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# CITY OF ANN ARBOR

February 2018

➤ A BNY MELLON COMPANY<sup>SM</sup>

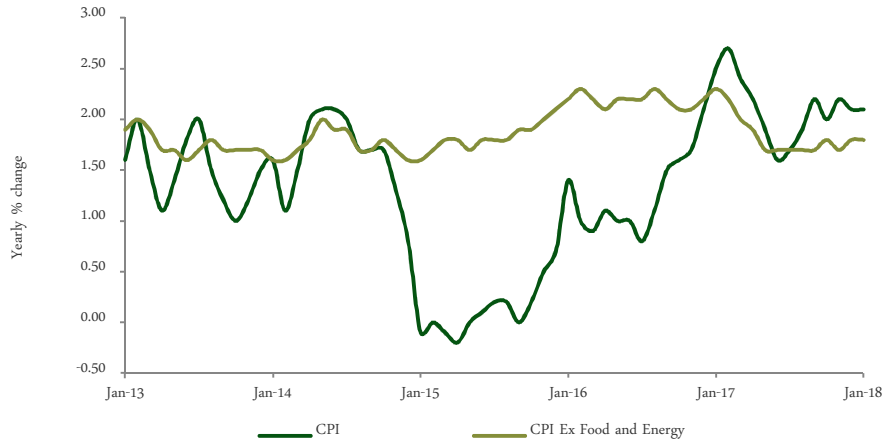


# Contents

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

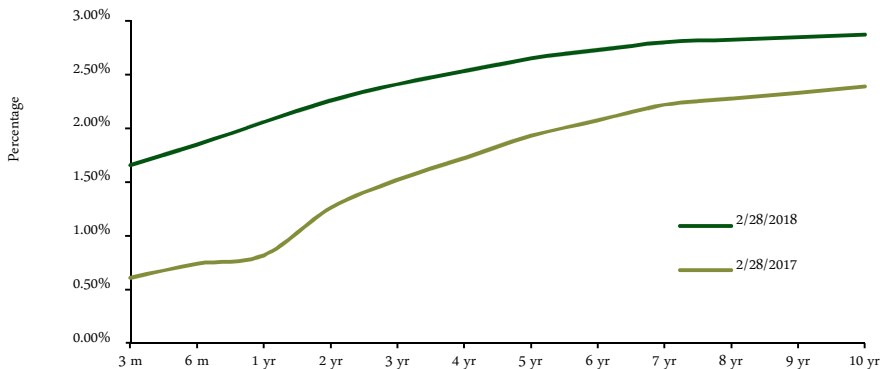
As of February 28, 2018

Chart 1: Consumer Price Index: 01/31/2013—01/31/2018



Source: Bloomberg Finance LP, February 28, 2018.

Chart 2: Treasury yield curve: 02/28/2017 and 02/28/2018



Source: Bloomberg Finance LP, February 28, 2018.

### Economic Indicators and Monetary Policy

The employment report released on February 2 showed stronger than expected job and wage growth in January. Nonfarm payrolls increased 200,000 in January compared to expectations for 180,000 new jobs added, and the December payrolls were revised up to 160,000 jobs added versus the original release of 148,000. The unemployment rate was unchanged in January at 4.1% and the underemployment rate increased to 8.2% from 8.1%.

Average hourly earnings increased .3% in January to 2.9% growth on a year-over-year basis, and the December earnings figure was revised to 2.7% from 2.5%. The January increase in average hourly earnings was the most since June 2009. The gain in earnings led to concerns that a pick-up in wages could spark inflation and lead to faster interest-rate increases by the Federal Reserve.

The Consumer Price Index (CPI) report released on February 14 was stronger than expected. Including food and energy, the CPI increased 0.5% in January for year-over-year growth of 2.1%. The core CPI, which excludes the volatile food and energy components, increased 0.3% in January to 1.8% on a year-over-year basis. (See Chart 1). The Producer Price Index released on February 15 increased 2.7% year-over-year at the headline level and 2.2% excluding food and energy.

The second reading of fourth quarter US Gross Domestic Product was released on February 28 at 2.5% compared to the advance reading of 2.6%. Personal consumption was unchanged at 3.8%.

Federal Reserve Chairman Jerome Powell was upbeat in his assessment of the US economy during testimony provided to the House Financial Services Committee on February 27. In the testimony, Powell noted that the recent tax reform and budget deal should add to demand in upcoming years and that the economic outlook was strong. The next meeting of the Federal Open Market Committee is on March 21.

### Interest Rate Summary

At the end of February the 3-month US Treasury bill yielded 1.66%, the 6-month US Treasury bill yielded 1.85%, the 2-year US Treasury note yielded 2.25%, the 5-year US Treasury note yielded 2.64% and the 10-year US Treasury note yielded 2.86%. (See Chart 2).

# ACTIVITY AND PERFORMANCE SUMMARY

For the period February 1, 2018 - February 28, 2018

<u>Amortized Cost Basis Activity Summary</u>	
<b>Opening balance</b>	242,516,190.95
Income received	280,150.00
<b>Total receipts</b>	280,150.00
<b>Total disbursements</b>	0.00
Interportfolio transfers	(6,312,429.15)
<b>Total Interportfolio transfers</b>	(6,312,429.15)
Realized gain (loss)	0.00
<b>Total amortization expense</b>	(26,907.99)
<b>Total OID/MKT accretion income</b>	20,517.55
Return of capital	0.00
<b>Closing balance</b>	236,477,521.36
<b>Ending fair value</b>	233,032,045.80
Unrealized gain (loss)	(3,445,475.56)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Commercial Paper	0.00	13,569.53	0.00	13,569.53
Government Agencies	166,520.42	(7,110.08)	0.00	159,410.34
Government Bonds	92,214.74	(12,849.89)	0.00	79,364.85
<b>Total</b>	<b>258,735.16</b>	<b>(6,390.44)</b>	<b>0.00</b>	<b>252,344.72</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.13	0.63	0.11
Overnight Repo	1.08	0.60	0.10
Merrill Lynch 3m US Treas Bill	1.06	0.61	0.12
Merrill Lynch 6m US Treas Bill	1.18	0.68	0.13
ML 1 Year US Treasury Note	1.37	0.80	0.15
ML 2 Year US Treasury Note	1.57	0.91	0.17
ML 5 Year US Treasury Note	2.00	1.07	0.20

\* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	258,735.16
Accretion (amortization)	(6,390.44)
Realized gain (loss) on sales	0.00
Total income on portfolio	252,344.72
Average daily amortized cost	242,272,630.17
Period return (%)	0.10
YTD return (%)	0.22
Weighted average final maturity in days	602

# ACTIVITY AND PERFORMANCE SUMMARY

For the period February 1, 2018 - February 28, 2018

<u>Fair Value Basis Activity Summary</u>		
<b>Opening balance</b>		239,366,099.35
Income received	280,150.00	
<b>Total receipts</b>		280,150.00
<b>Total disbursements</b>		0.00
Interportfolio transfers	(6,312,429.15)	
<b>Total Interportfolio transfers</b>		(6,312,429.15)
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		(301,774.40)
<b>Ending fair value</b>		233,032,045.80

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Commercial Paper	0.00	6,387.60	6,387.60
Government Agencies	166,520.42	(180,237.00)	(13,716.58)
Government Bonds	92,214.74	(127,925.00)	(35,710.26)
<b>Total</b>	<b>258,735.16</b>	<b>(301,774.40)</b>	<b>(43,039.24)</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.13	0.63	0.11
Overnight Repo	1.08	0.60	0.10
ICE ML 3m US Treas Bill	0.99	0.58	0.09
ICE ML 6m US Treas Bill	1.00	0.52	0.06
ICE ML 1 Year US Treasury Note	0.45	0.12	0.03
ICE ML US Treasury 1-3	(0.13)	(0.74)	(0.04)
ICE ML US Treasury 1-5	(0.37)	(1.41)	(0.13)

\* rates reflected are cumulative

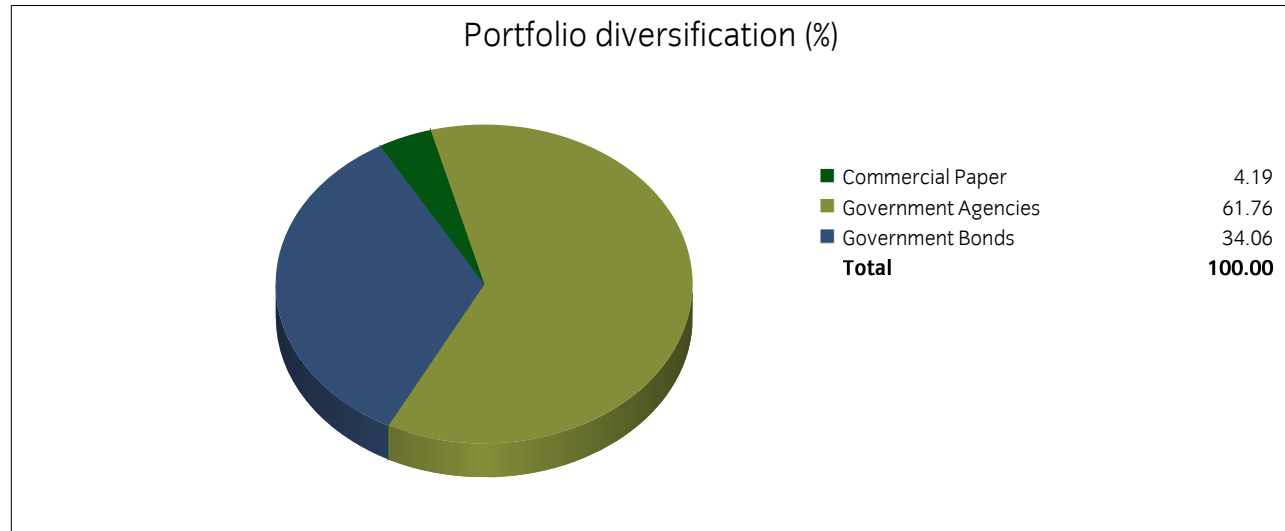
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	258,735.16
Change in fair value	(301,774.40)
Total income on portfolio	(43,039.24)
Average daily total value *	239,917,075.21
Period return (%)	(0.02)
YTD return (%)	(0.25)
Weighted average final maturity in days	602

\* Total value equals market value and accrued interest

# RECAP OF SECURITIES HELD

As of February 28, 2018

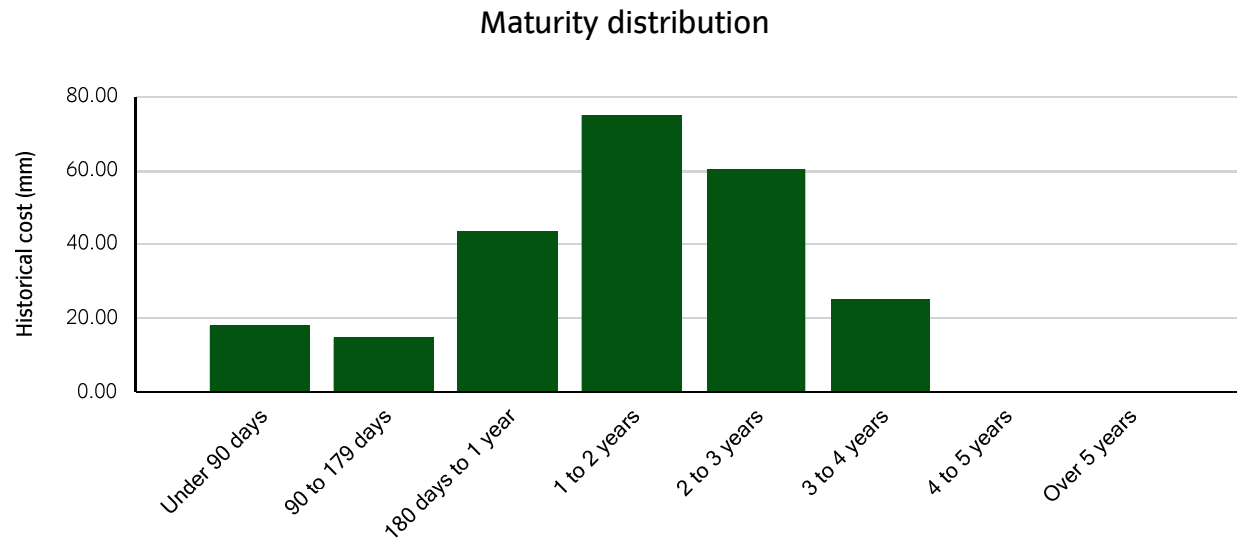
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Commercial Paper	9,916,054.20	9,946,686.19	9,933,661.80	(13,024.39)	116	4.19	0.31
Government Agencies	146,279,540.00	146,096,274.52	144,116,529.00	(1,979,745.52)	591	61.76	1.53
Government Bonds	80,674,609.39	80,434,560.65	78,981,855.00	(1,452,705.65)	681	34.06	1.81
<b>Total</b>	<b>236,870,203.59</b>	<b>236,477,521.36</b>	<b>233,032,045.80</b>	<b>(3,445,475.56)</b>	<b>602</b>	<b>100.00</b>	<b>1.58</b>



# MATURITY DISTRIBUTION OF SECURITIES HELD

As of February 28, 2018

Maturity	Historic cost	Percent
Under 90 days	17,921,360.00	7.57
90 to 179 days	14,929,530.76	6.30
180 days to 1 year	43,319,192.50	18.29
1 to 2 years	75,078,276.58	31.70
2 to 3 years	60,404,265.63	25.50
3 to 4 years	25,217,578.12	10.65
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	<b>236,870,203.59</b>	<b>100.00</b>



# SECURITIES HELD

## As of February 28, 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	4,974,127.40 6,406.55	4,970,906.25 3,185.40	(3,221.15)	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	4,972,558.79 6,002.76	4,962,755.55 1,972.20	(9,803.24)	0.00	0.00	0.00	2.09
<b>Total Commercial Paper</b>			<b>10,000,000.00</b>	<b>9,916,054.20 0.00</b>	<b>9,946,686.19 12,409.31</b>	<b>9,933,661.80 5,157.60</b>	<b>(13,024.39)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.19</b>
<b>Government Agencies</b>											
3133EETE0 FEDERAL FARM CREDIT BANK 1.125% 12MAR2018	1.125	03/12/2018	5,000,000.00	4,988,950.00 0.00	4,999,877.68 305.82	4,999,500.00 600.00	(377.68)	0.00	4,218.75	25,937.50	2.11
3133ECJX3 FEDERAL FARM CREDIT BANK 1.04% 26MAR2018 (CALLABLE 12MAR18)	1.040	03/26/2018	5,000,000.00	4,996,700.00 0.00	4,999,952.31 55.03	4,998,600.00 850.00	(1,352.31)	0.00	3,900.00	21,955.56	2.11
3135G0WJ8 FANNIE MAE 0.875% 21MAY2018	0.875	05/21/2018	3,000,000.00	2,953,560.00 0.00	2,997,900.87 803.37	2,994,999.00 945.00	(2,901.87)	0.00	1,968.75	7,072.92	1.25
3135G0XG3 FANNIE MAE 1% 21MAY2018 CALLABLE #0000	1.000	05/21/2018	5,000,000.00	4,982,150.00 0.00	4,999,198.98 296.68	4,993,000.00 1,050.00	(6,198.98)	0.00	3,750.00	13,472.22	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	5,003,288.45 (508.52)	4,977,165.00 (295.00)	(26,123.45)	0.00	4,218.75	25,625.00	2.12
3135G0YT4 FANNIE MAE 1.625% 27NOV2018	1.625	11/27/2018	5,000,000.00	5,017,650.00 0.00	5,003,295.49 (370.28)	4,984,255.00 (6,565.00)	(19,040.49)	0.00	6,093.75	20,538.19	2.12



# SECURITIES HELD

## As of February 28, 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>											
313376BR5 FEDERAL HOME LOAN BANK 1.75% 14DEC2018	1.750	12/14/2018	8,000,000.00	8,153,030.00 0.00	8,040,798.69 (4,309.72)	7,982,280.00 (6,432.00)	(58,518.69)	0.00	10,500.00	28,777.78	3.44
3136FTZZ5 FANNIE MAE 1.75% 30JAN2019 CALLABLE	1.750	01/30/2019	5,000,000.00	5,094,650.00 0.00	5,030,354.23 (2,759.47)	4,984,450.00 (5,200.00)	(45,904.23)	0.00	6,805.56	6,805.56	2.15
3133EE5P1 FEDERAL FARM CREDIT BANK 1.32% 30JAN2019	1.320	01/30/2019	5,000,000.00	5,015,650.00 0.00	5,004,188.56 (380.78)	4,970,000.00 (2,750.00)	(34,188.56)	0.00	5,133.33	5,133.33	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	5,006,034.26 (478.91)	4,981,250.00 (4,250.00)	(24,784.26)	0.00	6,562.50	38,888.89	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	4,945,700.00 (3,750.00)	(54,300.00)	0.00	4,938.89	15,522.22	2.11
3136G3K87 FANNIE MAE 1.18% 25JUL2019 (CALLABLE 25APR18)	1.180	07/25/2019 04/25/2018	5,000,000.00	4,996,250.00 0.00	4,998,257.82 103.50	4,905,500.00 550.00	(92,757.82)	0.00	4,425.00	5,408.33	2.11
3134G3JM3 FREDDIE MAC 2% 30JUL2019 CALLABLE	2.000	07/30/2019	5,000,000.00	5,025,300.00 0.00	5,006,583.16 (387.25)	4,982,475.00 (8,880.00)	(24,108.16)	0.00	7,777.78	7,777.78	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	4,998,465.69 85.56	4,916,850.00 (3,300.00)	(81,615.69)	28,125.00	4,218.75	0.00	2.11
3135G0Q30 FANNIE MAE 1.18% 27SEP2019 CALLABLE	1.180	09/27/2019	5,000,000.00	4,962,000.00 0.00	4,978,793.31 1,122.05	4,915,600.00 (4,150.00)	(63,193.31)	0.00	4,425.00	24,747.22	2.09
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	4,931,100.00 (5,300.00)	(68,900.00)	0.00	5,250.00	27,750.00	2.11

# SECURITIES HELD

## As of February 28, 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>											
3137EADM8 FREDDIE MAC 1.25% 02OCT2019	1.250	10/02/2019	5,000,000.00	5,013,050.00 0.00	5,006,184.42 (324.36)	4,922,800.00 (4,035.00)	(83,384.42)	0.00	4,687.50	25,347.22	2.12
3136G0T68 FANNIE MAE 1.33% 24OCT2019 CALLABLE	1.330	10/24/2019	5,000,000.00	4,991,700.00 0.00	4,996,648.40 169.27	4,923,000.00 (7,450.00)	(73,648.40)	0.00	4,987.50	22,905.56	2.11
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	4,999,420.80 27.76	4,907,250.00 (2,450.00)	(92,170.80)	35,000.00	5,250.00	388.89	2.11
3133EFZT7 FEDERAL FARM CREDIT BANK 1.4% 24FEB2020 (CALLABLE 12MAR18)	1.400	02/24/2020	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	4,906,650.00 (3,850.00)	(93,350.00)	35,000.00	5,250.00	777.78	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	4,868,550.00 (12,300.00)	(131,450.00)	32,500.00	4,875.00	0.00	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	4,912,100.00 (15,050.00)	(87,900.00)	0.00	6,375.00	36,125.00	2.11
3133EGXX8 FEDERAL FARM CREDIT BANK 1.34% 13OCT2020 (CALLABLE 12MAR18)	1.340	10/13/2020	5,000,000.00	4,988,750.00 0.00	4,992,673.52 233.08	4,837,700.00 (8,650.00)	(154,973.52)	0.00	5,025.00	25,125.00	2.11
3135G0F73 FANNIE MAE 1.5% 30NOV2020	1.500	11/30/2020	5,000,000.00	5,080,350.00 0.00	5,051,287.23 (1,554.16)	4,878,370.00 (12,965.00)	(172,917.23)	0.00	5,833.33	18,333.33	2.14
3130A3UQ5 FEDERAL HOME LOAN BANK 1.875% 11DEC2020	1.875	12/11/2020	5,000,000.00	4,981,650.00 0.00	4,983,070.65 507.38	4,920,235.00 (16,380.00)	(62,835.65)	0.00	7,031.25	20,052.08	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	4,882,900.00 (12,850.00)	(117,100.00)	43,750.00	6,562.50	4,861.11	2.11

# SECURITIES HELD

## As of February 28, 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 29MAR18)	1.750	03/29/2021	5,000,000.00	5,000,000.00	5,000,000.00	4,875,650.00	(124,350.00)	0.00	6,562.50	36,215.28	2.11
3130ACLQ5 FEDERAL HOME LOAN BANK 2% 30APR2021 (CALLABLE 30APR18) #0000	2.000	04/30/2021	5,000,000.00	5,000,000.00	5,000,000.00	4,912,700.00	(87,300.00)	0.00	7,777.78	32,777.78	2.11
3134GBC75 FREDDIE MAC 1.875% 28MAY2021 (CALLABLE 28MAY18)	1.875	05/28/2021	5,000,000.00	5,000,000.00	5,000,000.00	4,905,900.00	(94,100.00)	0.00	7,031.25	23,437.50	2.11
<b>Total Government Agencies</b>			<b>146,000,000.00</b>	<b>146,279,540.00</b>	<b>146,096,274.52</b>	<b>144,116,529.00</b>	<b>(1,979,745.52)</b>	<b>174,375.00</b>	<b>161,435.42</b>	<b>521,759.03</b>	<b>61.76</b>
<b>Government Bonds</b>											
912828XF2 USA TREASURY 1.125% 15JUN2018	1.125	06/15/2018	5,000,000.00	5,013,476.56	5,001,509.94	4,991,030.00	(10,479.94)	0.00	4,326.92	11,589.97	2.12
912828L40 USA TREASURY 1% 15SEP2018	1.000	09/15/2018	5,000,000.00	4,992,382.81	4,997,382.00	4,975,195.00	(22,187.00)	0.00	3,867.41	22,928.18	2.11
912828L81 USA TREASURY 0.875% 15OCT2018	0.875	10/15/2018	5,000,000.00	4,954,101.56	4,990,158.48	4,966,600.00	(23,558.48)	0.00	3,365.38	16,346.15	2.09
912828B33 USA TREASURY 1.5% 31JAN2019	1.500	01/31/2019	5,000,000.00	5,073,828.13	5,020,855.05	4,972,655.00	(48,200.05)	0.00	5,801.11	5,801.11	2.14
912828C24 USA TREASURY 1.5% 28FEB2019	1.500	02/28/2019	5,000,000.00	4,981,640.63	4,984,595.01	4,970,510.00	(14,085.01)	37,500.00	5,801.10	0.00	2.10

# SECURITIES HELD

## As of February 28, 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	5,035,818.19 (2,059.36)	4,964,650.00 (5,665.00)	(71,168.19)	0.00	6,284.53	13,242.40	2.15
912828F62 USA TREASURY 1.5% 31OCT2019	1.500	10/31/2019	5,000,000.00	5,009,765.63 0.00	5,006,017.21 (276.20)	4,940,820.00 (6,445.00)	(65,197.21)	0.00	5,801.11	24,861.88	2.11
912828UL2 USA TREASURY 1.375% 31JAN2020	1.375	01/31/2020	5,000,000.00	4,990,429.69 0.00	4,994,203.32 231.21	4,917,385.00 (7,420.00)	(76,818.32)	0.00	5,317.68	5,317.68	2.11
912828J50 USA TREASURY 1.375% 29FEB2020	1.375	02/29/2020	5,000,000.00	5,060,742.19 0.00	5,035,324.22 (1,353.05)	4,911,720.00 (7,420.00)	(123,604.22)	34,375.00	5,317.68	0.00	2.14
912828XH8 USA TREASURY 1.625% 30JUN2020	1.625	06/30/2020	5,000,000.00	5,119,531.25 0.00	5,070,854.87 (2,325.83)	4,918,360.00 (11,330.00)	(152,494.87)	0.00	6,284.53	13,242.40	2.16
912828L65 USA TREASURY 1.375% 30SEP2020	1.375	09/30/2020	5,000,000.00	5,064,062.50 0.00	5,040,359.37 (1,195.84)	4,876,170.00 (9,570.00)	(164,189.37)	0.00	5,288.46	28,519.92	2.14
912828WC0 USA TREASURY 1.75% 31OCT2020	1.750	10/31/2020	5,000,000.00	5,000,195.31 0.00	5,000,175.04 (5.03)	4,917,190.00 (12,500.00)	(82,985.04)	0.00	6,767.96	29,005.53	2.11
912828L99 USA TREASURY 1.375% 31OCT2020	1.375	10/31/2020	5,000,000.00	5,036,328.13 0.00	5,024,285.11 (696.70)	4,870,115.00 (9,965.00)	(154,170.11)	0.00	5,317.68	22,790.06	2.13
912828N89 USA TREASURY 1.375% 31JAN2021	1.375	01/31/2021	5,000,000.00	5,072,656.25 0.00	5,047,459.86 (1,244.27)	4,851,955.00 (12,305.00)	(195,504.86)	0.00	5,317.68	5,317.68	2.14
912828C57 USA TREASURY 2.25% 31MAR2021	2.250	03/31/2021	5,000,000.00	5,108,789.06 0.00	5,092,602.17 (2,300.67)	4,969,920.00 (16,020.00)	(122,682.17)	0.00	8,653.85	46,668.96	2.16

# SECURITIES HELD

## As of February 28, 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	5,092,960.81 (2,249.70)	4,967,580.00 (17,185.00)	(125,380.81)	0.00	8,701.66	37,292.82	2.16
<b>Total Government Bonds</b>			<b>80,000,000.00</b>	<b>80,674,609.39</b> <b>0.00</b>	<b>80,434,560.65</b> <b>(12,849.89)</b>	<b>78,981,855.00</b> <b>(127,925.00)</b>	<b>(1,452,705.65)</b>	<b>71,875.00</b>	<b>92,214.74</b>	<b>282,924.74</b>	<b>34.06</b>
<b>Grand total</b>			<b>236,000,000.00</b>	<b>236,870,203.59</b> <b>0.00</b>	<b>236,477,521.36</b> <b>(7,804.53)</b>	<b>233,032,045.80</b> <b>(304,624.40)</b>	<b>(3,445,475.56)</b>	<b>246,250.00</b>	<b>253,650.16</b>	<b>804,683.77</b>	<b>100.00</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

## As of February 28, 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>												
912828XF2	USA TREASURY 1.125%	1.125	06/15/2018		AA+	Aaa	5,000,000.00	5,013,476.56	2.12	4,991,030.00	2.14	0.29
912828L40	USA TREASURY 1%	1.000	09/15/2018		AA+	Aaa	5,000,000.00	4,992,382.81	2.11	4,975,195.00	2.13	0.54
912828L81	USA TREASURY 0.875%	0.875	10/15/2018		AA+	Aaa	5,000,000.00	4,954,101.56	2.09	4,966,600.00	2.13	0.62
912828B33	USA TREASURY 1.5%	1.500	01/31/2019		AA+	Aaa	5,000,000.00	5,073,828.13	2.14	4,972,655.00	2.13	0.91
912828C24	USA TREASURY 1.5%	1.500	02/28/2019		AA+	Aaa	5,000,000.00	4,981,640.63	2.10	4,970,510.00	2.13	0.98
912828W55	USA TREASURY 1.625%	1.625	06/30/2019		AA+	Aaa	5,000,000.00	5,087,890.63	2.15	4,964,650.00	2.13	1.31
912828F62	USA TREASURY 1.5%	1.500	10/31/2019		AA+	Aaa	5,000,000.00	5,009,765.63	2.11	4,940,820.00	2.12	1.63
912828UL2	USA TREASURY 1.375%	1.375	01/31/2020		AA+	Aaa	5,000,000.00	4,990,429.69	2.11	4,917,385.00	2.11	1.88
912828J50	USA TREASURY 1.375%	1.375	02/29/2020		AA+	Aaa	5,000,000.00	5,060,742.19	2.14	4,911,720.00	2.11	1.97
912828XH8	USA TREASURY 1.625%	1.625	06/30/2020		AA+	Aaa	5,000,000.00	5,119,531.25	2.16	4,918,360.00	2.11	2.27
912828L65	USA TREASURY 1.375%	1.375	09/30/2020		AA+	Aaa	5,000,000.00	5,064,062.50	2.14	4,876,170.00	2.09	2.51
912828WC0	USA TREASURY 1.75%	1.750	10/31/2020		AA+	Aaa	5,000,000.00	5,000,195.31	2.11	4,917,190.00	2.11	2.58
912828L99	USA TREASURY 1.375%	1.375	10/31/2020		AA+	Aaa	5,000,000.00	5,036,328.13	2.13	4,870,115.00	2.09	2.60
912828N89	USA TREASURY 1.375%	1.375	01/31/2021		AA+	Aaa	5,000,000.00	5,072,656.25	2.14	4,851,955.00	2.08	2.84
912828C57	USA TREASURY 2.25%	2.250	03/31/2021		AA+	Aaa	5,000,000.00	5,108,789.06	2.16	4,969,920.00	2.13	2.94
912828WG1	USA TREASURY 2.25%	2.250	04/30/2021		AA+	Aaa	5,000,000.00	5,108,789.06	2.16	4,967,580.00	2.13	3.02
<b>Issuer total</b>							<b>80,000,000.00</b>	<b>80,674,609.39</b>	<b>34.06</b>	<b>78,981,855.00</b>	<b>33.89</b>	<b>1.81</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	4,993,000.00	2.14	0.22
3135G0WJ8	FANNIE MAE 0.875%	0.875	05/21/2018		AA+	Aaa	3,000,000.00	2,953,560.00	1.25	2,994,999.00	1.29	0.22
3135G0YT4	FANNIE MAE 1.625%	1.625	11/27/2018		AA+	Aaa	5,000,000.00	5,017,650.00	2.12	4,984,255.00	2.14	0.73
3136FTZ5	FANNIE MAE 1.75%	1.750	01/30/2019		AA+	Aaa	5,000,000.00	5,094,650.00	2.15	4,984,450.00	2.14	0.90
3136G3RW7	FANNIE MAE 1.27%	1.270	05/30/2019		AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,945,700.00	2.12	1.22
3136G3K87	FANNIE MAE 1.18%	1.180	07/25/2019	04/25/2018	AA+	Aaa	5,000,000.00	4,996,250.00	2.11	4,905,500.00	2.11	1.38

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

## As of February 28, 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	4,916,850.00	2.11	1.47
3135G0Q30	FANNIE MAE 1.18%	1.180	09/27/2019		AA+	Aaa	5,000,000.00	4,962,000.00	2.09	4,915,600.00	2.11	1.54
3136G0T68	FANNIE MAE 1.33%	1.330	10/24/2019		AA+	Aaa	5,000,000.00	4,991,700.00	2.11	4,923,000.00	2.11	1.61
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	4,907,250.00	2.11	1.70
3135G0F73	FANNIE MAE 1.5%	1.500	11/30/2020		AA+	Aaa	5,000,000.00	5,080,350.00	2.14	4,878,370.00	2.09	2.67
<b>Issuer total</b>							<b>53,000,000.00</b>	<b>53,073,960.00</b>	<b>22.41</b>	<b>52,348,974.00</b>	<b>22.46</b>	<b>1.28</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	4,982,475.00	2.14	1.38
3134G8PD5	FREDDIE MAC 1.35%	1.350	09/30/2019		AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,931,100.00	2.12	1.54
3137EADM8	FREDDIE MAC 1.25%	1.250	10/02/2019		AA+	Aaa	5,000,000.00	5,013,050.00	2.12	4,922,800.00	2.11	1.55
3134GABM5	FREDDIE MAC 1.3%	1.300	08/28/2020		AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,868,550.00	2.09	2.40
3134G3K90	FREDDIE MAC 1.7%	1.700	09/25/2020		AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,912,100.00	2.11	2.48
3134GBG48	FREDDIE MAC 1.75%	1.750	03/29/2021	03/29/2018	AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,875,650.00	2.09	2.77
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	4,905,900.00	2.11	2.75
<b>Issuer total</b>							<b>35,000,000.00</b>	<b>35,038,350.00</b>	<b>14.79</b>	<b>34,398,575.00</b>	<b>14.76</b>	<b>2.12</b>
<b>Federal Farm Credit Banks</b>												
3133EETE0	FEDERAL FARM CREDIT	1.125	03/12/2018		AA+	Aaa	5,000,000.00	4,988,950.00	2.11	4,999,500.00	2.15	0.03
3133ECJX3	FEDERAL FARM CREDIT	1.040	03/26/2018		AA+	Aaa	5,000,000.00	4,996,700.00	2.11	4,998,600.00	2.15	0.07
3133EE5P1	FEDERAL FARM CREDIT	1.320	01/30/2019		AA+	Aaa	5,000,000.00	5,015,650.00	2.12	4,970,000.00	2.13	0.91
3133EDVK5	FEDERAL FARM CREDIT	1.750	03/18/2019		AA+	Aaa	5,000,000.00	5,024,600.00	2.12	4,981,250.00	2.14	1.02
3133EFZT7	FEDERAL FARM CREDIT	1.400	02/24/2020		AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,906,650.00	2.11	1.93
3133EGXX8	FEDERAL FARM CREDIT	1.340	10/13/2020		AA+	Aaa	5,000,000.00	4,988,750.00	2.11	4,837,700.00	2.08	2.52
<b>Issuer total</b>							<b>30,000,000.00</b>	<b>30,014,650.00</b>	<b>12.67</b>	<b>29,693,700.00</b>	<b>12.74</b>	<b>1.08</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of February 28, 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 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	4,977,165.00	2.14	0.53
313376BR5	FEDERAL HOME LOAN	1.750	12/14/2018		AA+	Aaa	8,000,000.00	8,153,030.00	3.44	7,982,280.00	3.43	0.78
3130A3UQ5	FEDERAL HOME LOAN	1.875	12/11/2020		AA+	Aaa	5,000,000.00	4,981,650.00	2.10	4,920,235.00	2.11	2.69
3130ABZQ2	FEDERAL HOME LOAN	1.750	02/08/2021	08/08/2018	AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,882,900.00	2.10	2.68
3130ACLQ5	FEDERAL HOME LOAN	2.000	04/30/2021	04/30/2018	AA+	Aaa	5,000,000.00	5,000,000.00	2.11	4,912,700.00	2.11	2.67
<b>Issuer total</b>							<b>28,000,000.00</b>	<b>28,152,580.00</b>	<b>11.89</b>	<b>27,675,280.00</b>	<b>11.88</b>	<b>1.75</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	4,970,906.25	2.13	0.28
<b>Issuer total</b>							<b>5,000,000.00</b>	<b>4,967,720.85</b>	<b>2.10</b>	<b>4,970,906.25</b>	<b>2.13</b>	<b>0.28</b>
<b>Totoya 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	4,962,755.55	2.13	0.34
<b>Issuer total</b>							<b>5,000,000.00</b>	<b>4,948,333.35</b>	<b>2.09</b>	<b>4,962,755.55</b>	<b>2.13</b>	<b>0.34</b>
<b>Grand total</b>							<b>236,000,000.00</b>	<b>236,870,203.59</b>	<b>100.00</b>	<b>233,032,045.80</b>	<b>100.00</b>	<b>1.58</b>



# SECURITIES PURCHASED

For the period February 1, 2018 - February 28, 2018

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
<b>Commercial Paper</b>							
4497W1FD3	02/02/2018	0.000	06/13/2018	5,000,000.00	99.35	(4,967,720.85)	0.00
CP ING US FUNDING LLC 0% 13/06/2018 BANK OF AMERICA, N.A.	02/06/2018						
<b>Total Commercial Paper</b>				<b>5,000,000.00</b>		<b>(4,967,720.85)</b>	<b>0.00</b>
<b>Grand total</b>				<b>5,000,000.00</b>		<b>(4,967,720.85)</b>	<b>0.00</b>

# SECURITIES SOLD AND MATURED

For the period February 1, 2018 - February 28, 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>Commercial Paper</b>												
4497W1B62	02/06/2018	0.000		(5,000,000.00)	4,965,000.00	5,000,000.00	0.00	5,000,000.00	0.00	0.00	0.00	0.00
ING U S FDG LLC DISC COML PAPER 3/A3 YRS3&4 02-06-2018	02/06/2018					1,160.22		1,230.00				
<b>Total (Commercial Paper)</b>				<b>(5,000,000.00)</b>	<b>4,965,000.00</b>	<b>5,000,000.00</b> <b>1,160.22</b>		<b>5,000,000.00</b> <b>1,230.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Government Agencies</b>												
3135G0VC4	02/28/2018	1.130		(6,000,000.00)	5,990,040.00	6,000,000.00	0.00	6,000,000.00	0.00	0.00	33,900.00	5,085.00
FANNIE MAE 1.13% 28FEB2018 CALLABLE	02/28/2018					253.87		1,620.00				
<b>Total (Government Agencies)</b>				<b>(6,000,000.00)</b>	<b>5,990,040.00</b>	<b>6,000,000.00</b> <b>253.87</b>		<b>6,000,000.00</b> <b>1,620.00</b>	<b>0.00</b>	<b>0.00</b>	<b>33,900.00</b>	<b>5,085.00</b>
<b>Grand total</b>				<b>(11,000,000.00)</b>	<b>10,955,040.00</b>	<b>11,000,000.00</b> <b>1,414.09</b>		<b>11,000,000.00</b> <b>2,850.00</b>	<b>0.00</b>	<b>0.00</b>	<b>33,900.00</b>	<b>5,085.00</b>

# TRANSACTION REPORT

For the period February 1, 2018 - February 28, 2018

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
02/02/2018 02/06/2018	4497W1FD3	Bought	Commercial Paper	CP ING US FUNDING LLC 0%	06/13/2018	5,000,000.00	0.00	(4,967,720.85)	0.00	(4,967,720.85)
02/06/2018 02/06/2018	4497W1B62	Capital Change	Commercial Paper	ING U S FDG LLC DISC COML	02/06/2018	(5,000,000.00)	0.00	5,000,000.00	0.00	5,000,000.00
02/08/2018 02/08/2018	3130ABZQ2	Income	Government Agencies	FEDERAL HOME LOAN BANK	02/08/2021	5,000,000.00	0.00	0.00	43,750.00	43,750.00
02/24/2018 02/24/2018	3133EFZT7	Income	Government Agencies	FEDERAL FARM CREDIT BANK	02/24/2020	5,000,000.00	0.00	0.00	35,000.00	35,000.00
02/26/2018 02/26/2018	3136G2YA9	Income	Government Agencies	FANNIE MAE 1.4% 26NOV2019	11/26/2019	5,000,000.00	0.00	0.00	35,000.00	35,000.00
02/28/2018 02/28/2018	3134GABM5	Income	Government Agencies	FREDDIE MAC 1.3% 28AUG2020	08/28/2020	5,000,000.00	0.00	0.00	32,500.00	32,500.00
02/28/2018 02/28/2018	3135G0VC4	Income	Government Agencies	FANNIE MAE 1.13% 28FEB2018	02/28/2018	6,000,000.00	0.00	0.00	33,900.00	33,900.00
02/28/2018 02/28/2018	3135G0VC4	Capital Change	Government Agencies	FANNIE MAE 1.13% 28FEB2018	02/28/2018	(6,000,000.00)	0.00	6,000,000.00	0.00	6,000,000.00
02/28/2018 02/28/2018	3136G34F9	Income	Government Agencies	FANNIE MAE 1.125%	08/28/2019	5,000,000.00	0.00	0.00	28,125.00	28,125.00
02/28/2018 02/28/2018	912828C24	Income	Government Bonds	USA TREASURY 1.5%	02/28/2019	5,000,000.00	0.00	0.00	37,500.00	37,500.00
02/28/2018 02/28/2018	912828J50	Income	Government Bonds	USA TREASURY 1.375%	02/29/2020	5,000,000.00	0.00	0.00	34,375.00	34,375.00

# ADDITIONAL INFORMATION

## As of February 28, 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.

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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 February 28, 2018

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