



MONTHLY FINANCIAL REPORT

PERFORMANCE SUMMARY

October 2016

	Current Month	Year to Date	Chart
GENERAL FUND			
Total Revenues as a % of Budget Compared to Prior Year	N/A	NEUTRAL	A
Total Expenditures as a % Budget Compared to Prior Year	N/A	NEUTRAL	B
Property Tax Collection Analysis	NEGATIVE	NEGATIVE	C
Sales Tax Collection Analysis	POSITIVE	POSITIVE	D
Expenditure Analysis	POSITIVE	POSITIVE	E
ENTERPRISE FUND			
Water Billing Analysis	POSITIVE	POSITIVE	F
Sewer Billing Analysis	POSITIVE	POSITIVE	G
Expense Analysis	NEGATIVE	NEGATIVE	H
HOTEL OCCUPANCY TAX REVENUE			
Hotel Tax Revenue Analysis (most recent quarter)	N/A	N/A	I
Hotel Tax Revenue Analysis (quarterly comparison for year)	N/A	N/A	J
SEDC			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	J
Expenditure Analysis	POSITIVE	POSITIVE	K
CRIME DISTRICT			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	L
Expenditure Analysis	POSITIVE	POSITIVE	M
INVESTMENTS			
Investment Report	N/A	N/A	N

PERFORMANCE INDICATORS:

POSITIVE
NEGATIVE
NEUTRAL

Positive = Positive variance as compared to seasonal trend.

Negative = Negative variance as compared to seasonal trend.

Neutral = Variance is less than 1%

GENERAL FUND



CHART A

TOTAL REVENUE THROUGH OCTOBER 2016

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	4,531,199	0	0.00%	0.00%
Penalties & Interest	39,000	0	0.00%	0.00%
Sales Tax	1,661,792	136,795	8.23%	7.32%
Franchise Tax	725,000	33,056	4.56%	8.25%
Other Tax	133,500	0	0.00%	0.00%
License & Permits	220,000	11,918	5.42%	4.52%
Charges for Services	60,500	5,010	8.28%	5.51%
DOT Fines	75,000	11,668	15.56%	8.05%
Other Municipal Court Fees	379,100	34,659	9.14%	7.23%
Interest Income	21,622	1,947	9.01%	1.99%
Intergovernmental	382,184	28,975	7.58%	7.53%
Other Revenue	46,800	4,979	10.64%	0.72%
Transfers from Enterprise Fund	1,767,320	147,277	8.33%	8.33%
Payment for Services-EDC	<u>200,000</u>	<u>16,667</u>	<u>8.33%</u>	<u>8.33%</u>
Total Revenues	10,243,017	432,950	4.23%	4.36%

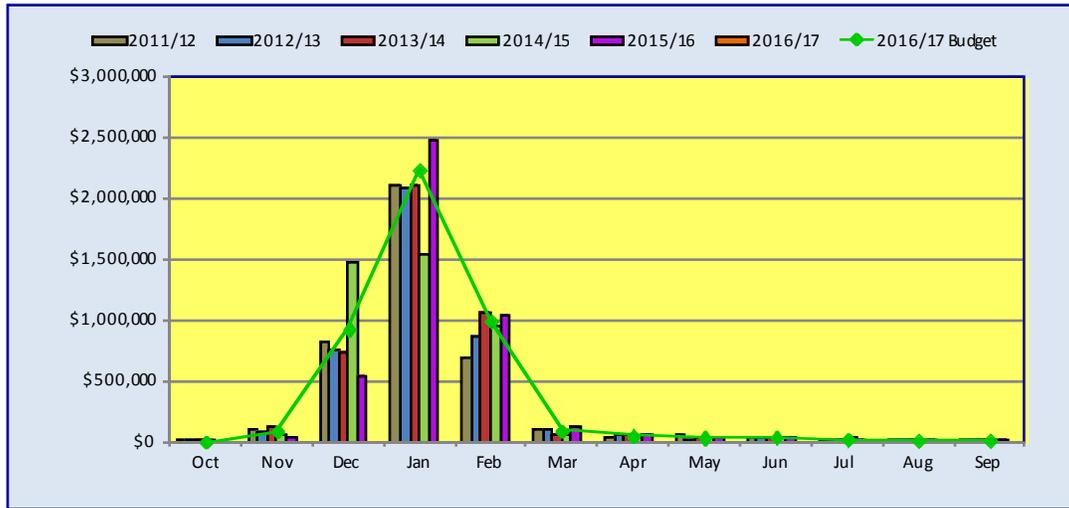
CHART B

TOTAL EXPENDITURES THROUGH OCTOBER 2016

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	6,726,025	469,464	6.98%	7.92%
Supplies	286,850	7,767	2.71%	4.20%
Services	2,607,862	428,597	16.43%	15.20%
Capital	<u>260,013</u>	<u>0</u>	<u>0.00%</u>	<u>0.00%</u>
Total Expenditures	9,880,750	905,828	9.17%	9.35%

CHART C

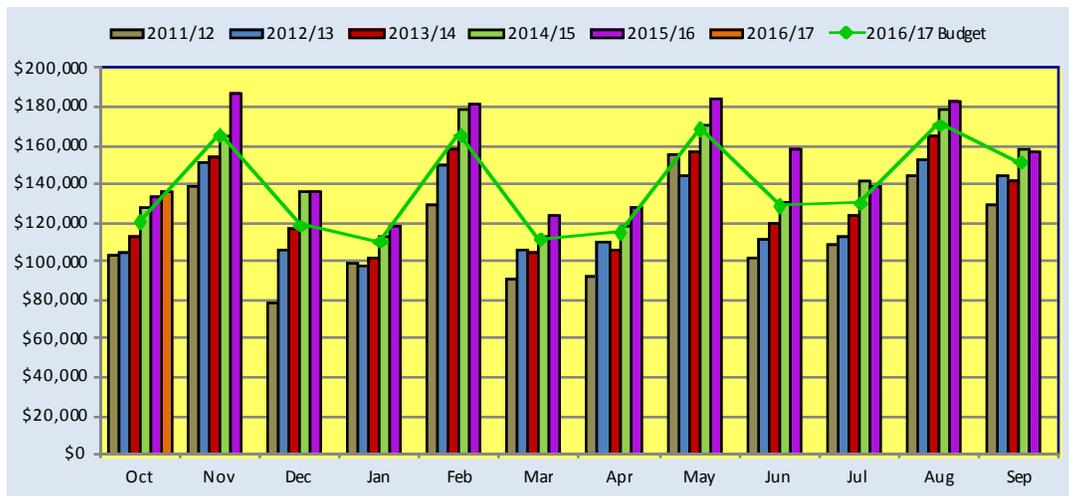
PROPERTY TAX ANALYSIS



Budget is divided into months based on the monthly percentages of the last 5 years' collections.
 2014/15 December collections were higher than the trend but were offset by lower collections in January

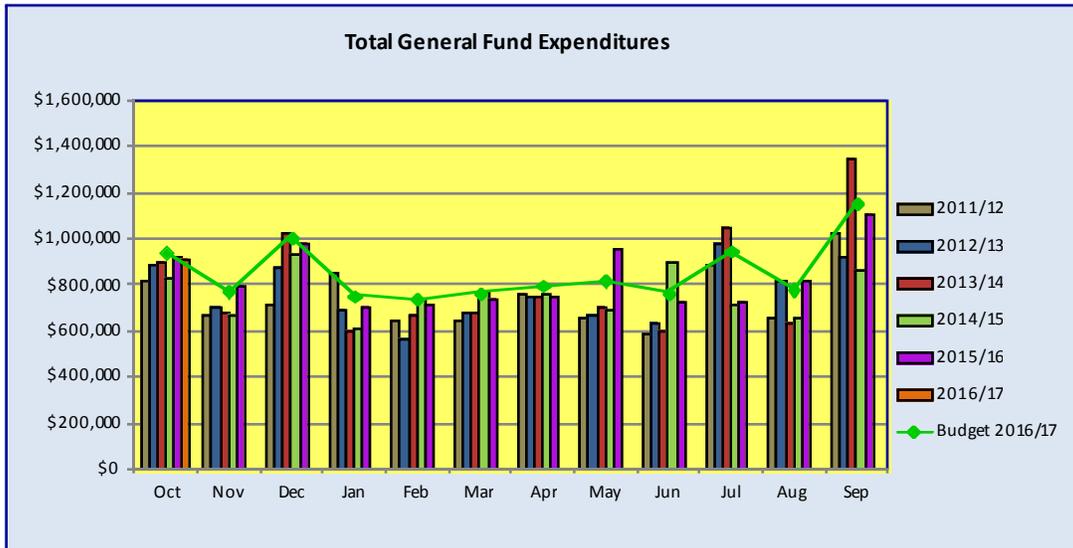
CHART D

SALES TAX ANALYSIS



2013/14 Budget is divided into months based on the monthly percentages of the last 5 years' activity of sales tax revenue.

EXPENDITURE ANALYSIS



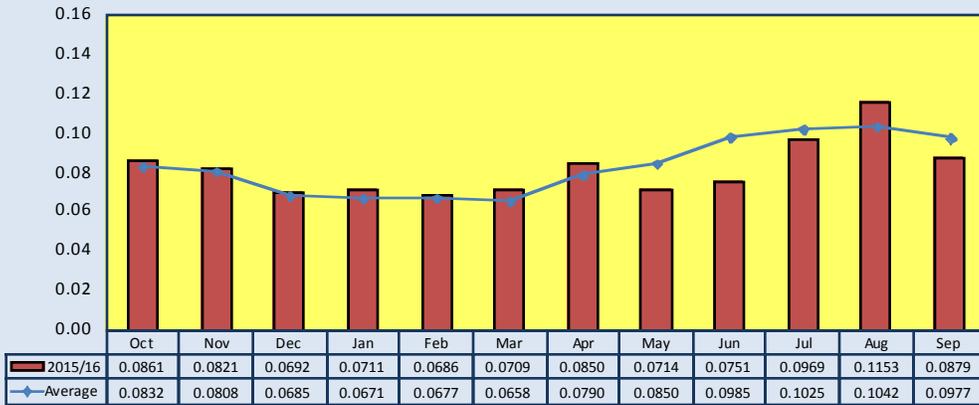
High expenditures in September 2010 are due to city hall A/C replacement.
 High expenditures in September 2014 are due to Seascapes road construction



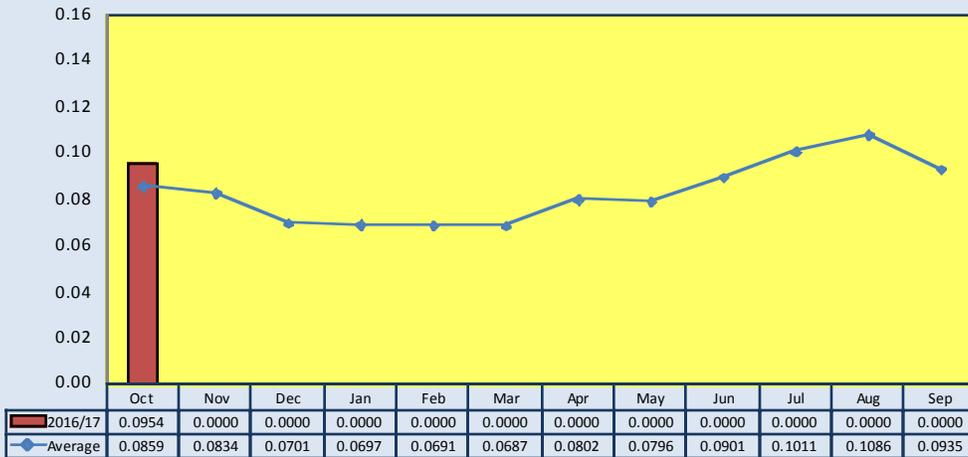
CHART F

WATER BILLING ANALYSIS

Average Percent of Water Billings by Month vs.
2015/16 Percent of Budgeted Billings

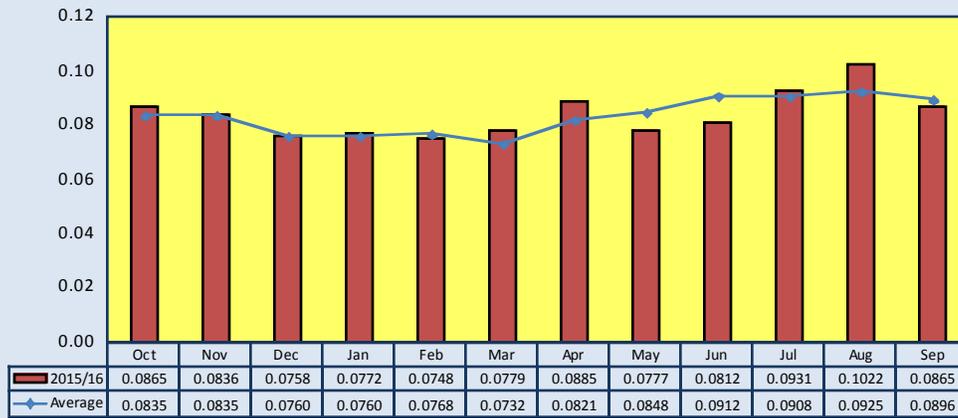


Average Percent of Water Billings by Month vs.
2016/17 Percent of Budgeted Billings



WASTEWATER BILLING ANALYSIS

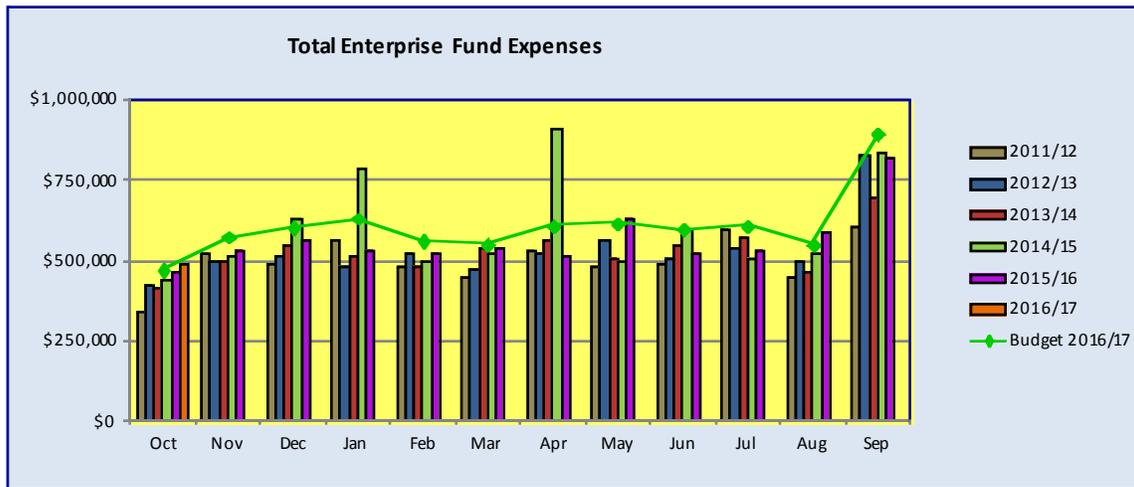
Average Percent of Wastewater Billings by Month vs. 2015/16 Percent of Budgeted Billings



Average Percent of Wastewater Billings by Month vs. 2016/17 Percent of Budgeted Billings



EXPENDITURE ANALYSIS



Sept 2013 and Nov 2013 EXCLUDE property acquisition

December 2014 & January 2015 expenses much higher than budgeted due to Lakeside lift station repairs

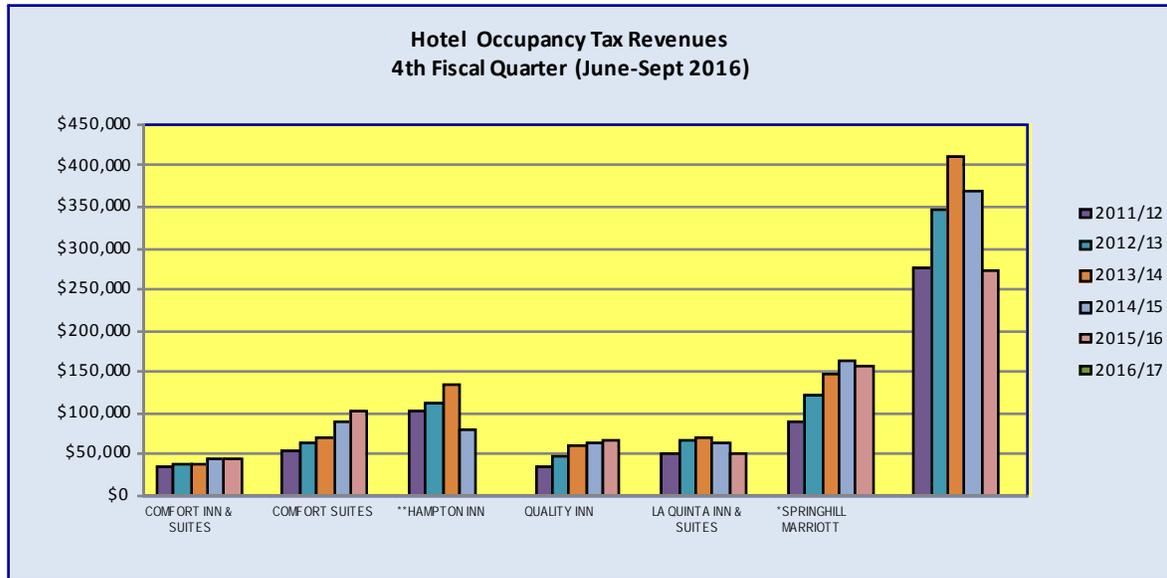
April 2015 expenses due to wastewater treatment plant upgrades

HOTEL TAX FUND



HOTEL TAX REVENUE ANALYSIS

CHART I

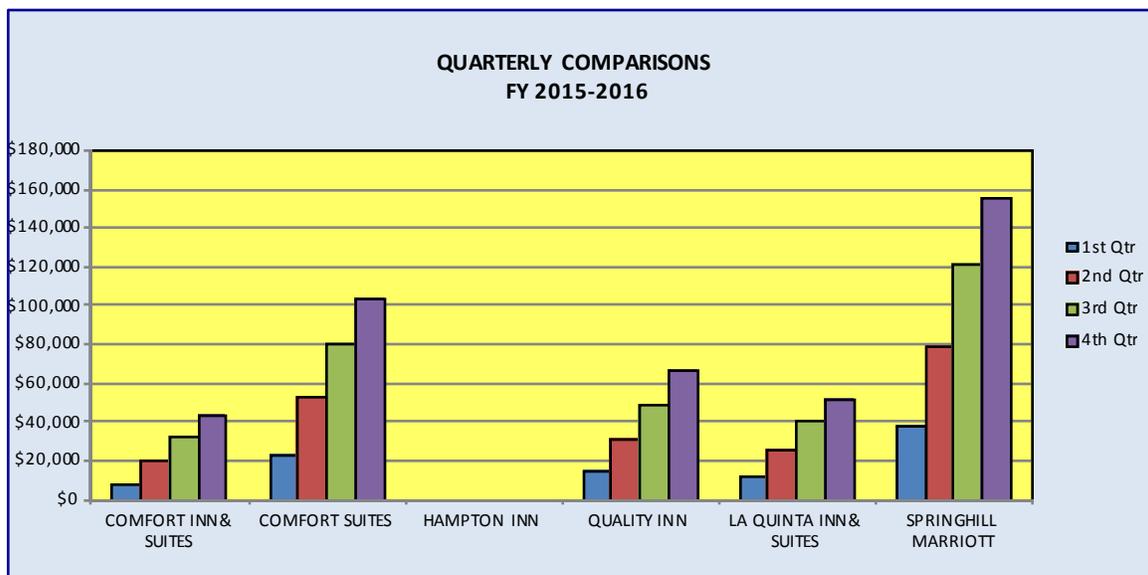


*Springhill Marriott opened last quarter 2010

** Hampton Inn closed 3rd quarter 2015 due to fire

HOTEL TAX REVENUE

CHART J



** Hampton Inn closed 3rd quarter 2015 due to fire



CHART K

SALES TAX REVENUE ANALYSIS

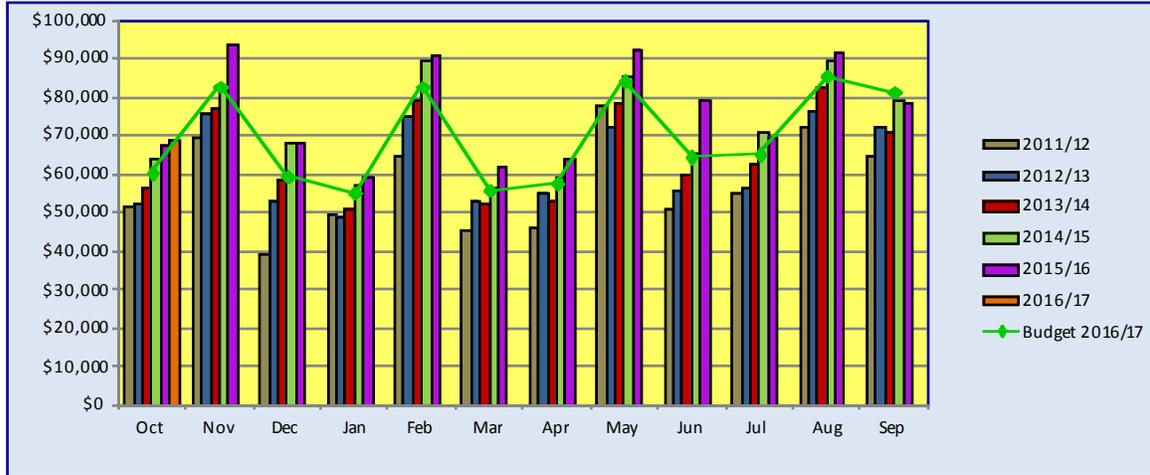
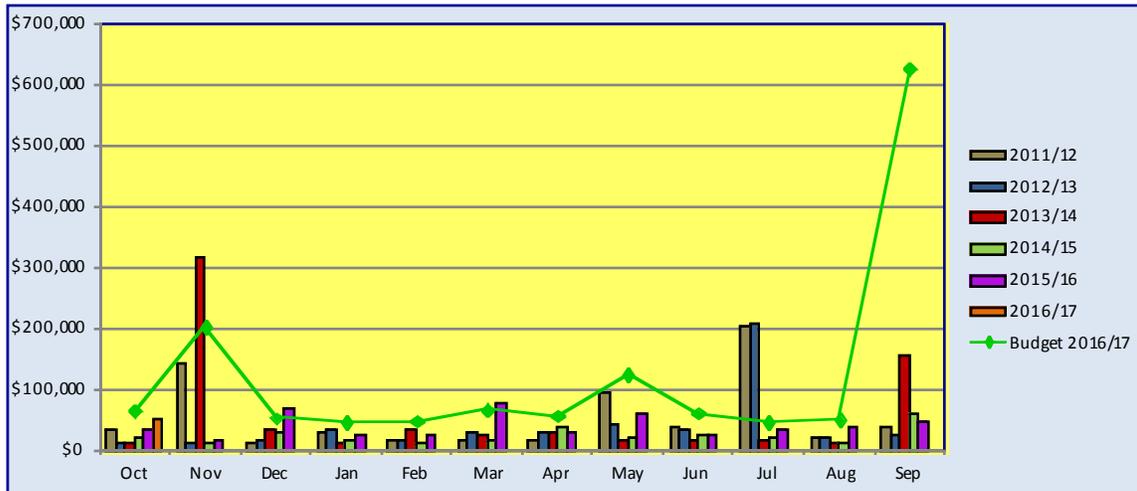


CHART L

EXPENDITURE ANALYSIS



2015/16 September budget reflects appropriations for incentives and Business relocation off HWY 146
 High exp in Nov 2011 was due to Gateway sign. High exp Nov 2014 was for the waterfront project July expenditures prior to 2013/14 included debt service payments.

CRIME DISTRICT



CHART M

SALES TAX REVENUE ANALYSIS

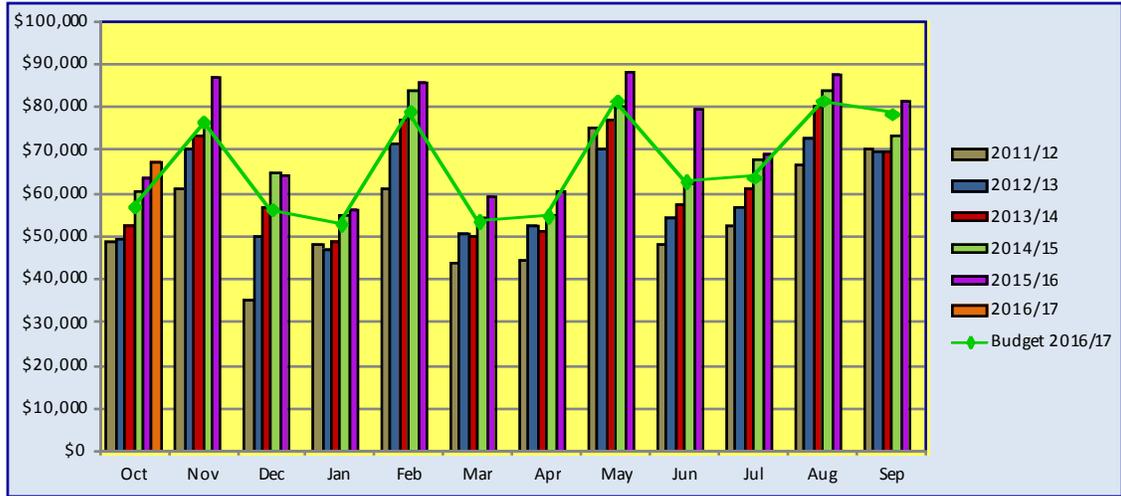
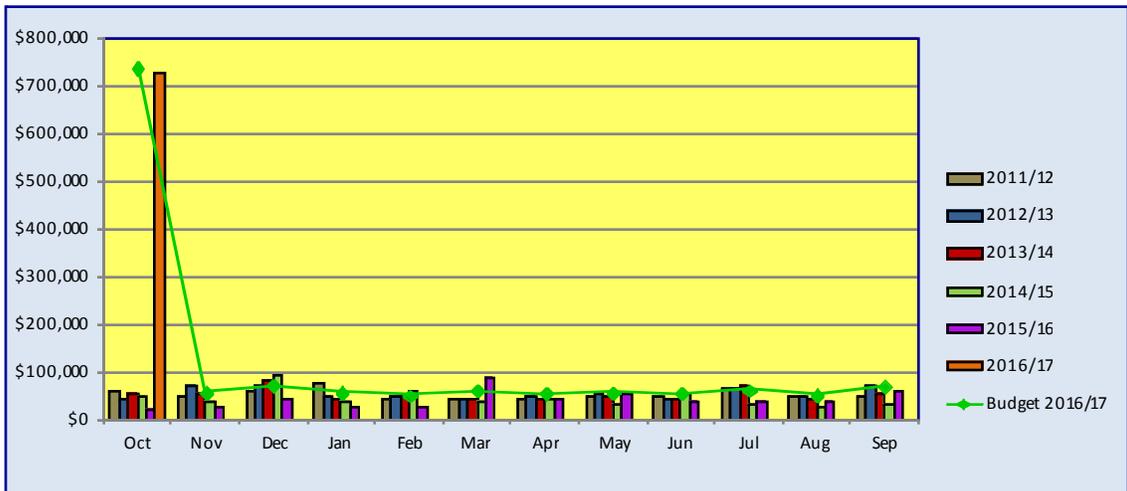


CHART N

EXPENDITURE ANALYSIS



Large December expenditures included vehicles. March 2016 includes reallocation of personnel expense.
 Large October expenditure includes initial payment to PSVERF.

INVESTMENTS



CHART O

MONTHLY INVESTMENT REPORT

TEXPOOL REPORT

MONTH OF OCTOBERBER 2016
0.3828%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted Oct)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	4,505,190.86	(182,763.03)	1,947.24	4,324,375.07	Working capital
GENERAL FUND - RESTRICTED	1,600,000.00	0.00	incl in above	1,600,000.00	
ENTERPRISE FUND - UNRESTRIC	1,676,371.78	(142,981.31)	597.06	1,533,987.53	Working capital
ENTERPRISE FUND - RESTRICTEI	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,518,751.29	0.00	818.81	2,519,570.10	Water & sewer lines extensions & expansions
PARK FEES	75,375.87	(5,000.00)	24.45	70,400.32	Reserved for acquisition & development of park land
SEIZURE	63,545.23	0.00	20.66	63,565.89	Solely to purchase equipment for Law Enforcement
CHILD SAFETY PROGRAMS	32,235.19	0.00	10.48	32,245.67	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	15,057.88	0.00	4.90	15,062.78	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	1,389,423.44	(150,773.91)	449.90	1,239,099.43	Restricted for promotion of tourism
DEBT SERVICE FUND	1,789,352.19	1,610.17	582.13	1,791,544.49	Restricted for General fund reserves & yearly debt service
WTR/SWR BONDS	2,763,838.26	0.00	898.49	2,764,736.75	Funds transferred from Bond Mkt Acct to allow liquidity
IT BONDS	72,700.89	(15,000.00)	23.48	57,724.37	Fiber Optics
PD & GF BONDS	5,740,104.39	(200,000.00)	1,863.95	5,541,968.34	Public Wokrks Facility
PD & GF BONDS (GEN FUND Reser	776,488.68	0.00	252.42	776,741.10	Public Wokrks Facility funds provided by GF Reserve
FIRE BONDS	25,234.00	0.00	8.20	25,242.20	Fire Engine
PINE GULLY PARK BONDS	0.00	0.00	0.00	0.00	Funds transferred from Bond Mkt Acct to allow liquidity
LIBRARY BONDS	(0.00)	0.00	0.00	(0.00)	Funds transferred from Bond Mkt Acct to allow liquidity
LAKESIDE DRIVE CERT DEP	25,126.27	(25,000.00)	7.91	134.18	
CAROTHERS	77,136.61	0.00	25.08	77,161.69	
CRIME DISTRICT	1,012,844.14	(3,661.91)	328.41	1,009,510.64	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - RESTRICTED FOR BONI	0.00	0.00	incl in above	0.00	SEDC II - Reserve for revenue bond debt service
SEDC II - RESTRICT FOR EMERG	180,000.00	0.00	incl in above	180,000.00	Emergency Reserve
STEP FUND	61,315.10	0.00	19.93	61,335.03	
PUBLIC SAFETY	213,964.81	0.00	69.56	214,034.37	
MUNI COURT - SECURITY FUND	34,397.92	0.00	11.18	34,409.10	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	14,989.60	0.00	4.87	14,994.47	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	26,373.77	0.00	8.57	26,382.34	
PEG Fund	82,779.90	0.00	26.91	82,806.81	
STABILIZATION FUND	804,290.76	0.00	261.46	804,552.22	
TOTAL TEXPOOL FUND	29,003,029.93	(700,000.00)	9,341.16	\$28,312,371.09	

The investment portfolio of the City of Seabrook is in compliance with the investment strategies expressed in the City's Investment Policy and relevant provisions of Chapter 2256 of the Local Government Code.

Pam Lab
Finance Director



Monthly Newsletter: November 2016

ANNOUNCEMENTS

We would like to recognize and welcome the following entities who joined the TexPool program in October 2016:

TexPool

Tyler County
The Colony MUD 1D

TexPool Prime

Tyler County
Stephen F Austin State University

Upcoming Events

Dec 04, 2016 - Dec 07, 2016
GTOT
Houston

TexPool Advisory Board Members

Jose Elizondo, Jr.	Vivian Wood
Georgia Sanchez	Jerry Dale
Patrick Krishock	Sharon Matthews
Michele Tuttle	David Landeros

Overseen by the State of Texas Comptroller of Public Accounts Glenn Hegar.

Operated under the supervision of the Texas Treasury Safekeeping Trust Company

For more information visit www.texpool.com.

Economic and Market Commentary: Moving forward with gusto

November 1, 2016

The money market sector just had its Y2K event.

Turns out nothing in the financial sphere shut down, malfunctioned or blew up the morning of Oct. 14, the date by which institutional prime and tax-free funds had to adopt a floating NAV. There wasn't a need for a flurry of media calls or panicked client calls or systematic disruption. Actually, Oct. 14 was also similar to Y2K in that preparation paid off. We at Federated worked very hard to make the transition smooth. It also helped that some firms went to the floating NAV ahead of the deadline, alleviating the pressure.

Bottom line is that the cash-management industry is still here and going strong despite the SEC reforms. We are thrilled to finally get back to what we do best: preserving client assets while pursuing the best return. It is important to realize that, while the industry underwent a seismic change in which \$1.1 trillion moved from prime and muni funds into government funds, nearly all of that money remained in the money market space. It still has \$2.6-\$2.7 trillion in total assets under management. Our floating NAV funds have not deviated from the new four-decimal-point reporting mandate, meaning shares have retained their value of \$1.0000. A few other companies' funds did, but it was due to late asset flows, not to any market-wide movement.

So it wasn't a sigh you heard from Federated offices on Oct. 14, it was a collective inhale as we jump into the new world with enthusiasm. And there are plenty of good reasons for it.

(continued page 6)

Performance as of October 31, 2016

	TexPool	TexPool Prime
Current Invested Balance	\$13,245,284,982.67	\$2,406,149,734.26
Weighted Average Maturity**	35 Days	41 Days
Weighted Average Life**	75 Days	61 Days
Net Asset Value	1.00033	1.00029
Total Number of Participants	2,374	218
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$4,254,636.62	\$1,469,016.92
Management Fee Collected	\$511,399.49	\$115,205.96
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$13,150,141,874.77	\$2,396,405,043.41
Average Monthly Rate*	0.38%	0.72%
Average Weighted Average Maturity**	41	46
Average Weighted Average Life**	77	64

*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

**See page 2 for definitions.

Past performance is no guarantee of future results.

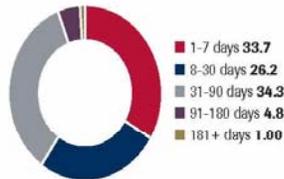
TexPool Participant Services
1001 Texas Avenue, Suite 1400 · Houston, TX 77002
Phone: 1-866-TEXPOOL (839-7665) · Fax: 1-866-839-3291 · TexPool.com

Managed and
Served by **Federated**
G35884-24 (11/16)



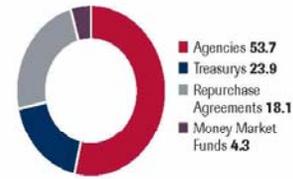
Portfolio by Maturity (%)

As of October 31, 2016



Portfolio by Type of Investment (%)

As of October 31, 2016



Portfolio Asset Summary as of October 31, 2016

	Book Value	Market Value
Uninvested Balance	85,572.51	85,572.51
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	13,732,102.08	13,732,102.08
Interest and Management Fees Payable	-4,254,673.21	-4,254,673.21
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-16,675.09	-16,675.09
Repurchase Agreements	2,395,124,000.00	2,395,104,728.00
Mutual Fund Investments	570,022,103.88	570,022,103.88
Government Securities	7,103,703,569.22	7,107,460,373.46
US Treasury Bills	248,890,068.45	248,880,250.00
US Treasury Notes	2,917,028,913.83	2,917,648,027.97
Total	\$13,245,284,982.67	\$13,249,661,809.59

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

Participant Summary

	Number of Participants	Balance
School District	575	\$3,708,391,426.73
Higher Education	57	\$1,075,244,199.82
Healthcare	81	\$415,000,993.75
Utility District	746	\$1,800,340,820.75
City	455	\$3,623,005,415.60
County	182	\$1,128,484,022.96
Other	278	\$1,490,852,778.19

**Definition of Weighted Average Maturity and Weighted Average Life

WAM is the mean average of the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid, (b) would be repaid upon a demand by TexPool, or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates set forth in (b) and (c) if their scheduled maturity is 397 days or less; and the later of the two dates set forth in (b) and (c) if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

WAL is calculated in the same manner as WAM, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool are scheduled to be readjusted.



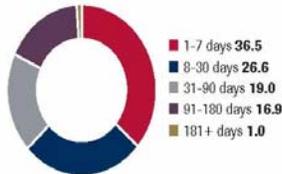
Daily Summary						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
10/1	0.3950	0.000010822	\$13,342,868,248.34	1.00031	44	79
10/2	0.3950	0.000010822	\$13,342,868,248.34	1.00031	44	79
10/3	0.3938	0.000010788	\$13,191,234,648.86	1.00030	43	78
10/4	0.3876	0.000010618	\$13,256,868,304.44	1.00029	43	78
10/5	0.3907	0.000010703	\$13,228,419,139.86	1.00029	44	77
10/6	0.3896	0.000010673	\$13,116,041,223.54	1.00030	45	78
10/7	0.3831	0.000010495	\$13,298,084,184.13	1.00029	44	77
10/8	0.3831	0.000010495	\$13,298,084,184.13	1.00029	44	77
10/9	0.3831	0.000010495	\$13,298,084,184.13	1.00029	44	77
10/10	0.3831	0.000010495	\$13,298,084,184.13	1.00029	44	77
10/11	0.3826	0.000010483	\$13,012,549,036.12	1.00029	41	75
10/12	0.3843	0.000010528	\$12,969,444,160.37	1.00030	42	74
10/13	0.3853	0.000010556	\$12,925,022,242.17	1.00035	41	73
10/14	0.3809	0.000010436	\$12,969,332,240.29	1.00035	41	73
10/15	0.3809	0.000010436	\$12,969,332,240.29	1.00035	41	73
10/16	0.3809	0.000010436	\$12,969,332,240.29	1.00035	41	73
10/17	0.3797	0.000010404	\$12,985,821,452.86	1.00035	39	71
10/18	0.3761	0.000010303	\$12,931,189,885.17	1.00035	41	78
10/19	0.3773	0.000010336	\$12,884,292,283.88	1.00035	42	83
10/20	0.3768	0.000010323	\$12,820,364,172.17	1.00034	41	82
10/21	0.3751	0.000010277	\$13,054,424,657.33	1.00033	40	80
10/22	0.3751	0.000010277	\$13,054,424,657.33	1.00033	40	80
10/23	0.3751	0.000010277	\$13,054,424,657.33	1.00033	40	80
10/24	0.3841	0.000010522	\$12,915,798,300.39	1.00036	41	82
10/25	0.3796	0.000010400	\$13,525,974,217.81	1.00034	39	78
10/26	0.3819	0.000010463	\$13,419,957,559.84	1.00033	39	78
10/27	0.3829	0.000010491	\$13,440,377,490.98	1.00033	38	77
10/28	0.3809	0.000010436	\$13,278,804,696.87	1.00033	37	77
10/29	0.3809	0.000010436	\$13,278,804,696.87	1.00033	37	77
10/30	0.3809	0.000010436	\$13,278,804,696.87	1.00033	37	77
10/31	0.3805	0.000010424	\$13,245,284,982.67	1.00033	35	75
Average:	0.3828	0.000010487	\$13,150,141,874.77	1.00032	41	77



TEXPOOL PRIME

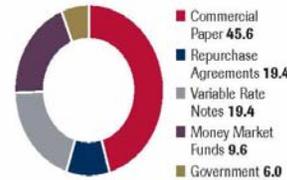
Portfolio by Maturity (%)

As of October 31, 2016



Portfolio by Type of Investment (%)

As of October 31, 2016



Portfolio Asset Summary as of October 31, 2016

	Book Value	Market Value
Uninvested Balance	27,275.08	27,275.08
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	833,754.61	833,754.61
Interest and Management Fees Payable	-1,468,016.84	-1,468,016.84
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-4,004.23	-4,004.23
Repurchase Agreements	467,512,000.00	467,512,000.00
Commercial Paper	1,096,623,638.58	1,096,973,803.74
Bank Instruments	0.00	0.00
Mutual Fund Investments	232,000,000.00	232,000,000.00
Government Securities	145,117,599.26	145,157,750.00
Variable Rate Notes	465,508,487.80	465,811,530.00
Total	\$2,406,149,734.26	\$2,406,843,092.36

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool Prime. The assets of TexPool Prime are the only source of payments to the Participants. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services

Participant Summary

	Number of Participants	Balance
School District	89	\$1,149,346,796.22
Higher Education	10	\$189,112,045.61
Healthcare	11	\$189,675,082.95
Utility District	10	\$222,215,062.62
City	45	\$317,419,829.93
County	28	\$179,854,245.26
Other	25	\$178,530,322.46



TEXPOOL PRIME

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
10/1	0.7592%	0.000020799	\$2,366,773,314.32	1.00017	48	65
10/2	0.7592%	0.000020799	\$2,366,773,314.32	1.00017	48	65
10/3	0.6793%	0.000018612	\$2,496,044,884.14	1.00017	44	59
10/4	0.7097%	0.000019444	\$2,426,866,573.02	1.00016	46	62
10/5	0.7091%	0.000019428	\$2,460,763,911.31	1.00018	47	63
10/6	0.7261%	0.000019892	\$2,402,060,123.70	1.00018	49	66
10/7	0.7220%	0.000019781	\$2,365,297,852.82	1.00015	50	67
10/8	0.7220%	0.000019781	\$2,365,297,852.82	1.00015	50	67
10/9	0.7220%	0.000019781	\$2,365,297,852.82	1.00015	50	67
10/10	0.7220%	0.000019781	\$2,365,297,852.82	1.00015	50	67
10/11	0.6940%	0.000019014	\$2,361,350,309.17	1.00020	48	64
10/12	0.7238%	0.000019831	\$2,356,550,610.90	1.00019	48	63
10/13	0.7348%	0.000020131	\$2,341,063,806.33	1.00020	48	66
10/14	0.7748%	0.000021228	\$2,366,936,532.73	1.00017	48	65
10/15	0.7748%	0.000021228	\$2,366,936,532.73	1.00017	48	65
10/16	0.7748%	0.000021228	\$2,366,936,532.73	1.00017	48	65
10/17	0.7228%	0.000019602	\$2,421,696,755.71	1.00021	44	61
10/18	0.7032%	0.000019266	\$2,420,146,450.71	1.00021	45	63
10/19	0.7001%	0.000019180	\$2,420,056,689.22	1.00021	44	64
10/20	0.7124%	0.000019518	\$2,391,560,546.38	1.00021	46	66
10/21	0.7169%	0.000019642	\$2,394,009,130.99	1.00020	46	66
10/22	0.7169%	0.000019642	\$2,394,009,130.99	1.00020	46	66
10/23	0.7169%	0.000019642	\$2,394,009,130.99	1.00020	46	66
10/24	0.7097%	0.000019444	\$2,384,747,876.06	1.00023	45	64
10/25	0.7085%	0.000019412	\$2,420,729,419.67	1.00023	44	62
10/26	0.7154%	0.000019599	\$2,443,400,111.38	1.00024	43	63
10/27	0.7167%	0.000019635	\$2,443,350,851.71	1.00026	43	63
10/28	0.7203%	0.000019733	\$2,404,814,220.27	1.00025	43	64
10/29	0.7203%	0.000019733	\$2,404,814,220.27	1.00025	43	64
10/30	0.7203%	0.000019733	\$2,404,814,220.27	1.00025	43	64
10/31	0.7040%	0.000019288	\$2,406,149,734.26	1.00029	41	61
Average:	0.7230%	0.000019807	\$2,396,405,043.41	1.00020	46	64



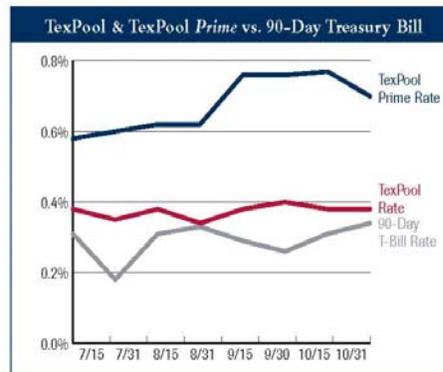
Participant Services
1001 Texas Ave. 14th Floor
Houston, TX 77002

One is that we are now able to push our prime funds' weighted average maturity (WAM) back out to where we have traditionally had it: in the 40-50 day range. This is good news in itself because it means our assets have stabilized. The main reason we had to shorten it to single digits was to make sure we had ample liquidity to handle redemptions.

Second, it means we can again work toward trading for our prime institutional and prime retail funds on the basis of value from offerings in the marketplace, not just to tread water with ready assets. Extending WAM—that is buying paper and instruments with longer maturities based on the London interbank offered rate (Libor)—typically leads to better yields.

Third, Libor is greatly elevated over its recent past, actually in large part because of the reform. Libor's steepness reflects the drastic cash-flow out of institutional prime products. Less demand for prime paper means issuers have to offer more enticing rates and leads to a higher spread between prime and government funds (around 45 basis points at present). Of course, the spread is also large because the Treasury curve is so low due to the heightened demand for Treasuries and government agencies. However, we feel the spread in the marketplace will be too great for people to ignore, and that a good portion of money sitting in govie products that legally can be invested in floating NAV products eventually will return to the prime space. That will take some time, meaning there likely will be an extended period of elevated spreads for prime products, as investors and managers see how the floating NAV funds operate.

Finally, the Federal Reserve seems ready to raise rates, especially with the recent rebound in U.S. GDP in the third quarter. That would lift the yield on government funds, which would be a boon to everyone,



90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to collect immediate cash to meet outstanding obligations.

Any private investor can invest in a Treasury bill. The 90-Day Treasury Bill is a weighted average rate of the weekly auctions of 90-Day Treasury Bills.

Past performance is no guarantee of future results.

especially our clients that moved into govies. A hike probably won't happen at this week's policymaking meeting because of its proximity to the presidential election. But we think it will take place in December, moving up 25 basis points to a 00.50-00.75% range.

There is no denying adapting to the reforms was a long and rough road for both clients and managers. But it didn't lead to calamity, and the future looks bright.