



January 2016
Investment Report



EXECUTIVE SUMMARY (January 31, 2016)

- Citizens' total portfolio market value is \$13.33 billion.
- Citizens' taxable portfolio market value is \$8.70 billion.
- Citizens' tax-exempt portfolio market value is \$4.63 billion.

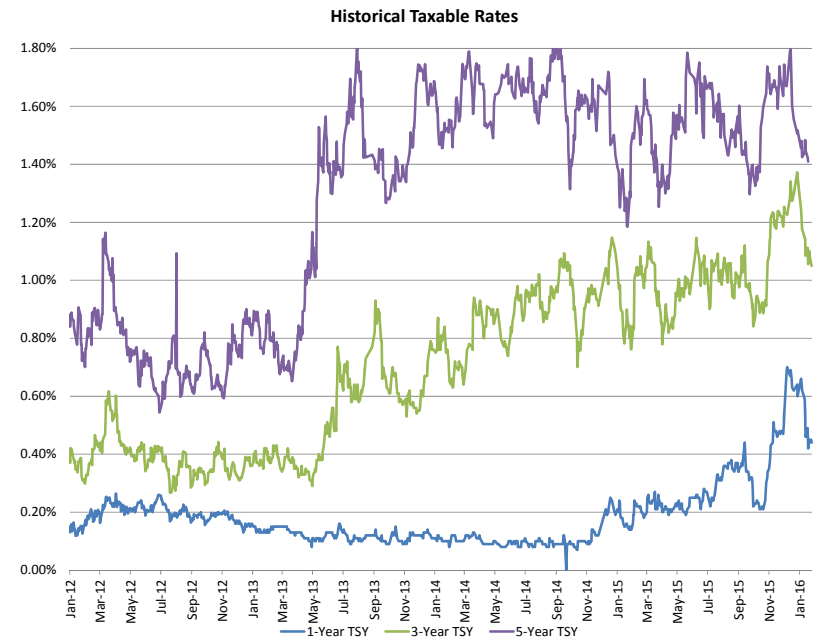
- Citizens' total portfolio market value for January 2016 was \$13.33 billion with an average duration of 2.1 years and average credit ratings of "A+/A1/A+".
 - 65% of the total portfolio is taxable, with a market value of \$8.70 billion.
 - 35% of the total portfolio is tax-exempt, with a market value of \$4.63 billion.
 - 88%, or 11.77 billion of the total portfolio is managed by 15 external investment managers, with an average duration of 2.34 years and 12% is internally managed, or \$1.56 billion.
- Citizens' gross total return for January 2016 was 0.58% for one month and 1.02% for one year.
 - Citizens' taxable gross total return was 0.65% for one month and 1.13% for one year.
 - Citizens' tax-exempt gross total return was 0.46% for one month and 0.81% for one year.
- For January 2016, the average 1-year Treasury yield was 0.68%, 3-year Treasury yield was 1.21%, and 5-year Treasury yield was 1.58%.

MARKET RATES - TAXABLE

Taxable Rates	As of 2/12	3-Mos. Prior	1-Year Prior	3-Years Prior
Fed Funds	0.40%	0.13%	0.12%	0.16%
1-M LIBOR	0.43%	0.19%	0.17%	0.20%
1-Yr TSY	0.49%	0.23%	0.22%	0.15%
2-Yr TSY	0.71%	0.62%	0.63%	0.27%
3-Yr TSY	0.90%	0.93%	1.02%	0.43%

- Taxable rates have decreased in the past month.

Treasury Rates	As of 2/12	1-Year Prior	10-Year Avg.
1-Yr TSY	0.49%	0.22%	1.28%
2-Yr TSY	0.71%	0.63%	1.47%
3-Yr TSY	0.90%	1.02%	1.73%
5-Yr TSY	1.21%	1.51%	2.26%

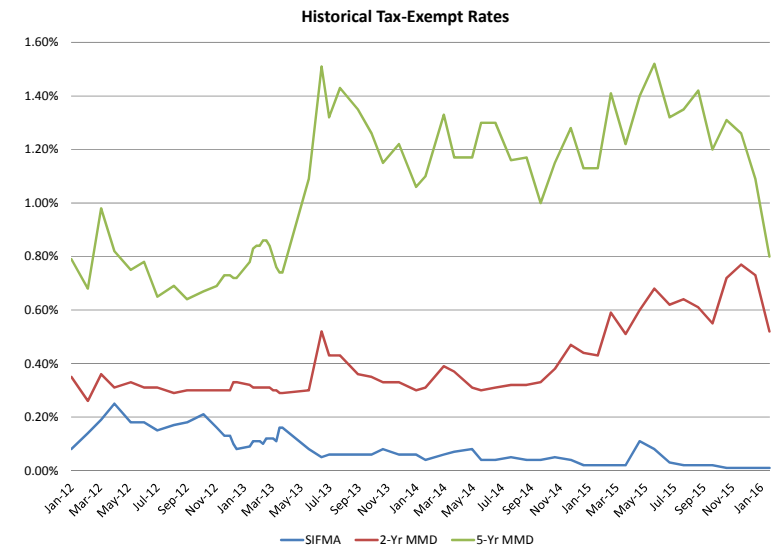


MARKET RATES

Tax-Exempt Rates	As of 2/12	3-Mos. Prior	6-Mos. Prior	1-Year Prior
SIFMA	0.01%	0.02%	0.05%	0.20%
1-Yr MMD	0.64%	0.57%	0.48%	0.43%
3-Yr MMD	1.13%	1.16%	1.18%	1.08%
5-Yr MMD	1.45%	1.59%	1.67%	1.61%

- Over the past month taxable and tax-exempt rates have decreased.

Treasury Rates	As of 2/12	1-Year Prior	10-Year Avg.
1-Yr TSY	0.49%	0.22%	0.53%
2-Yr TSY	0.71%	0.63%	1.50%
3-Yr TSY	0.90%	1.02%	1.75%
5-Yr TSY	1.21%	1.51%	2.28%



MARKET UPDATE

- **The U.S. economy is expected to grow by 2% in 2016, but there are global concerns over China and the energy sector**
- There are currently 7.8 million people unemployed in the United States and in 2015 there were 1.7 million people added to the national civilian labor force
- There are currently 158 million civilians employed in the United States, which is 62.7% of the civilian population of 252 million. U.S. unemployment is down from a high of 9.7% in 2010 to 4.9% in January 2016
- After the Fed's 0.25% December rate increase, the market expects the Fed to raise short-term interest rates by 0.25%, only once or perhaps twice in 2016. Despite having indicated in December that they would raise rates more than once or twice, the economy is facing slow growth with headwinds from a strong dollar and declines in the U.S. energy industry
- The equity markets have been hit hard by the declines in the energy sector and concerns over China – the S&P 500 is down 4.8% year-to-date
- Municipal issuance was up by 12% in 2015 versus 2014 with \$378 billion issued, and is marginally above the average issuance of \$360 billion over the past five years
- Corporate issuance had a record year in 2015 with over \$1.5 trillion issued – the sixth straight year that corporate issuance has surpassed \$1 trillion

Bloomberg Consensus

US Treasury	Current Rate	2016				2017		Change from Current Rate to 2017 Q2
		Q1	Q2	Q3	Q4	Q1	Q2	
2 Year	0.70%	0.83%	1.01%	1.17%	1.36%	1.52%	1.77%	1.07%
Economists Surveyed		57	57	56	57	48	47	
10 Year	1.76%	1.95%	2.13%	2.27%	2.41%	2.57%	2.74%	0.98%
Economists Surveyed		70	70	67	69	54	53	
30 Year	2.63%	2.78%	2.92%	3.03%	3.12%	3.22%	3.31%	0.68%
Economists Surveyed		50	50	49	50	43	43	

*Source: Bloomberg as of February 22, 2016.

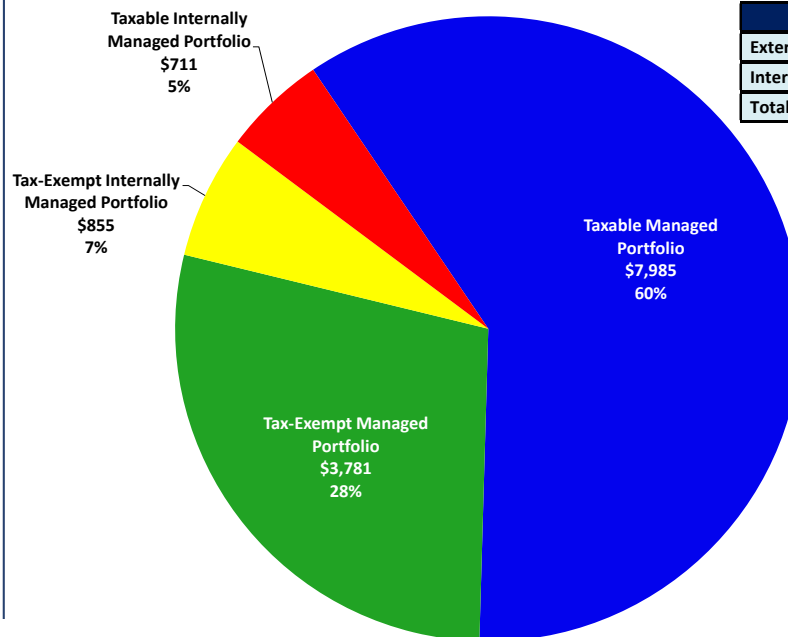


Source: Bloomberg

PORTFOLIO SUMMARY AS OF January 31 2016 (\$ IN MILLIONS)

- 88% of the portfolio is managed by 15 external investment managers.
- The remaining 12% of the portfolio is internally managed and currently invested in taxable AAA MMF, AAA Tax-Exempt MMF, and Legacy securities.
- Citizens has \$7.98 billion of its \$8.70 billion taxable portfolio externally managed by 14 managers.
- Citizens has \$3.78 billion of its \$4.64 billion tax-exempt portfolio externally managed by 8 managers.

Security Description	Month-to-Month Change	Market Value	% of Portfolio MV
Taxable			
Government & Agency Securities	\$ (31)	\$ 3,154	24%
Corporate Bonds, CP, and CDs	\$ 83	\$ 4,589	34%
Municipal Bonds (Taxable)	\$ (16)	\$ 175	1%
Money Market Funds (Taxable)	\$ (29)	\$ 635	5%
Legacy Securities	\$ 2	\$ 142	1%
Total Taxable Portfolio	\$ 9	\$ 8,695	65%
Tax-Exempt			
Municipal Bonds (Tax-Exempt)	\$ (74)	\$ 3,682	28%
Variable Rate Demand Notes (VRDN's)	\$ (7)	\$ 109	1%
Money Market Funds (Tax-Exempt)	\$ 24	\$ 845	6%
Total Tax-Exempt Portfolio	\$ (57)	\$ 4,636	35%
Total Citizens Portfolio	\$ (48)	\$ 13,332	100%



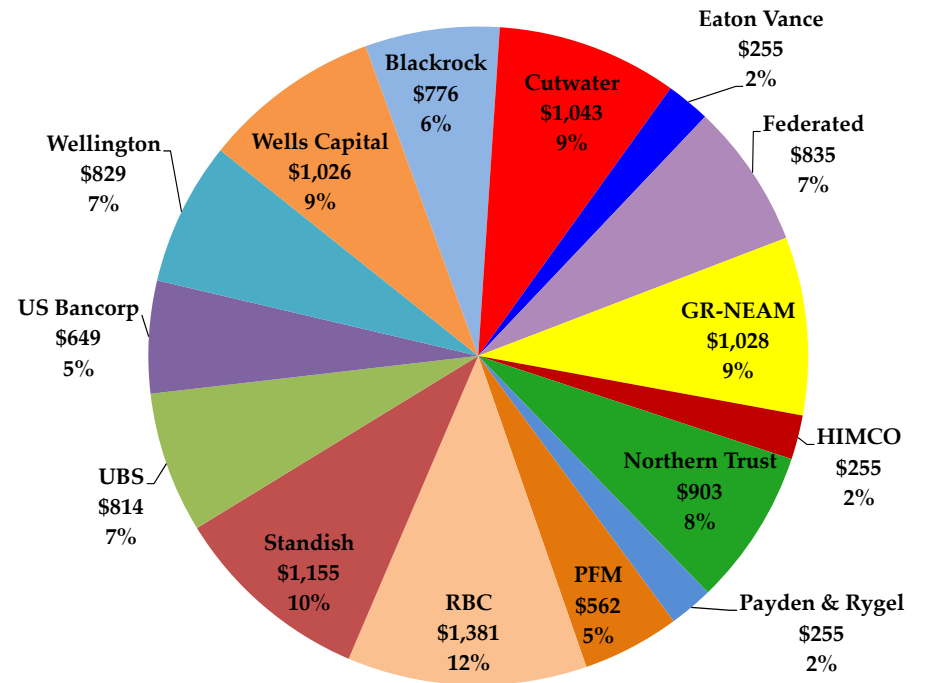
	Grand Total	% of Portfolio
Externally Managed	\$11,766	88%
Internally Managed	\$1,566	12%
Total Citizens Portfolio	\$13,332	100%

EXTERNAL INVESTMENT MANAGERS PORTFOLIO SUMMARY

- 92% of the taxable portfolio, or \$7.98 billion, is managed by 14 external investment managers.
- 82% of the tax-exempt portfolio, or \$3.78 billion, is managed by 8 external investment managers.

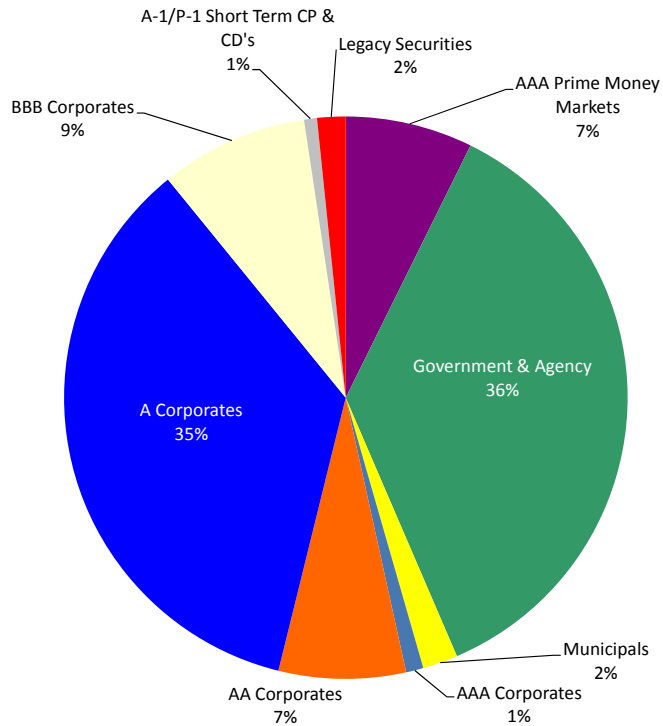
	Managed Taxable	Managed Tax-Exempt	Grand Total	% of Total Portfolio
Blackrock	\$270	\$506	\$776	6%
Cutwater	\$661	\$382	\$1,043	8%
Eaton Vance	\$255	\$0	\$255	2%
Federated	\$274	\$561	\$835	6%
GR-NEAM	\$916	\$111	\$1,028	8%
HIMCO	\$255	\$0	\$255	2%
Northern Trust	\$903	\$0	\$903	7%
Payden & Rygel	\$255	\$0	\$255	2%
PFM	\$562	\$0	\$562	4%
RBC	\$1,139	\$241	\$1,381	10%
Standish	\$0	\$1,155	\$1,155	9%
UBS	\$542	\$272	\$814	6%
US Bancorp	\$649	\$0	\$649	5%
Wellington	\$829	\$0	\$829	6%
Wells Capital	\$474	\$551	\$1,026	8%
Grand Total	\$7,985	\$3,781	\$11,766	88%

Total Externally Managed Portfolio Composition (\$11.77B)



PORTFOLIO DETAILS – TAXABLE PORTFOLIO

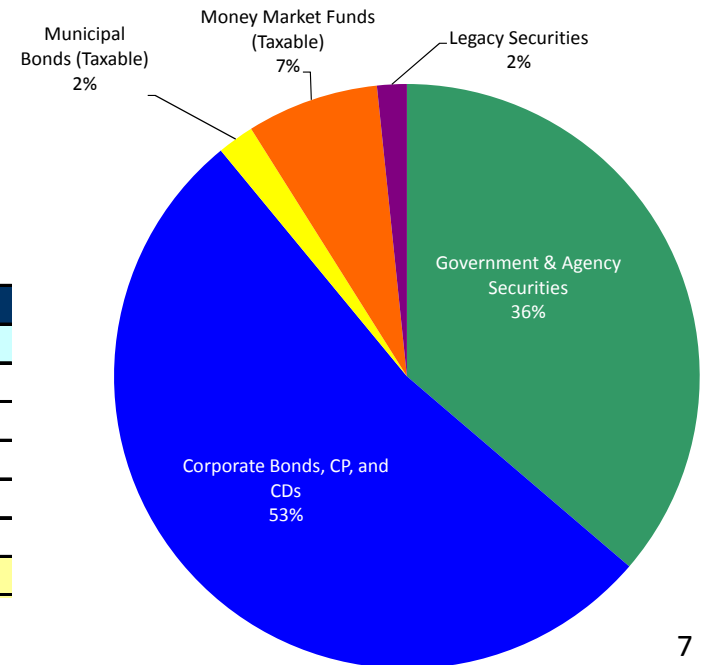
Taxable Credit Quality Distribution



Taxable Credit Quality Distribution

Category	Market Value (\$)	Percentage
AAA Prime Money Markets	\$ 635	7%
Government & Agency	\$ 3,154	36%
Municipals	\$ 175	2%
AAA Corporates	\$ 87	1%
AA Corporates	\$ 633	7%
A Corporates	\$ 3,069	35%
BBB Corporates	\$ 739	9%
A-1/P-1 Short Term CP & CD's	\$ 65	1%
Legacy Securities	\$ 142	2%
Total Taxable Portfolio	\$ 8,695	100%

Taxable Portfolio Composition



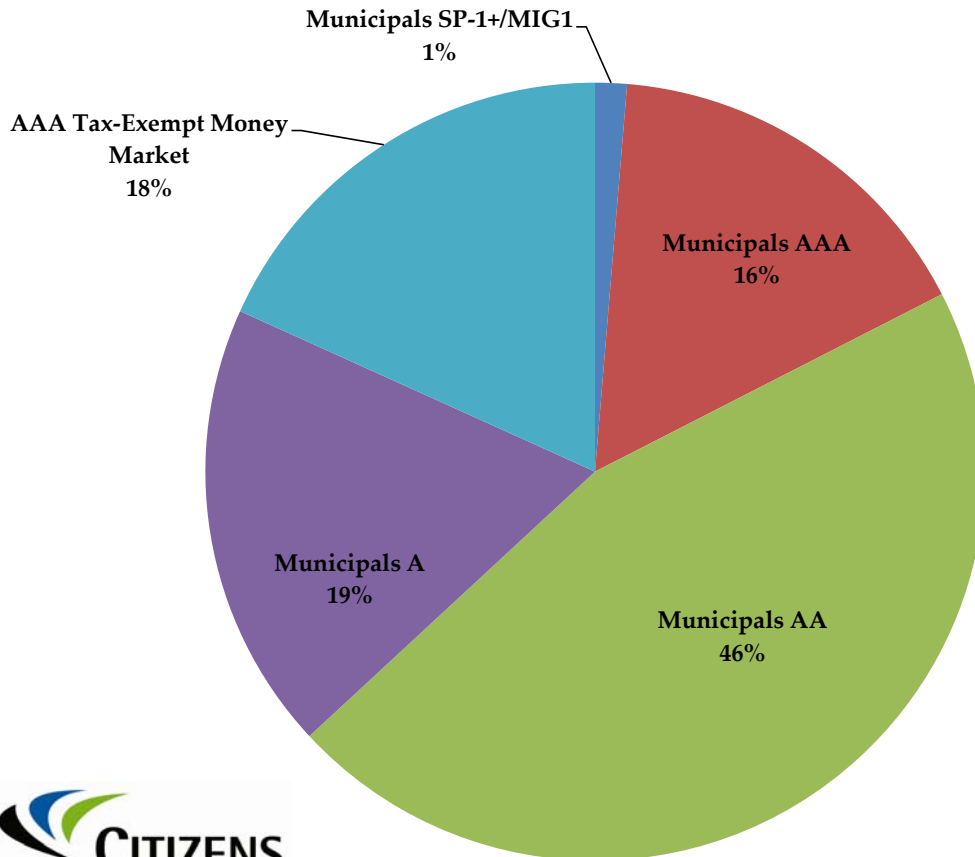
Taxable Portfolio Composition	Market Value	% of Portfolio MV
Taxable		
Government & Agency Securities	\$ 3,154	24%
Corporate Bonds, CP, and CDs	\$ 4,589	34%
Municipal Bonds (Taxable)	\$ 175	1%
Money Market Funds (Taxable)	\$ 635	5%
Legacy Securities	\$ 142	1%
Total Taxable Portfolio	\$ 8,695	65%

PORTFOLIO DETAILS – TAX-EXEMPT PORTFOLIO

Tax-Exempt Credit Quality Distribution

Municipals SP-1+/MIG1	\$	61	1%
Municipals AAA	\$	749	16%
Municipals AA	\$	2,116	46%
Municipals A	\$	866	19%
AAA Tax-Exempt Money Market	\$	845	18%
Total Tax-Exempt Portfolio	\$	4,636	100%

Tax-Exempt Credit Quality Distribution



CITIZENS PORTFOLIO RETURNS SUMMARY

1/31/2016			Gross Total Returns					Gross Income Returns				
Citizens Returns	Duration	Credit Rating	1 Month 1/16	3 Month 11/15-1/16	6 Month 5/15-10/15	1 Year 2/15-1/16	2 Year 2/14-1/16	1 Month 1/16	3 Month 11/15-1/16	6 Month 5/15-10/15	1 Year 2/15-1/16	2 Year 2/14-1/16
Taxable Aggregate	2.3	A+/A1/A+	0.65%	0.47%	0.87%	1.13%	1.32%	0.12%	0.33%	0.63%	1.19%	1.08%
Taxable Internally Managed	0.0	AAA/Aaa/AAA	0.08%	0.25%	1.65%	2.05%	1.86%	0.08%	0.15%	0.41%	0.90%	0.67%
Tax-Exempt Aggregate	1.8	AA-/Aa3/AA-	0.46%	0.31%	0.77%	0.81%	0.88%	0.07%	0.23%	0.46%	0.95%	0.97%
Tax-Exempt Externally Managed Aggregate	2.2	AA-/Aa3/AA-	0.57%	0.38%	0.91%	0.94%	0.99%	0.09%	0.27%	0.54%	1.09%	1.08%
Citizens Total Portfolio Average	2.1	A+/A1/A+	0.58%	0.41%	0.84%	1.02%	1.16%	0.10%	0.29%	0.57%	1.10%	1.03%

As of Date***	1/16	11/15-1/16	5/15-1/16	2/15-1/16	2/14-1/16
Reference Rates-Annual Yield					
SIFMA	0.01%	0.01%	0.01%	0.03%	0.04%
"A" 1-year MMD Tax-Exempt	0.64%	0.57%	0.48%	0.43%	0.36%
Bloomberg "A" Corporate 1-Year	1.03%	0.97%	0.89%	0.80%	0.68%
Bloomberg "A" Corporate 3-Year	1.89%	1.91%	1.84%	1.70%	1.53%
Bloomberg "A" Corporate 4-Year	2.20%	2.24%	2.18%	2.05%	1.92%
Bloomberg "A" Corporate 5-Year	2.46%	2.52%	2.48%	2.35%	2.26%
1-Year Treasury Yield	0.68%	0.64%	0.50%	0.38%	0.26%
3-Year Treasury Yield	1.21%	1.27%	1.15%	1.09%	1.02%
5-Year Treasury Yield	1.58%	1.68%	1.59%	1.58%	1.61%
1-Month LIBOR	0.43%	0.33%	0.26%	0.22%	0.19%

- The total portfolio duration is 2.1 years.
- The 1-year gross total return is 1.02%
- The 1-year gross income return is 1.10%.

Notes:

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

Large differences in returns between taxable aggregates are caused by the Legacy securities. Due to the nature of these securities, principal repayments and market value fluctuations can cause large changes in the overall portfolio returns.

***Reference rates are the average of the indicated rate during the as of date time range.

TAXABLE LIQUIDITY EXTERNAL MANAGER RETURNS SUMMARY

- The Taxable Liquidity portfolio duration is 0.9 years
- The Taxable Liquidity portfolio 1-year gross total return is 0.60%
- The Taxable Liquidity portfolio gross 1-year income return is 0.70%
- The average manager 1-year net return is 0.55%

1/31/2016	Duration	Market Value (\$MM)	Gross Total Returns			
Taxable Liquid	1/31/2016	1/31/2016	1 Month 1/16	3 Month 11/15-1/16	1 Year 2/15-1/16	2 Year 2/14-1/16
Blackrock	0.7	270	0.19%	0.13%	0.54%	0.53%
Federated	0.8	274	0.31%	0.38%	0.64%	0.53%
PFM	0.9	562	0.28%	0.21%	0.61%	0.65%
RBC	1.1	237	0.26%	0.15%	0.64%	0.70%
US Bancorp	1.0	327	0.24%	0.16%	0.55%	0.59%
Wellington	1.0	168	0.25%	0.19%	0.62%	0.60%
Taxable Liquidity Fund Average	0.9	1,837	0.26%	0.20%	0.60%	0.60%

1/31/2016	Duration	Market Value (\$MM)	Gross Income Returns			
Taxable Liquid	1/31/2016	42,400	1 Month 1/16	3 Month 11/15-1/16	1 Year 2/15-1/16	2 Year 2/14-1/16
Blackrock	0.7	270	0.07%	0.19%	0.65%	0.61%
Federated	0.8	274	0.07%	0.16%	0.50%	0.49%
PFM	0.9	562	0.07%	0.21%	0.73%	0.62%
RBC	1.1	237	0.08%	0.21%	0.79%	0.69%
US Bancorp	1.0	327	0.07%	0.21%	0.76%	0.67%
Wellington	1.0	168	0.08%	0.23%	0.80%	0.70%
Taxable Liquidity Fund Average	0.9	1,837	0.07%	0.20%	0.70%	0.62%

Notes: The Taxable Liquidity portfolio is managed to a 1 year maximum duration. This policy governs the investment of funds and surplus that will be the first moneys used to pay claims after an event, and that can be used to pay operating expenses on an ongoing basis.

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

Returns shaded green fall within 10% of the average return or higher. Returns shaded red fall below 10% of the average return.

***Reference rates are the average of the indicated rate during the as of date time range.

TAXABLE CLAIMS EXTERNAL MANAGER RETURNS SUMMARY

- The Taxable Claims portfolio duration is 2.8 years
- The Taxable Claims portfolio 1-year gross total return is 1.20%
- The Taxable Claims portfolio gross 1-year income return is 1.41%
- The average manager 1-year net return is 1.15%

1/31/2016	Duration	Market Value (\$MM)	Gross Total Returns			
Taxable Claims	1/31/2016	1/31/2016	1 Month 1/16	3 Month 11/15-1/16	1 Year 2/15-1/16	2 Year 2/14-1/16
Cutwater	3.6	661	0.97%	0.66%	1.28%	1.58%
Eaton Vance *	1.9	255	0.51%	0.36%	0.94%	
GR-NEAM	2.6	916	0.67%	0.32%	0.97%	1.27%
HIMCO *	2.3	255	0.80%	0.52%	1.23%	
Northern Trust	2.8	903	0.78%	0.56%	1.29%	1.57%
Payden & Rygel *	3.4	255	0.94%	0.72%	1.40%	
RBC	3.1	902	1.04%	0.79%	1.47%	1.81%
UBS	2.9	542	0.93%	0.67%	1.15%	1.54%
US Bancorp	3.2	323	0.95%	0.71%	1.32%	1.64%
Wellington	2.5	661	0.67%	0.47%	1.05%	1.28%
Wells Capital	2.6	474	0.75%	0.48%	1.05%	1.33%
*Taxable Claims Paying Fund Average	2.8	6,148	0.83%	0.57%	1.20%	1.49%

1/31/2016	Duration	Market Value (\$MM)	Gross Income Returns			
Taxable Claims	1/31/2016	42,400	1 Month 1/16	3 Month 11/15-1/16	1 Year 2/15-1/16	2 Year 2/14-1/16
Cutwater	3.6	661	0.14%	0.38%	1.42%	1.29%
Eaton Vance *	1.9	255	0.11%	0.30%	1.10%	
GR-NEAM	2.6	916	0.13%	0.37%	1.41%	1.40%
HIMCO *	2.3	255	0.12%	0.35%	1.25%	
Northern Trust	2.8	903	0.13%	0.39%	1.41%	1.30%
Payden & Rygel *	3.4	255	0.13%	0.31%	1.07%	
RBC	3.1	902	0.14%	0.42%	1.57%	1.43%
UBS	2.9	542	0.67%	0.91%	1.98%	1.56%
US Bancorp	3.2	323	0.15%	0.41%	1.47%	1.30%
Wellington	2.5	661	0.14%	0.40%	1.50%	1.37%
Wells Capital	2.6	474	0.14%	0.38%	1.41%	1.25%
*Taxable Claims Paying Fund Average	2.8	6,148	0.13%	0.38%	1.41%	1.31%

Notes: The Taxable Claims portfolio is managed to a 3 year maximum duration. This policy governs the investment of funds that will be used to pay claims post-event once Citizens has expended all moneys in the Liquidity Fund.

The 2 Year returns are annualized, and the remaining returns are actual for the period. Returns shaded green fall within 10% of the average return or higher. Returns shaded red fall below 10% of the average return.

***Reference rates are the average of the indicated rate during the as of date time range.

*Eaton Vance, HIMCO, and Payden & Rygel are investment firms starting with Citizens after the 2014 competitive solicitation. The accounts were each funded with \$250 million in June, July, and October, respectively.

TAX-EXEMPT CLAIMS EXTERNAL MANAGER RETURNS SUMMARY

- The Tax-Exempt Claims portfolio duration is 2.2 years
- The Tax-Exempt Claims portfolio 1-year gross total return is 0.96%
- The Tax-Exempt Claims gross 1-year income return is 1.10%
- The average manager 1-year net return is 0.91%

1/31/2016		Market Value (\$MM)	Gross Total Returns			
Tax-Exempt Claims	Duration 1/31/2016	1/31/2016	1 Month 1/16	3 Month 11/15-1/16	1 Year 2/15-1/16	2 Year 2/14-1/16
Blackrock	2.4	506	0.63%	0.40%	0.97%	0.95%
Cutwater	1.9	373	0.52%	0.40%	1.03%	0.95%
Federated	1.5	561	0.35%	0.23%	0.58%	0.83%
GR-NEAM	2.4	111	0.65%	0.42%	1.00%	0.99%
RBC	2.3	241	0.62%	0.52%	1.45%	1.21%
Standish	2.6	1,155	0.70%	0.47%	1.14%	1.23%
UBS	1.7	272	0.45%	0.27%	0.74%	0.85%
Wells Capital	2.3	551	0.60%	0.37%	0.87%	0.92%
Tax-Exempt Claims Paying Fund Average	2.2	3,772	0.58%	0.39%	0.96%	1.01%

1/31/2016		Market Value (\$MM)	Gross Income Returns			
Tax-Exempt Claims	Duration 1/31/2016	42,400	1 Month 1/16	3 Month 11/15-1/16	1 Year 2/15-1/16	2 Year 2/14-1/16
Blackrock	2.4	506	0.08%	0.25%	0.97%	0.95%
Cutwater	1.9	373	0.10%	0.31%	1.24%	1.24%
Federated	1.5	561	0.07%	0.22%	0.95%	1.01%
GR-NEAM	2.4	111	0.10%	0.29%	1.05%	0.95%
RBC	2.3	241	0.10%	0.32%	1.30%	1.29%
Standish	2.6	1,155	0.10%	0.30%	1.20%	1.16%
UBS	1.7	272	0.09%	0.27%	1.07%	1.06%
Wells Capital	2.3	551	0.08%	0.23%	1.03%	1.05%
Tax-Exempt Claims Paying Fund Average	2.2	3,772	0.09%	0.27%	1.10%	1.09%

Notes: The Tax-Exempt Claims portfolio is managed to a 3 year maximum duration. This policy governs the investment of funds that will be used to pay claims post-event once Citizens has expended all moneys in the Taxable Liquidity portfolio and Taxable Claims portfolio.

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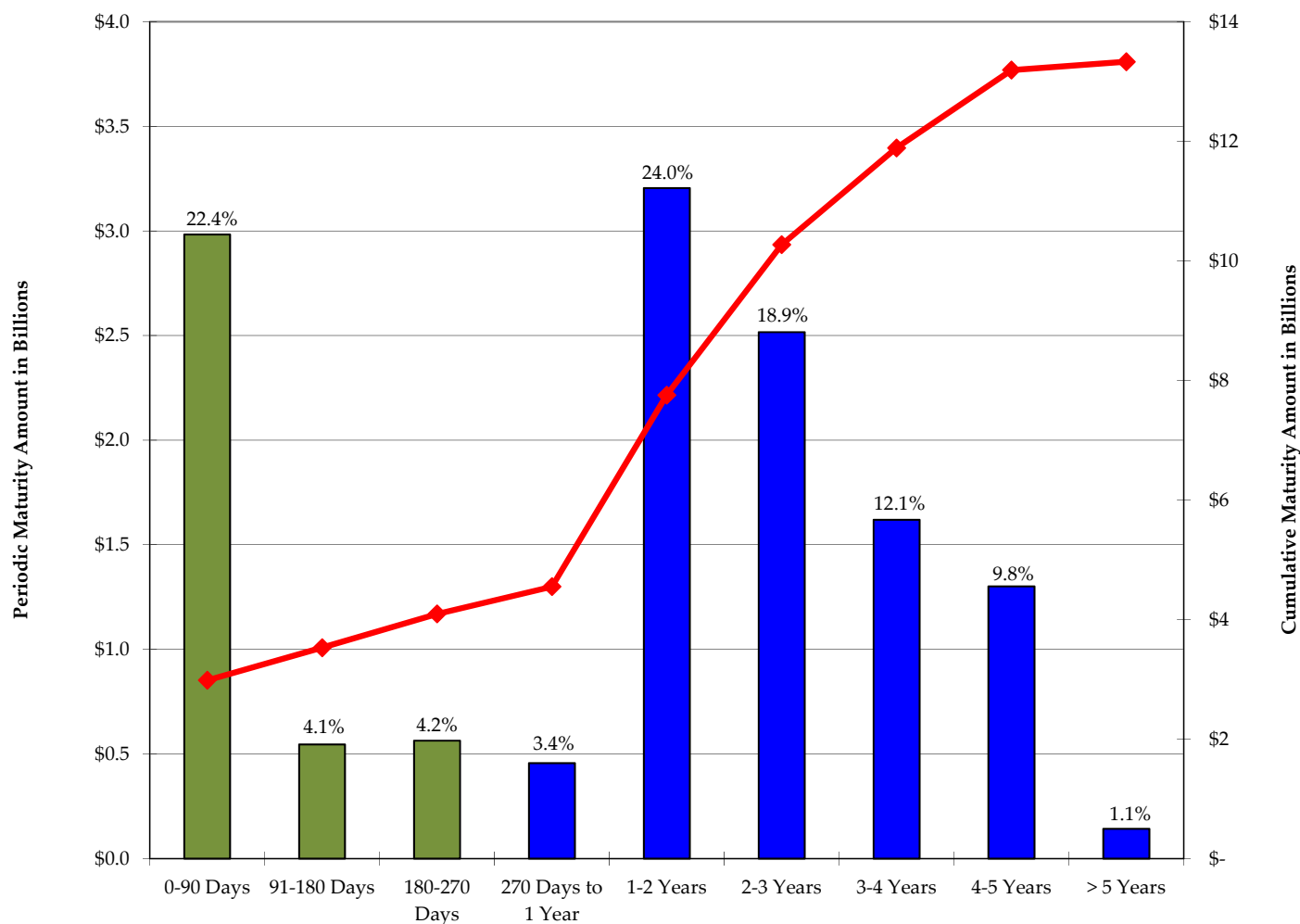
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- 22.4% of the portfolio matures in less than 90 days.
- 42.9% of the portfolio matures between 1 and 3 years.

Maturity	Amount	% of Portfolio
0-90 Days	\$2,982	22.4%
91-180 Days	\$545	4.1%
180-270 Days	\$564	4.2%
270 Days-1 Yr	\$456	3.4%
1-2 Years	\$3,205	24.0%
2-3 Years	\$2,516	18.9%
3-4 Years	\$1,620	12.1%
4-5 Years	\$1,301	9.8%
> 5 Years	\$142	1.1%
Total	\$13,332	100.00%

PORTFOLIO MATURITY DISTRIBUTION



Dollars in billions

All Citizens investments over 5 years are Legacy assets

*3.7% or \$109.1 million of the 0-90 day maturity bar consists of VRDN's with longer stated maturities. We include them in the 0-90 day bar, because the inherent put feature allows us almost instant liquidity at par within 7 days.



PORTFOLIO DOWNGRADED SECURITIES

Securities Not in Compliance with Citizens Guidelines from a Ratings Perspective²:

Security	Maturity	Date Moody's Moody's Downgrade	Date Fitch's Fitch Downgrade	Date S&P S&P Downgrade	1/31/2016 Amortized Cost	1/31/2016 Market Value	1/31/2016 Unrealized G/L
MATTEL INC	5/6/2019	Baa1 5/1/2014	A- 5/1/2014	BBB 1/26/2015	5,025,248	5,060,643	35,395
BARCLAYS PLC	11/8/2019	Baa3 5/28/2015	A 11/12/2014	BBB 2/3/2015	1,254,550	1,261,463	6,912
BECTON DICKINSON & CO	11/8/2016	Baa2 3/17/2015	NA NA	BBB+ 12/4/2014	1,957,765	1,971,245	13,479
EBAY INC	7/5/2017	Baa1 7/20/2015	BBB 7/20/2015	BBB+ 7/20/2015	10,172,505	10,106,457	(66,048)
CELGENE CORP	5/15/2019	Baa2 8/3/2015	NA NA	BBB+ 5/6/2014	1,318,218	1,323,022	4,803
ENBRIDGE INC	6/2/2017	Baa2 6/22/2015	NA NA	BBB+ 6/19/2015	7,606,978	7,294,235	(312,744)
ILLINOIS STATE	2/1/2019	A3 6/6/2013	BBB+ 10/19/2015	A- 3/18/2014	35,484,891	35,738,388	253,497
Total:					\$62,820,156	\$62,755,452	(\$64,705)

Legacy Assets^{1, 4}:

Security ³	Maturity	Date Moody's Moody's Downgrade	Date Fitch's Fitch Downgrade	Date S&P S&P Downgrade	1/31/2016 Amortized Cost ¹	1/31/2016 Market Value	1/31/2016 Unrealized G/L
LEHMAN BROTHERS HLDGS	N/A	NP 9/16/2008	NR 9/16/2008	D 9/16/2008	3,312,500	1,954,375	(1,358,125)
ISSUER ENTITY (OTTIMO FUNDING LTD)	N/A	NP 11/9/2007	NR 11/9/2007	D 11/9/2007	8,438,330	18,330,919	9,892,589
PACIFIC WEST (FORMER KKR)	N/A	NP 4/1/2008	NR 4/1/2008	D 4/1/2008	19,765,573	29,279,254	9,513,682
ATLANTIC EAST (FORMER KKR)	N/A	NP 4/1/2008	NR 4/1/2008	D 4/1/2008	30,168,752	41,961,158	11,792,405
AXON FINANCIAL FNDG LLC	N/A	NP 11/27/2007	NR 11/27/2007	D 11/27/2007	32,218,367	42,837,262	10,618,894
Total:					\$93,903,522	\$134,362,967	\$40,459,445

¹ The total write-down amount is \$290.7 million - the write-downs were taken on 12/31/07, 9/30/08, and 12/31/08 in the amount of \$88.5 million, \$117.8 million, and \$84.3 million, respectively.

² Citizens has the option of immediately reducing these positions to attain compliance. After consulting with the outside managers, the decision was made to hold until maturity, as the bonds are not expected to pose a default risk before maturity and the purchased yields are greater than current reinvestment options.

³ Securities highlighted in light blue were purchased by the former investment manager(s).

⁴ As of January 31, 2016 \$185.8 million total principal was recovered from Legacy assets, as these bonds continue to pay principal and interest. The total principal recovered directly offsets the writedown of \$290.6 million in 2007 and 2008, resulting in a net current writedown of \$103.7 million.

Note: All securities that matured before this report was finalized were removed from the out of compliance list.