

Citizens Investment Summary



February 2018

EXECUTIVE SUMMARY

- Citizens' total portfolio market value for February 2018 was \$10.02 billion (prior month: \$10.13 billion) with an average duration of 4.05 years (prior month: 4.08 years) and average credit ratings of A/AA/A (Oct 2017: A/AA/AA).
 - 81% of the total portfolio is taxable, with a market value of \$8.07 billion.
 - 19% of the total portfolio is tax-exempt, with a market value of \$1.95 billion.
 - 88%, or \$8.81 billion of the total portfolio is managed by 14 external investment managers, with an average duration of 4.16 years and 12% is internally managed, or \$1.21 billion.
- Citizens' 1-year total return and income return was 0.11% and 2.31%, respectively, as compared to the average 1-year Treasury yield of 1.95% for February 2018.
- 3% of the portfolio matures in less than 90 days and 21% of the portfolio matures between 1 and 3 years.

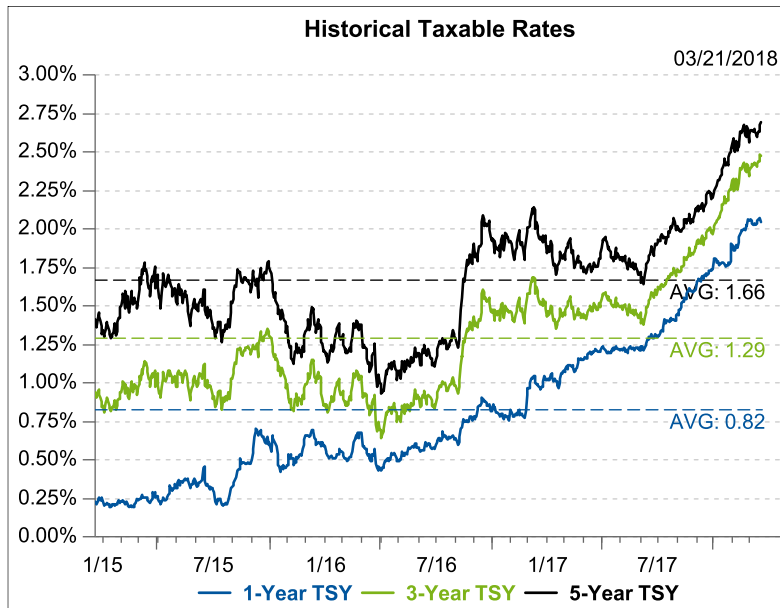
Note: The legacy securities are not included in the taxable portfolio or total portfolio for the purpose of duration, average ratings and performance reporting in this report.

INTEREST RATES

Taxable

- The 1 year US Treasury rate has increased 107 basis points over the 12-month period ending 3/21/2018.
- The 5 year US Treasury rate has increased 76 basis points over the 12-month period ending 3/21/2018.

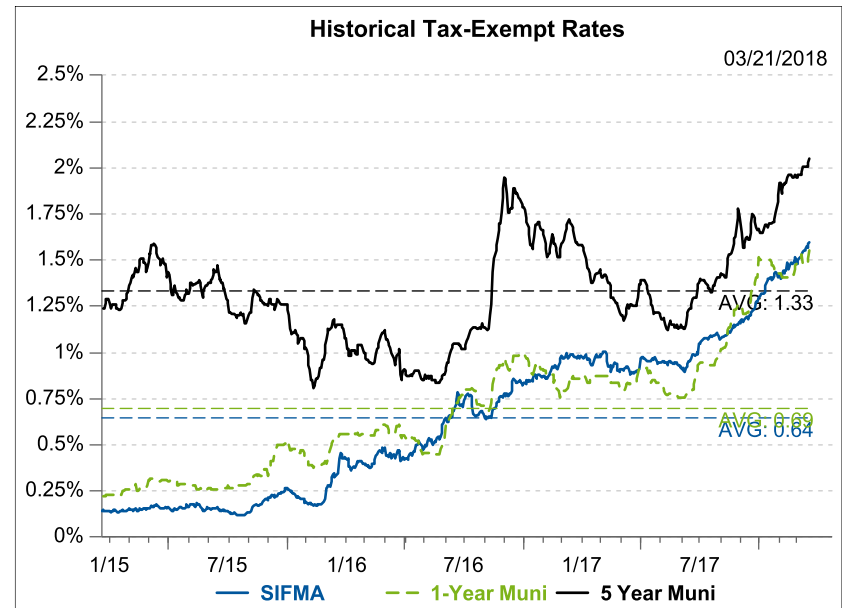
Taxable Rates	As Of 3/21/2018	3-Mos. Prior	1-Year Prior	3-Year Average
1-Yr TSY	2.05%	1.72%	0.98%	0.82%
3-Yr TSY	2.48%	1.99%	1.53%	1.29%
5-Yr TSY	2.70%	2.24%	1.94%	1.66%



Tax-Exempt

- The short-term (SIFMA) rate has increased 56 basis points over the 12-month period ending 3/21/2018.
- The S&P 1-Yr AAA Municipal rate has increased 69 basis points over the 12-month period ending 3/21/2018.

Tax-Exempt Rates	As Of 3/21/2018	3-Mos. Prior	1-Year Prior	3-Year Average
SIFMA	1.46%	1.12%	0.90%	0.64%
S&P 1-Yr AAA Muni	1.55%	1.36%	0.86%	0.69%
S&P 5-Yr AAA Muni	2.05%	1.74%	1.66%	1.33%



PORTFOLIO SUMMARY

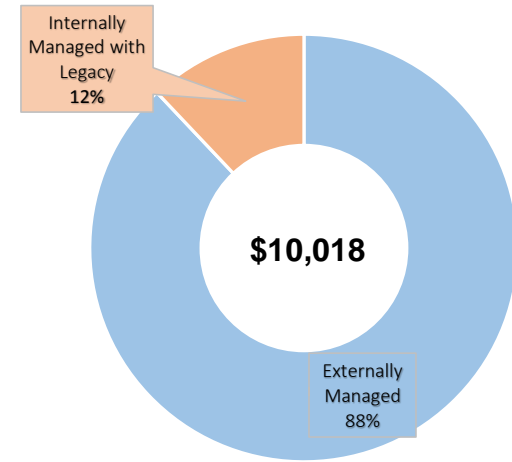
Security Description	Current Month Market Value	Prior Month Market Value	Month-to-Month Change	Current Month Weight (%)
Total	\$10,018	\$10,132	(\$115)	100
Taxable with Legacy Securities	8,065	8,181	(116)	81
Corporate Bonds, Commercial Paper, CDs, & Foreign Govt Securities	4,274	4,277	(3)	42
Treasury & Agency Securities	2,469	2,510	(41)	25
Money Market Funds & Cash	901	969	(68)	10
Municipal Bonds	278	283	(5)	3
ABS	95	94	1	1
Legacy Securities	48	48	(1)	0
Tax Exempt	1,953	1,952	1	19
Municipal Bonds	1,641	1,648	(7)	16
Treasury & Agency Securities	251	227	24	2
Money Market Funds & Cash	60	77	(16)	1

(\$ in Millions)

Notes:

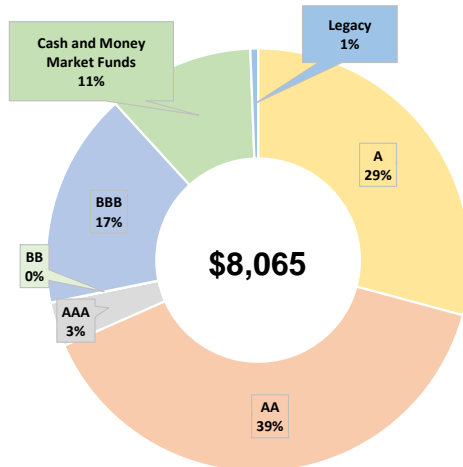
1. Month-to-month changes can be driven by transfers of funds from one category of securities to another.
2. Numbers may not add up due to rounding.

Total Portfolio Composition



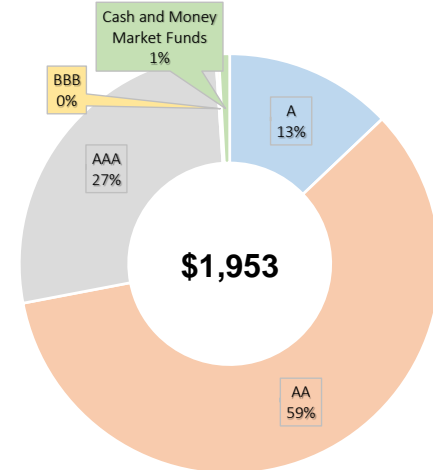
(\$ in Millions)

Taxable Portfolio Credit Quality Distribution



(\$ in Millions)

Tax-Exempt Portfolio Credit Quality Distribution



(\$ in Millions)

PORTFOLIO RETURNS SUMMARY

- The total portfolio duration is 4.05 years.
- The 2-year annualized total return is 0.47% and income return is 1.94%.

Citizens Portfolio	Duration (Years)	S&P	Moody's	Fitch	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	1.80	AA	AA	A	0.04	0.36	0.41	0.36	0.71	0.32	1.05	3.33	2.25	1.85
Tax Exempt Externally Managed	2.06	AA	AA	AA	0.04	0.36	0.36	0.34	0.70	0.32	1.05	3.51	2.34	1.92
Taxable Excluding Legacy Securities	4.65	A	A	A	-0.61	-1.29	0.46	0.76	0.95	0.18	0.55	2.16	1.92	1.68
Taxable Internally Managed Excluding Legacy Securities	--	AAA	AAA	AAA	0.03	0.05	0.34	0.43	0.32	0.03	0.05	0.36	0.42	0.31
Total Excluding Legacy Securities	4.05	A	AA	A	-0.61	-1.30	0.11	0.47	0.81	0.18	0.57	2.31	1.94	1.68

Note:

- The 2 Year and 3 Year returns are annualized, and the remaining returns are actual for the period.
- The taxable internally managed portfolio (excluding legacy securities) is mainly invested in money market funds. The duration data for these funds is not available in the FactSet system.

	1 Month	3 Month	6 Month	1 Year	2 Year
3-Year Treasury Yield	2.35%	2.14%	1.90%	1.69%	1.38%
US Corporate Bond 3-5 Year	3.09%	2.85%	2.65%	2.54%	2.37%
SIFMA	1.42%	1.29%	1.16%	1.06%	0.82%
S&P 3-Yr AAA Muni	1.65%	1.59%	1.37%	1.22%	1.08%
US Corporate Bond 1 Year	2.67%	2.47%	2.25%	2.09%	1.87%
1-Year Treasury Yield	1.95%	1.81%	1.60%	1.36%	1.00%
1-Month LIBOR	1.60%	1.55%	1.40%	1.24%	0.90%