

Citizens Investment Summary Report Appendix



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 28% 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.

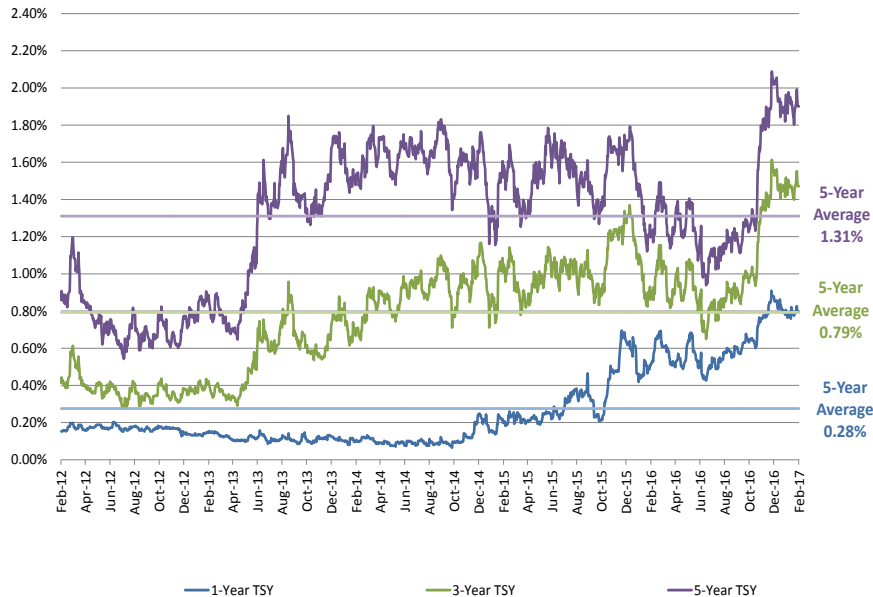
INTEREST RATES

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 year 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

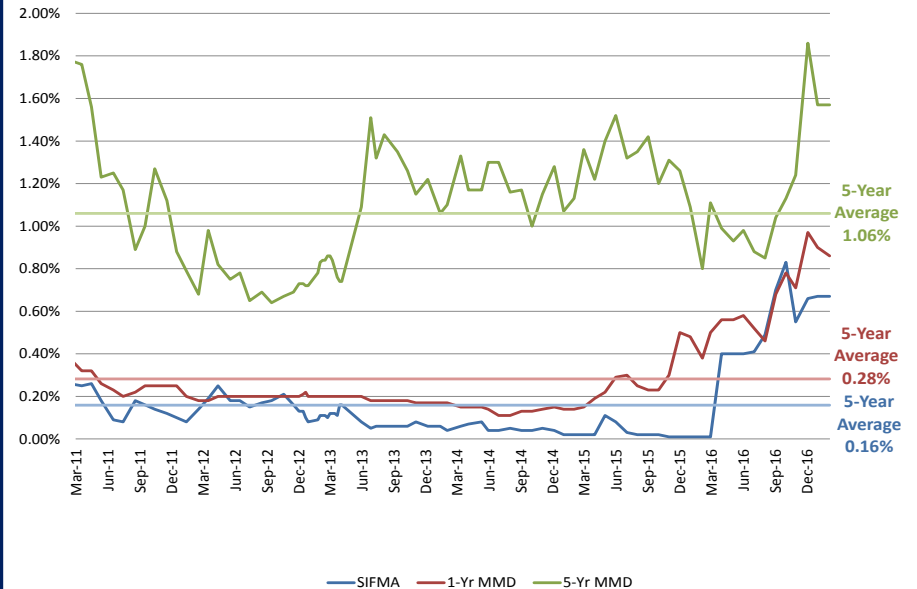


Tax-Exempt

- The short-term (SIFMA) rate has increased 66 basis points over the year 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

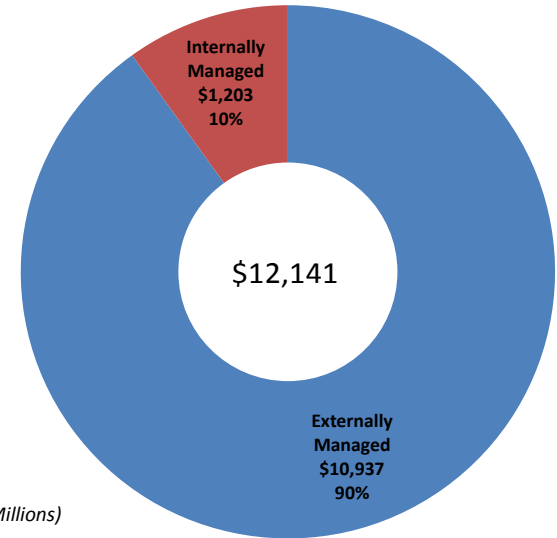


PORTFOLIO SUMMARY (\$ IN MILLIONS)

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%

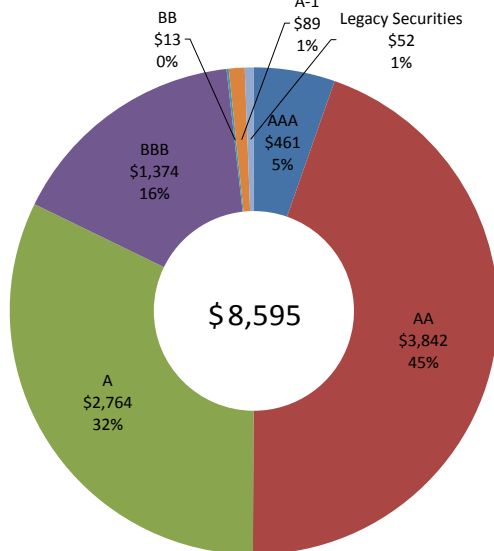
(\$ in Millions)

Total Portfolio Composition



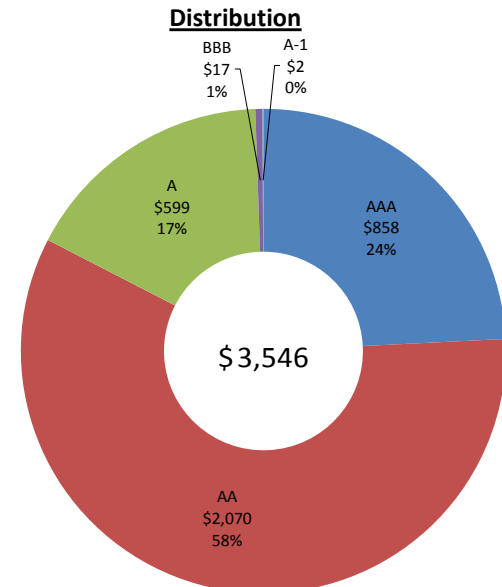
(\$ in Millions)

Taxable Portfolio Credit Quality Distribution



(\$ in Millions)

Tax-Exempt Portfolio Credit Quality Distribution

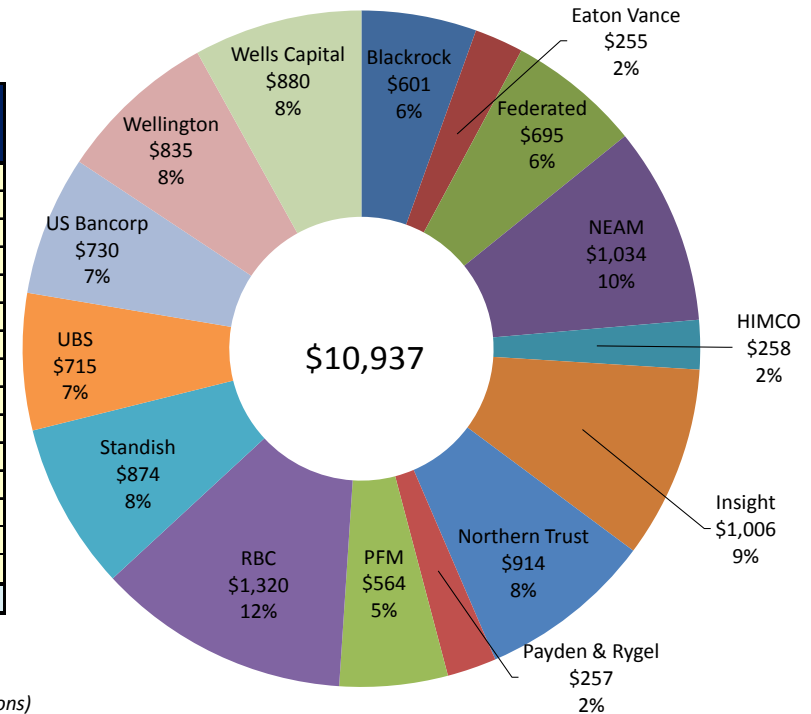


(\$ in Millions)

INVESTMENT MANAGERS PORTFOLIO SUMMARY

Investment Manager	Taxable Liquidity Fund	Taxable Claims-Paying Fund	Taxable Claims Long Duration Fund	Tax-Exempt Claims-Paying Fund	Grand Total	% of Total Portfolio
Blackrock	\$272	\$0	\$0	\$329	\$601	5%
Eaton Vance	\$0	\$255	\$0	\$0	\$255	2%
Federated	\$276	\$0	\$0	\$419	\$695	6%
NEAM	\$0	\$228	\$694	\$112	\$1,034	9%
HIMCO	\$0	\$258	\$0	\$0	\$258	2%
Insight	\$0	\$272	\$554	\$180	\$1,006	9%
Northern Trust	\$0	\$0	\$914	\$0	\$914	8%
Payden & Rygel	\$0	\$257	\$0	\$0	\$257	2%
PFM	\$312	\$253	\$0	\$0	\$564	5%
RBC	\$62	\$0	\$1,084	\$174	\$1,320	12%
Standish	\$0	\$0	\$0	\$874	\$874	8%
UBS	\$0	\$0	\$545	\$170	\$715	7%
US Bancorp	\$0	\$403	\$328	\$0	\$730	7%
Wellington	\$170	\$0	\$665	\$0	\$835	8%
Wells Capital	\$0	\$479	\$0	\$400	\$880	8%
Grand Total	\$1,092	\$2,404	\$4,783	\$2,659	\$10,937	100%

Total Externally Managed Portfolio Composition



- 96% of the taxable portfolio, or \$8.28 billion, is managed by 14 external investment managers.
- 75% of the tax-exempt portfolio, or \$2.66 billion, is managed by 8 external investment managers.

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:

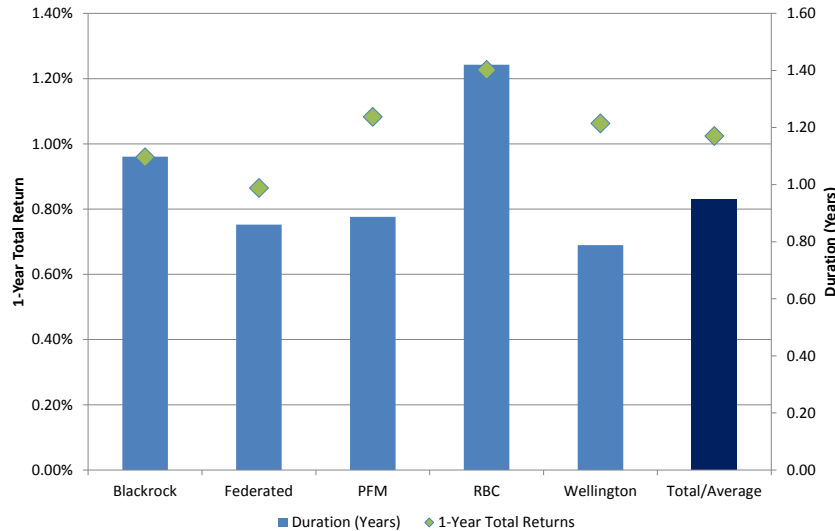
The 2 Year and 3 Year returns are annualized, and the remaining returns are actual for the period.

TAXABLE LIQUIDITY PORTFOLIO INVESTMENT MANAGER RETURNS SUMMARY

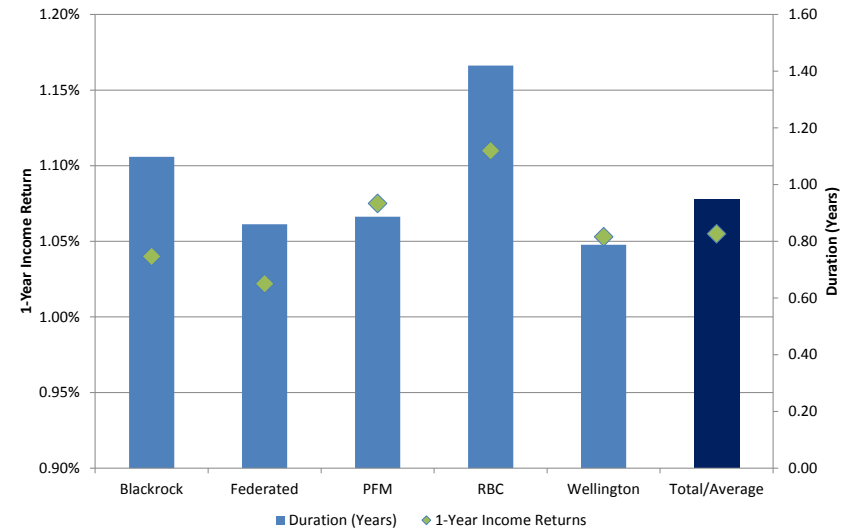
- The Taxable Liquidity portfolio duration is 0.95 years.
- The Taxable Liquidity portfolio 1-year total return is 1.02% and income return is 1.06% .

Investment Manager	Duration (Years)	Market Value (\$MM)	Total Returns				Income Returns			
			1 Month	3 Month	1 Year	2 Year	1 Month	3 Month	1 Year	2 Year
Blackrock	1.10	\$272	0.14%	0.04%	0.96%	0.75%	0.10%	0.30%	1.04%	0.84%
Federated	0.86	\$276	0.11%	0.05%	0.87%	0.75%	0.10%	0.28%	1.02%	0.76%
PFM	0.89	\$312	0.14%	0.09%	1.08%	0.85%	0.10%	0.30%	1.08%	0.90%
RBC	1.42	\$62	0.18%	0.05%	1.23%	0.93%	0.11%	0.31%	1.11%	0.95%
Wellington	0.79	\$170	0.15%	0.15%	1.06%	0.84%	0.09%	0.29%	1.05%	0.92%
Total/Average	0.95	\$1,092	0.14%	0.08%	1.02%	0.82%	0.10%	0.29%	1.06%	0.87%

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



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



Notes:

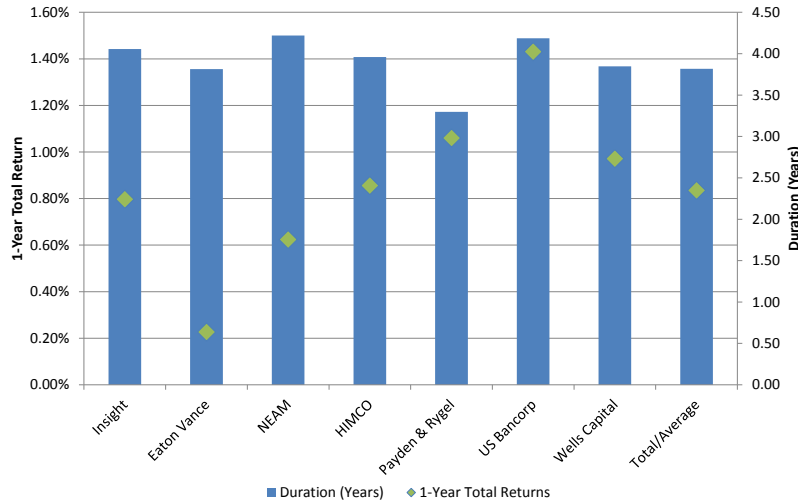
- The Taxable Liquidity Portfolio is managed to a maximum dollar weighted average maturity of 548 days. The applicable policy governs the investment of funds that will be the first moneys used to pay claims after an event and is also used to pay operating expenses on an ongoing basis.
- The 2 Year returns 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 FUND PORTFOLIO INVESTMENT MANAGER RETURNS SUMMARY

- The Taxable Claims-Paying Fund portfolio duration is 3.82 years.
- The Taxable Claims-Paying Fund portfolio 1-year total return is 0.84% and income return is 1.79%.

Investment Manager	Duration (Years)	Market Value (\$MM)	Total Returns				Income Returns			
			1 Month	3 Month	1 Year	2 Year	1 Month	3 Month	1 Year	2 Year
Insight	4.06	\$272	0.36%	-1.46%	0.80%	1.02%	0.16%	0.48%	1.86%	1.63%
Eaton Vance	3.81	\$255	0.29%	-1.47%	0.23%	0.58%	0.17%	0.48%	1.76%	1.43%
NEAM	4.22	\$228	0.37%	-1.19%	0.62%	0.78%	0.16%	0.44%	1.68%	1.52%
HIMCO	3.96	\$258	0.32%	-1.07%	0.86%	1.04%	0.17%	0.49%	1.78%	1.51%
Payden & Rygel	3.30	\$257	0.29%	-1.17%	1.06%	1.23%	0.15%	0.44%	1.75%	1.41%
PFM	3.49	\$253	0.26%	-1.02%	N/A	N/A	0.14%	0.38%	N/A	N/A
US Bancorp	4.19	\$403	0.37%	-1.19%	1.43%	1.38%	0.17%	0.51%	1.91%	1.69%
Wells Capital	3.85	\$479	0.31%	-1.26%	0.97%	1.01%	0.18%	0.61%	2.01%	1.70%
Total/Average	3.82	\$2,404	0.32%	-1.23%	0.84%	0.98%	0.16%	0.49%	1.79%	1.53%

Citizens Taxable Claims-Paying Fund - 1-Year Total Returns and Duration



Citizens Taxable Claims-Paying Fund - 1-Year Income Returns and Duration



Notes:

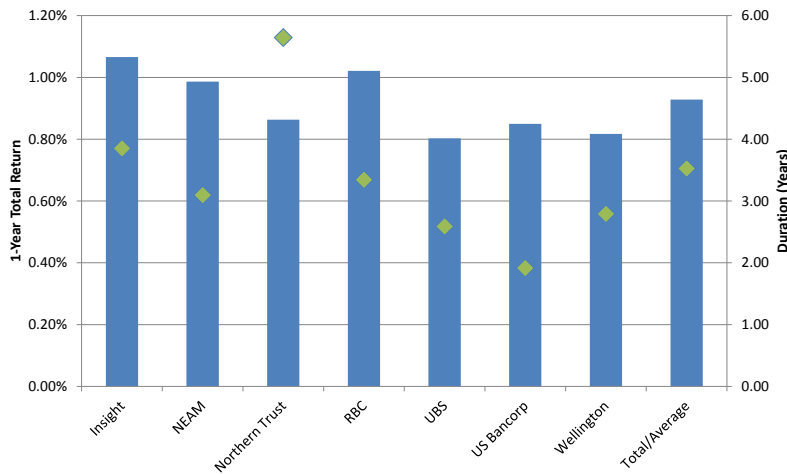
- The Taxable Claims-Paying Portfolio is managed to a maximum dollar weighted average maturity of 6 years. The applicable policy governs the investment of funds that will be used to pay claims post-event after Citizens has expended all moneys in the Liquidity Fund.
- The 2 Year returns are annualized, 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.
- Payden & Rygel started managing funds for Citizens after the 2014 competitive solicitation. The account was initially funded with \$250 million in October 2014. PFM started managing claims paying fund in May 2016.

TAXABLE CLAIMS-PAYING LONG DURATION FUND PORTFOLIO INVESTMENT MANAGER RETURNS SUMMARY

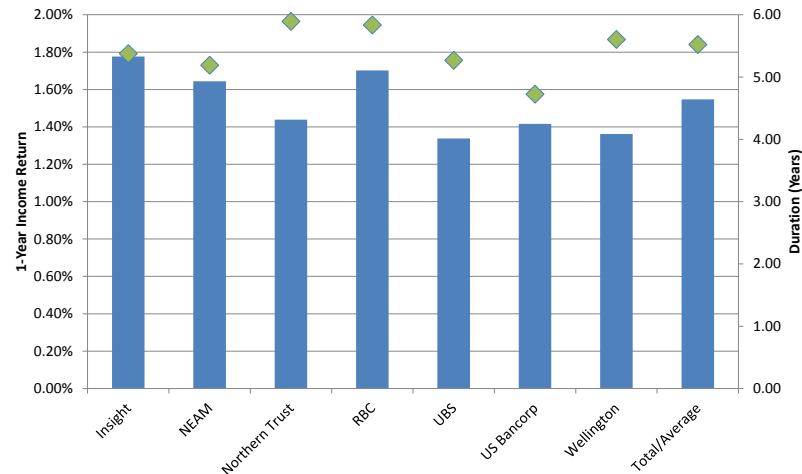
- The Taxable Claims-Paying Long Duration Fund portfolio duration is 4.64 years.
- The Taxable Claims-Paying Long Duration Fund portfolio 1-year total return is 0.71% and income return is 1.84%.

Investment Manager	Duration (Years)	Market Value (\$MM)	Total Returns				Income Returns			
			1 Month	3 Month	1 Year	2 Year	1 Month	3 Month	1 Year	2 Year
Insight	5.33	\$554	0.37%	-1.32%	0.77%	1.03%	0.16%	0.44%	1.79%	1.60%
NEAM	4.93	\$694	0.34%	-1.29%	0.62%	0.80%	0.16%	0.44%	1.73%	1.57%
Northern Trust	4.32	\$914	0.39%	-1.53%	1.13%	1.21%	0.17%	0.50%	1.97%	1.68%
RBC	5.11	\$1,084	0.35%	-1.45%	0.67%	1.07%	0.18%	0.55%	1.95%	1.75%
UBS	4.01	\$545	0.34%	-1.34%	0.52%	0.83%	0.15%	0.44%	1.76%	1.59%
US Bancorp	4.25	\$328	0.34%	-1.15%	0.38%	0.46%	0.16%	0.50%	1.58%	1.16%
Wellington	4.09	\$665	0.31%	-1.39%	0.56%	0.80%	0.17%	0.48%	1.87%	1.67%
Total/Average	4.64	\$4,783	0.35%	-1.39%	0.71%	0.94%	0.17%	0.49%	1.84%	1.62%

Citizens Taxable Claims-Paying Long Duration Fund - 1-Year Total Returns and Duration



Citizens Taxable Claims-Paying Long Duration Fund - 1-Year Income Returns and Duration



Notes:

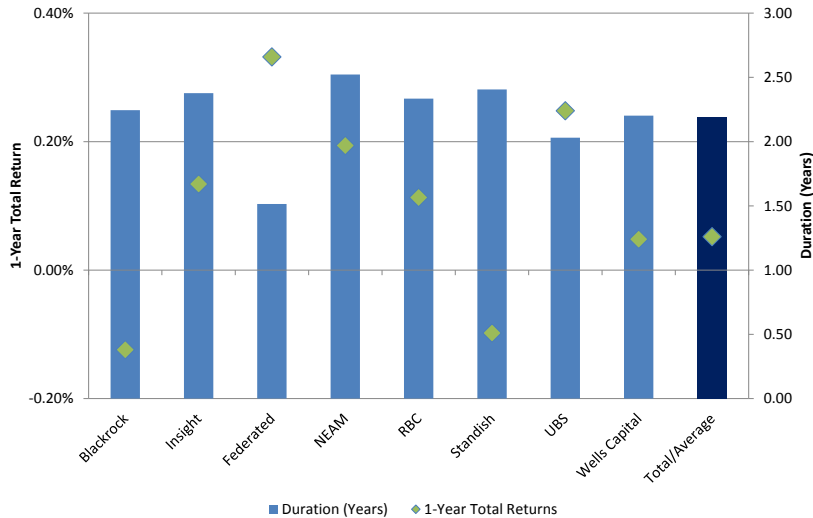
- The Taxable Claims-Paying Long Duration portfolio is managed a maximum dollar weighted average maturity of 10 years. The applicable policy governs the investment of funds that will be used to pay claims post-event after Citizens has expended all moneys in the Claims-Paying Fund.
- The 2 Year returns 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 FUND PORTFOLIO INVESTMENT MANAGER RETURNS SUMMARY

- The Tax-Exempt Claims-Paying Fund portfolio duration is 2.19 years.
- The Tax-Exempt Claims-Paying Fund portfolio 1-year total return is 0.05% and income return is 1.17%.

Investment Manager	Duration (Years)	Market Value (\$MM)	Total Returns				Income Returns			
			1 Month	3 Month	1 Year	2 Year	1 Month	3 Month	1 Year	2 Year
Blackrock	2.25	\$329	0.56%	-0.45%	-0.12%	0.43%	0.09%	0.26%	1.07%	1.01%
Insight	2.38	\$180	0.55%	-0.35%	0.13%	0.60%	0.11%	0.34%	1.28%	1.25%
Federated	1.52	\$419	0.42%	-0.12%	0.33%	0.46%	0.10%	0.28%	1.09%	1.01%
NEAM	2.52	\$112	0.68%	-0.38%	0.19%	0.60%	0.10%	0.31%	1.22%	1.13%
RBC	2.34	\$174	0.59%	-0.41%	0.11%	0.81%	0.11%	0.34%	1.34%	1.30%
Standish	2.41	\$874	0.62%	-0.38%	-0.10%	0.52%	0.10%	0.31%	1.24%	1.20%
UBS	2.03	\$170	0.52%	-0.23%	0.25%	0.49%	0.10%	0.29%	1.12%	1.09%
Wells Capital	2.20	\$400	0.56%	-0.30%	0.05%	0.46%	0.09%	0.27%	1.07%	1.04%
Total/Average	2.19	\$2,659	0.56%	-0.33%	0.05%	0.51%	0.10%	0.30%	1.17%	1.12%

Citizens Tax-Exempt Claims-Paying Fund -
1-Year Total Returns and Duration



Citizens Tax-Exempt Claims-Paying Fund -
1-Year Income Returns and Duration



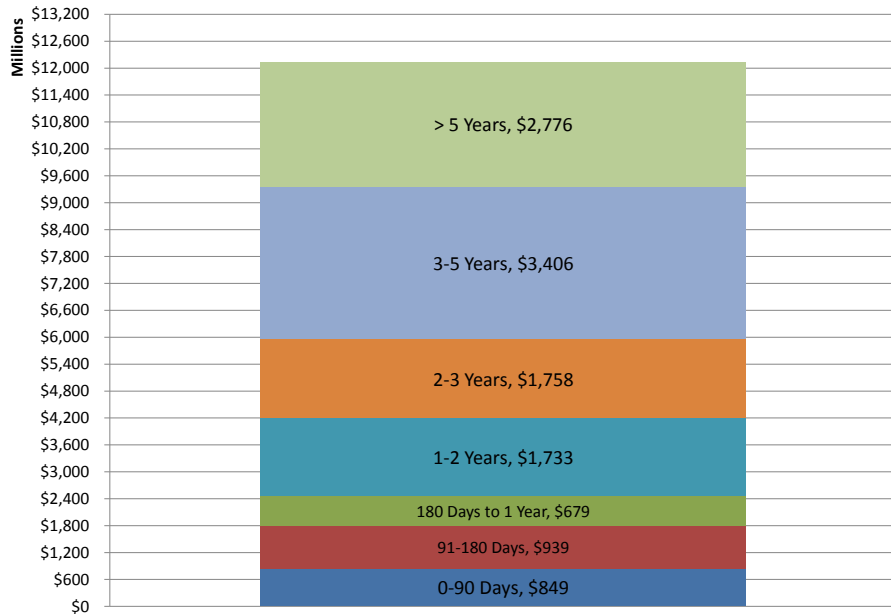
Notes:

- 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.
- Returns in green font fall within +/-10% of the average return or higher. Returns in red font fall below -10% of the average return.

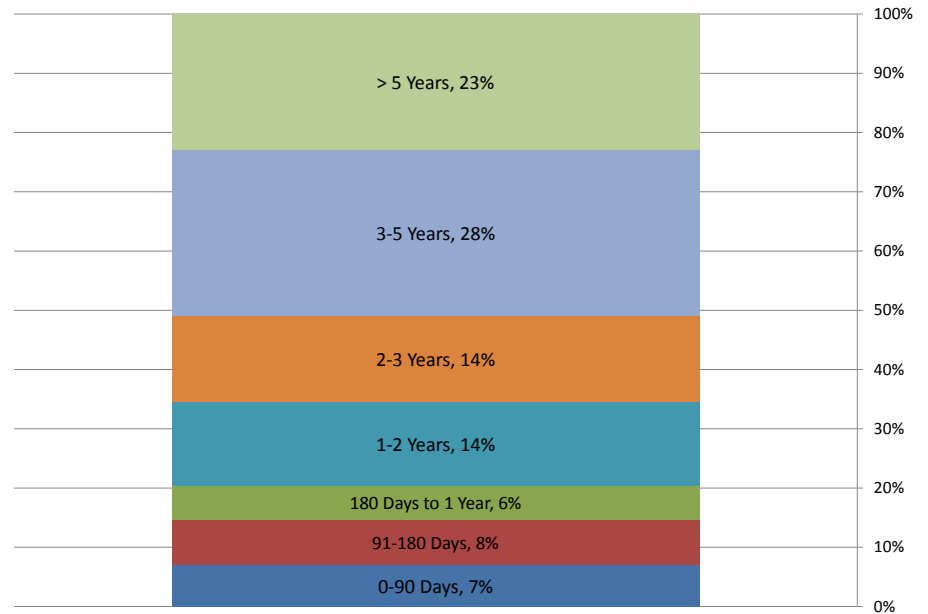
PORTFOLIO MATURITY DISTRIBUTION

- 7% of the portfolio matures in less than 90 days.
- 14% of the portfolio matures between 91 days and 1 year.
- 28% of the portfolio matures between 1 and 3 years.

Citizens Investment Portfolio Maturity Distribution - Amount (\$MM)



Citizens Investment Portfolio Maturity Distribution - Percentage



*4.3% or \$36.6 million 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 allows almost instant liquidity at par within 7 days.

DOWNGRADED SECURITIES AND LEGACY SECURITIES

Securities Downgraded to Rating Below Policy Minimum										
Security	Maturity Date	Moody's		Fitch		S&P		Amortized Cost	Market Value	Unrealized Gain/Loss
		Rating	Downgrade Date	Rating	Downgrade Date	Rating	Downgrade Date			
EMC Corp	6/1/2018	Ba2	9/7/2016	BB	9/7/2016	BB-	9/7/2016	13,060,457	13,005,525	(\$54,932)
Abbott Laboratories	3/15/2020	Baa3	1/5/2017	BBB	1/5/2017	BBB	1/4/2017	8,613,884	8,464,035	(\$149,850)
Total								\$21,674,341	\$21,469,560	(\$204,782)

- Citizens has the option of immediately reducing these positions to achieve compliance. After consulting with the investment managers, the decision was made to hold until maturity, as the bonds do not pose a default risk before maturity.

Legacy Securities Currently Held										
Security	Maturity Date	Moody's		Fitch		S&P		Amortized Cost	Market Value	Unrealized Gain/Loss
		Rating	Downgrade Date	Rating	Downgrade Date	Rating	Downgrade Date			
Lehman Brothers Holdings	N/A	NP	9/16/2008	NR	9/16/2008	D	9/16/2008	\$0	\$1,590,000	\$1,590,000
Issuer Entity (Ottimo)	N/A	NP	11/9/2007	NR	11/9/2007	D	11/9/2007	\$8,087,097	\$17,976,802	\$9,889,705
Axon Financial Funding LLC	N/A	NP	11/27/2007	NR	11/27/2007	D	11/27/2007	\$26,901,080	\$32,125,179	\$5,224,099
Total								\$34,988,177	\$51,691,981	\$16,703,804

- The total write-down amount of all the legacy securities was \$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. The legacy securities were purchased by the former investment manager.
- As of January 31, 2017, \$198.0 million total principal has been recovered, as these securities continue to pay principal and interest. The total principal recovered directly offsets the original write-down amount of \$290.7 million, resulting in a net current write-down amount of \$92.7 million.
- Atlantic East and Pacific West holdings were sold in May 2016, and June 2016, respectively.