0.00	9,221.31	56,250.00	1.90
912828WG1 USA TREASURY 2.25% 30APR2021	2.250	04/30/2021	5,000,000.00	5,108,789.06 0.00	5,075,766.68 (2,410.39)	4,923,240.00 (21,680.00)	(152,526.68)	0.00	9,171.20	46,773.10	1.90
912828F21 USA TREASURY 2.125% 30SEP2021	2.125	09/30/2021	5,000,000.00	4,914,860.50 0.00	4,918,146.59 2,240.52	4,890,625.00 (24,610.00)	(27,521.59)	0.00	8,709.02	53,125.00	1.83
Total Government Bonds			110,000,000.00	110,629,397.39 (22,927.99)	110,295,874.48 (12,976.26)	108,743,570.00 (1,552,304.48) (216,065.94)		0.00	162,555.56	649,474.05	41.17
Grand total			268,000,000.00	268,682,257.94 (22,927.99)	268,158,190.10 11,579.64	264,626,294.15 (3,531,895.95) (374,149.09)		115,750.00	356,818.81	1,246,748.40	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of September 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												
912828L81	USA TREASURY 0.875%	0.875	10/15/2018		AA+	Aaa	5,000,000.00	4,954,101.56	1.84	4,997,775.00	1.89	0.05
912828B33	USA TREASURY 1.5%	1.500	01/31/2019		AA+	Aaa	5,000,000.00	5,073,828.13	1.89	4,986,415.00	1.88	0.34
912828SD3	USA TREASURY 1.25%	1.250	01/31/2019		AA+	Aaa	5,000,000.00	4,979,101.56	1.85	4,982,320.00	1.88	0.34
912828C24	USA TREASURY 1.5%	1.500	02/28/2019		AA+	Aaa	5,000,000.00	4,981,640.63	1.85	4,982,030.00	1.88	0.41
912828W55	USA TREASURY 1.625%	1.625	06/30/2019		AA+	Aaa	5,000,000.00	5,087,890.63	1.89	4,966,405.00	1.88	0.74
912828F62	USA TREASURY 1.5%	1.500	10/31/2019		AA+	Aaa	5,000,000.00	5,009,765.63	1.86	4,936,915.00	1.87	1.14
912828LY4	USA TREASURY 3.375%	3.375	11/15/2019		AA+	Aaa	5,000,000.00	5,051,579.25	1.88	5,036,330.00	1.90	1.17
912828U73	USA TREASURY 1.375%	1.375	12/15/2019		AA+	Aaa	5,000,000.00	4,920,524.56	1.83	4,921,485.00	1.86	1.26
9128283N8	USA TREASURY 1.875%	1.875	12/31/2019		AA+	Aaa	5,000,000.00	4,949,023.44	1.84	4,948,440.00	1.87	1.30
912828UL2	USA TREASURY 1.375%	1.375	01/31/2020		AA+	Aaa	5,000,000.00	4,990,429.69	1.86	4,911,915.00	1.86	1.39
912828MP2	USA TREASURY 3.625%	3.625	02/15/2020		AA+	Aaa	5,000,000.00	5,075,016.75	1.89	5,058,010.00	1.91	1.42
912828J50	USA TREASURY 1.375%	1.375	02/29/2020		AA+	Aaa	5,000,000.00	5,060,742.19	1.88	4,904,690.00	1.85	1.47
912828ND8	USA TREASURY 3.5%	3.500	05/15/2020		AA+	Aaa	5,000,000.00	5,072,868.31	1.89	5,056,642.50	1.91	1.63
912828XH8	USA TREASURY 1.625%	1.625	06/30/2020		AA+	Aaa	5,000,000.00	5,119,531.25	1.91	4,899,610.00	1.85	1.78
912828L65	USA TREASURY 1.375%	1.375	09/30/2020		AA+	Aaa	5,000,000.00	5,064,062.50	1.88	4,859,765.00	1.84	2.02
912828WC0	USA TREASURY 1.75%	1.750	10/31/2020		AA+	Aaa	5,000,000.00	5,000,195.31	1.86	4,890,430.00	1.85	2.10
912828L99	USA TREASURY 1.375%	1.375	10/31/2020		AA+	Aaa	5,000,000.00	5,036,328.13	1.87	4,852,930.00	1.83	2.10
912828PC8	USA TREASURY 2.625%	2.625	11/15/2020		AA+	Aaa	5,000,000.00	4,997,673.00	1.86	4,977,832.50	1.88	2.12
912828N89	USA TREASURY 1.375%	1.375	01/31/2021		AA+	Aaa	5,000,000.00	5,072,656.25	1.89	4,833,400.00	1.83	2.35
912828C57	USA TREASURY 2.25%	2.250	03/31/2021		AA+	Aaa	5,000,000.00	5,108,789.06	1.90	4,926,365.00	1.86	2.47
912828WG1	USA TREASURY 2.25%	2.250	04/30/2021		AA+	Aaa	5,000,000.00	5,108,789.06	1.90	4,923,240.00	1.86	2.55
912828F21	USA TREASURY 2.125%	2.125	09/30/2021		AA+	Aaa	5,000,000.00	4,914,860.50	1.83	4,890,625.00	1.85	2.93
Issuer total							110,000,000.00	110,629,397.39	41.17	108,743,570.00	41.09	1.51

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of September 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												
3135G0YT4	FANNIE MAE 1.625%	1.625	11/27/2018		AA+	Aaa	5,000,000.00	5,017,650.00	1.87	4,995,285.00	1.89	0.16
3136FTZZ5	FANNIE MAE 1.75%	1.750	01/30/2019		AA+	Aaa	5,000,000.00	5,094,650.00	1.90	4,991,250.00	1.89	0.34
3136G3RW7	FANNIE MAE 1.27%	1.270	05/30/2019		AA+	Aaa	5,000,000.00	5,000,000.00	1.86	4,960,450.00	1.87	0.66
3136G3K87	FANNIE MAE 1.18%	1.180	07/25/2019	10/25/2018	AA+	Aaa	5,000,000.00	4,996,250.00	1.86	4,943,000.00	1.87	0.81
3136G34F9	FANNIE MAE 1.125%	1.125	08/28/2019		AA+	Aaa	5,000,000.00	4,996,900.00	1.86	4,933,450.00	1.86	0.90
3135G0Q30	FANNIE MAE 1.18%	1.180	09/27/2019		AA+	Aaa	5,000,000.00	4,962,000.00	1.85	4,926,900.00	1.86	0.98
3136G0T68	FANNIE MAE 1.33%	1.330	10/24/2019		AA+	Aaa	5,000,000.00	4,991,700.00	1.86	4,927,550.00	1.86	1.12
3136G2YA9	FANNIE MAE 1.4%	1.400	11/26/2019	11/26/2018	AA+	Aaa	5,000,000.00	4,998,750.00	1.86	4,927,250.00	1.86	1.14
3135G0F73	FANNIE MAE 1.5%	1.500	11/30/2020		AA+	Aaa	5,000,000.00	5,080,350.00	1.89	4,859,495.00	1.84	2.18
Issuer total							45,000,000.00	45,138,250.00	16.80	44,464,630.00	16.80	0.92
Federal Home Loan Mortgage Corp												
3134G3JM3	FREDDIE MAC 2%	2.000	07/30/2019		AA+	Aaa	5,000,000.00	5,025,300.00	1.87	4,975,705.00	1.88	0.82
3134G8PD5	FREDDIE MAC 1.35%	1.350	09/30/2019		AA+	Aaa	5,000,000.00	5,000,000.00	1.86	4,934,350.00	1.86	0.98
3137EADM8	FREDDIE MAC 1.25%	1.250	10/02/2019		AA+	Aaa	5,000,000.00	5,013,050.00	1.87	4,931,105.00	1.86	1.06
3137EAEM7	FREDDIE MAC 2.5%	2.500	04/23/2020		AA+	Aaa	5,000,000.00	4,987,950.00	1.86	4,976,800.00	1.88	1.59
3134GABM5	FREDDIE MAC 1.3%	1.300	08/28/2020		AA+	Aaa	5,000,000.00	5,000,000.00	1.86	4,857,000.00	1.84	1.87
3134G3K90	FREDDIE MAC 1.7%	1.700	09/25/2020		AA+	Aaa	5,000,000.00	5,000,000.00	1.86	4,888,600.00	1.85	1.94
3134GBG48	FREDDIE MAC 1.75%	1.750	03/29/2021	12/29/2018	AA+	Aaa	5,000,000.00	5,000,000.00	1.86	4,863,300.00	1.84	2.37
3134GBC75	FREDDIE MAC 1.875%	1.875	05/28/2021	11/28/2018	AA+	Aaa	5,000,000.00	5,000,000.00	1.86	4,866,300.00	1.84	2.51
Issuer total							40,000,000.00	40,026,300.00	14.90	39,293,160.00	14.85	1.64
Federal Farm Credit Banks												
3133EE5P1	FEDERAL FARM CREDIT	1.320	01/30/2019		AA+	Aaa	5,000,000.00	5,015,650.00	1.87	4,982,200.00	1.88	0.34
3133EDVK5	FEDERAL FARM CREDIT	1.750	03/18/2019		AA+	Aaa	5,000,000.00	5,024,600.00	1.87	4,983,900.00	1.88	0.46
3133EFZT7	FEDERAL FARM CREDIT	1.400	02/24/2020		AA+	Aaa	5,000,000.00	5,000,000.00	1.86	4,904,250.00	1.85	1.38

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of September 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												
3133EGXX8	FEDERAL FARM CREDIT	1.340	10/13/2020		AA+	Aaa	5,000,000.00	4,988,750.00	1.86	4,852,150.00	1.83	1.98
3133EJXV6	FEDERAL FARM CREDIT	2.700	02/23/2021		AA+	Aaa	5,000,000.00	4,992,450.00	1.86	4,978,250.00	1.88	2.38
3133EJTF6	FEDERAL FARM CREDIT	2.700	07/02/2021		AA+	Aaa	5,000,000.00	4,990,450.00	1.86	4,972,700.00	1.88	2.63
Issuer total							30,000,000.00	30,011,900.00	11.17	29,673,450.00	11.21	1.53
Federal Home Loan Banks												
313376BR5	FEDERAL HOME LOAN	1.750	12/14/2018		AA+	Aaa	8,000,000.00	8,153,030.00	3.03	7,992,240.00	3.02	0.21
3130ADN32	FEDERAL HOME LOAN	2.125	02/11/2020		AA+	Aaa	5,000,000.00	4,979,650.00	1.85	4,958,185.00	1.87	1.41
3130A3UQ5	FEDERAL HOME LOAN	1.875	12/11/2020		AA+	Aaa	5,000,000.00	4,981,650.00	1.85	4,887,850.00	1.85	2.20
3130ABZQ2	FEDERAL HOME LOAN	1.750	02/08/2021		AA+	Aaa	5,000,000.00	5,000,000.00	1.86	4,871,950.00	1.84	2.29
3130ACLQ5	FEDERAL HOME LOAN	2.000	04/30/2021	10/30/2018	AA+	Aaa	5,000,000.00	5,000,000.00	1.86	4,880,100.00	1.84	2.42
Issuer total							28,000,000.00	28,114,330.00	10.46	27,590,325.00	10.43	1.54
J.P Morgan Securities												
46640QLD1	CP J.P. MORGAN	0.000	11/13/2018		NR	NR	5,000,000.00	4,939,666.65	1.84	4,985,586.65	1.88	0.13
46640QS28	CP J.P. MORGAN	0.000	05/02/2019		NR	NR	5,000,000.00	4,905,052.80	1.83	4,920,440.00	1.86	0.58
Issuer total							10,000,000.00	9,844,719.45	3.66	9,906,026.65	3.74	0.35
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	1.83	4,955,132.50	1.87	0.35
Issuer total							5,000,000.00	4,917,361.10	1.83	4,955,132.50	1.87	0.35
Grand total							268,000,000.00	268,682,257.94	100.00	264,626,294.15	100.00	1.37

SECURITIES PURCHASED

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

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
Government Bonds							
9128283N8	09/27/2018	1.875	12/31/2019	5,000,000.00	98.98	(4,949,023.44)	(22,927.99)
USA TREASURY 1.875% 31DEC2019	09/28/2018						
JPMORGAN CHASE BANK, N.A.							
Total Government Bonds				5,000,000.00		(4,949,023.44)	(22,927.99)
Grand total				5,000,000.00		(4,949,023.44)	(22,927.99)

SECURITIES SOLD AND MATURED

For the period September 1, 2018 - September 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
Government Agencies												
3130A6AE7 FHLB CONS BD DTD 08/07/2015 1.125 09-14-2018	09/14/2018 09/14/2018	1.125		(5,000,000.00)	5,017,900.00	5,000,000.00 (237.31)	0.00	5,000,000.00 1,415.00	0.00	0.00	28,125.00	2,031.25
Total (Government Agencies)				(5,000,000.00)	5,017,900.00	5,000,000.00 (237.31)		5,000,000.00 1,415.00	0.00	0.00	28,125.00	2,031.25
Grand total				(5,000,000.00)	5,017,900.00	5,000,000.00 (237.31)		5,000,000.00 1,415.00	0.00	0.00	28,125.00	2,031.25

TRANSACTION REPORT

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

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
09/14/2018 09/14/2018	3130A6AE7	Income	Government Agencies	FHLB CONS BD DTD 08/07/2015	09/14/2018	5,000,000.00	0.00	0.00	28,125.00	28,125.00
09/14/2018 09/14/2018	3130A6AE7	Capital Change	Government Agencies	FHLB CONS BD DTD 08/07/2015	09/14/2018	(5,000,000.00)	0.00	5,000,000.00	0.00	5,000,000.00
09/18/2018 09/18/2018	3133EDVK5	Income	Government Agencies	FEDERAL FARM CREDIT BANK	03/18/2019	5,000,000.00	0.00	0.00	43,750.00	43,750.00
09/25/2018 09/25/2018	3134G3K90	Income	Government Agencies	FREDDIE MAC 1.7% 25SEP2020	09/25/2020	5,000,000.00	0.00	0.00	42,500.00	42,500.00
09/27/2018 09/27/2018	3135G0Q30	Income	Government Agencies	FANNIE MAE 1.18% 27SEP2019	09/27/2019	5,000,000.00	0.00	0.00	29,500.00	29,500.00
09/27/2018 09/28/2018	9128283N8	Bought	Government Bonds	USA TREASURY 1.875%	12/31/2019	5,000,000.00	0.00	(4,949,023.44)	(22,927.99)	(4,971,951.43)

ADDITIONAL INFORMATION

As of September 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 two different SEC-registered investment advisers using the brand Insight Investment: Insight North America LLC (INA) and Insight Investment International Limited (IIL). 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.

INA is an investment adviser 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 INA's Form ADV Part 2A, which is 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. INA charges 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 INA, 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. INA's investment advisory fees are discussed in Part 2A of its 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 strategies 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 September 30, 2018

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