

Citizens Investment Summary Report



January 2017

EXECUTIVE SUMMARY

- Citizens' total portfolio market value for January 2017 was \$12.14 billion with an average duration of 3.19 years and average credit ratings of "A+/A1/A+".
 - 71% of the total portfolio is taxable, with a market value of \$ 8.59 billion.
 - 29% of the total portfolio is tax-exempt, with a market value of \$ 3.55 billion.
 - 90%, or \$10.94 billion of the total portfolio is managed by 15 external investment managers, with an average duration of 3.51 years and 10% is internally managed, or \$1.20 billion.
- Citizens' gross total 3-year return was 64 basis points below the 3-year Treasury.

Portfolio	1-Month	1-Year	3-Year
Taxable	0.31%	0.72%	1.02%
Tax-Exempt	0.45%	0.16%	0.64%
Total	0.35%	0.51%	0.89%

- For January 2017, the average 1-year Treasury yield was 0.84%, 3-year Treasury yield was 1.53%, and 5-year Treasury yield was 1.94%.
- 7% of the portfolio matures in less than 90 days and 29% of the portfolio matures between 1 and 3 years.

Note: The legacy securities are not included in the taxable portfolio or total portfolio for the purpose of performance reporting in this report.

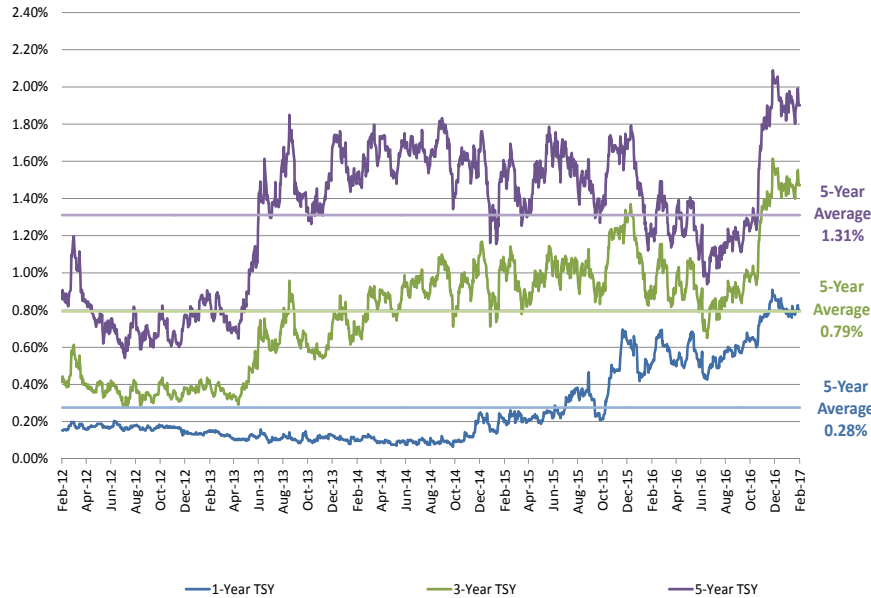
INTEREST RATES

Taxable

- The 1 year US Treasury rate has increased 29 basis points over the 12-month period ending Feb 17, 2017.
- The 5 year US Treasury rate has increased 70 basis points over the 12-month period ending Feb 17, 2017.

Taxable Rates	As of 2/17	3-Mos. Prior	1-Year Prior	5-Year Average
1-Yr TSY	0.80%	0.75%	0.51%	0.28%
3-Yr TSY	1.47%	1.36%	0.86%	0.79%
5-Yr TSY	1.90%	1.80%	1.20%	1.31%

Historical Taxable Rates

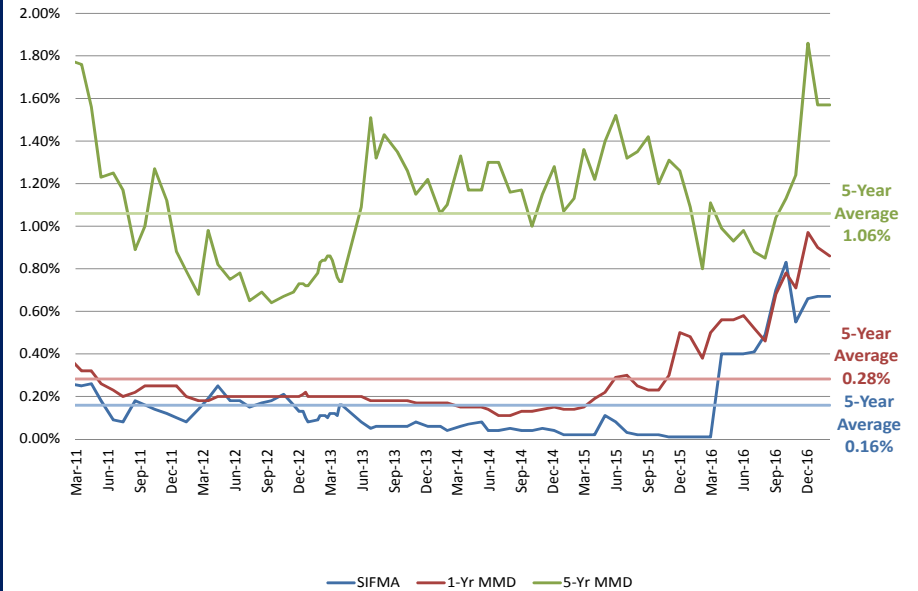


Tax-Exempt

- The short-term (SIFMA) rate has increased 66 basis points over the 12-month period ending Feb 17, 2017
- The 1-year MMD rate has increased 48 basis points over the 12-month period ending Feb 17, 2017.

Tax-Exempt Rates	As of 2/17	3-Mos. Prior	1-Year Prior	5-Year Average
SIFMA	0.67%	0.55%	0.01%	0.16%
1-Yr MMD	0.86%	0.71%	0.38%	0.28%
5-Yr MMD	1.57%	1.24%	0.80%	1.06%

Historical Tax-Exempt Rates

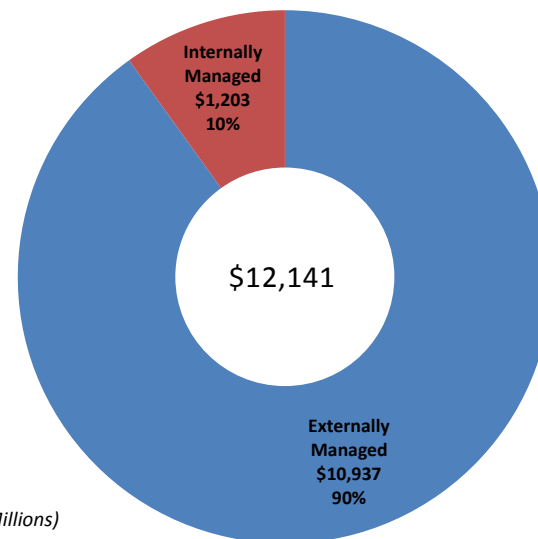


PORTFOLIO SUMMARY (\$ IN MILLIONS)

Security Description	Current Month Market Value	Prior Month Market Value	Month-to-Month Change	Current Month % of Portfolio MV
Taxable				
Treasury & Agency Securities	\$3,122	\$3,147	(\$25)	26%
Corporate Bonds, Commercial Paper, Certificates of Deposits, & Foreign Government Securities	\$4,936	\$4,885	\$52	41%
Municipal Bonds	\$195	\$147	\$48	2%
Money Market Funds & Cash	\$290	\$349	(\$59)	2%
Legacy Securities	\$52	\$50	\$2	0%
Total Taxable Portfolio	\$8,595	\$8,577	\$18	71%
Tax-Exempt				
Municipal Bonds	\$2,603	\$2,676	(\$73)	21%
Variable Rate Demand Notes (VRDN's)	\$37	\$43	(\$6)	0%
Money Market Funds & Cash	\$316	\$315	\$2	3%
Government & Agency Securities	\$590	\$497	\$93	5%
Total Tax-Exempt Portfolio	\$3,546	\$3,530	\$15	29%
Total Citizens Portfolio	\$12,141	\$12,108	\$33	100%

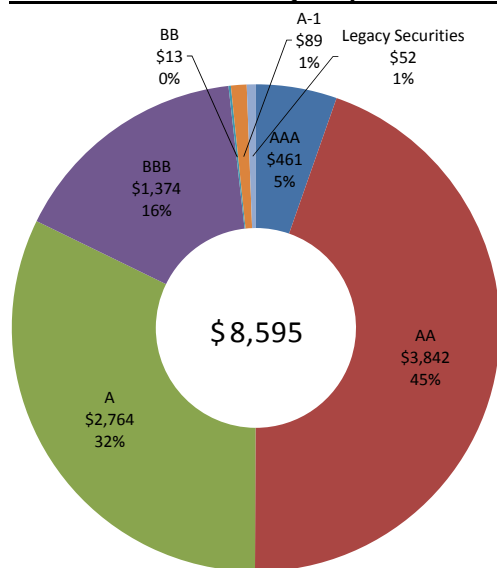
(\$ in Millions)

Total Portfolio Composition



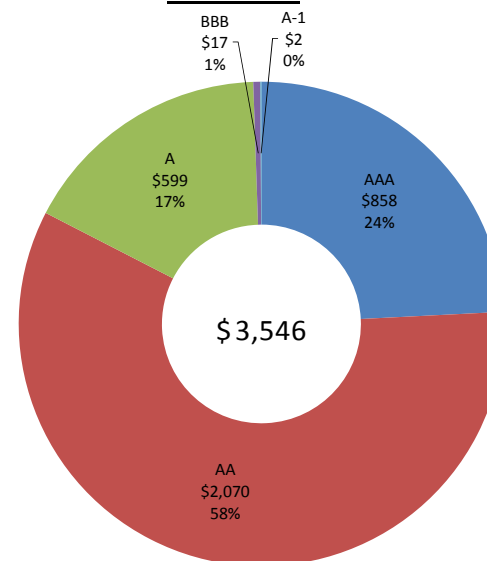
(\$ in Millions)

Taxable Portfolio Credit Quality Distribution



(\$ in Millions)

Tax-Exempt Portfolio Credit Quality Distribution



(\$ in Millions)



PORTFOLIO RETURNS SUMMARY

- The total portfolio duration is 3.19 years.
- The 1-year total return is 0.51% and income return is 1.46%.
- The 2-year annualized total return is 0.73% and income return is 1.26%.

Citizens Portfolios	Duration (Years)	Credit Rating	Total Returns					Income Returns				
			1 Month	3 Month	1 Year	2 Year	3 Year	1 Month	3 Month	1 Year	2 Year	3 Year
Taxable Aggregate (Excluding Legacy Securities)	3.75	A+/A1/A+	0.31%	-1.09%	0.72%	0.85%	1.02%	0.15%	0.45%	1.65%	1.40%	1.25%
Taxable Internally Managed (Excluding Legacy Securities)	1.66	AA-/Aa3/AA-	0.19%	-0.41%	0.43%	0.25%	0.18%	0.11%	0.29%	0.90%	0.49%	0.33%
Tax-Exempt Aggregate	1.69	AA-/Aa3/AA-	0.45%	-0.25%	0.16%	0.50%	0.64%	0.09%	0.26%	1.02%	0.97%	0.96%
Tax-Exempt Externally Managed Aggregate	2.19	AA-/Aa3/AA-	0.56%	-0.33%	0.05%	0.50%	0.68%	0.10%	0.30%	1.17%	1.12%	1.10%
Citizens Total Portfolio (Excluding Legacy Securities) Average	3.19	A+/A1/A+	0.35%	-0.85%	0.51%	0.73%	0.89%	0.13%	0.40%	1.46%	1.26%	1.16%

Reference Rates-Annual Yield	1 Month	3 Month	6 Month	1 Year	2 Year
3-Year Treasury Yield	1.53%	0.87%	0.91%	1.00%	0.98%
Bloomberg "A" Corporate 3-Year SIFMA	2.11%	2.04%	1.78%	1.70%	1.70%
"A" 3-year MMD Tax-Exempt	0.67%	0.62%	0.64%	0.47%	0.25%
Bloomberg "A" Corporate 1-Year	1.52%	1.67%	1.44%	1.19%	1.14%
1-Year Treasury Yield	1.42%	1.37%	1.22%	1.10%	0.95%
1-Month LIBOR	0.84%	0.53%	0.55%	0.49%	0.33%
	0.77%	0.68%	0.60%	0.52%	0.37%

Notes:

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