

Citizens Investment Summary Report



July 2016

EXECUTIVE SUMMARY

- Citizens' total portfolio market value for July 2016 was \$12.59 billion with an average duration of 2.79 years and average credit ratings of "A+/A1/A+".
 - 71% of the total portfolio is taxable, with a market value of \$8.94 billion.
 - 29% of the total portfolio is tax-exempt, with a market value of \$3.65 billion.
 - 93%, or \$11.65 billion of the total portfolio is managed by 15 external investment managers, with an average duration of 2.99 years and 7% is internally managed, or \$0.94 billion.
- Citizens' gross total 3-year return was 83 basis points above the 3-year Treasury.

Portfolio	1-Month	1-Year	3-Year
Taxable	0.27%	3.11%	1.89%
Tax-Exempt	0.21%	1.59%	1.23%
Total	0.25%	2.62%	1.66%

- For July 2016, the average 1-year Treasury yield was 0.49%, 3-year Treasury yield was 0.79%, and 5-year Treasury yield was 1.06%.
- 14% of the portfolio matures in less than 90 days and 35% of the portfolio matures between 1 and 3 years.

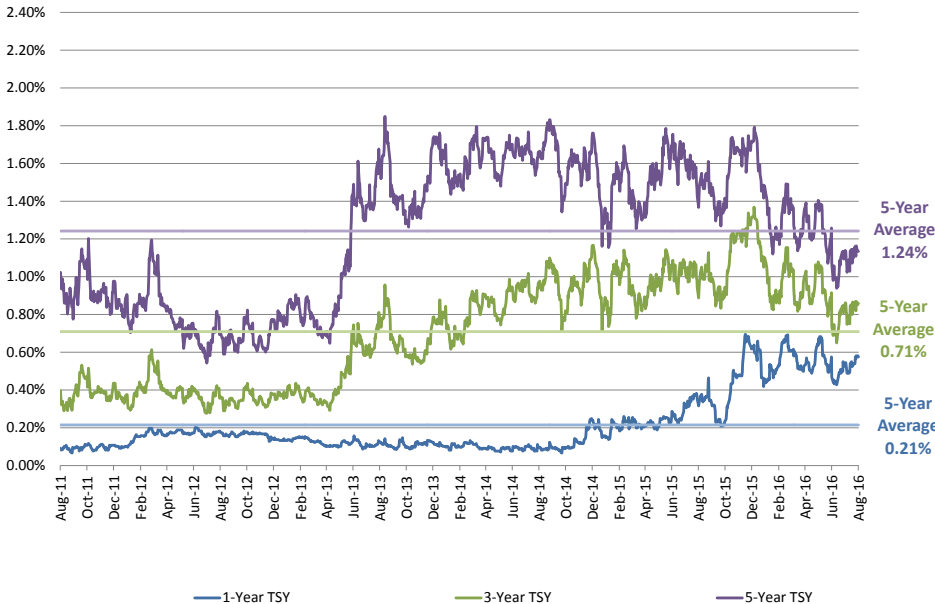
INTEREST RATES

Taxable

- The 1 year US Treasury rate has increased 26 basis points over the year ending Aug 24, 2016.
- The 5 year US Treasury rate has decreased 24 basis points over the year ending Aug 24, 2016.

Taxable Rates	As of 8/24	3-Mos. Prior	1-Year Prior	5-Year Average
1-Yr TSY	0.58%	0.64%	0.32%	0.21%
3-Yr TSY	0.86%	1.08%	0.89%	0.71%
5-Yr TSY	1.13%	1.24%	1.37%	1.24%

Historical Taxable Rates

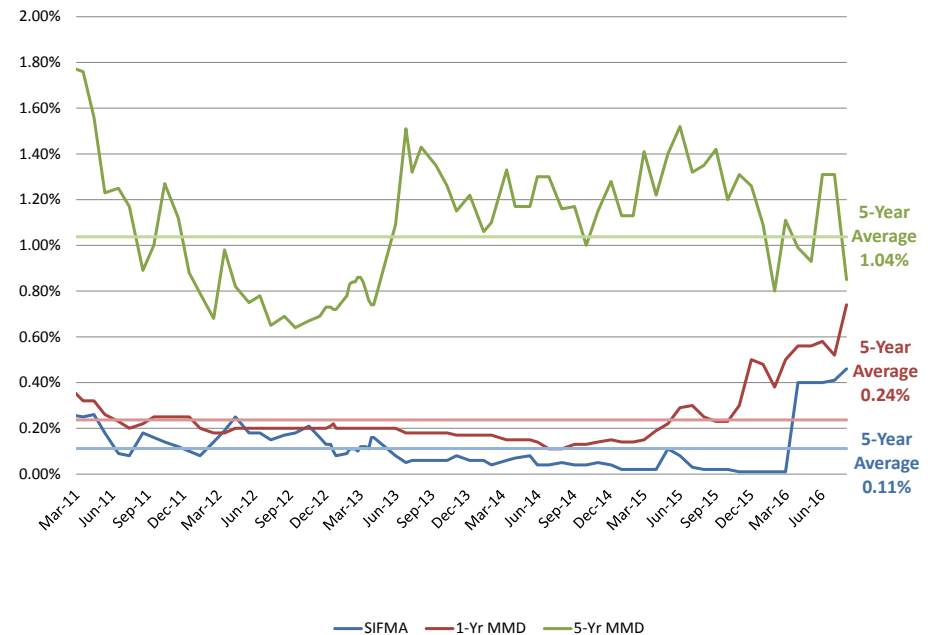


Tax-Exempt

- The 1-year MMD rate has increased 49 basis points over the year ending Aug 15, 2016.
- The short-term (SIFMA) rate has increased 43 basis points over the year ending Aug 15, 2016

Tax-Exempt Rates	As of 8/15	3-Mos. Prior	1-Year Prior	5-Year Average
SIFMA	0.46%	0.40%	0.03%	0.11%
1-Yr MMD	0.74%	0.56%	0.25%	0.24%
5-Yr MMD	0.85%	0.93%	1.35%	1.04%

Historical Tax-Exempt Rates

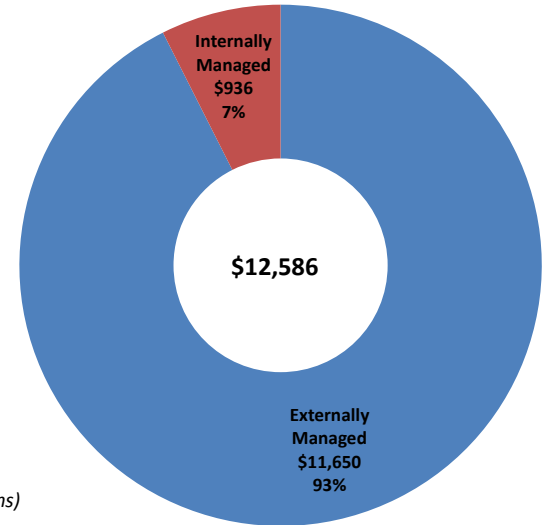


PORTFOLIO SUMMARY (\$ IN MILLIONS)

Security Description	Current Month Market Value	Prior Month Market Value	Month-to-Month Change	Current Month % of Portfolio MV
Taxable				
Treasury & Agency Securities	\$3,406	\$3,377	\$29	27%
Corporate Bonds, Commercial Paper, Certificates of Deposit	\$4,837	\$4,792	\$45	38%
Municipal Bonds	\$142	\$145	(\$3)	1%
Money Market Funds	\$499	\$544	(\$45)	4%
Legacy Securities	\$56	\$56	(\$0)	0%
Total Taxable Portfolio	\$8,940	\$8,914	\$26	71%
Tax-Exempt				
Municipal Bonds	\$3,193	\$3,309	(\$116)	25%
Variable Rate Demand Notes (VRDN's)	\$35	\$36	(\$1)	0%
Money Market Funds	\$234	\$294	(\$60)	2%
Government & Agency Securities	\$185	\$0	\$185	1%
Total Tax-Exempt Portfolio	\$3,647	\$3,639	\$7	29%
Total Citizens Portfolio	\$12,586	\$12,553	\$33	100%

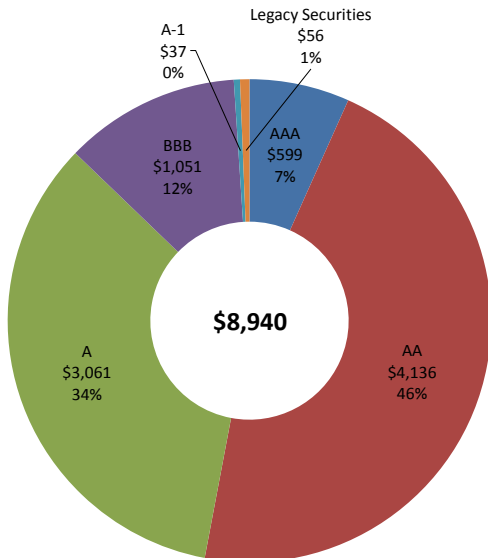
(\$ in Millions)

Total Portfolio Composition



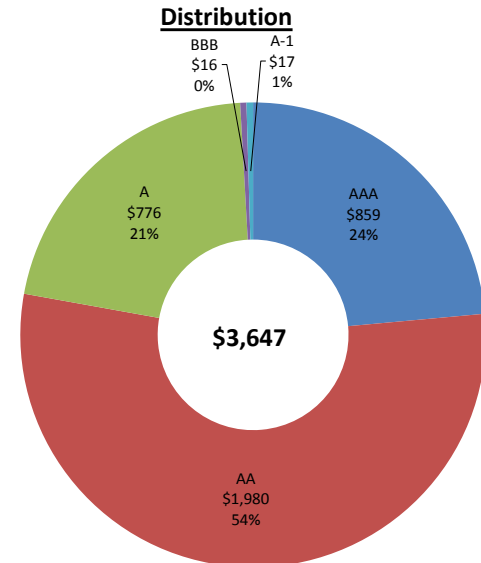
(\$ in Millions)

Taxable Portfolio Credit Quality Distribution



(\$ in Millions)

Tax-Exempt Portfolio Credit Quality Distribution



(\$ in Millions)

PORTFOLIO RETURNS SUMMARY

- The total portfolio duration is 2.79 years.
- The 1-year annualized total return is 2.62% and income return is 1.25%.
- The 2-year annualized total return is 1.83% and income return is 1.13%.

Citizens Portfolios	Duration (Years)	Credit Rating	Total Returns				Income Returns			
			1 Month	3 Month	1 Year	2 Year	1 Month	3 Month	1 Year	2 Year
Taxable Aggregate	3.08	A+/A1/A+	0.27%	1.19%	3.11%	2.21%	0.13%	0.40%	1.41%	1.23%
Taxable Internally Managed	0.00	AAA/Aaa/AAA	0.04%	0.15%	2.17%	1.73%	0.03%	0.12%	0.68%	0.69%
Tax-Exempt Aggregate	2.10	AA-/Aa3/AA-	0.21%	0.60%	1.59%	1.08%	0.09%	0.25%	0.96%	0.96%
Tax-Exempt Externally Managed Aggregate	2.32	AA-/Aa3/AA-	0.24%	0.61%	1.80%	1.21%	0.09%	0.28%	1.12%	1.10%
Citizens Total Portfolio Average	2.79	A+/A1/A+	0.25%	1.02%	2.62%	1.83%	0.12%	0.35%	1.25%	1.13%

Reference Rates	1 Month	3 Month	6 Month	1 year	2 Year
3-Year Treasury Yield	0.83%	0.92%	0.96%	1.06%	1.04%
Bloomberg "A" Corporate 3-Year	1.42%	1.51%	1.62%	1.73%	1.62%
SIFMA	0.41%	0.40%	0.30%	0.16%	0.10%
"A" 3-year MMD Tax-Exempt	1.00%	1.00%	1.01%	1.09%	0.99%