

**CITY OF MANISTEE  
OIL AND GAS INVESTMENT BOARD  
MEETING OF APRIL 25, 2014**

There will be a meeting of the Oil and Gas Investment Board held on Friday, April 25, 2014 at 12:00 p.m. in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660.

**AGENDA**

**I. ROLL CALL.**

**II. OLD BUSINESS.**

- a.) None

**III. NEW BUSINESS.**

- a.) Approval of Minutes from January 17, 2014
- b.) Bartlett Investment Update
- c.) Amend Loan to Marina Fund
- d.) Oil & Gas Spending Rule Sensitivity Analysis

**IV. COMMUNICATIONS.**

**V. PUBLIC COMMENT.**

**VI. ADJOURN.**

- c. Colleen Kenny, Chair  
Catherine Zaring, Council Representative  
Ed Bradford, Vice-Chair  
Doug Parkes  
Steve Brower  
Mitch Deisch, City Manager  
George Saylor, City Attorney  
Woody Uible, Investment Advisor

# OIL AND GAS INVESTMENT BOARD

## MINUTES OF JANUARY 17, 2014

The City of Manistee Oil and Gas Investment Board held a regular meeting on Friday, January 17, 2014 at 12 p.m. in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660. Meeting was called to order by Chair Colleen Kenny.

**MEMBERS PRESENT:** Colleen Kenny, Doug Parkes, Ed Bradford, Mitch Deisch

**MEMBERS ABSENT:** Steve Brower, Catherine Zaring

**OTHERS PRESENT:** City Attorney George Saylor

<b>OLD BUSINESS</b>
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None.

<b>NEW BUSINESS</b>
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*Minutes* - Minutes from the October 11, 2013 meeting were reviewed. **MOTION** by Doug Parkes, second by Ed Bradford to accept the minutes and place them on file. All in favor - motion carried.

*Investment Advisor Update and Commentary* – Woody Uible and Troy Snider participated via phone to present the Investment Updates as of December 31, 2013. Information in the report includes Market Outlook, Comparison of Indices, Stock Earnings Yield Versus Bond Yield, Asset Allocation, Fixed Income Characteristics, Equity Sector Allocation, and Portfolio Performance.

Investment outlook is moderately positive. Bond environment is challenging as interest rates rise; but other factors (low inflation) helpful. Expected continuation of Fed policies under new Chair Yellen. Kenny asked how often Bartlett rebalanced asset allocation; Uible said this is looked at continuously.

*Annual Spending Rule Calculation* – Following discussion **MOTION** by Doug Parkes, second by Ed Bradford to approve the annual spending rule calculation as of December 31, 2013 for the fiscal year budget 2014-2015; using the 4% spending rule in the amount of \$358,543. All in favor – motion carried.

*Annual Bylaw Review.* Consensus that bylaws look good, no changes.

**COMMUNICATIONS**

None.

**PUBLIC COMMENTS**

None.

**ADJOURNMENT / NEXT MEETING**

Next regular meeting is scheduled for Friday, April 25, 2014 at 12 p.m. in the Second Floor Conference Room, City Hall.

Motion to adjourn by Ed Bradford, second by Doug Parkes at 12:40 p.m.

Respectfully submitted,

*DRAFT* - cl

Edward Bradford, Acting Recording Secretary

- c. Manistee City Council  
Board Members  
Mitch Deisch, City Manager  
George Saylor, City Attorney

City of Manistee Oil & Gas Fund

D821

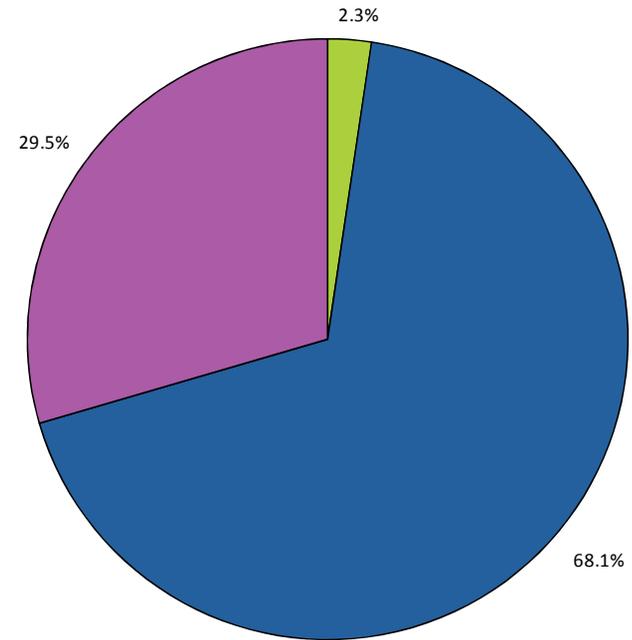
March 31, 2014

Woodrow H. Uible CFA  
wuible@bartlett1898.com  
513-345-6220

Asset Allocation  
 City of Manistee Oil & Gas Fund  
 D821  
 March 31, 2014

Asset Allocation

Security Type	Market Value	Pct. Assets
<b>Cash and Equivalents</b>		
Cash and Equivalents	223,099	2.3
	223,099	2.3
<b>Equity</b>		
Common Stocks	6,238,955	65.4
Exchange Traded Funds Equity	266,530	2.8
	6,505,485	68.1
<b>Fixed Income</b>		
Certificates Of Deposit	305,498	3.2
Corporate Bonds	2,210,112	23.2
FHLMC	39,056	0.4
FNMA	45,526	0.5
Government Agency Bonds	217,258	2.3
	2,817,451	29.5
<b>TOTAL PORTFOLIO</b>	<b>9,546,035</b>	<b>100.0</b>
Accrued Income	33,947	
<b>GRAND TOTAL</b>	<b>9,579,982</b>	



■ Cash and Equivalents 223,099     
 ■ Equity 6,505,485     
 ■ Fixed Income 2,817,451

Account Summary  
 City of Manistee Oil & Gas Fund  
 D821  
 March 31, 2014

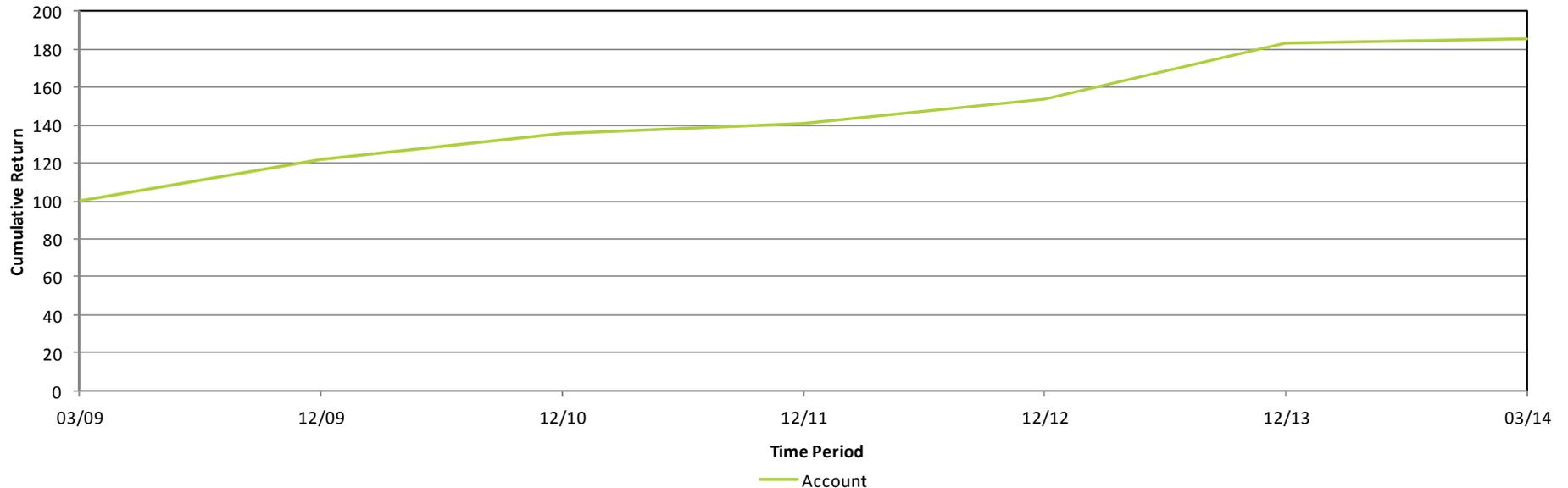
**Portfolio Changes**

	Quarter to Date	Year to Date
Beginning Portfolio Value	9,483,955	9,483,955
Contributions	0	0
Withdrawals	-13,419	-13,419
Realized Gains	-877	-877
Unrealized Gains	52,040	52,040
Interest	28,608	28,608
Dividends	29,674	29,674
<b>Grand Total</b>	<b>9,579,982</b>	<b>9,579,982</b>

**Top 10 Holdings**

Securities	Market Value	Pct.
Schwab Advisor Cash Reserve Prem	223,099	2.3
GE Money Bank CD	204,822	2.1
Mastercard Inc	201,690	2.1
Whiting Petroleum Corporation	187,353	2.0
CVS Caremark Corp	187,150	2.0
Google Inc Class A	178,322	1.9
Amgen Inc	172,676	1.8
Lincoln National Corp. Ind.	172,278	1.8
Vanguard FTSE Developed Markets ETF	165,080	1.7
Metlife Inc	163,680	1.7

**Performance History**



Portfolio Appraisal  
City of Manistee Oil & Gas Fund  
March 31, 2014

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Quantity	Symbol	Security	Unit Cost	Total Cost	Price	Market Value	% Portfolio	Estimated Annual Income	Cur. Yield
<b>Cash and Equivalents</b>									
<b>Cash and Equivalents</b>									
	divacc	Dividend Accrual		7,298.89		7,298.89	0.1	0.00	0.0
	SWZXX	Schwab Advisor Cash Reserve Prem		223,098.98		223,098.98	2.3	22.31	0.0
				230,397.87		230,397.87	2.4	22.31	0.0
		Cash and Equivalents Total		230,397.87		230,397.87	2.4	22.31	0.0
<b>Equity</b>									
<b>Common Stock</b>									
Energy									
1,600	APA	Apache Corp	82.92	132,674.75	82.95	132,720.00	1.4	1,600.00	1.2
1,000	BP	BP P.L.C Sponsored ADR	34.61	34,607.42	48.10	48,100.00	0.5	2,280.00	4.7
2,000	CNQ	Canadian Natural Res Ltd	31.91	63,812.04	38.37	76,740.00	0.8	1,631.30	2.1
750	CVX	Chevron Corp	58.73	44,044.37	118.91	89,182.50	0.9	3,000.00	3.4
1,450	RRC	Range Resources Corp	41.48	60,151.85	82.97	120,306.50	1.3	232.00	0.2
1,300	SLB	Schlumberger Limited	63.60	82,684.25	97.50	126,750.00	1.3	2,080.00	1.6
3,700	SE	Spectra Energy Corp	30.81	113,991.69	36.94	136,678.00	1.4	4,958.00	3.6
2,700	WLL	Whiting Petroleum Corporation	51.12	138,016.36	69.39	187,353.00	2.0	0.00	0.0
				669,982.74		917,830.00	9.6	15,781.30	1.7
Materials									
2,500	POT	Potash Corp of Saskatchewan	39.23	98,068.70	36.22	90,550.00	0.9	3,500.00	3.9
1,500	RIO	Rio Tinto PLC Spnsrd ADR	41.01	61,517.85	55.83	83,745.00	0.9	2,913.45	3.5
				159,586.55		174,295.00	1.8	6,413.45	3.7
Industrials									
5,900	ABB	ABB Ltd-Spon ADR	19.89	117,327.55	25.79	152,161.00	1.6	4,501.82	3.0
1,000	DE	Deere Co	48.29	48,288.25	90.80	90,800.00	0.9	2,040.00	2.2
1,100	FDX	Fedex Corp	58.91	64,796.25	132.56	145,816.00	1.5	660.00	0.5
1,500	FLS	Flowserve Corp.	31.98	47,964.80	78.34	117,510.00	1.2	960.00	0.8
950	KSU	Kansas City Southern	14.57	13,843.20	102.06	96,957.00	1.0	1,064.00	1.1
550	NSC	Norfolk Southern Corp.	27.26	14,990.87	97.17	53,443.50	0.6	1,188.00	2.2

Portfolio Appraisal  
City of Manistee Oil & Gas Fund  
March 31, 2014

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Quantity	Symbol	Security	Unit Cost	Total Cost	Price	Market Value	% Portfolio	Estimated Annual Income	Cur. Yield
1,300	UTX	United Technologies Corp	44.89	58,357.13	116.84	151,892.00	1.6	3,068.00	2.0
				365,568.05		808,579.50	8.4	13,481.82	1.7
Consumer Discretionary									
1,500	DIS	Disney (Walt) Co	28.48	42,722.77	80.07	120,105.00	1.3	1,290.00	1.1
3,000	LOW	Lowe's Companies Inc	19.78	59,330.85	48.90	146,700.00	1.5	2,160.00	1.5
1,200	MCD	McDonalds Corp	53.56	64,272.30	98.03	117,636.00	1.2	3,888.00	3.3
1,100	SNI	Scripps Networks	44.09	48,494.88	75.91	83,501.00	0.9	880.00	1.1
1,200	TJX	TJX Companies Inc.	44.17	53,010.00	60.65	72,780.00	0.8	840.00	1.2
				267,830.80		540,722.00	5.6	9,058.00	1.7
Consumer Staples									
700	BUD	Anheuser-Busch InBev Spn ADR	81.02	56,715.50	105.30	73,710.00	0.8	1,631.05	2.2
3,200	AVP	Avon Products Inc	18.05	57,761.85	14.64	46,848.00	0.5	768.00	1.6
2,500	CVS	CVS Caremark Corp	43.07	107,662.90	74.86	187,150.00	2.0	2,750.00	1.5
850	DEO	Diageo PLC Spnd ADR	43.73	37,168.14	124.59	105,901.50	1.1	2,713.50	2.6
1,000	MKC	McCormick & Co	29.52	29,520.68	71.74	71,740.00	0.7	1,480.00	2.1
1,400	PEP	Pepsico Inc	50.13	70,177.56	83.50	116,900.00	1.2	3,178.00	2.7
1,500	SYT	Sysco Corp.	20.33	30,500.96	36.13	54,195.00	0.6	1,740.00	3.2
				389,507.60		656,444.50	6.9	14,260.55	2.2
Health Care									
1,750	ABT	Abbott Laboratories	22.09	38,659.47	38.51	67,392.50	0.7	1,540.00	2.3
1,750	ABBV	AbbVie Inc	23.96	41,922.89	51.40	89,950.00	0.9	2,940.00	3.3
1,400	AMGN	Amgen Inc	53.01	74,220.15	123.34	172,676.00	1.8	3,416.00	2.0
1,800	BAX	Baxter International Inc	48.25	86,849.21	73.58	132,444.00	1.4	3,528.00	2.7
600	JNJ	Johnson & Johnson	47.84	28,701.32	98.23	58,938.00	0.6	1,584.00	2.7
700	LH	Laboratory Corp Amer Hldgs	82.71	57,899.24	98.21	68,747.00	0.7	0.00	0.0
1,600	NVS	Novartis AG-ADR	36.07	57,706.68	85.02	136,032.00	1.4	2,827.34	2.1
				385,958.97		726,179.50	7.6	15,835.34	2.2
Financials									
960	BRK.B	Berkshire Hathaway Inc - Class B	70.64	67,819.14	124.97	119,971.20	1.3	0.00	0.0
1,500	CFR	Cullen Frost Bankers	49.73	74,594.34	77.53	116,295.00	1.2	3,000.00	2.6
2,250	BEN	Franklin Resources Inc	30.99	69,729.47	54.18	121,905.00	1.3	1,080.00	0.9
3,400	LNC	Lincoln National Corp. Ind.	22.25	75,645.45	50.67	172,278.00	1.8	2,176.00	1.3
1,700	CLI	Mack-Cali Realty Corporation	24.74	42,059.72	20.79	35,343.00	0.4	2,040.00	5.8
3,100	MET	Metlife Inc	37.57	116,480.35	52.80	163,680.00	1.7	3,410.00	2.1
850	STT	State Street Corp	19.01	16,159.01	69.55	59,117.50	0.6	884.00	1.5

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3,300	USB	US Bancorp	10.68	35,248.91	42.86	141,438.00	1.5	3,036.00	2.1
3,100	WFC	Wells Fargo & Co	10.28	31,877.11	49.74	154,194.00	1.6	3,720.00	2.4
				529,613.51		1,084,221.70	11.3	19,346.00	1.8
Information Technology									
150	AAPL	Apple Inc	470.08	70,512.50	536.74	80,511.00	0.8	1,830.00	2.3
3,100	EMC	EMC Corp.	24.15	74,858.51	27.41	84,971.00	0.9	1,240.00	1.5
160	GOOG.OLD	Google Inc Class A	473.60	75,775.70	1,114.51	178,321.60	1.9	0.00	0.0
4,500	INTC	Intel Corp	14.05	63,217.03	25.81	116,163.00	1.2	4,050.00	3.5
635	IBM	International Business Machines Corp.	96.21	61,094.06	192.49	122,231.15	1.3	2,413.00	2.0
2,700	MA	Mastercard Inc	18.67	50,404.26	74.70	201,690.00	2.1	1,188.00	0.6
2,700	MSFT	Microsoft Corp	27.03	72,971.53	40.99	110,673.00	1.2	3,024.00	2.7
3,000	ORCL	Oracle Corp	31.63	94,895.96	40.91	122,730.00	1.3	1,440.00	1.2
2,000	QCOM	Qualcomm Inc	39.15	78,299.63	78.86	157,720.00	1.6	2,800.00	1.8
3,700	WU	Western Union Co	17.69	65,470.00	16.36	60,532.00	0.6	1,850.00	3.1
				707,499.18		1,235,542.75	12.9	19,835.00	1.6
Telecommunication Services									
2,000	VZ	Verizon Communications	26.73	53,451.54	47.57	95,140.00	1.0	4,240.00	4.5
				53,451.54		95,140.00	1.0	4,240.00	4.5
		Common Stock Total		3,528,998.94		6,238,954.95	65.1	118,251.46	1.9
<b>Exchange Traded Funds Equity</b>									
Mutual Funds - Equity									
4,000	VEA	Vanguard FTSE Developed Markets ETF	33.90	135,584.00	41.27	165,080.00	1.7	5,404.00	3.3
2,500	VWO	Vanguard FTSE Emerging Markets ETF	39.83	99,563.93	40.58	101,450.00	1.1	2,930.00	2.9
				235,147.93		266,530.00	2.8	8,334.00	3.1
		Exchange Traded Funds Total		235,147.93		266,530.00	2.8	8,334.00	3.1
		Equity Total		3,764,146.87		6,505,484.95	67.9	126,585.46	1.9
<b>Fixed Income</b>									
<b>Certificates Of Deposit</b>									
100,000	02004MF65	Ally Bank CD 2.100% Due 08-13-14	100.00	100,000.00	100.68	100,676.80	1.1	2,100.00	2.1

Portfolio Appraisal  
City of Manistee Oil & Gas Fund  
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Quantity	Symbol	Security	Unit Cost	Total Cost	Price	Market Value	% Portfolio	Estimated Annual Income	Cur. Yield
200,000	36159AWV8	GE Money Bank CD 2.300% Due 08-13-15 Accrued Interest	100.00	200,000.00	102.41	204,821.60	2.1	4,600.00	2.2
						844.38	0.0		
				300,000.00		306,342.78	3.2	6,700.00	2.2
<b>Corporate Bonds</b>									
35,000	418056AR8	Hasbro Inc 6.125% Due 05-15-14	101.77	35,619.00	100.65	35,228.30	0.4	2,143.75	6.1
50,000	079860AG7	Bellsouth Corp 5.200% Due 09-15-14	103.81	51,906.00	102.17	51,087.20	0.5	2,600.00	5.1
50,000	172967EZ0	Citigroup Inc 5.500% Due 10-15-14	107.96	53,981.50	102.70	51,351.05	0.5	2,750.00	5.4
75,000	09247XAD3	Blackrock Inc Sr Unsec 3.500% Due 12-10-14	100.36	75,267.50	102.18	76,636.05	0.8	2,625.00	3.4
35,000	59156RAN8	Metlife Inc 5.000% Due 06-15-15	109.97	38,489.50	105.37	36,880.79	0.4	1,750.00	4.7
25,000	17275RAC6	Cisco Systems Inc 5.500% Due 02-22-16	109.81	27,453.25	109.37	27,342.40	0.3	1,375.00	5.0
75,000	05531FAF0	BB&T Corporation 3.950% Due 04-29-16	104.90	78,678.00	106.26	79,697.92	0.8	2,962.50	3.7
50,000	17252MAJ9	Cintas Corp No 2 2.850% Due 06-01-16	101.00	50,498.00	103.40	51,697.65	0.5	1,425.00	2.8
75,000	959802AB5	Western Union Colorado 5.930% Due 10-01-16	106.04	79,530.00	110.88	83,159.02	0.9	4,447.50	5.3
75,000	037411AS4	Apache Corporation 5.625% Due 01-15-17	105.61	79,205.45	111.98	83,982.90	0.9	4,218.75	5.0
75,000	58013MEB6	McDonald's Corp 5.800% Due 10-15-17	109.22	81,915.75	114.77	86,075.62	0.9	4,350.00	5.1
75,000	00206RBM3	AT&T Inc 1.400% Due 12-01-17	100.01	75,006.25	99.07	74,300.47	0.8	1,050.00	1.4
50,000	913017BM0	United Tech Corp 5.375% Due 12-15-17	104.89	52,447.00	114.07	57,037.15	0.6	2,687.50	4.7
100,000	655664AK6	Nordstrom Inc 6.250% Due 01-15-18	107.31	107,312.25	115.42	115,421.50	1.2	6,250.00	5.4
50,000	713448BH0	Pepsico Inc 5.000% Due 06-01-18	102.65	51,323.50	112.44	56,221.90	0.6	2,500.00	4.4
100,000	931422AE9	Walgreen Co 5.250% Due 01-15-19	107.12	107,119.25	113.59	113,594.40	1.2	5,250.00	4.6
100,000	94974BFQ8	Wells Fargo & Company 2.150% Due 01-15-19	99.95	99,953.00	99.97	99,968.80	1.0	2,150.00	2.2
75,000	191216AM2	Coca-Cola Co 4.875% Due 03-15-19	103.43	77,572.15	112.90	84,673.05	0.9	3,656.25	4.3
25,000	25746UBH1	Dominion Resources Inc 5.200% Due 08-15-19	107.59	26,898.50	112.00	28,001.00	0.3	1,300.00	4.6
75,000	26441CAD7	Duke Energy Corp 5.050% Due 09-15-19	106.19	79,641.00	112.02	84,011.70	0.9	3,787.50	4.5

Portfolio Appraisal  
City of Manistee Oil & Gas Fund  
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Quantity	Symbol	Security	Unit Cost	Total Cost	Price	Market Value	% Portfolio	Estimated Annual Income	Cur. Yield
75,000	244199BC8	Deere & Company 4.375% Due 10-16-19	105.76	79,322.50	110.86	83,142.07	0.9	3,281.25	3.9
100,000	36962G4J0	General Electric Capital Corp 5.500% Due 01-08-20	110.12	110,121.50	115.10	115,098.90	1.2	5,500.00	4.8
50,000	713448BN7	Pepsico Inc 4.500% Due 01-15-20	105.75	52,876.00	110.33	55,163.20	0.6	2,250.00	4.1
75,000	427866AR9	Hershey Co 4.125% Due 12-01-20	108.48	81,359.25	108.78	81,585.22	0.9	3,093.75	3.8
75,000	828807CF2	Simon Property Group LP 4.375% Due 03-01-21	102.85	77,135.25	108.77	81,574.72	0.9	3,281.25	4.0
75,000	832696AB4	J.M. Smucker Company 3.500% Due 10-15-21	102.40	76,800.00	102.31	76,734.52	0.8	2,625.00	3.4
50,000	655844BJ6	Norfolk Southern Corp 3.000% Due 04-01-22	101.41	50,704.00	97.75	48,875.70	0.5	1,500.00	3.1
70,000	34354PAC9	Flowserve Corp 3.500% Due 09-15-22	101.34	70,938.95	98.61	69,028.12	0.7	2,450.00	3.5
75,000	670346AL9	Nucor Corp 4.125% Due 09-15-22	108.45	81,337.00	102.53	76,896.07	0.8	3,093.75	4.0
75,000	872540AP4	TJX Companies 2.500% Due 05-15-23	99.82	74,863.00	92.75	69,563.02	0.7	1,875.00	2.7
75,000	806854AH8	Schlumberger Invt SA 3.650% Due 12-01-23	101.84	76,381.50	101.44	76,081.80	0.8	2,737.50	3.6
		Accrued Interest				24,230.47	0.3		
				2,161,655.80		2,234,342.74	23.3	90,966.25	4.1
<b>FHLMC</b>									
298,066	3128LXRK8	FHLMC #G02290 4.500% Due 03-01-36	106.91	38,856.98	107.45	39,056.29	0.4	1,635.61	4.2
		Accrued Interest				136.30	0.0		
				38,856.98		39,192.59	0.4	1,635.61	4.2
<b>FNMA</b>									
92,504	31416XKB5	FNMA #AB2089 4.000% Due 01-01-41	106.78	46,688.52	104.12	45,526.02	0.5	1,748.94	3.8
		Accrued Interest				145.75	0.0		
				46,688.52		45,671.77	0.5	1,748.94	3.8
<b>Government Agency Bonds</b>									
35,000	31331GLT4	Federal Farm Credit Bank 3.750% Due 01-29-16	101.41	35,494.31	105.94	37,078.65	0.4	1,312.50	3.5

Portfolio Appraisal  
City of Manistee Oil & Gas Fund  
March 31, 2014

D821

Quantity	Symbol	Security	Unit Cost	Total Cost	Price	Market Value	% Portfolio	Estimated Annual Income	Cur. Yield
50,000	880591DS8	Tennessee Valley Authority 4.875% Due 12-15-16	107.24	53,620.50	110.70	55,351.75	0.6	2,437.50	4.4
125,000	313379DD8	Federal Home Loan Banks 1.000% Due 06-21-17 Accrued Interest	99.89	124,861.25	99.86	124,827.75	1.3	1,250.00	1.0
				1,290.97		218,549.12	0.0		2.3
				213,976.06		2,844,099.00	2.3	5,000.00	3.8
		Fixed Income Total		2,761,177.36		2,844,099.00	29.7	106,050.80	3.8
<b>TOTAL PORTFOLIO</b>				<b>6,755,722.11</b>		<b>9,579,981.82</b>	<b>100.0</b>	<b>232,658.57</b>	<b>2.4</b>



Fixed Income Holdings  
City of Manistee Oil & Gas Fund  
D821  
March 31, 2014

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D821

Description	Symbol	Par Value	Unit Cost	Total Cost	Moody	S&P	Market Value	Yield
Metlife Inc 5.000% Due 06-15-15	59156RAN8	35,000	109.97	38,489	A3	A-	36,881	4.7
Nordstrom Inc 6.250% Due 01-15-18	655664AK6	100,000	107.31	107,312	Baa1	A-	115,421	5.4
Norfolk Southern Corp 3.000% Due 04-01-22	655844BJ6	50,000	101.41	50,704	Baa1	BBB+	48,876	3.1
Nucor Corp 4.125% Due 09-15-22	670346AL9	75,000	108.45	81,337	Baa1	A	76,896	4.0
Pepsico Inc 5.000% Due 06-01-18	713448BH0	50,000	102.65	51,323	A1	A-	56,222	4.4
Pepsico Inc 4.500% Due 01-15-20	713448BN7	50,000	105.75	52,876	A1	A-	55,163	4.1
Schlumberger Invt SA 3.650% Due 12-01-23	806854AH8	75,000	101.84	76,381	A1	AA-	76,082	3.6
Simon Property Group LP 4.375% Due 03-01-21	828807CF2	75,000	102.85	77,135	A2	A	81,575	4.0
J.M. Smucker Company 3.500% Due 10-15-21	832696AB4	75,000	102.40	76,800	A3	BBB+	76,735	3.4
TJX Companies 2.500% Due 05-15-23	872540AP4	75,000	99.82	74,863	A3	A+	69,563	2.7
United Tech Corp 5.375% Due 12-15-17	913017BM0	50,000	104.89	52,447	A2	A	57,037	4.7
Walgreen Co 5.250% Due 01-15-19	931422AE9	100,000	107.12	107,119	Baa1	BBB	113,594	4.6
Wells Fargo & Company 2.150% Due 01-15-19	94974BFQ8	100,000	99.95	99,953	A2	A+	99,969	2.2
Western Union Colorado 5.930% Due 10-01-16	959802AB5	75,000	106.04	79,530	Baa2	BBB	83,159	5.3
Corporate Bonds Total				2,161,656			2,210,112	4.1
<b>FHLMC</b>								
FHLMC #G02290 4.500% Due 03-01-36	3128LXRK8	298,066	106.91	38,857	Aaa	AA+	39,056	4.2
<b>FNMA</b>								
FNMA #AB2089 4.000% Due 01-01-41	31416XKB5	92,504	106.78	46,689	Aaa	AA+	45,526	3.8
<b>Government Agency Bonds</b>								
Federal Farm Credit Bank 3.750% Due 01-29-16	31331GLT4	35,000	101.41	35,494	Aaa	AA+	37,079	3.5
Federal Home Loan Banks 1.000% Due 06-21-17	313379DD8	125,000	99.89	124,861	Aaa	AA+	124,828	1.0
Tennessee Valley Authority 4.875% Due 12-15-16	880591DS8	50,000	107.24	53,620		AA+	55,352	4.4
Government Agency Bonds Total				213,976			217,258	2.3

Fixed Income Holdings  
City of Manistee Oil & Gas Fund  
D821  
March 31, 2014

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D821

Description	Symbol	Par Value	Unit Cost	Total Cost	Moody	S&P	Market Value	Yield
<b>Common Stock</b>								
Apple Inc	AAPL	150	470.08	70,512		B-	80,511	2.3
AbbVie Inc	ABBV	1,750	23.96	41,923			89,950	3.3
Abbott Laboratories	ABT	1,750	22.09	38,659		A+	67,392	2.3
Amgen Inc	AMGN	1,400	53.01	74,220		B+	172,676	2.0
Apache Corp	APA	1,600	82.92	132,675		B	132,720	1.2
Avon Products Inc	AVP	3,200	18.05	57,762		A-	46,848	1.6
Baxter International Inc	BAX	1,800	48.25	86,849		B	132,444	2.7
Franklin Resources Inc	BEN	2,250	30.99	69,729		A+	121,905	0.9
Berkshire Hathaway Inc - Class B	BRK.B	960	70.64	67,819			119,971	0.0
Cullen Frost Bankers	CFR	1,500	49.73	74,594		B+	116,295	2.6
Mack-Cali Realty Corporation	CLI	1,700	24.74	42,060			35,343	5.8
Canadian Natural Res Ltd	CNQ	2,000	31.91	63,812		B	76,740	2.1
CVS Caremark Corp	CVS	2,500	43.07	107,663		B-	187,150	1.5
Chevron Corp	CVX	750	58.73	44,044			89,182	3.4
Deere Co	DE	1,000	48.29	48,288		B+	90,800	2.2
Disney (Walt) Co	DIS	1,500	28.48	42,723		B+	120,105	1.1
EMC Corp.	EMC	3,100	24.15	74,859		B+	84,971	1.5
Fedex Corp	FDX	1,100	58.91	64,796		B	145,816	0.5
Flowserve Corp.	FLS	1,500	31.98	47,965		B+	117,510	0.8
Google Inc Class A	GOOG.OLD	160	473.60	75,776			178,322	0.0
International Business Machines Co	IBM	635	96.21	61,094		B	122,231	2.0
Intel Corp	INTC	4,500	14.05	63,217		A	116,163	3.5
Johnson & Johnson	JNJ	600	47.84	28,701		A+	58,938	2.7
Kansas City Southern	KSU	950	14.57	13,843		B+	96,957	1.1
Laboratory Corp Amer Hldgs	LH	700	82.71	57,899	A3	B	68,747	0.0
Lincoln National Corp. Ind.	LNC	3,400	22.25	75,645		A-	172,278	1.3
Lowe's Companies Inc	LOW	3,000	19.78	59,331		A+	146,700	1.5
Mastercard Inc	MA	2,700	18.67	50,404			201,690	0.6
McDonalds Corp	MCD	1,200	53.56	64,272		A+	117,636	3.3
Metlife Inc	MET	3,100	37.57	116,480			163,680	2.1
McCormick & Co	MKC	1,000	29.52	29,521		A-	71,740	2.1
Microsoft Corp	MSFT	2,700	27.03	72,972		A-	110,673	2.7
Norfolk Southern Corp.	NSC	550	27.26	14,991		A-	53,443	2.2
Oracle Corp	ORCL	3,000	31.63	94,896		B+	122,730	1.2
Pepsico Inc	PEP	1,400	50.13	70,178		A	116,900	2.7
Potash Corp of Saskatchewan	POT	2,500	39.23	98,069		B+	90,550	3.9
Qualcomm Inc	QCOM	2,000	39.15	78,300		B	157,720	1.8
Range Resources Corp	RRC	1,450	41.48	60,152			120,306	0.2
Spectra Energy Corp	SE	3,700	30.81	113,992			136,678	3.6
Schlumberger Limited	SLB	1,300	63.60	82,684		B	126,750	1.6
Scripps Networks	SNI	1,100	44.09	48,495			83,501	1.1
State Street Corp	STT	850	19.01	16,159		A+	59,117	1.5
Sysco Corp.	SYX	1,500	20.33	30,501		A+	54,195	3.2
TJX Companies Inc.	TJX	1,200	44.17	53,010		B+	72,780	1.2
US Bancorp	USB	3,300	10.68	35,249			141,438	2.1
United Technologies Corp	UTX	1,300	44.89	58,357		B+	151,892	2.0

Fixed Income Holdings  
City of Manistee Oil & Gas Fund  
D821  
March 31, 2014

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D821

Description	Symbol	Par Value	Unit Cost	Total Cost	Moody	S&P	Market Value	Yield
Verizon Communications	VZ	2,000	26.73	53,452		B+	95,140	4.5
Wells Fargo & Co	WFC	3,100	10.28	31,877		A	154,194	2.4
Whiting Petroleum Corporation	WLL	2,700	51.12	138,016			187,353	0.0
Western Union Co	WU	3,700	17.69	65,470			60,532	3.1
<b>Common Stock Total</b>				<b>3,163,956</b>			<b>5,639,305</b>	<b>1.8</b>
<b>American Depositary Receipts</b>								
ABB Ltd-Spon ADR	ABB	5,900	19.89	117,328	A3	B	152,161	3.0
BP P.L.C Sponsored ADR	BP	1,000	34.61	34,607			48,100	4.7
Anheuser-Busch InBev Spn ADR	BUD	700	81.02	56,715			73,710	2.2
Diageo PLC Spisd ADR	DEO	850	43.73	37,168			105,901	2.6
Novartis AG-ADR	NVS	1,600	36.07	57,707			136,032	2.1
Rio Tinto PLC Spnsrd ADR	RIO	1,500	41.01	61,518			83,745	3.5
<b>American Depositary Receipts Total</b>				<b>365,043</b>			<b>599,649</b>	<b>2.8</b>
<b>Exchange Traded Funds Equity</b>								
Vanguard FTSE Developed Markets ET	VEA	4,000	33.90	135,584			165,080	3.3
Vanguard FTSE Emerging Markets ETF	VWO	2,500	39.83	99,564			101,450	2.9
<b>Exchange Traded Funds Equity Total</b>				<b>235,148</b>			<b>266,530</b>	<b>3.1</b>
<b>GRAND TOTAL</b>				<b>6,755,722</b>			<b>9,553,334</b>	<b>2.4</b>

Performance for Selected Periods  
 Gross of Fees  
 City of Manistee Oil & Gas Fund  
 D821  
 March 31, 2014

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	<u>Month To Date</u>	<u>Quarter To Date</u>	<u>Year To Date</u>	<u>Latest 1 Year</u>	<u>Annualized Latest 3 Year</u>	<u>Annualized Latest 5 Year</u>	<u>Annualized Since Inception 03-31-09</u>
<b>Total Account</b>							
Account	1.09	1.16	1.16	12.78	10.04	13.16	13.16
<b>Cash and Equivalents</b>							
Account	0.00	0.00	0.00	0.01	0.01	0.05	0.05
US 90 Day T-Bill	0.00	0.01	0.01	0.07	0.08	0.12	0.12
<b>Equity</b>							
Account	1.68	1.07	1.07	19.61	14.02	21.05	21.05
S&P 500 Total Return Index	0.84	1.81	1.81	21.86	14.66	21.16	21.16
MSCI Europe Australia Far East	-0.64	0.66	0.66	17.54	7.21	16.02	16.02
<b>Fixed Income</b>							
Account	-0.15	1.47	1.47	0.69	3.58	5.11	5.11
Barclays US Intermediate Credit Index	-0.14	1.64	1.64	0.98	4.60	7.63	7.63
Barclays Govt/Credit Intermediate	-0.30	1.00	1.00	-0.13	3.13	4.18	4.18

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### Market Monitor

Rates	Yield
Sch Adv Csh Rsv Pr <sup>f</sup>	0.01%
Treasury Bill - 6 Months	0.08%
Treasury Bond - 30 Year	1.97%

Indices	Year To Date Change
Dow Jones Industrial Average	-0.72%
Standard & Poor's 500 Index®	1.30%
Schwab 1000 Index®	1.48%
NASDAQ Composite Index	0.54%

CITY OF MANISTEE OIL & GAS FUN  
70 MAPLE STREET  
MANISTEE MI 49660-1688

### Your Independent Investment Manager and/or Advisor

BARTLETT & CO LLC  
600 VINE ST STE 2100  
CINCINNATI OH 45202-2400

*The custodian of your brokerage account is: Charles Schwab & Co., Inc.*  
For questions about this statement, or if there is a change in your financial situation, investment objectives, or risk profile, please contact your Independent Investment Manager and/or Advisor.

### Table of Contents

	Page
Terms and Conditions.....	2
Change in Account Value.....	4
Asset Composition.....	4
Account Notes.....	4
Income Summary.....	5
Investment Detail.....	5
Transaction Detail.....	20
Money Funds Detail.....	22
Pending Corporate Actions.....	23
Endnotes For Your Account.....	24

## BARTLETT

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### GENERAL INFORMATION AND KEY TERMS:

If you receive any other communication from any source other than Schwab which purports to represent your holdings at Schwab (including balances held at a Depository Institution) you should verify its content with this statement.

**AIP (Automatic Investment Plan) Customers:** Schwab receives remuneration in connection with certain transactions effected through Schwab. If you participate in a systematic investment program through Schwab, the additional information normally detailed on a trade confirmation will be provided upon request.

**Average Daily Balance:** Average daily composite of all cash balances that earn interest and all loans from Schwab that are charged interest. Interest cycles may differ from statement cycles.

**Bank Sweep Feature:** Schwab acts as your agent and custodian in establishing and maintaining your Bank Sweep feature as a Schwab Cash Feature for your brokerage account. Deposit accounts held through the Bank Sweep feature constitute direct obligations of Charles Schwab Bank and are not obligations of Schwab. Bank deposit accounts are insured by the FDIC within applicable limits. The balance in the bank deposit accounts can be withdrawn on your order and the proceeds returned to your securities account or remitted to you as provided in your Account Agreement. For information on FDIC insurance and its limits, as well as other important disclosures about the Bank Sweep feature, please refer to the Cash Features Disclosure Statement available online or from a Schwab representative.

**Insured Bank Network ("Bank Network") Feature:** Schwab acts

as your agent and custodian in establishing and maintaining your Insured Bank Network feature as a Schwab Cash Feature for your brokerage account. Deposit accounts held through the Insured Bank Network feature constitute direct obligations of a participating Depository Institution and are not obligations of Schwab. Insured Bank Network deposit accounts are insured by the FDIC within applicable limits. The balance in the bank deposit accounts can be withdrawn on your order and the proceeds returned to your securities account or remitted to you as provided in your Account Agreement. For information on FDIC insurance and its limits, as well as other important disclosures about the Insured Bank Network feature, please refer to the Cash Features Disclosure Statement available online or from a Schwab representative.

**Cash:** Any Free Credit Balance owed by us to you payable upon demand which, although accounted for on our books of record, is not segregated and may be used in the conduct of this firm's business.

**Current Yield:** Annual dividend paid on an equity divided by the current market price.

**Dividend Reinvestment Customers:** Dividend reinvestment transactions were effected by Schwab acting as a principal for its own account, except for the reinvestment of Schwab dividends, for which an independent broker-dealer acted as the buying agent. The time of these transactions, the exchange upon which these transactions occurred and the name of the person from whom the security was purchased will be furnished upon written request.

**Interest:** For the Schwab One Interest feature, Bank Sweep feature, and the Insured Bank Network feature, interest is paid for a period that differs from the Statement Period. Balances include interest paid as indicated on your statement by Schwab, Charles Schwab Bank, or a Depository Institution participating in the Insured Bank Network. These balances do not include interest that may have accrued during the Statement Period after interest is paid. The interest paid may include interest that accrued in the prior Statement Period.

For the Schwab One Interest feature, interest accrues daily from the second-to-last business day of the prior month and is posted on the second-to-last business day of the current month. For the Bank Sweep feature, interest accrues daily from the 16th day of the prior month and is credited/posted on the first business day after the 15th of the current month. For the Insured Bank Network feature, interest accrues daily from the 16th of the prior month and is generally credited/posted on the 15th of the current month. If the 15th of the month falls on a non-business day, the interest amount payable through the 15th of the month is generally paid on the last business day prior to the 15th. However, there may be certain events that trigger the posting of interest earlier in the interest period. Events that could trigger an earlier interest posting include the closure of your deposit accounts at a Depository Institution or the rebalancing of funds between your MMDA and transaction account at a Depository Institution. These events are referred to as "Mid-Cycle Interest" on your account statement. The interest period for Mid-Cycle Interest payments will be from the 16th of the prior month, or the date the account(s) were established if after the 16th of the prior month, until the date posted on your account statement. For more information, about Mid-Cycle Interest payments please refer to your Cash Features Disclosure Statement.

If, on any given day, the interest that Schwab calculates for the Free Credit Balances in the Schwab One Interest feature in your brokerage account is less than \$.005, you will not accrue any interest on that day. For balances held at Charles Schwab Bank in the Bank Sweep feature or at a Depository Institution participating in the Insured Bank Network feature, interest will accrue even if the amount is less than \$.005.

**Margin Account Customers:** This is a combined statement of your margin account and special memorandum account maintained for you under Section 220.5 of Regulation T issued by the Board of Governors of the Federal Reserve System. The permanent record of the separate account as required by Regulation T is available for your inspection. Securities purchased on margin are Schwab's collateral for the loan to you. It is important that you fully understand the risks involved in trading securities on margin. These risks include:

- You can lose more funds than you deposit in the margin account.
- Schwab can force the sale of securities or other assets in any of your account(s) to maintain the required account equity without contacting you.
- You are not entitled to choose which assets are liquidated nor are you entitled to an extension of time on a margin call.
- Schwab can increase its "house" maintenance margin requirements at any time without advance written notice to you.

**Market Price:** The most recent price evaluation available to Schwab on the last business day of the report period, normally the last trade price or bid as of market close. Unpriced securities denote that no market evaluation update is currently available. Price evaluations are obtained from outside parties. Schwab shall have no responsibility for the accuracy or timeliness of any such valuations. Pricing of assets not held at Schwab is for informational purposes only. Some securities, especially thinly traded equities in the OTC market or foreign markets, may not report the most current price and are indicated as Stale Priced. For Limited Partnerships and Real Estate Investment Trust (REIT) securities, you may see that the value reflected on your monthly account statement for this security is unpriced. NASD rules require that certain Limited Partnerships (direct participation programs) and Real Estate Investment Trust (REIT) securities, that have not been priced within 18 months, must show as unpriced on customer statements. Note that these securities are generally illiquid, the value of the securities will be different than its purchase price, and, if applicable, that accurate valuation information may not be available.

**Market Value:** The Market Value is computed by multiplying the Market Price by the Quantity of Shares. This is the dollar value of your present holdings in your specified Schwab Account or a summary of the Market Value summed over multiple accounts.

**Non-Publicly Traded Securities:** All assets shown on this statement, other than certain direct investments which may be held by a third party, are held in your Account. Values of certain Non-Publicly Traded Securities may be furnished by a third party as provided by Schwab's Account Agreement. Schwab shall have no responsibility for the accuracy or timeliness of such valuations. The Securities Investor Protection Corporation (SIPC) does not cover many limited partnership interests.

**Option Customers:** Be aware of the following: 1) Commissions and other charges related to the execution of option transactions have been

## Terms and Conditions (continued)

included in confirmations of such transactions previously furnished to you and will be made available promptly upon request 2) You should advise us promptly of any material changes in your investment objectives or financial situation 3) Exercise assignment notices for option contracts are allocated among customer short positions pursuant to an automated procedure which randomly selects from among all customer short option positions those contracts which are subject to exercise, including positions established on the day of assignment.

**Schwab Sweep Money Funds:** Includes the primary money market funds into which Free Credit Balances may be automatically invested pursuant to your Account Agreement. Schwab or an affiliate acts and receives compensation as the Investment Advisor, Transfer Agent, Shareholder Service Agent and Distributor for the Schwab Sweep Money Funds. The amount of such compensation is disclosed in the prospectus. The yield information for Schwab Sweep Money Funds is the current 7-day yield as of the statement period. Yields vary. Schwab and the Schwab Sweep Money Funds investment advisor may be voluntarily reducing a portion of a Schwab Sweep Money Fund's expenses. Without these reductions, yields would have been lower. The shares of the money market mutual fund can be liquidated on your order and the proceeds returned to your securities account or remitted to you as provided in your Account Agreement and the applicable prospectus.

**Securities Products and Services:** Securities products and services are offered by Charles Schwab & Co., Inc., Member SIPC. Securities products and services, including unswept intraday funds and net credit balances held in brokerage accounts are not guaranteed deposits or obligations of Charles Schwab Bank or a Depository Institution(s) participating in the Insured Bank Network, and are subject to investment risk, are not FDIC insured, may lose value, and are not bank guaranteed. SIPC does not cover balances held at Charles Schwab Bank in the Bank Sweep feature or at a Depository Institution(s) participating in the Insured Bank Network feature.

**Short Positions:** Securities sold short will be identified through an "S" in Investment Detail. The market value of these securities will be expressed as a debit and be netted against any long positions in Total Account Value.

**Depository Institution:** A Member FDIC depository institution participating in the Insured Bank Network that has entered into a deposit agreement with Schwab, at which interest-bearing deposit accounts are maintained on your behalf.

**Accrued Income:** Accrued Income is the sum of the total accrued interest and/or accrued dividends on positions held in your Account, but the interest and/or dividends have not been received into your account. Schwab makes no representation that the amounts shown (or any other amount) will be received. Accrued amounts are not covered by SIPC account protection until actually received and held in the Account.

**IN CASE OF ERRORS OR DISCREPANCIES:** If you find an error or discrepancy relating to your brokerage activity (other than an electronic fund transfer) you must notify us promptly, but no later than 10 days after this statement is sent or made available to you. If this statement shows that we have mailed or delivered security certificate(s) that you have not received, notify Schwab immediately. You may call us at 800-515-2157. Any oral communications should be re-confirmed in writing to further protect your rights,

**including rights under the Securities Investor Protection Act (SIPA).** If you do not so notify us, you agree that the statement activity and Account balance are correct for all purposes with respect to those brokerage transactions.

**IN CASE OF COMPLAINTS:** If you have a complaint regarding your Schwab statement, products or services, please write to the Client Advocacy Team at Charles Schwab & Co., Inc., Attention: Client Advocacy Team, 211 Main St., San Francisco, CA 94105, USA, or call Schwab Signature Alliance at 800-515-2157.

**Address Changes:** If you fail to notify Schwab in writing of any change of address or phone number, you may not receive important notifications about your Account, and trading or other restrictions might be placed on your Account.

**Additional Information:**

We are required by law to report to the Internal Revenue Service certain payments to you and credits to your Account during the calendar year. Retain this statement for income tax purposes. A financial statement for your inspection is available at Schwab's offices or a copy will be mailed to you upon written request. Any third party trademarks appearing herein are the property of their respective owners.

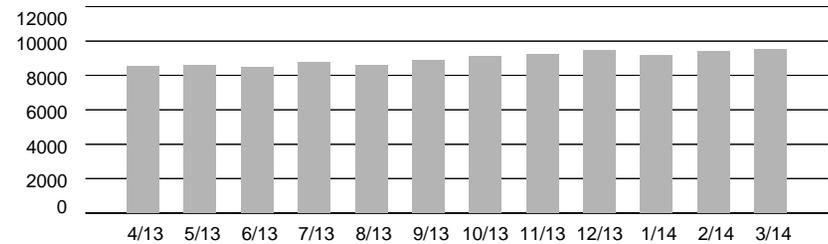
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(1113-7022)

**Change in Account Value**

	This Period	Year to Date
<b>Starting Value</b>	<b>\$ 9,437,678.80</b>	<b>\$ 9,448,221.76</b>
Cash Value of Purchases & Sales	(18,942.40)	(17,148.01)
Investments Purchased/Sold	18,942.40	17,148.01
Deposits & Withdrawals	0.00	0.00
Dividends & Interest	25,310.59	58,460.81
Fees & Charges	0.00	(13,105.85)
Transfers	0.00	0.00
Income Reinvested	(1.62)	(4.42)
Change in Value of Investments	83,047.32	52,462.79
<b>Ending Value on 03/31/2014</b>	<b>\$ 9,546,035.09</b>	<b>\$ 9,546,035.09</b>
<i>Accrued Income<sup>d</sup></i>	<i>31,113.88</i>	
<b>Ending Value with Accrued Income<sup>d</sup></b>	<b>\$ 9,577,148.97</b>	
<b>Total Change in Account Value: Including Deposits and Withdrawals</b>	<b>\$ 108,356.29</b>	<b>\$ 97,813.33</b>
<b>Including Deposits, Withdrawals, and Accrued Income<sup>d</sup></b>	<b>\$ 139,470.17</b>	

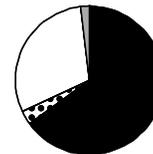
Account Value (\$) Over Last 12 Months [in Thousands]



**Asset Composition**

Asset Composition	Market Value	% of Account Assets
Cash and Money Market Funds [Sweep]	\$ 223,098.98	2%
Fixed Income	2,817,451.16	30%
Equities	6,203,611.95	65%
Other Assets	301,873.00	3%
<b>Total Assets Long</b>	<b>\$ 9,546,035.09</b>	
<b>Total Account Value</b>	<b>\$ 9,546,035.09</b>	<b>100%</b>
<i>Accrued Income<sup>d</sup></i>	<i>31,113.88</i>	
<b>Total Value with Accrued Income<sup>d</sup></b>	<b>\$ 9,577,148.97</b>	

Overview



- 65% Equities
- ▤ 3% Other Assets
- 30% Fixed Income
- 2% Cash, MMFs [Sweep]

**Account Notes**

- Accrued Interest is \$26,292.93
- Accrued Dividend is \$4,820.95

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Income Summary	This Period		Year to Date	
	Federally Tax-Exempt	Federally Taxable	Federally Tax-Exempt	Federally Taxable
Money Funds Dividends	0.00	1.62	0.00	4.42
Cash Dividends	0.00	15,329.25	0.00	28,955.45
Corporate Bond and Other Interest	0.00	9,979.72	0.00	25,467.16
Certificate of Deposit Interest	0.00	0.00	0.00	3,377.53
Agency Security Interest	0.00	0.00	0.00	656.25
<b>Total Income</b>	<b>0.00</b>	<b>25,310.59</b>	<b>0.00</b>	<b>58,460.81</b>
Accrued Interest Paid <sup>4</sup>	0.00	(897.29)	0.00	(897.29)

<sup>4</sup>Certain accrued interest paid on taxable bonds may be deductible; consult your tax advisor.

### Investment Detail - Cash and Money Market Funds [Sweep]

Cash			Market Value	% of Account Assets	
Cash			3,293.50	<1%	
<b>Total Cash</b>			<b>3,293.50</b>	<b>&lt;1%</b>	
Money Market Funds [Sweep]	Quantity	Market Price	Market Value	Current Yield	% of Account Assets
SCH ADV CASH RESRV PREM: SWZXX	219,805.4800	1.0000	219,805.48	0.01%	2%
<b>Total Money Market Funds [Sweep]</b>			<b>219,805.48</b>	<b>2%</b>	
<b>Total Cash &amp; Money Market [Sweep]</b>			<b>223,098.98</b>	<b>2%</b>	

**Investment Detail - Fixed Income**

Agency Securities	Par	Market Price	Market Value	% of Account Assets
<b>FFCB 3.75%16</b> DUE 01/29/16 CUSIP: 31331GLT4 MOODY'S: Aaa S&P: AA+	35,000.0000	105.9390	37,078.65	<1%
				<b>Accrued Interest: 226.04</b>
<b>FHLB 1%17</b> DUE 06/21/17 CUSIP: 313379DD8 MOODY'S: Aaa S&P: AA+	125,000.0000	99.8622	124,827.75	1%
				<b>Accrued Interest: 347.22</b>
<b>TENNESSEE VLY A 4.875%16</b> DUE 12/15/16 CUSIP: 880591DS8 MOODY'S: Aaa S&P: AA+	50,000.0000	110.7035	55,351.75	<1%
				<b>Accrued Interest: 717.71</b>
<b>Total Agency Securities</b>	<b>210,000.0000</b>		<b>217,258.15</b>	<b>2%</b>
<b>Total Accrued Interest for Agency Securities: 1,290.97</b>				

Corporate Bonds	Par	Market Price	Market Value	% of Account Assets
<b>APACHE CORPORAT 5.625%17</b> DUE 01/15/17 CUSIP: 037411AS4 MOODY'S: A3 S&P: A-	75,000.0000	111.9772	83,982.90	<1%
				<b>Accrued Interest: 890.64</b>
<b>AT&amp;T INC. 1.4%17</b> DUE 12/01/17 CUSIP: 00206RBM3 MOODY'S: A3 S&P: A-	75,000.0000	99.0673	74,300.48	<1%
				<b>Accrued Interest: 350.00</b>

Investment Detail - Fixed Income (continued)

Corporate Bonds (continued)	Par	Market Price	Market Value	% of Account Assets
<b>AT&amp;T INC. 5.2%14</b> DUE 09/15/14 CUSIP: 079860AG7 MOODY'S: WR S&P: A-	50,000.0000	102.1744	51,087.20	<1%
			<b>Accrued Interest: 115.56</b>	
<b>BB&amp;T CORPORATION 3.95%16</b> DUE 04/29/16 CUSIP: 05531FAF0 MOODY'S: A2 S&P: A-	75,000.0000	106.2639	79,697.93	<1%
			<b>Accrued Interest: 1,250.83</b>	
<b>BLACKROCK INC. 3.5%14</b> DUE 12/10/14 CUSIP: 09247XAD3 MOODY'S: A1 S&P: A+	75,000.0000	102.1814	76,636.05	<1%
			<b>Accrued Interest: 809.37</b>	
<b>CINTAS CORP NO 2 2.85%16</b> DUE 06/01/16 CUSIP: 17252MAJ9 MOODY'S: A2 S&P: BBB+	50,000.0000	103.3953	51,697.65	<1%
			<b>Accrued Interest: 475.00</b>	
<b>CISCO SYSTEMS INC 5.5%16</b> DUE 02/22/16 CUSIP: 17275RAC6 MOODY'S: A1 S&P: AA-	25,000.0000	109.3696	27,342.40	<1%
			<b>Accrued Interest: 148.96</b>	
<b>CITIGROUP INC. 5.5%14</b> DUE 10/15/14 CUSIP: 172967EZ0 MOODY'S: Baa2 S&P: A-	50,000.0000	102.7021	51,351.05	<1%
			<b>Accrued Interest: 1,268.06</b>	

Investment Detail - Fixed Income (continued)

Corporate Bonds (continued)	Par	Market Price	Market Value	% of Account Assets
<b>DEERE &amp; COMPANY 4.375%19</b> DUE 10/16/19 CUSIP: 244199BC8 MOODY'S: A2 S&P: A	75,000.0000	110.8561	83,142.08	<1%
			<b>Accrued Interest: 1,503.91</b>	
<b>DOMINION RESOURCE 5.2%19</b> DUE 08/15/19 CUSIP: 25746UBH1 MOODY'S: Baa2 S&P: BBB+	25,000.0000	112.0040	28,001.00	<1%
			<b>Accrued Interest: 166.11</b>	
<b>DUKE ENERGY CORP 5.05%19</b> DUE 09/15/19 CUSIP: 26441CAD7 MOODY'S: A3 S&P: BBB	75,000.0000	112.0156	84,011.70	<1%
			<b>Accrued Interest: 168.33</b>	
<b>FLOWSERVE CORP 3.5%22</b> DUE 09/15/22 CALLABLE 05/01/14 AT 100.00000 CUSIP: 34354PAC9 MOODY'S: Baa2 S&P: BBB-	70,000.0000	98.6116	69,028.12	<1%
			<b>Accrued Interest: 108.88</b>	
<b>GENERAL ELECTRIC 5.5%20</b> DUE 01/08/20 CUSIP: 36962G4J0 MOODY'S: A1 S&P: AA+	100,000.0000	115.0989	115,098.90	1%
			<b>Accrued Interest: 1,268.06</b>	
<b>HASBRO, INC. 6.125%14</b> DUE 05/15/14 CUSIP: 418056AR8 MOODY'S: Baa2 S&P: BBB	35,000.0000	100.6523	35,228.31	<1%
			<b>Accrued Interest: 809.86</b>	

Investment Detail - Fixed Income (continued)

Corporate Bonds (continued)	Par	Market Price	Market Value	% of Account Assets
<b>J M SMUCKER CO 3.5%21</b> DUE 10/15/21 CUSIP: 832696AB4 MOODY'S: A3 S&P: BBB+	75,000.0000	102.3127	76,734.53	<1%
			<b>Accrued Interest: 1,210.42</b>	
<b>MCDONALD'S CORP 5.8%17</b> DUE 10/15/17 CUSIP: 58013MEB6 MOODY'S: A2 S&P: A	75,000.0000	114.7675	86,075.63	<1%
			<b>Accrued Interest: 2,005.83</b>	
<b>METLIFE INC. 5%15</b> DUE 06/15/15 CUSIP: 59156RAN8 MOODY'S: A3 S&P: A-	35,000.0000	105.3737	36,880.80	<1%
			<b>Accrued Interest: 515.28</b>	
<b>NORDSTROM INC. 6.25%18</b> DUE 01/15/18 CUSIP: 655664AK6 MOODY'S: Baa1 S&P: A-	100,000.0000	115.4215	115,421.50	1%
			<b>Accrued Interest: 1,319.44</b>	
<b>NORFOLK SOUTHERN 3%22</b> DUE 04/01/22 CALLABLE 05/01/14 AT 100.00000 CUSIP: 655844BJ6 MOODY'S: Baa1 S&P: BBB+	50,000.0000	97.7514	48,875.70	<1%
			<b>Accrued Interest: 750.00</b>	
<b>NUCOR CORPORATI 4.125%22</b> DUE 09/15/22 CALLABLE 05/01/14 AT 100.00000 CUSIP: 670346AL9 MOODY'S: Baa1 S&P: A	75,000.0000	102.5281	76,896.08	<1%
			<b>Accrued Interest: 137.50</b>	

Investment Detail - Fixed Income (continued)

Corporate Bonds (continued)	Par	Market Price	Market Value	% of Account Assets
<b>PEPSICO INC. 5%18</b> DUE 06/01/18 CUSIP: 713448BH0 MOODY'S: A1 S&P: A-	50,000.0000	112.4438	56,221.90	<1%
			<b>Accrued Interest: 833.33</b>	
<b>PEPSICO INC. 4.5%20</b> DUE 01/15/20 CUSIP: 713448BN7 MOODY'S: A1 S&P: A-	50,000.0000	110.3264	55,163.20	<1%
			<b>Accrued Interest: 475.00</b>	
<b>SCHLUMBERGER IN 3.65%23F</b> DUE 12/01/23 SCHLUMBERGER INVESTM CALLABLE 05/01/14 AT 100.00000 CUSIP: 806854AH8 MOODY'S: A1 S&P: AA-	75,000.0000	101.4424	76,081.80	<1%
			<b>Accrued Interest: 806.04</b>	
<b>SIMON PPTY GRP 4.375%21</b> DUE 03/01/21 CALLABLE 05/01/14 AT 100.00000 CUSIP: 828807CF2 MOODY'S: A2 S&P: A	75,000.0000	108.7663	81,574.73	<1%
			<b>Accrued Interest: 273.44</b>	
<b>THE COCA-COLA C 4.875%19</b> DUE 03/15/19 CUSIP: 191216AM2 MOODY'S: Aa3 S&P: AA-	75,000.0000	112.8974	84,673.05	<1%
			<b>Accrued Interest: 162.50</b>	
<b>THE HERSHEY COM 4.125%20</b> DUE 12/01/20 CUSIP: 427866AR9 MOODY'S: A1 S&P: A	75,000.0000	108.7803	81,585.23	<1%
			<b>Accrued Interest: 1,031.25</b>	

**Investment Detail - Fixed Income (continued)**

Corporate Bonds (continued)	Par	Market Price	Market Value	% of Account Assets
<b>TJX CO 2.5%23</b> DUE 05/15/23 CALLABLE 05/01/14 AT 100.00000 CUSIP: 872540AP4 MOODY'S: A3 S&P: A+	75,000.0000	92.7507	69,563.03	<1%
				<b>Accrued Interest: 708.33</b>
<b>UNITED TECH COR 5.375%17</b> DUE 12/15/17 CUSIP: 913017BM0 MOODY'S: A2 S&P: A	50,000.0000	114.0743	57,037.15	<1%
				<b>Accrued Interest: 791.32</b>
<b>WALGREEN CO. 5.25%19</b> DUE 01/15/19 CUSIP: 931422AE9 MOODY'S: Baa1 S&P: BBB	100,000.0000	113.5944	113,594.40	1%
				<b>Accrued Interest: 1,108.33</b>
<b>WELLS FARGO BANK 2.15%19</b> DUE 01/15/19 CUSIP: 94974BFQ8 MOODY'S: A2 S&P: A+	100,000.0000	99.9688	99,968.80	1%
				<b>Accrued Interest: 453.89</b>
<b>WSTN UN CO 5.93%16</b> DUE 10/01/16 CUSIP: 959802AB5 MOODY'S: Baa2 S&P: BBB	75,000.0000	110.8787	83,159.03	<1%
				<b>Accrued Interest: 2,223.75</b>
<b>Total Corporate Bonds</b>	<b>2,065,000.0000</b>		<b>2,210,112.33</b>	<b>23%</b>
				<b>Total Accrued Interest for Corporate Bonds: 24,139.22</b>

Investment Detail - Fixed Income (continued)

Mortgage Pools	Par	Market Price	Market Value	% of Account Assets
<b>FHLMC G02290 4.5%36</b> DUE 03/01/36 CUSIP: 3128LXRK8 FACTOR= .121942040 REMAIN PRIN=\$36,346.78	298,066.0000	107.4546	39,056.28	<1%
<b>FNMA PL AB2089 4%41</b> DUE 01/01/41 CUSIP: 31416XKB5 FACTOR= .472666070 REMAIN PRIN=\$43,723.50	92,504.0000	104.1225	45,526.00	<1%
<b>Total Mortgage Pools</b>	<b>390,570.0000</b>		<b>84,582.28</b>	<b>&lt;1%</b>

CDs & BAs	Par	Market Price	Market Value	% of Account Assets
<b>ALLY BANK 2.1%14</b> CD FDIC INS DUE 08/13/14 MIDVALE UT CUSIP: 02004MF65 MOODY'S: NR S&P: NR	100,000.0000	100.6768	100,676.80	1%
			<b>Accrued Interest: 270.41</b>	

**Investment Detail - Fixed Income (continued)**

CDs & BAs (continued)	Par	Market Price	Market Value	% of Account Assets
<b>GE CAP RETAIL BAN 2.3%15</b>	200,000.0000	102.4108	204,821.60	2%
CD FDIC INS DUE 08/13/15 DRAPER UT CUSIP: 36159AWV8 MOODY'S: NR S&P: NR				
				<b>Accrued Interest: 592.33</b>
<b>Total CDs &amp; BAs</b>	<b>300,000.0000</b>		<b>305,498.40</b>	<b>3%</b>
			<b>Total Accrued Interest for CDs &amp; BAs: 862.74</b>	
<b>Total Fixed Income</b>	<b>2,965,570.0000</b>		<b>2,817,451.16</b>	<b>30%</b>

Accrued Interest represents the interest that would be received if the fixed income investment was sold prior to the coupon payment.

**Investment Detail - Equities**

Equities	Quantity	Market Price	Market Value	% of Account Assets
<b>ABB LTD ADR F</b>	5,900.0000	25.7900	152,161.00	2%
SPONSORED ADR 1 ADR REP 1 REG SH SYMBOL: ABB				
<b>ABBOTT LABORATORIES</b>	1,750.0000	38.5100	67,392.50	<1%
SYMBOL: ABT				
<b>ABBVIE INC</b>	1,750.0000	51.4000	89,950.00	<1%
SYMBOL: ABBV				
<b>AMGEN INCORPORATED</b>	1,400.0000	123.3400	172,676.00	2%
SYMBOL: AMGN				

Investment Detail - Equities (continued)

Equities (continued)	Quantity	Market Price	Market Value	% of Account Assets
<b>ANHEUSER-BUSC INBEV ADRF</b> SPONSORED ADR 1 ADR REPS 1 ORD SYMBOL: BUD	700.0000	105.3000	73,710.00	<1%
<b>APACHE CORP</b> SYMBOL: APA	1,600.0000	82.9500	132,720.00	1%
<b>APPLE INC</b> SYMBOL: AAPL	150.0000	536.7400	80,511.00	<1%
<b>AVON PRODUCTS INC</b> SYMBOL: AVP	3,200.0000	14.6400	46,848.00	<1%
<b>BAXTER INTERNATIONAL INC</b> SYMBOL: BAX	1,800.0000	73.5800	132,444.00	1%
				<b>Accrued Dividend: 882.00</b>
<b>BERKSHIRE HATHAWAY B NEW</b> CLASS B SYMBOL: BRKB	960.0000	124.9700	119,971.20	1%
<b>BP PLC ADR F</b> SPONSORED ADR 1 ADR REP 6 ORD SYMBOL: BP	1,000.0000	48.1000	48,100.00	<1%
<b>C V S CAREMARK CORP</b> SYMBOL: CVS	2,500.0000	74.8600	187,150.00	2%
<b>CANADIAN NATURAL RES F</b> SYMBOL: CNQ	2,000.0000	38.3700	76,740.00	<1%

Investment Detail - Equities (continued)

Equities (continued)	Quantity	Market Price	Market Value	% of Account Assets
<b>CHEVRON CORPORATION</b> SYMBOL: CVX	750.0000	118.9100	89,182.50	<1%
<b>CULLEN FROST BANKERS</b> SYMBOL: CFR	1,500.0000	77.5300	116,295.00	1%
<b>DEERE &amp; CO</b> SYMBOL: DE	1,000.0000	90.8000	90,800.00	<1%
<b>DIAGEO PLC NEW ADR F</b> SPONSORED ADR 1 ADR REPS 4 ORD SYMBOL: DEO	850.0000	124.5900	105,901.50	1%
				<i>Accrued Dividend: 1,103.80</i>
<b>DISNEY WALT CO</b> SYMBOL: DIS	1,500.0000	80.0700	120,105.00	1%
<b>E M C CORP MASS</b> SYMBOL: EMC	3,100.0000	27.4100	84,971.00	<1%
<b>FEDEX CORPORATION</b> SYMBOL: FDX	1,100.0000	132.5600	145,816.00	2%
				<i>Accrued Dividend: 165.00</i>
<b>FLOWERVE CORPORATION</b> SYMBOL: FLS	1,500.0000	78.3400	117,510.00	1%
				<i>Accrued Dividend: 240.00</i>
<b>FRANKLIN RESOURCES INC</b> SYMBOL: BEN	2,250.0000	54.1800	121,905.00	1%
<b>GOOGLE INC CLASS A</b> TRADES WITH DUE BILLS SYMBOL: GOOG	160.0000	1,114.5100	178,321.60	2%

Investment Detail - Equities (continued)

Equities (continued)	Quantity	Market Price	Market Value	% of Account Assets
<b>INTEL CORP</b> SYMBOL: INTC	4,500.0000	25.8140	116,163.00	1%
<b>INTL BUSINESS MACHINES</b> SYMBOL: IBM	635.0000	192.4900	122,231.15	1%
<b>JOHNSON &amp; JOHNSON</b> SYMBOL: JNJ	600.0000	98.2300	58,938.00	<1%
<b>KANSAS CITY SOUTHERN</b> SYMBOL: KSU	950.0000	102.0600	96,957.00	1%
			<i>Accrued Dividend: 266.00</i>	
<b>LAB CP OF AMER HLDG NEW</b> SYMBOL: LH	700.0000	98.2100	68,747.00	<1%
<b>LINCOLN NATIONAL CORP</b> SYMBOL: LNC	3,400.0000	50.6700	172,278.00	2%
<b>LOWES COMPANIES INC</b> SYMBOL: LOW	3,000.0000	48.9000	146,700.00	2%
<b>MASTERCARD INC</b> SYMBOL: MA	2,700.0000	74.7000	201,690.00	2%
<b>MC CORMICK &amp; CO INC N-VT</b> NON VOTING SHARES SYMBOL: MKC	1,000.0000	71.7400	71,740.00	<1%
<b>MC DONALDS CORP</b> SYMBOL: MCD	1,200.0000	98.0300	117,636.00	1%
<b>METLIFE INC</b> SYMBOL: MET	3,100.0000	52.8000	163,680.00	2%

Investment Detail - Equities (continued)

Equities (continued)	Quantity	Market Price	Market Value	% of Account Assets
<b>MICROSOFT CORP</b> SYMBOL: MSFT	2,700.0000	40.9900	110,673.00	1%
<b>NORFOLK SOUTHERN CORP</b> SYMBOL: NSC	550.0000	97.1700	53,443.50	<1%
<b>NOVARTIS A G SPON ADR F</b> SPONSORED ADR 1 ADR REP 1 ORD SYMBOL: NVS	1,600.0000	85.0200	136,032.00	1%
<b>ORACLE CORPORATION</b> SYMBOL: ORCL	3,000.0000	40.9100	122,730.00	1%
<b>PEPSICO INCORPORATED</b> SYMBOL: PEP	1,400.0000	83.5000	116,900.00	1%
<b>POTASH CORP SASK INC F</b> SYMBOL: POT	2,500.0000	36.2200	90,550.00	<1%
<b>QUALCOMM INC</b> SYMBOL: QCOM	2,000.0000	78.8600	157,720.00	2%
<b>RANGE RESOURCES CORP</b> SYMBOL: RRC	1,450.0000	82.9700	120,306.50	1%
<b>RIO TINTO PLC SPON ADR F</b> SPONSORED ADR 1 ADR REPS 1 ORD SYMBOL: RIO	1,500.0000	55.8300	83,745.00	<1%
			<b>Accrued Dividend: 1,644.15</b>	
<b>SCHLUMBERGER LTD F</b> SYMBOL: SLB	1,300.0000	97.5000	126,750.00	1%
			<b>Accrued Dividend: 520.00</b>	

**Investment Detail - Equities** (continued)

<b>Equities</b> (continued)	<b>Quantity</b>	<b>Market Price</b>	<b>Market Value</b>	<b>% of Account Assets</b>
<b>SCRIPPS NTWK INTERACTIV</b> CLASS A SYMBOL: SNI	1,100.0000	75.9100	83,501.00	<1%
<b>SPECTRA ENERGY CORP</b> SYMBOL: SE	3,700.0000	36.9400	136,678.00	1%
<b>STATE STREET CORP</b> SYMBOL: STT	850.0000	69.5500	59,117.50	<1%
<b>SYSCO CORPORATION</b> SYMBOL: SYY	1,500.0000	36.1300	54,195.00	<1%
<b>T J X COS INC</b> SYMBOL: TJX	1,200.0000	60.6500	72,780.00	<1%
<b>U S BANCORP DEL NEW</b> SYMBOL: USB	3,300.0000	42.8600	141,438.00	1%
<b>UNITED TECHNOLOGIES CORP</b> SYMBOL: UTX	1,300.0000	116.8400	151,892.00	2%
<b>VERIZON COMMUNICATIONS</b> SYMBOL: VZ	2,000.0000	47.5700	95,140.00	<1%
<b>WELLS FARGO &amp; CO NEW</b> SYMBOL: WFC	3,100.0000	49.7400	154,194.00	2%
<b>WESTERN UNION COMPANY</b> SYMBOL: WU	3,700.0000	16.3600	60,532.00	<1%

**Investment Detail - Equities** (continued)

Equities (continued)	Quantity	Market Price	Market Value	% of Account Assets
WHITING PETROLEUM CORP SYMBOL: WLL	2,700.0000	69.3900	187,353.00	2%
<b>Total Equities</b>	<b>102,655.0000</b>		<b>6,203,611.95</b>	<b>65%</b>

*Total Accrued Dividend for Equities: 4,820.95*

**Investment Detail - Other Assets**

Other Assets	Quantity	Market Price	Market Value	% of Account Assets
MACK CALI REALTY CORP REIT SYMBOL: CLI	1,700.0000	20.7900	35,343.00	<1%
VANGUARD FTSE EMERGING MARKETS ETF SYMBOL: VWO	2,500.0000	40.5800	101,450.00	1%
VANGUARD FTSE ETF DEVELOPED MARKETS SYMBOL: VEA	4,000.0000	41.2700	165,080.00	2%
<b>Total Other Assets</b>	<b>8,200.0000</b>		<b>301,873.00</b>	<b>3%</b>

**Total Investment Detail** 9,546,035.09

**Total Account Value** 9,546,035.09

## Transaction Detail - Purchases & Sales

### Fixed Income Activity

Settle Date	Trade Date	Transaction	Description	Par	Unit Price	Total Amount
03/14/14	03/14/14	Reorganized Issue	VERIZON COMMS 5.5%18 TENDER OFFER: 92343VAL8	(50,000.0000)		
03/14/14	03/14/14	Reorganized Issue	VERIZON COMMS 5.5%18XXX SUBMIT FOR TENDER	50,000.0000		
03/17/14	03/15/14	Principal Payment	FHLMC G02290 4.5%36 DUE 03/01/36: 3128LXRK8			563.90
03/19/14	03/19/14	Cash Tender	VERIZON COMMS 5.5%18XXX SUBMIT FOR TENDER	(50,000.0000)		
03/19/14	03/19/14	Cash Tender	VERIZON COMMS 5.5%18XXX SUBMIT FOR TENDER			57,335.55
03/25/14	03/25/14	Principal Payment	FNMA PL AB2089 4%41 DUE 01/01/41: 31416XKB5			436.94
03/31/14	03/26/14	Bought	SCHLUMBERGER IN 3.65%23F DUE 12/01/23: 806854AH8 With accrued interest of \$897.29	75,000.0000	101.8420	(77,278.79)
<b>Total Fixed Income Activity</b>						<b>(18,942.40)</b>
<b>Total Purchases &amp; Sales</b>						<b>(18,942.40)</b>

### Transaction Detail - Dividends & Interest (including Money Market Fund dividends reinvested)

Transaction Process Date	Date	Activity	Description	Credit/(Debit)
03/01/14	03/03/14	Qualified Dividend	INTEL CORP: INTC	1,012.50
03/01/14	03/03/14	Bond Interest	SIMON PPTY GRP 4.375%21: 828807CF2	1,640.63
03/01/14	03/03/14	Qualified Dividend	WELLS FARGO & CO NEW: WFC	930.00

**Transaction Detail - Dividends & Interest** (including Money Market Fund dividends reinvested) (continued)

Transaction Date	Process Date	Activity	Description	Credit/(Debit)
03/03/14	03/03/14	Qualified Dividend	AVON PRODUCTS INC: AVP	192.00
03/06/14	03/06/14	Qualified Dividend	T J X COS INC: TJX	174.00
03/07/14	03/07/14	Qualified Dividend	AMGEN INCORPORATED: AMGN	854.00
03/10/14	03/10/14	Qualified Dividend	CHEVRON CORPORATION: CVX	750.00
03/10/14	03/10/14	Qualified Dividend	INTL BUSINESS MACHINES: IBM	603.25
03/10/14	03/10/14	Qualified Dividend	NORFOLK SOUTHERN CORP: NSC	297.00
03/10/14	03/10/14	Qualified Dividend	SCRIPPS NTWK INTERACTIV: SNI	220.00
03/10/14	03/10/14	Qualified Dividend	SPECTRA ENERGY CORP: SE	1,239.50
03/10/14	03/10/14	Qualified Dividend	UNITED TECHNOLOGIES CORP: UTX	767.00
03/11/14	03/11/14	Qualified Dividend	JOHNSON & JOHNSON: JNJ	396.00
03/13/14	03/13/14	Qualified Dividend	METLIFE INC: MET	852.50
03/13/14	03/13/14	Qualified Dividend	MICROSOFT CORP: MSFT	756.00
03/14/14	03/14/14	Qualified Dividend	CULLEN FROST BANKERS: CFR	750.00
03/15/14	03/17/14	Bond Interest	AT&T INC. 5.2%14: 079860AG7	1,300.00
03/15/14	03/17/14	Bond Interest	DUKE ENERGY CORP 5.05%19: 26441CAD7	1,893.75
03/15/14	03/17/14	Bond Interest	FHLMC G02290 4.5%36: 3128LXRK8	138.41
03/15/14	03/17/14	Bond Interest	FLOWSERVE CORP 3.5%22: 34354PAC9	1,225.00
03/15/14	03/17/14	Bond Interest	NUCOR CORPORATI 4.125%22: 670346AL9	1,546.88
03/15/14	03/17/14	Bond Interest	THE COCA-COLA C 4.875%19: 191216AM2	1,828.13
03/17/14	03/17/14	Qualified Dividend	MC DONALDS CORP: MCD	972.00
03/17/14	03/17/14	Dividend	SCH ADV CASH RESRV PREM: SWZXX	1.62
03/19/14	03/19/14	Bond Interest	VERIZON COMMS 5.5%18XXX	259.72
03/25/14	03/25/14	Bond Interest	FNMA PL AB2089 4%41: 31416XKB5	147.20
03/26/14	03/26/14	Qualified Dividend	QUALCOMM INC: QCOM	700.00
03/28/14	03/28/14	Qualified Dividend	BP PLC ADR F: BP	570.00
03/31/14	03/31/14	Qualified Dividend	PEPSICO INCORPORATED: PEP	794.50
03/31/14	03/31/14	Qualified Dividend	RANGE RESOURCES CORP: RRC	58.00
03/31/14	03/31/14	Cash Dividend	VANGUARD FTSE EMERGING: VWO	262.50

**Transaction Detail - Dividends & Interest** (including Money Market Fund dividends reinvested) (continued)

Transaction Process				
Date	Date	Activity	Description	Credit/(Debit)
03/31/14	03/31/14	Cash Dividend	VANGUARD FTSE ETF: VEA	1,716.00
03/31/14	03/31/14	Qualified Dividend	WESTERN UNION COMPANY: WU	462.50
<b>Total Dividends &amp; Interest</b>				<b>25,310.59</b>

**Total Transaction Detail** **6,368.19**

**Money Funds Detail**

**SCH ADV CASH RESRV PREM Activity**

Settle Date	Transaction	Quantity	Unit Price	Purchase/Debit	Sale/Credit
<b>Opening # of Shares: 216,730.7900</b>					
03/04/14	Purchased	3,775.1300	1.0000	3,775.13	
03/07/14	Purchased	174.0000	1.0000	174.00	
03/10/14	Purchased	854.0000	1.0000	854.00	
03/11/14	Purchased	3,876.7500	1.0000	3,876.75	
03/12/14	Purchased	396.0000	1.0000	396.00	
03/14/14	Purchased	1,608.5000	1.0000	1,608.50	
03/17/14	Purchased	750.0000	1.0000	750.00	
03/17/14	Dividend	1.6200	1.0000	1.62	
03/18/14	Purchased	9,468.0700	1.0000	9,468.07	
03/20/14	Purchased	57,595.2700	1.0000	57,595.27	
03/26/14	Purchased	584.1400	1.0000	584.14	
03/27/14	Purchased	700.0000	1.0000	700.00	

**Money Funds Detail** (continued)

**SCH ADV CASH RESRV PREM Activity** (continued)

Settle Date	Transaction	Quantity	Unit Price	Purchase/Debit	Sale/Credit
03/31/14	Redeemed	76,708.7900	1.0000		76,708.79
<b>Closing # of Shares: 219,805.4800</b>					
<b>Total SCH ADV CASH RESRV PREM Activity</b>				<b>79,783.48</b>	<b>76,708.79</b>
<b>Total Money Funds Detail</b>				<b>79,783.48</b>	<b>76,708.79</b>

SCH ADV CSH RSV PR Average Yield For The Most Recent Pay Period: 0.01%; 7-Day Yield: 0.01%.

**Pending Corporate Actions**

	Transaction	Quantity	Payable Date	Rate per Share	Share Distribution	Cash Distribution
BAXTER INTERNATIONAL INC	Qualified Dividend	1,800.0000	04/01/14	0.4900		882.00
FEDEX CORPORATION	Qualified Dividend	1,100.0000	04/01/14	0.1500		165.00
GOOGLE INC CLASS A	Spin-Off	160.0000	04/02/14	1.0000		
Spin-Off Dist		0.0000	N/A	0.0000	160.0000	
KANSAS CITY SOUTHERN	Qualified Dividend	950.0000	04/02/14	0.2800		266.00
DIAGEO PLC NEW ADR F	Qualified Dividend	850.0000	04/10/14	1.2985		1,103.80
RIO TINTO PLC SPON ADR F	Qualified Dividend	1,500.0000	04/10/14	1.0961		1,644.15
FLOWERVE CORPORATION	Qualified Dividend	1,500.0000	04/11/14	0.1600		240.00
SCHLUMBERGER LTD F	Cash Dividend	1,300.0000	04/11/14	0.4000		520.00
<b>Total Pending Corporate Actions</b>						<b>4,820.95</b>

Pending transactions are not included in account value.

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## Endnotes For Your Account

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Symbol Endnote Legend

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- d** Accrued Income is the sum of the total accrued interest and/or accrued dividends on positions held in your brokerage account, but the income and/or dividends have not been received into your account and Schwab makes no representation that they will. Accrued amounts are not covered by SIPC account protection until actually received and held in the account.
- f** 7-day yield: Annualized fund yield based on the average daily yield for the previous 7 days, assuming dividends are paid in cash and not reinvested.
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## Finance\Treasurer's Office

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**Memo to:** Oil & Gas Board

**From:** Edward Bradford, CFO *EB*

**Re:** Marina Loan Modification

**Date:** April 15, 2014

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The proposed FY 2015 City budget was introduced to City Council on Tuesday April 1, 2014. As you know, the Oil & Gas fund has an outstanding loan to the Municipal Marina in the amount of \$274,481.68 at 2% annual interest.

In preparing the FY 2015 budget, it became clear that the Marina was going to be unable to meet all of its obligations for both the current FY 2014 budget and the proposed FY 2015 budget. In order to address this issue, the proposed budget assumes that the Marina make interest only payments to the Oil & Gas fund for the current and upcoming fiscal years. This interest only payment also occurred in the FY 2013, but we anticipated that because the lengthy Marina construction disrupted traffic to the facility and reduced sales.

In order for this to occur, the Oil & Gas Board must approve the change, and the amortization schedule will need to be lengthened accordingly. I have attached an updated amortization schedule reflecting these changes.

If the Oil & Gas Board does not approve the changes, the Marina and/or other City funds will have to make up the shortfall. The City Manager, Harbormaster and Harbor Commission are aware of the situation and are working diligently to try and market the Marina to draw increased traffic.

If the situation persists past 2014-2015, decisions will have to be made on how to make up the shortfall in Marina revenues moving forward.

Compound Period: Monthly

Nominal Annual Rate: 2.000%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	7/1/2010	190,000.00	1		
2 Loan	9/1/2011	80,000.00	1		
3 Payment	10/1/2012	Interest Only	1		
4 Payment	10/1/2013	Interest Only	1		
5 Payment	10/1/2014	Interest Only	1		
6 Payment	10/1/2015	30,586.57	10	Annual	10/1/2024

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Loan	Payment	Interest	Principal	Balance	FY
Loan	7/1/2010	190,000.00				190,000.00	
2010 Totals		190,000.00	0.00	0.00	0.00		
Loan	9/1/2011	80,000.00		4,481.68	4,481.68-	274,481.68	
2011 Totals		80,000.00	0.00	4,481.68	4,481.68-		
1	10/1/2012		6,006.94	6,006.94	0.00	274,481.68	FY 13
2012 Totals		0.00	6,006.94	6,006.94	0.00		
2	10/1/2013		5,540.24	5,540.24	0.00	274,481.68	FY 14
2013 Totals		0.00	5,540.24	5,540.24	0.00		
3	10/1/2014		5,540.24	5,540.24	0.00	274,481.68	FY 15
2014 Totals		0.00	5,540.24	5,540.24	0.00		
4	10/1/2015		30,586.57	5,540.24	25,046.33	249,435.35	FY 16
2015 Totals		0.00	30,586.57	5,540.24	25,046.33		
5	10/1/2016		30,586.57	5,034.69	25,551.88	223,883.47	FY 17
2016 Totals		0.00	30,586.57	5,034.69	25,551.88		
6	10/1/2017		30,586.57	4,518.94	26,067.63	197,815.84	FY 18
2017 Totals		0.00	30,586.57	4,518.94	26,067.63		
7	10/1/2018		30,586.57	3,992.79	26,593.78	171,222.06	FY 19
2018 Totals		0.00	30,586.57	3,992.79	26,593.78		
8	10/1/2019		30,586.57	3,456.01	27,130.56	144,091.50	FY 20
2019 Totals		0.00	30,586.57	3,456.01	27,130.56		

9	10/1/2020		30,586.57	2,908.39	27,678.18	116,413.82	
2020 Totals		0.00	30,586.57	2,908.39	27,678.18		
10	10/1/2021		30,586.57	2,349.73	28,236.84	88,176.48	FY 22
2021 Totals		0.00	30,586.57	2,349.73	28,236.84		
11	10/1/2022		30,586.57	1,779.79	28,806.78	59,369.70	FY 23
2022 Totals		0.00	30,586.57	1,779.79	28,806.78		
12	10/1/2023		30,586.57	1,198.34	29,388.23	29,981.47	FY 24
2023 Totals		0.00	30,586.57	1,198.34	29,388.23		
13	10/1/2024		30,586.57	605.10	29,981.47	0.00	FY 25
2024 Totals		0.00	30,586.57	605.10	29,981.47		
Grand Totals		270,000.00	322,953.12	52,953.12	270,000.00		



## Finance\Treasurer's Office

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**Memo to:** Oil & Gas Board

**From:** Edward Bradford, CFO *EB*

**Re:** Spending Rule Sensitivity Analysis

**Date:** April 15, 2014

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The City started investing the Oil & Gas fund in the stock and bond markets in March of 2009, which was the low point of the market after the financial meltdown of 2008.

Six years later, the markets have yet to experience a significant downturn. Rather, the S&P 500 stock index has gone from 735 to 1,830, a 149% return. The Barclays Intermediate Government/Credit bond index is up 19.9% over roughly the same period.

This extraordinary growth has allowed the Oil & Gas fund to increase from approximately \$7,150,000 to \$10,038,000 today. In addition, it has provided almost \$1,900,000 in funding over this time period.

The historical record makes it clear that markets do not go up indefinitely. Periods of growth are followed by periods of declines and subsequent recovery. The graph on the next page shows the S&P 500 over time and where recessions occurred.

The Oil & Gas Fund Spending Rule attempts to provide a sustainable amount of funds on an annual basis for funding City priorities. It does this in part by using a twelve quarter market value average measured as of December 31 to determine the spendable amount each year.

Since we have never experienced a downturn, I was interested in knowing what impact one would have on the spendable amount. I have attached a sensitivity\scenario analysis that shows four hypothetical market situations and what the impact would be in each. This included input from our investment advisor as to plausible scenarios and related returns. The scenarios presented are not intended to be all inclusive, but should cover about 80% to 90% of the types of events we see in the market.

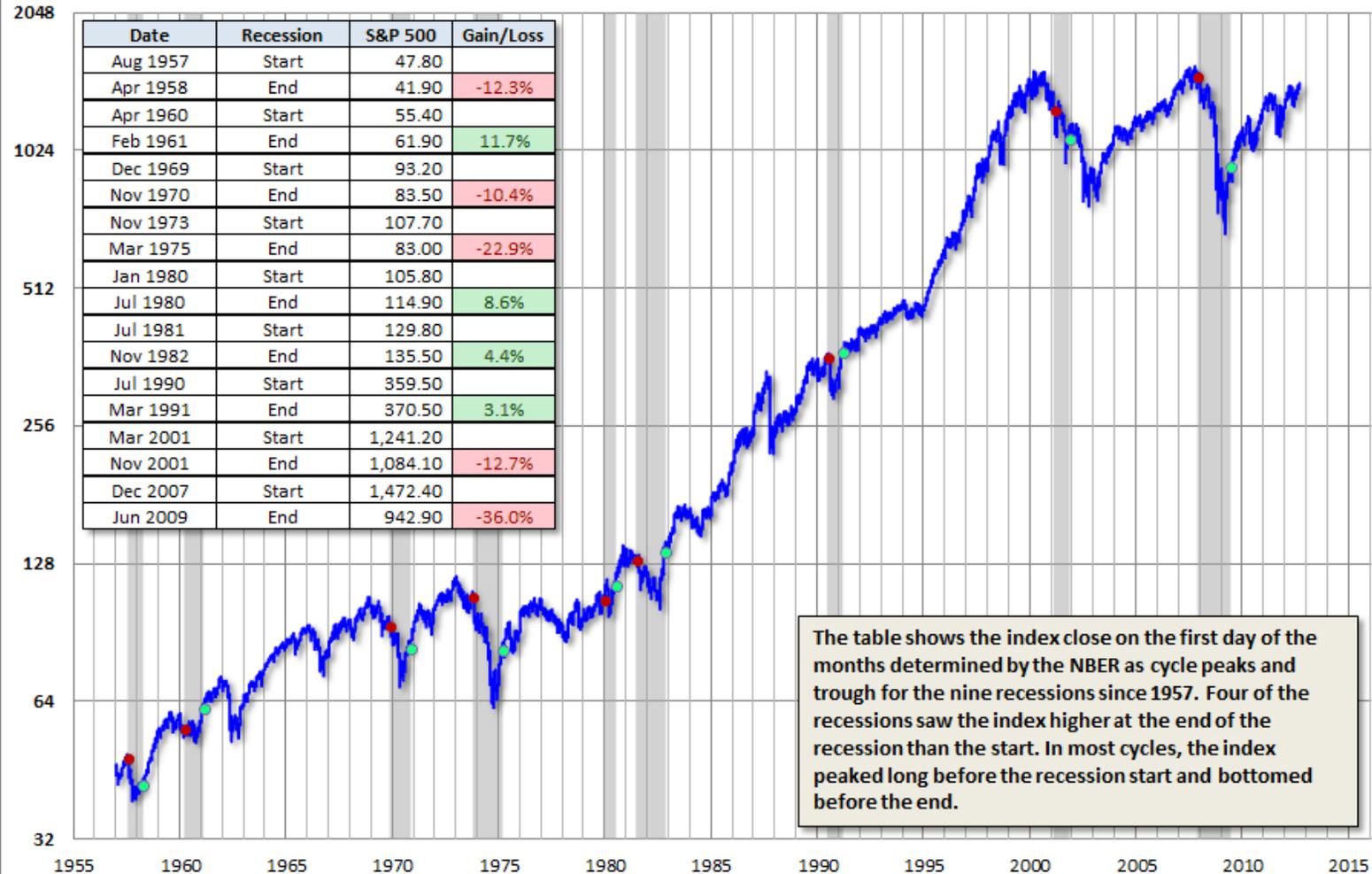
The takeaway that I get after reviewing the analysis is that the smoothing effect of the twelve quarter moving average, the excellent portfolio performance over the last five years and the reasonable spending percentage have set the City up to enjoy a relatively stable source of income for years to come. However, one caveat here is that this assumes that there is not any action to tap the "excess earnings" in the fund for other purposes.

# S&P 500 Daily Closes and Recessions

dshort.com  
September 2012

Log Scale

Recessions S&P 500 Stock Price Index Recession Starts Recession Ends



City of Manistee  
Oil & Gas Fund

Sensitivity Analysis for Oil & Gas Fund based on Market Conditions

Scenario 1: Average GDP Growth - moderate to good capital market returns

Category	Target Allocation	rest of 2014		2015		2016		2017		
		Amount	Return	Amount	Return	Amount	Return	Amount	Return	
Equity	65.0%	\$ 6,505,485	6.0%	\$ 6,895,814	8.0%	\$ 7,158,745	6.0%	\$ 7,272,606	6.0%	\$ 7,379,509
Fixed	28.2%	\$ 2,817,451	2.0%	\$ 2,873,800	2.0%	\$ 2,931,276	1.5%	\$ 2,975,245	1.5%	\$ 3,019,874
Cash	3.3%	\$ 327,925	0.0%	\$ 327,925	0.5%	\$ 329,564	0.8%	\$ 332,036	1.0%	\$ 335,356
Internal	3.6%	\$ 356,246	2.0%	\$ 363,371	2.0%	\$ 370,638	2.0%	\$ 378,051	2.0%	\$ 385,612
	100%	\$10,007,107		\$10,460,910		\$10,790,224		\$10,957,939		\$11,120,351

	12/31/2010	12/30/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
				Spending Rule				
2012					\$ 8,770,559			
2013					\$ 9,923,605	\$ 9,923,605		
2014					\$10,460,910	\$10,460,910	\$10,460,910	
2015						\$10,790,224	\$10,790,224	\$10,790,224
2016							\$10,957,939	\$10,957,939
2017								\$11,120,351
Average					\$ 9,718,358	\$10,391,579	\$10,736,357	\$10,956,171
<b>Spendable Change</b>	\$ 320,770	\$ 342,782	\$ 365,548	\$ 342,308	\$ 388,734	\$ 415,663	\$ 429,454	\$ 438,247
<b>% Change</b>		6.9%	6.6%	-6.4%	13.6%	6.9%	3.3%	2.0%
<b>Max Change from Current</b>				\$ 95,939	28.0%			

Scenario 2: Below Average GDP Growth - sluggish capital market returns

Category	Target Allocation	rest of 2014		2015		2016		2016		
		Amount	Return	Amount	Return	Amount	Return	Amount	Return	
Equity	65.0%	\$ 6,505,485	3.0%	\$ 6,700,650	4.0%	\$ 6,682,543	4.0%	\$ 6,643,142	4.0%	\$ 6,596,405
Fixed	28.2%	\$ 2,817,451	2.0%	\$ 2,873,800	2.0%	\$ 2,931,276	2.5%	\$ 3,004,558	2.5%	\$ 3,079,672
Cash	3.3%	\$ 327,925	0.0%	\$ 327,925	0.3%	\$ 328,908	0.3%	\$ 329,895	0.3%	\$ 330,885
Internal	3.6%	\$ 356,246	2.0%	\$ 363,371	2.0%	\$ 370,638	2.0%	\$ 378,051	2.0%	\$ 385,612
	100%	\$10,007,107		\$10,265,745		\$10,313,366		\$10,355,646		\$10,392,573

	12/31/2010	12/30/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
				Spending Rule				
2012					\$ 8,770,559			
2013					\$ 9,923,605	\$ 9,923,605		
2014					\$10,265,745	\$10,265,745	\$10,265,745	
2015						\$10,313,366	\$10,313,366	\$10,313,366
2016							\$10,355,646	\$10,355,646
2017								\$10,392,573
Average					\$ 9,653,303	\$10,167,572	\$10,311,586	\$10,353,862
<b>Spendable Change</b>	\$ 320,770	\$ 342,782	\$ 365,548	\$ 342,308	\$ 386,132	\$ 406,703	\$ 412,463	\$ 414,154
<b>% Change</b>		6.9%	6.6%	-6.4%	12.8%	5.3%	1.4%	0.4%
<b>Max Change from Current</b>				\$ 71,846	21.0%			

City of Manistee  
Oil & Gas Fund

Sensitivity Analysis for Oil & Gas Fund based on Market Conditions

Scenario 3: Moderate Recession - Stock market decline, improved bond returns

Category	Target Allocation	Amount	rest of 2014		2015		2016		2016	
			Return	Amount	Return	Amount	Return	Amount	Return	Amount
Equity	65.0%	\$ 6,505,485	-10.0%	\$ 5,854,937	-5.0%	\$ 5,287,334	6.0%	\$ 5,327,380	5.0%	\$ 5,327,366
Fixed	28.2%	\$ 2,817,451	2.0%	\$ 2,873,800	3.0%	\$ 2,960,014	4.0%	\$ 3,078,415	4.0%	\$ 3,201,551
Cash	3.3%	\$ 327,925	0.0%	\$ 327,925	0.0%	\$ 327,925	0.3%	\$ 328,908	0.3%	\$ 329,895
Internal	3.6%	\$ 356,246	2.0%	\$ 363,371	2.0%	\$ 370,638	2.0%	\$ 378,051	2.0%	\$ 385,612
	100%	\$10,007,107		\$ 9,420,032		\$ 8,945,911		\$ 9,112,754		\$ 9,244,425

	12/31/2010	12/30/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
				Spending Rule				
2012					\$ 8,770,559			
2013					\$ 9,923,605	\$ 9,923,605		
2014					\$ 9,420,032	\$ 9,420,032	\$ 9,420,032	
2015						\$ 8,945,911	\$ 8,945,911	\$ 8,945,911
2016							\$ 9,112,754	\$ 9,112,754
2017								\$ 9,244,425
Average					\$ 9,371,399	\$ 9,429,849	\$ 9,159,566	\$ 9,101,030
<b>Spendable</b>	\$ 320,770	\$ 342,782	\$ 365,548	\$ 342,308	\$ 374,856	\$ 377,194	\$ 366,383	\$ 364,041
<b>Change</b>		\$ 22,012	\$ 22,766	\$ (23,240)	\$ 32,548	\$ 2,338	\$ (10,811)	\$ (2,341)
<b>% Change</b>		6.9%	6.6%	-6.4%	9.5%	0.6%	-2.9%	-0.6%
<b>Max Change from Current</b>				\$ 34,886	10.2%			

Scenario 4: Sharp recession - Deep stock market decline, improved bond returns

Category	Target Allocation	Amount	rest of 2014		2015		2016		2016	
			Return	Amount	Return	Amount	Return	Amount	Return	Amount
Equity	65.0%	\$ 6,505,485	-25.0%	\$ 4,879,114	-10.0%	\$ 4,129,733	8.0%	\$ 4,211,747	6.0%	\$ 4,241,785
Fixed	28.2%	\$ 2,817,451	1.0%	\$ 2,845,626	4.0%	\$ 2,959,451	4.0%	\$ 3,077,829	3.0%	\$ 3,170,163
Cash	3.3%	\$ 327,925	0.0%	\$ 327,925	0.0%	\$ 327,925	0.2%	\$ 328,581	0.3%	\$ 329,566
Internal	3.6%	\$ 356,246	2.0%	\$ 363,371	2.0%	\$ 370,638	2.0%	\$ 378,051	2.0%	\$ 385,612
	100%	\$10,007,107		\$ 8,416,035		\$ 7,787,747		\$ 7,996,207		\$ 8,127,127

	12/31/2014	12/31/2015	12/31/2016	12/31/2017
	Spending Rule	Spending Rule	Spending Rule	Spending Rule
2012	\$ 8,770,559			
2013	\$ 9,923,605	\$ 9,923,605		
2014	\$ 8,416,035	\$ 8,416,035	\$ 8,416,035	
2015		\$ 7,787,747	\$ 7,787,747	\$ 7,787,747
2016			\$ 7,996,207	\$ 7,996,207
2017				\$ 8,127,127
Average	\$ 9,036,733	\$ 8,709,129	\$ 8,066,663	\$ 7,970,360
<b>Spendable</b>	\$ 320,770	\$ 342,782	\$ 365,548	\$ 342,308
<b>Change</b>		\$ 22,012	\$ 22,766	\$ (23,240)
<b>% Change</b>		6.9%	6.6%	-6.4%
<b>Max Change from Current</b>			\$ (23,494)	-6.9%