

# First Mutual Transportation Assurance Company

Finance Committee Presentation

May 23, 2016



# Overview

- Annual Presentation to the Finance Committee  
Report on FMTAC activities
  - Insurance Program Update
  - FMTAC Managed Investment Accounts
    - Summary of Investment Accounts
    - Investment Portfolio/Report on FMTAC Investment Performance



# Insurance Program Update

- Excess Liability Program renewed October 31, 2015
- All-Agency Property and Terrorism Program renewed May 1, 2016



# FMTAC Investment Accounts Summary

(in millions of dollars)

As of 3-31-16

General Operating Account (GOA)	<b>\$134.9</b>	<ol style="list-style-type: none"> <li>1) All-agency protective liability</li> <li>2) Non-revenue vehicle auto liability</li> <li>3) Access-a-ride auto liability</li> <li>4) Stations/Force account liability</li> </ol>
Excess Loss Fund (ELF)	<b>\$110.6</b>	Assets supporting FMTAC coverage of up to \$50M per occ for MTA agencies for catastrophic losses and claims greater than agency self insured retentions (SIR)
Liberty Trust	<b>\$29.2</b>	Security for East Side Access OCIP covering WC and GL
Liberty '06 Trust	<b>\$30.8</b>	Security for NYCT 05-09 Capital Program OCIP covering WC and GL
Builders' Risk Account	<b>\$67.3</b>	Covering Capital Program OCIPs SIRs
ACE American Trust	<b>\$28.9</b>	Security for the MTA Combined Capital Construction OCIP
Discover Re Trust	<b>\$139.3</b>	Security to cover claims for Access-a-ride and Non-revenue auto liability for policy years in effect after 3/1/10.
<b>Total</b>	<b>\$541.0</b>	





**Asset  
Management**

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# **First Mutual Transportation Assurance Company March 2016 Portfolio Review**

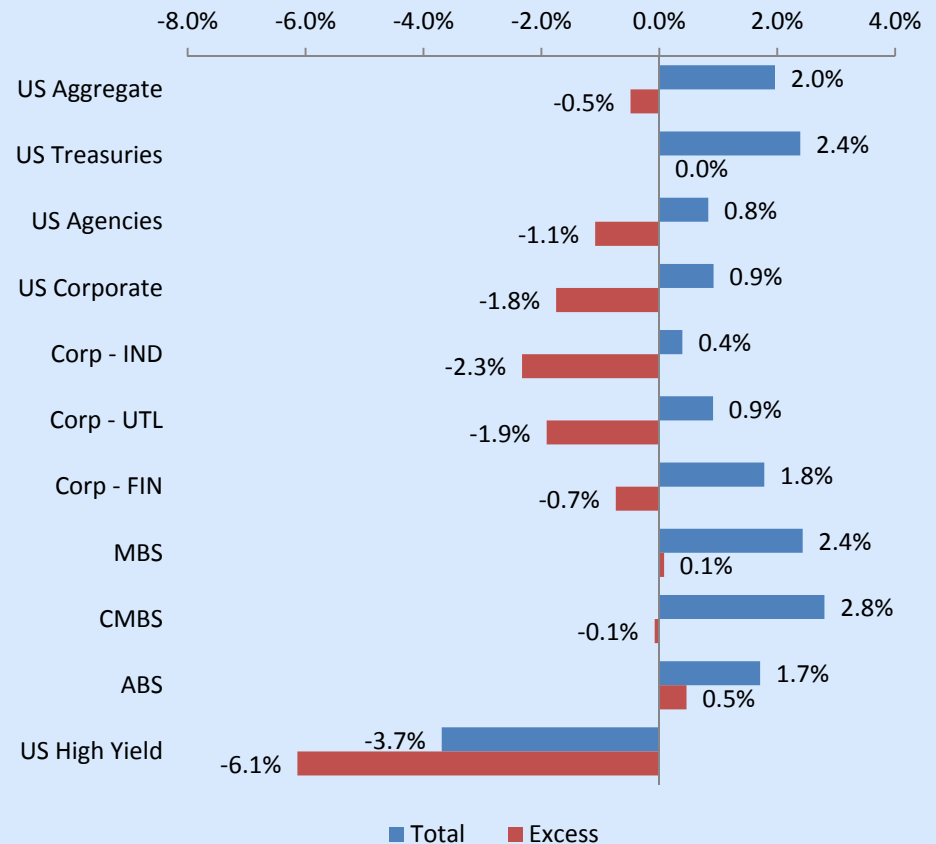
**GSAM Insurance Asset Management**

May 23, 2016



# Fixed Income Market Update

Sector	Average Duration	Yield to Worst
<b>Barclays Capital US Agg</b>	5.47	2.16
<b>U.S. Treasuries</b>	6.14	1.31
<b>U.S. Agencies</b>	3.46	1.30
<b>U.S. Corporate</b>	7.30	3.21
<i>Industrials</i>	7.77	3.32
<i>Utilities</i>	9.55	3.38
<i>Financials</i>	5.81	2.96
<b>U.S. MBS</b>	3.06	2.35
<b>CMBS</b>	5.20	2.53
<b>ABS</b>	2.31	1.57
<b>U.S. High Yield Corporate</b>	4.22	8.18

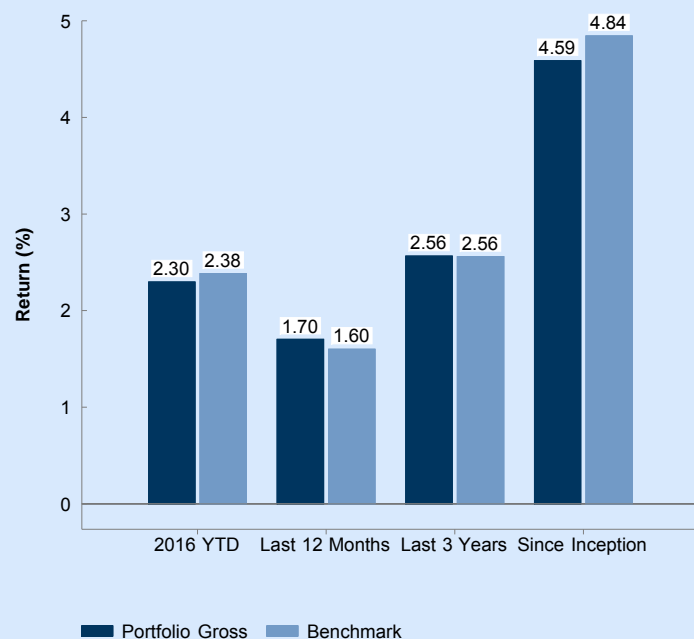


12 months ending March 31, 2016. Source: Barclays.

# Performance Summary

As of 31-Mar-2016

## Portfolio Performance vs. Benchmark (%)



	Portfolio Gross (%) <sup>1</sup>	Benchmark (%) <sup>2</sup>	Difference Gross (bps) <sup>3</sup>
<b>Monthly</b>			
Mar-16	1.19	1.28	(8)
Feb-16	0.49	0.47	2
Jan-16	0.60	0.62	(2)
Dec-15	(0.42)	(0.45)	3
Nov-15	(0.08)	(0.11)	4
Oct-15	0.38	0.43	(5)
<b>Quarterly</b>			
1Q 2016	2.30	2.38	(9)
4Q 2015	(0.11)	(0.13)	2
3Q 2015	0.53	0.42	11
2Q 2015	(0.99)	(1.05)	6
<b>Yearly</b>			
2016 YTD	2.30	2.38	(9)
2015	0.94	0.72	22
2014	4.39	4.88	(49)
<b>Trailing</b>			
Last 6 Months	2.18	2.25	(7)
Last 1 Year	1.70	1.60	10
Last 3 Years (Ann)	2.56	2.56	0
<b>Since Inception <sup>4</sup></b>			
Return (Ann)	4.59	4.84	(26)
Standard Deviation	3.40		
Tracking Error <sup>6</sup>			

<sup>1</sup>Gross return is the return of the portfolio calculated before the deduction of investment management fees, which will reduce returns. <sup>2</sup>Benchmark: Asset Weighted Performance Holiday - 691299.

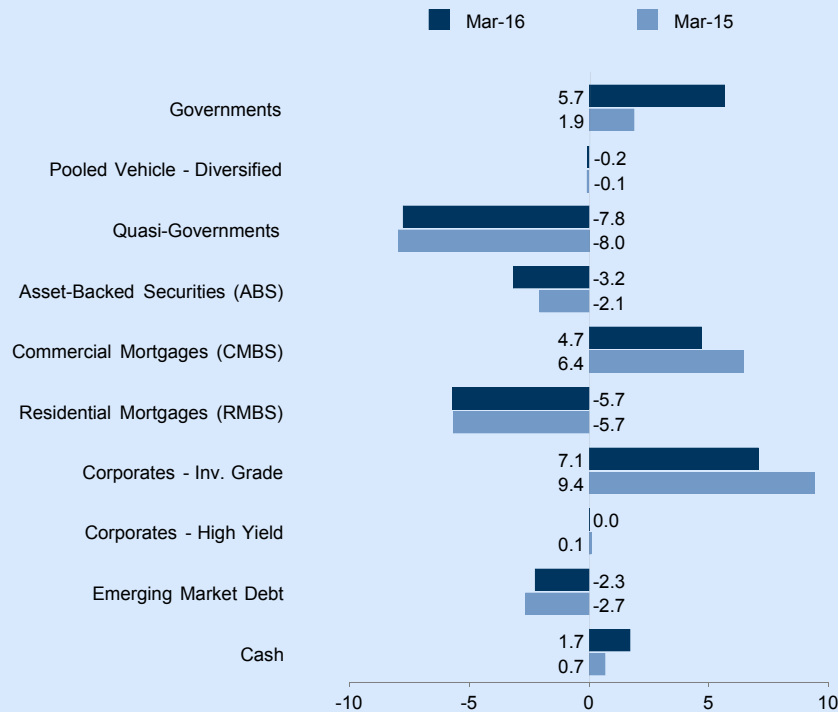
<sup>3</sup>Gross difference is the difference between the portfolio gross return and the benchmark return. <sup>4</sup>Performance inception date: 1-Oct-2006. <sup>5</sup>Partial period performance returns are cumulative. <sup>6</sup>Tracking error is the annualized standard deviation of monthly excess returns.

**Past performance does not guarantee future results, which may vary.** All periods over 12 months are annualized.

# Portfolio Positioning

## Sector Allocation

### Deviation from Benchmark (MV,%)



### Portfolio vs. Benchmark (MV,%)

	Portfolio	Benchmark	Difference
Governments	22.6	17.0	5.7
Pooled Vehicle - Diversified	4.7	4.9	(0.2)
Quasi-Governments	1.4	9.2	(7.8)
Asset-Backed Securities (ABS)	5.6	8.8	(3.2)
Commercial Mortgages (CMBS)	10.4	5.7	4.7
Residential Mortgages (RMBS)	10.6	16.3	(5.7)
Corporates - Inv. Grade	42.9	35.8	7.1
Corporates - High Yield	0.0	0.0	(0.0)
Emerging Market Debt	0.1	2.3	(2.3)
Cash	1.7	0.0	1.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>

### Portfolio Statistics

	Portfolio	Benchmark
Average Rating	AA-	AA
Duration (years)	3.80	4.10
Coupon	3.22	3.01
Yield To Worst	2.05	1.96
OAS	91	79
Market Value (\$mm)	404	N/A

As of 31-Mar-2016. Benchmark: FMTA Asset weighted benchmark. Portfolio holdings and/or allocations shown above are as of the date indicated and may not be representative of future investments. The holdings and/or allocations shown may not represent all of the portfolio's investments. Future investments may or may not be profitable. Note: Allocations may not sum to total due to rounding.





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