

Citizens Investment Summary Report Appendix



October 2019

EXECUTIVE SUMMARY

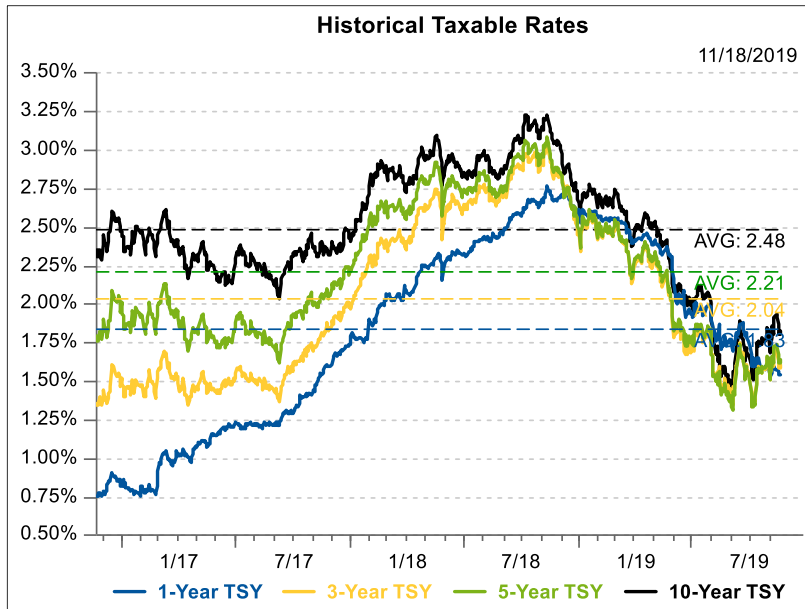
- Citizens' total portfolio market value for October 2019 was \$9.30 billion (prior month: \$9.23 billion) with an average duration of 4.14 years (prior month: 4.10 years) and average credit ratings of A+/Aa3/AA-.
 - 86% of the total portfolio is taxable, with a market value of \$8.01 billion.
 - 14% of the total portfolio is tax-exempt, with a market value of \$1.29 billion.
 - 92%, or \$8.59 billion of the total portfolio is managed by 10 external investment managers, with an average duration of 4.20 years and 8% is internally managed, or \$0.71 billion.
- The 1-year total return and income return of Citizens' total portfolio (excluding legacy securities and a majority of the money market funds) was 8.62% and 2.49%.
- 3% of the portfolio matures in less than 90 days and 23% of the portfolio matures between 1 and 3 years.

INTEREST RATES

Taxable

- The 1 year US Treasury rate has decreased 113 basis points over the 12-month period ending 11/18/2019.
- The 5 year US Treasury rate has decreased 127 basis points over the 12-month period ending 11/18/2019.

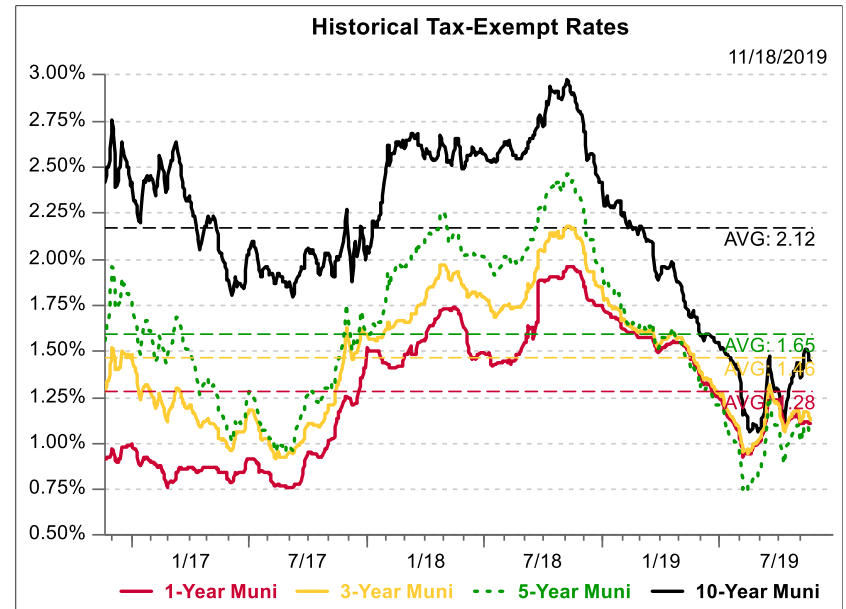
Taxable Rates	As Of 11/18/2019	3-Month Prior	1-Year Prior	3-Year Average	3-Month Change (bps)
1-Yr TSY	1.55%	1.71%	2.68%	1.83%	(16)
3-Yr TSY	1.59%	1.43%	2.86%	2.04%	16
5-Yr TSY	1.62%	1.41%	2.89%	2.21%	21
10-Yr TSY	1.81%	1.54%	3.07%	2.48%	27



Tax-Exempt

- The S&P 1-Yr AAA Municipal rate has decreased 83 basis points over the 12-month period ending 11/18/2019.
- The S&P 5-Yr AAA Municipal rate has decreased 108 basis points over the 12-month period ending 11/18/2019.

Tax-Exempt Rates	As Of 11/18/2019	3-Month Prior	1-Year Prior	3-Year Average	3-Month Change (bps)
S&P 1-Yr AAA Muni	1.11%	0.94%	1.94%	1.28%	17
S&P 3-Yr AAA Muni	1.13%	0.96%	2.14%	1.46%	17
S&P 5-Yr AAA Muni	1.20%	0.98%	2.28%	1.65%	22
S&P 10-Yr AAA Muni	1.53%	1.21%	2.68%	2.12%	32



PORTFOLIO SUMMARY

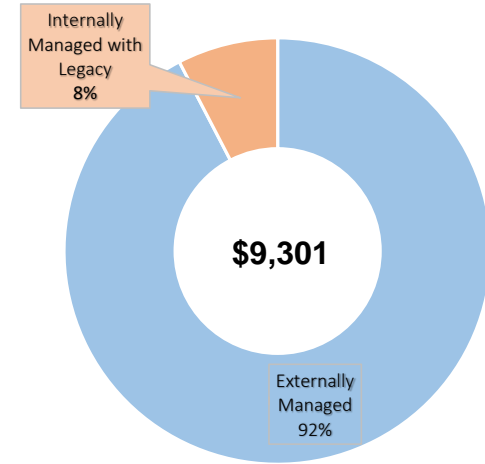
Security Description	Current Month Market Value	Prior Month Market Value	Month-to-Month Change	Current Month Weight (%)
Total	\$9,301	\$9,232	\$69	100
Taxable with Legacy Securities	8,008	7,942	66	86
Corporate Bonds, Commercial Paper, CDs, & Foreign Govt Securities	4,446	4,483	(37)	48
Treasury & Agency Securities	2,459	2,440	19	26
Money Market Funds & Cash	566	545	20	6
Municipal Bonds	423	361	62	5
ABS	99	97	2	1
Legacy Securities	16	16	(0)	0
Tax Exempt	1,293	1,290	3	14
Municipal Bonds	1,019	1,085	(65)	11
Treasury & Agency Securities	138	110	28	1
Money Market Funds & Cash	136	95	41	1

(\$ in Millions)

Notes:

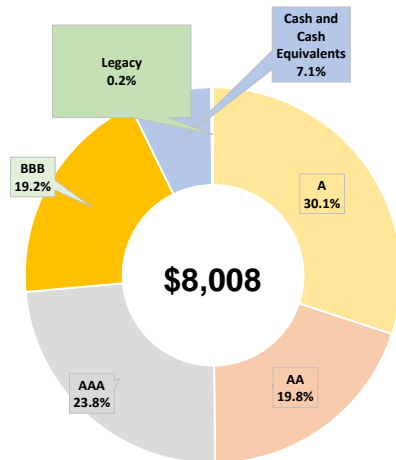
1. Month-to-month changes can be driven by transfers of funds from one category of securities to another.
2. Numbers may not add up due to rounding.
3. The legacy securities were sold on Oct. 9, 2019 and the trades are awaiting settlements.

Total Portfolio Composition



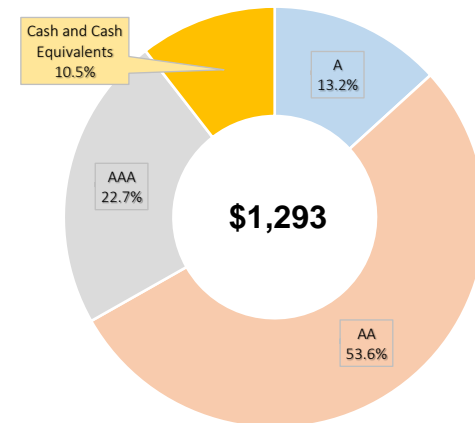
(\$ in Millions)

Taxable Portfolio Credit Quality Distribution



(\$ in Millions)

Tax-Exempt Portfolio Credit Quality Distribution

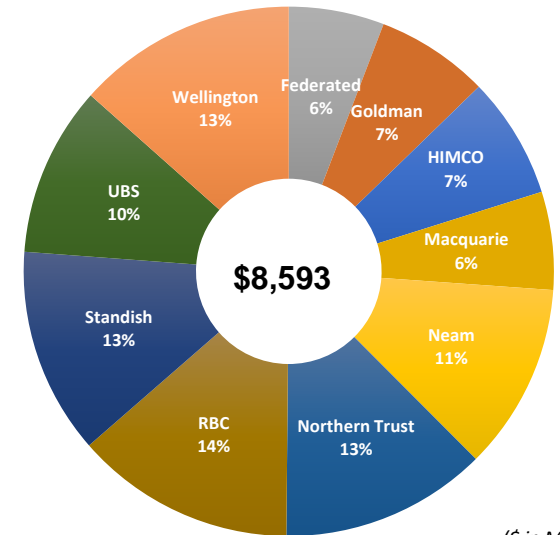


(\$ in Millions)

INVESTMENT MANAGERS PORTFOLIO SUMMARY

Total Externally Managed Portfolio Composition

Investment Manager	Taxable Liquidity Fund	Taxable Claims-Paying Fund	Taxable Claims Long Duration Fund	Tax-Exempt Claims-Paying Fund	Total	% of Total Portfolio
Federated	\$500	\$0	\$0	\$0	\$500	6%
Goldman	\$0	\$593	\$0	\$0	\$593	7%
HIMCO	\$0	\$638	\$0	\$0	\$638	7%
Macquarie	\$0	\$0	\$514	\$0	\$514	6%
Neam	\$0	\$305	\$676	\$0	\$980	11%
Northern Trust	\$0	\$0	\$1,084	\$0	\$1,084	13%
RBC	\$59	\$0	\$1,095	\$0	\$1,154	13%
Standish	\$0	\$0	\$0	\$1,083	\$1,083	13%
UBS	\$0	\$0	\$893	\$0	\$893	10%
Wellington	\$484	\$0	\$670	\$0	\$1,154	13%
Grand Total	\$1,043	\$1,536	\$4,932	\$1,083	\$8,593	100%



(\$ in Millions)

- 94% of the taxable portfolio, or \$7.51 billion, is managed by 9 external investment managers.
- 84% of the tax-exempt portfolio, or \$1.08 billion, is managed by an external investment manager.

PORTFOLIO RETURNS SUMMARY

- The total portfolio duration is 4.14 years.
- The 2-year annualized total return and income return was 3.73% and 2.55%.

Citizens Portfolio	Duration (Years)	S&P	Moody's	Fitch Credit	Total Return (%)					Income Return (%)				
					1 month	3 month	1 Year	2 Year	3 Year	1 month	3 month	1 Year	2 Year	3 Year
Tax Exempt	1.50	AA	Aa2	AA	0.25	0.22	3.36	1.72	1.28	0.10	0.31	1.66	1.68	1.31
Tax Exempt Externally Managed	1.62	AA	Aa2	AA	0.26	0.16	3.41	1.74	1.44	0.10	0.29	1.53	1.62	1.43
Taxable (Excluding Legacy Securities and a Majority of Money Market Funds)	4.55	A+	Aa3	AA-	0.44	1.87	9.65	4.10	3.41	0.17	0.51	2.65	2.72	2.45
Total (Excluding Legacy Securities and a Majority of Money Market Funds)	4.14	A+	Aa3	AA-	0.42	1.64	8.62	3.73	3.05	0.16	0.48	2.49	2.55	2.22

Note:

- The 2 Year and 3 Year returns are annualized, and the remaining returns are actual for the period.

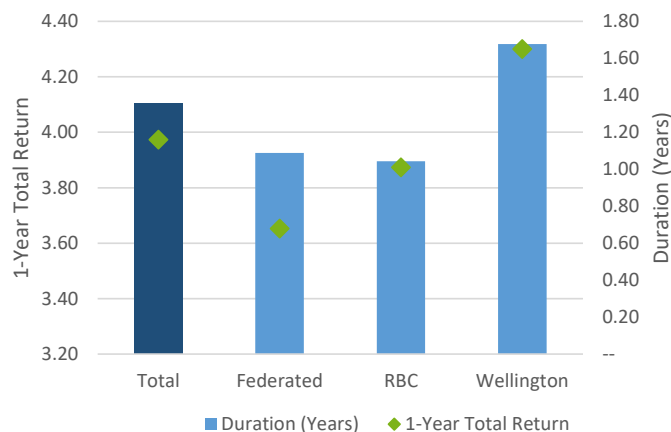
	1 Month	3 Month	6 Month	1 Year	2 Year
3-Year Treasury Yield	1.53%	1.54%	1.73%	2.12%	2.30%
US Corporate Bond 3-5 Year	2.29%	2.33%	2.54%	2.98%	3.12%
S&P 3-Yr AAA Muni	1.15%	1.10%	1.22%	1.49%	1.62%
US Corporate Bond 1 Year	2.12%	2.19%	2.38%	2.77%	2.83%
1-Year Treasury Yield	1.62%	1.73%	1.92%	2.24%	2.20%
1-Month LIBOR	1.88%	2.03%	2.21%	2.33%	2.09%

TAXABLE LIQUIDITY PORTFOLIO INVESTMENT MANAGER RETURNS SUMMARY

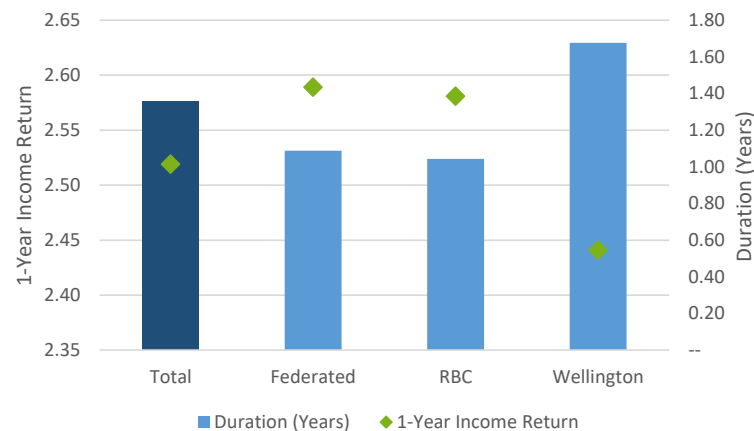
- The Taxable Liquidity portfolio duration is 1.36 years.
- The Taxable Liquidity portfolio 1-year total return is 3.97% and income return is 2.52%.

Investment Manager	Duration (Years)	Market Value (\$MM)	Total Return (%)				Income Return (%)			
			1 month	3 month	1 Year	2 Year	1 month	3 month	1 Year	2 Year
Federated	1.09	500	0.29	0.89	3.65	2.51	0.16	0.51	2.59	2.46
RBC	1.04	59	0.30	0.95	3.87	2.51	0.16	0.53	2.58	2.43
Wellington	1.68	484	0.30	1.08	4.30	2.97	0.15	0.48	2.44	2.47
Total	1.36	1,043	0.29	0.98	3.97	2.71	0.16	0.50	2.52	2.46

Citizens Taxable Liquidity Fund -
1-Year Total Returns and Duration



Citizens Taxable Liquidity Fund -
1-Year Income Returns and Duration



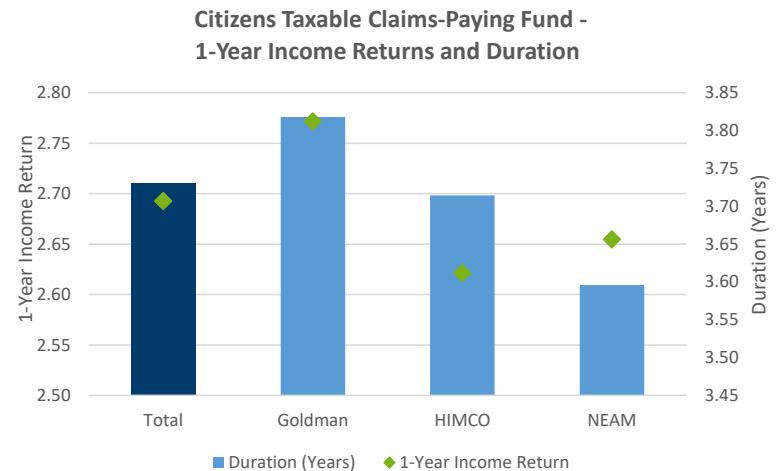
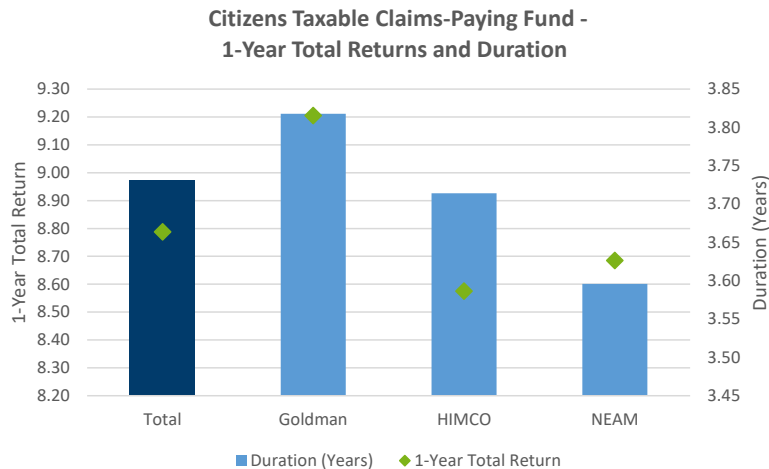
Notes:

- The Taxable Liquidity Portfolio is managed to a maximum dollar weighted average maturity of 548 days. The applicable policy governs the investment of funds that will be the first moneys used to pay claims after an event and is also used to pay operating expenses on an ongoing basis.
- The Wellington composite includes a portfolio which was a Taxable Claims-Paying portfolio prior to Apr 2019.
- The 2 Year returns are annualized, and the remaining returns are actual for each reference period.
- Returns in green font fall within +/-10% of the average return or higher. Returns in red font fall below -10% of the average return.

TAXABLE CLAIMS-PAYING PORTFOLIO INVESTMENT MANAGER RETURNS SUMMARY

- The Taxable Claims-Paying Fund portfolio duration is 3.73 years.
- The Taxable Claims-Paying Fund portfolio 1-year total return is 8.79% and income return is 2.69%.

Investment Manager	Duration (Years)	Market Value (\$MM)	Total Return (%)				Income Return (%)			
			1 month	3 month	1 Year	2 Year	1 month	3 month	1 Year	2 Year
Goldman	3.82	593	0.48	1.87	9.21	3.89	0.18	0.54	2.77	2.92
HIMCO	3.71	638	0.46	1.71	8.58	3.75	0.16	0.50	2.62	2.76
NEAM	3.60	305	0.47	1.77	8.69	3.67	0.17	0.51	2.65	2.81
Total	3.73	1,536	0.47	1.78	8.79	3.78	0.17	0.52	2.69	2.84



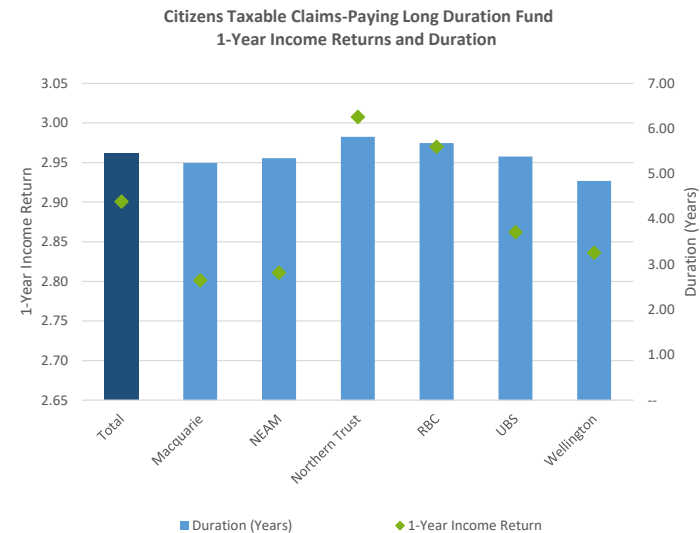
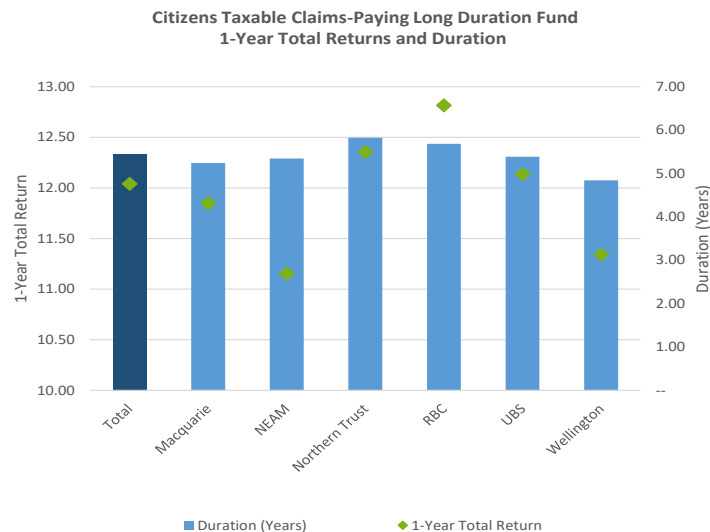
Notes:

- The Taxable Claims-Paying Portfolio is managed to a maximum dollar weighted average maturity of 6 years. The applicable policy governs the investment of funds that will be used to pay claims post-event after Citizens has expended all moneys in the Liquidity Fund.
- The historical returns of the portfolio currently managed by Goldman include the performance of previous managers.
- The 2 Year returns are annualized, and the remaining returns are actual for each reference period.
- Returns in green font fall within +/-10% of the average return or higher. Returns in red font fall below -10% of the average return.

TAXABLE CLAIMS-PAYING LONG DURATION PORTFOLIO INVESTMENT MANAGER RETURNS SUMMARY

- The Taxable Claims-Paying Long Duration Fund portfolio duration is 5.45 years.
- The Taxable Claims-Paying Long Duration Fund portfolio 1-year total return is 12.04% and income return is 2.90%.

Investment Manager	Duration (Years)	Market Value (\$MM)	Total Return (%)				Income Return(%)			
			1 month	3 month	1 Year	2 Year	1 month	3 month	1 Year	2 Year
Macquarie	5.24	514	0.50	2.29	11.85	4.71	0.18	0.56	2.80	2.99
NEAM	5.35	676	0.41	2.23	11.15	4.48	0.18	0.55	2.81	2.98
Northern Trust	5.82	1,084	0.53	2.08	12.36	4.79	0.19	0.56	3.01	3.17
RBC	5.68	1,095	0.57	2.47	12.82	5.07	0.19	0.58	2.97	3.16
UBS	5.38	893	0.51	2.30	12.14	4.88	0.18	0.54	2.86	3.02
Wellington	4.84	670	0.45	2.18	11.34	4.48	0.18	0.54	2.84	3.02
Total	5.45	4,932	0.50	2.26	12.04	4.77	0.18	0.56	2.90	3.08



Notes:

- The Taxable Claims-Paying Long Duration portfolio is managed a maximum dollar weighted average maturity of 10 years. The applicable policy governs the investment of funds that will be used to pay claims post-event after Citizens has expended all moneys in the Claims-Paying Fund.
- The historical returns of the portfolio currently managed by Macquarie include the performance of a previous manager.
- The 2 Year returns are annualized, and the remaining returns are actual for each reference period.
- Returns in green font fall within +/-10% of the average return or higher. Returns in red font fall below -10% of the average return.

TAX-EXEMPT CLAIMS-PAYING PORTFOLIO INVESTMENT MANAGER RETURNS SUMMARY

- The Tax-Exempt Claims-Paying Fund portfolio duration is 1.64 years.
- The 1-year total return and income return of the Tax-Exempt Claims-Paying Fund portfolio managed by Standish is 3.73% and 1.54% respectively.

Investment Manager	Duration (Years)	Market Value (\$MM)	Total Return (%)				Income Return (%)			
			1 month	3 month	1 Year	2 Year	1 month	3 month	1 Year	2 Year
Standish	1.64	1,083	0.26	0.16	3.73	1.75	0.10	0.29	1.54	1.64

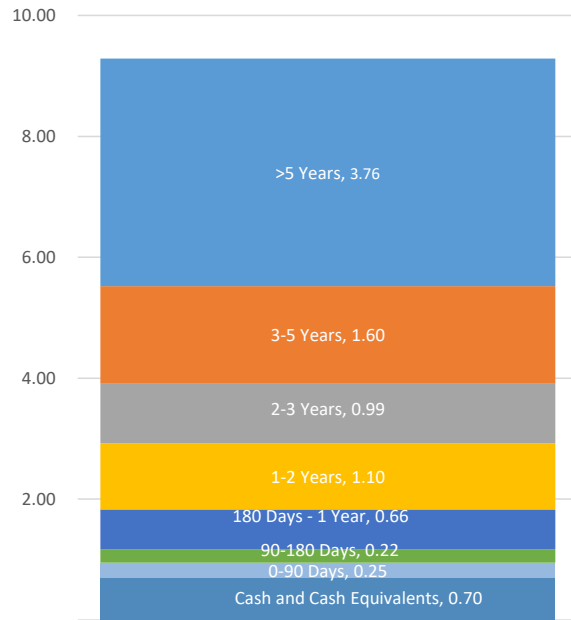
Notes:

- The Tax-Exempt Claims-Paying Portfolio is managed to a maximum dollar weighted average maturity of 3 years and 6 months for Series 2009 through 2012 Portfolio and a maximum dollar weighted average maturity of 4 years for any subsequent Series starting Series 2015 Portfolio. The applicable policy governs the investment of funds that are expected to be used to pay claims post-event once Citizens has expended moneys in the Liquidity Fund and/or Taxable Claims portfolio.
- The 2 Year returns are annualized, and the remaining returns are actual for each reference period.

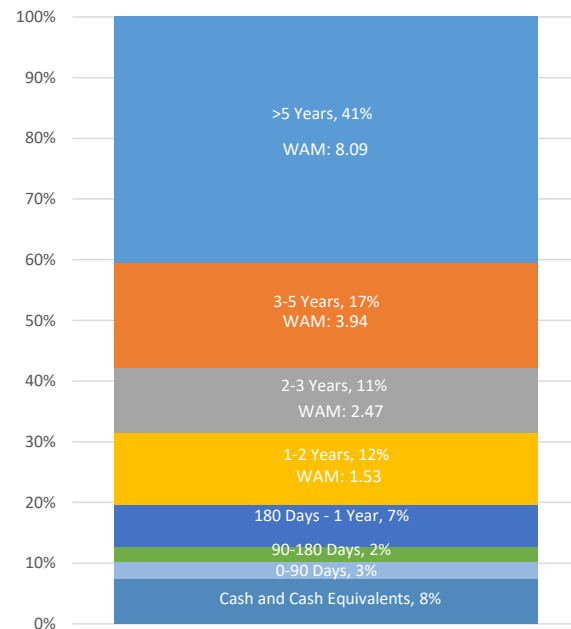
PORTFOLIO MATURITY DISTRIBUTION

- 3% of the portfolio matures in less than 90 days.
- 9% of the portfolio matures between 90 days and 1 year.
- 23% of the portfolio matures between 1 and 3 years.
- 17% of the portfolio matures between 3 and 5 years.
- 41% of the portfolio matures in greater than 5 years.

Citizens Investment Portfolio Maturity Distribution – Amount (\$ in Billions)



Citizens Investment Portfolio Maturity Distribution – Percent



Notes:

1. 19% or \$0.05 billion of the 0-90 day maturity bar consists of VRDN's with longer stated maturities, which are included in the 0-90 day bar because the inherent put feature generally allows almost instant liquidity at par within 7 days.
2. The legacy securities are not included in the percent calculations or the distribution charts.

DOWNGRADED SECURITIES AND LEGACY SECURITIES

Securities Downgraded Below Minimum Ratings and/or Minimum Average Ratings						
Security Name and Maturity Date	Moody's Rating	S&P Rating	Fitch Rating	Market Value	Amortized Cost	Unrealized Gain/Loss
Ford Motor Credit Company Llc 2.979% 03-aug-2022	Ba1	BBB-	BBB	2,294,074	2,305,000	(10,926)
Ford Motor Credit Company Llc 2.681% 09-jan-2020	Ba1	BBB-	BBB	2,000,760	2,000,209	551
Ford Motor Credit Company Llc 3.81% 09-jan-2024	Ba1	BBB-	BBB	1,953,257	1,944,008	9,248
Ford Motor Credit Company Llc 3.219% 09-jan-2022	Ba1	BBB-	BBB	1,001,450	1,001,646	(196)
Ford Motor Credit Company Llc 5.875% 02-aug-2021	Ba1	BBB-	BBB	786,840	785,994	846
Ford Motor Credit Company Llc Frn 09-jan-2020	Ba1	BBB-	BBB	600,522	600,000	522
Ford Motor Credit Company Llc 3.339% 28-mar-2022	Ba1	BBB-	BBB	502,445	503,834	(1,389)
Total				\$9,139,348	\$9,140,691	(\$1,343)

The investment managers are not required to sell these securities at this point. However, they may look to reduce or sell the positions as they continue to monitor the holdings.

Selling of Legacy Securities

On October 9, 2019, Citizens sold Issuer Entity (Ottimo), Axon Financial Funding LLC (AFF), and Lehman Brothers to Citi for a total of \$16 million.