

Note 7. Debt and Equity Securities

Debt and Equity Securities as of September 30, 2017

(In billions of dollars)	Cost	Adjustment	Book Value
Held-To Maturity			
Debt securities:			
Non-US Government	-	-	-
Mortgage/asset backed	0.2	-	0.2
Equity Securities:			
All other equity securities	3.6	-	3.6
Total Held-To-Maturity (Net Investment)	3.8	-	3.8
Available-for-Sale:			
Debt Securities:	5.4	0.2	5.6
Total Available-for-Sale (Fair Value)	5.4	0.2	5.6
Trading Securities:			
Debt Securities:			
Non-U.S. Government	12.2	0.6	12.8
Commercial	0.2	-	0.2
Mortgage/asset backed.....	3.9	-	3.9
Corporate and other bonds	16.4	0.6	17.0
All other debt securities.....	4.0	(0.1)	3.9
Equity Securities:			
Unit Trust.....	18.0	8.2	26.2
Common Stocks.....	2.1	0.1	2.2
All other equity securities	15.2	(0.1)	15.1
Total Trading Securities (Fair Value)	72.0	9.3	81.3
			Total
Total debt and equity securities categorized as held-to-maturity, available-for-sale or trading			90.7
Total RRB debt and equity securities.....			25.5
Total debt and equity securities.....			116.2

Debt and Equity Securities as of September 30, 2016			Restated
(In billions of dollars)	Restated Cost	Restated Adjustment	Book Value
Held-To Maturity			
Debt securities:			
Non-US Government	0.1	-	0.1
Mortgage/asset backed	0.3	-	0.3
Equity Securities:			
All other equity securities	11.0	-	11.0
Total Held-To-Maturity (Net Investment)	11.4	-	11.4
Available-for-Sale:			
Debt Securities:	9.5	0.4	9.9
Total Available-for-Sale (Fair Value)	9.5	0.4	9.9
Trading Securities:			
Debt Securities:			
Non-U.S. Government	11.4	0.3	11.7
Commercial	0.1		0.1
Mortgage/asset backed	3.9	0.1	4.0
Corporate and other bonds	11.9	0.8	12.7
All other debt securities.....	2.4	-	2.4
Equity Securities:			
Unit Trust.....	19.4	4.6	24.0
Common Stocks.....	0.3	0.1	0.4
All other equity securities	7.4	(0.1)	7.3
Total Trading Securities (Fair Value)	56.8	5.8	62.6
			Total
Total debt and equity securities categorized as held-to-maturity, available-for-sale or trading			<u>83.9</u>
Total RRB debt and equity securities.....			<u>24.3</u>
Total debt and equity securities.....			<u>108.2</u>

Debt and Equity Securities as of September 30, 2017, and 2016		
(In billions of dollars)	2017	2016 Restated
Pension Benefit Guaranty Corporation	66.7	60.0
Railroad Retirement Board	25.5	24.3
Tennessee Valley Authority	11.4	9.8
Department of the Treasury	8.6	9.9
All other	4.0	4.2
Total securities and investments	116.2	108.2

These debt and equity securities do not include nonmarketable Treasury securities that have been eliminated in consolidation. Held-to-maturity debt and equity securities are reported as total net investment, net of unamortized discounts and premiums. Available-for-sale debt and equity securities are reported at fair value, net of unrealized gain or loss. Trading debt and equity securities are reported at fair value, net of unrealized gain or loss. PBGC and TVA invest primarily in fixed maturity and equity securities, classified as trading. PBGC reported gains related to trading securities held as of September 30, 2017 and September 30, 2016 of \$3.3 billion and \$2.2 billion, respectively. TVA reported gains related to trading securities held as of September 30, 2017 and 2016 of \$1.2 billion and \$0.9 billion, respectively. Treasury invests primarily in fixed maturity and equity securities, classified as available-for-sale and trading securities. Treasury's Exchange Stabilization Fund invests in among other things, foreign fixed maturity debt, with a fair value of \$8.5 billion and \$9.8 billion as of September 30, 2017, and 2016, respectively. The National Railroad Retirement Investment Trust (NRRIT), on behalf of the RRB, manages and invests railroad retirement assets that are to be used to pay retirement benefits to the Nation's railroad workers under the Railroad Retirement Program. As an investment company, NRRIT is subject to different accounting standards that do not require the classifications presented above. Please refer to NRRIT's financial statements for more detailed information concerning this specific investment. The TVA balance includes \$8.5 billion and \$7.3 billion as of September 30, 2017, and 2016, respectively, for the Tennessee Valley Authority Retirement System (TVARS). TVARS includes unrealized gains of \$0.8 billion and \$0.5 billion as of September 30, 2017 and 2016, respectively. The Department of the Defense reflects the majority of all other total securities and investments. PBGC, NRRIT, Treasury and TVA base market values on the last sale of a listed security, on the mean of the "bid-and-ask" for nonlisted securities, or on a valuation model in the case of fixed income securities that are not actively traded. These valuations are determined as of the end of each fiscal year. Purchases and sales of securities are recorded on the trade date. Please refer to the individual financial statements of PBGC, NRRIT, TVA, Treasury and DOD for more detailed information related to debt and equity securities. These agencies comprise 99.6 percent of the total reported debt and equity securities of \$116.2 billion as of September 30, 2017.

Certain PBGC amounts have been restated. Refer to Note 1.V— Restatements for more information.