

# MONTHLY FINANCIAL REPORT

## PERFORMANCE SUMMARY

January 2017

	Current Month	Year to Date	Chart
<b>GENERAL FUND</b>			
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	POSITIVE	B
Property Tax Collection Analysis	NEUTRAL	NEGATIVE	C
Sales Tax Collection Analysis	POSITIVE	POSITIVE	D
Expenditure Analysis	POSITIVE	POSITIVE	E
<b>ENTERPRISE FUND</b>			
Water Billing Analysis	POSITIVE	POSITIVE	F
Sewer Billing Analysis	POSITIVE	POSITIVE	G
Expense Analysis	NEGATIVE	NEGATIVE	H
<b>HOTEL OCCUPANCY TAX REVENUE</b>			
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
<b>SEDC</b>			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	J
Expenditure Analysis	NEGATIVE	POSITIVE	K
<b>CRIME DISTRICT</b>			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	L
Expenditure Analysis	POSITIVE	POSITIVE	M
<b>INVESTMENTS</b>			
Investment Report	N/A	N/A	N

**PERFORMANCE INDICATORS:**

<b>POSITIVE</b>
<b>NEGATIVE</b>
<b>NEUTRAL</b>

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 JANUARY 2017

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	4,531,199	2,904,090	64.09%	69.47%
Penalties & Interest	39,000	11,695	29.99%	10.68%
Sales Tax	1,661,792	589,858	35.50%	31.48%
Franchise Tax	725,000	219,514	30.28%	26.10%
Other Tax	133,500	41,549	31.12%	20.42%
License & Permits	220,000	64,942	29.52%	22.93%
Charges for Services	60,500	9,478	15.67%	7.91%
DOT Fines	75,000	34,653	46.20%	23.36%
Other Municipal Court Fees	379,100	132,756	35.02%	26.66%
Interest Income	21,622	8,932	41.31%	14.67%
Intergovernmental	382,184	115,902	30.33%	30.12%
Other Revenue	46,800	11,783	25.18%	1.06%
Transfers from Enterprise Fund	1,767,320	589,107	33.33%	33.33%
Payment for Services-EDC	<u>200,000</u>	<u>66,667</u>	<u>33.33%</u>	<u>33.33%</u>
<b>Total Revenues</b>	<b>10,243,017</b>	<b>4,800,924</b>	<b>46.87%</b>	<b>46.51%</b>

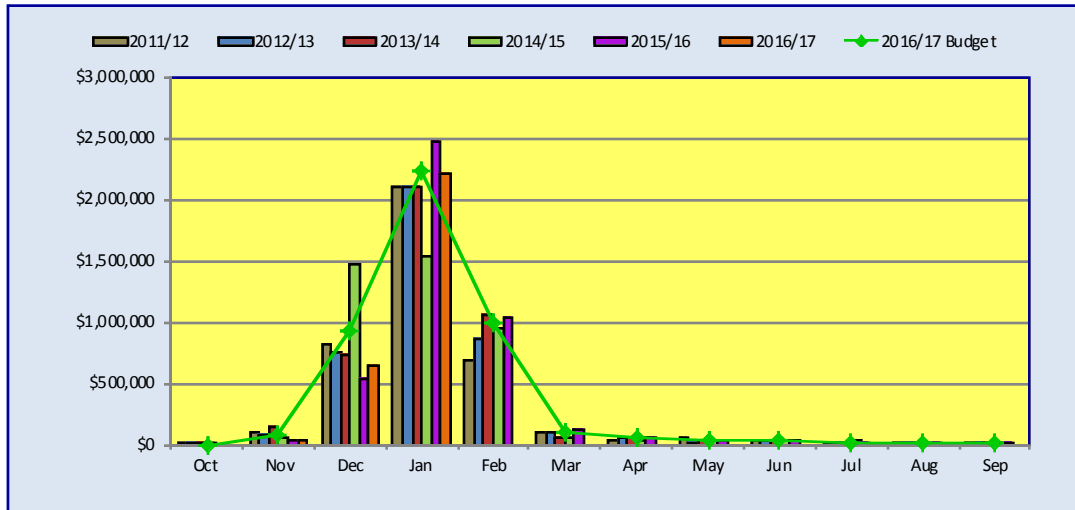
CHART B

## TOTAL EXPENDITURES THROUGH JANUARY 2017

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	6,726,025	2,123,896	31.58%	33.29%
Supplies	286,850	49,358	17.21%	24.57%
Services	2,607,862	1,011,027	38.77%	37.45%
Capital	<u>260,013</u>	<u>86,826</u>	<u>33.39%</u>	<u>35.62%</u>
<b>Total Expenditures</b>	<b>9,880,750</b>	<b>3,271,106</b>	<b>33.11%</b>	<b>34.31%</b>

CHART C

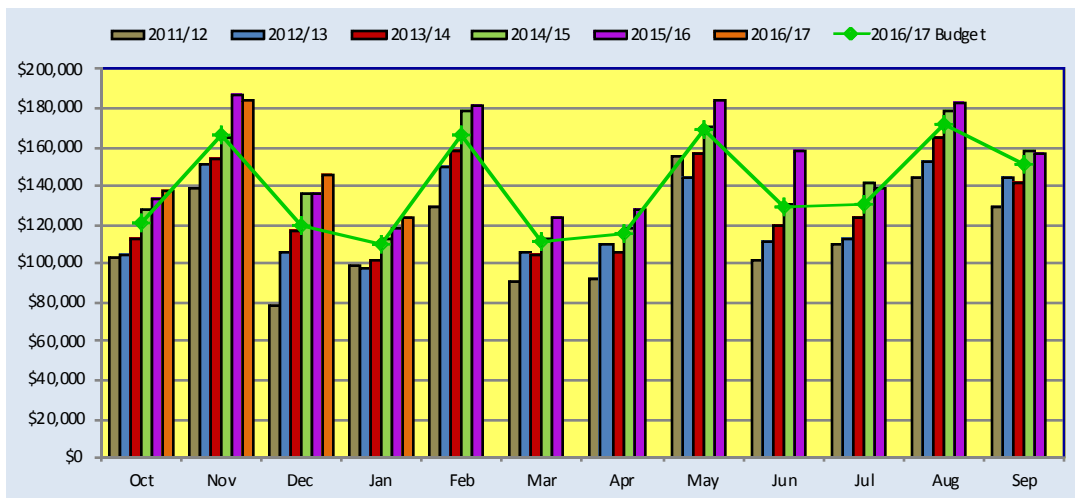
PROPERTY TAX ANALYSIS



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

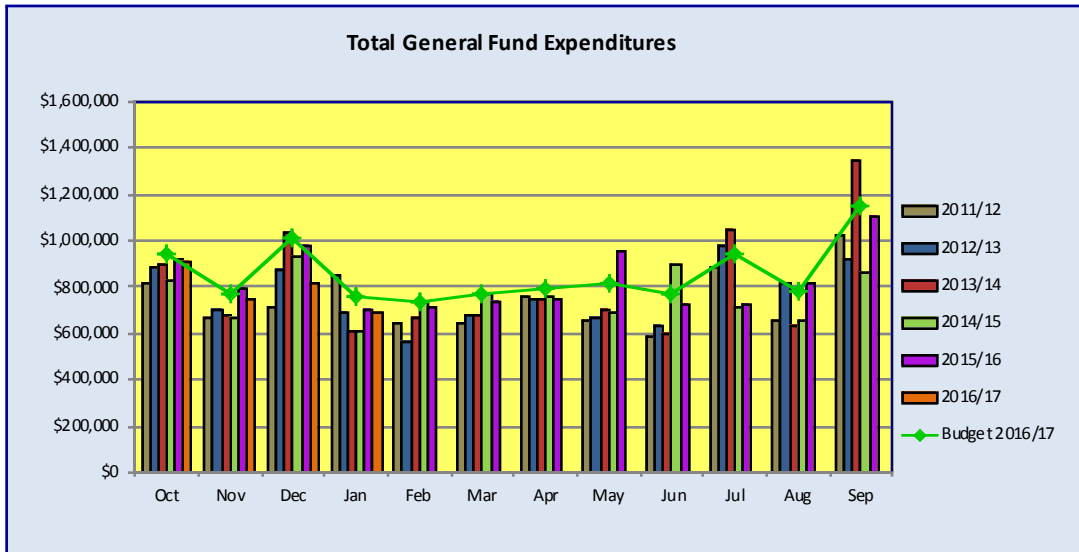
CHART D

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



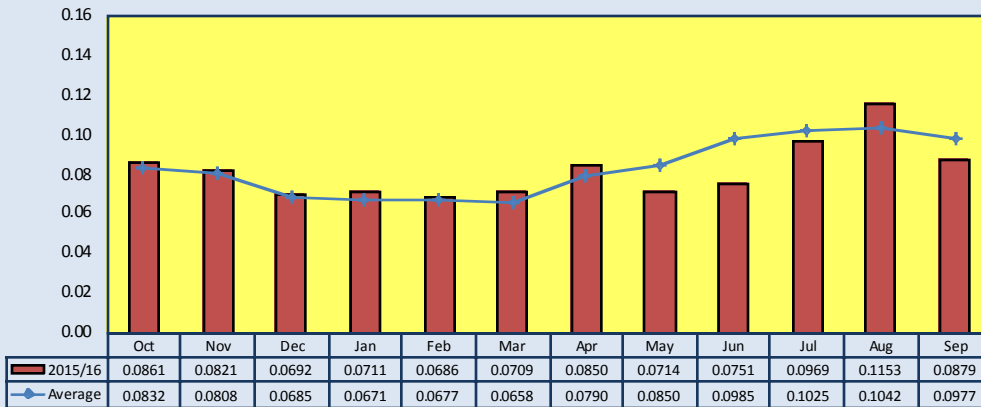
High expenditures in September 2010 are due to city hall A/C replacement.  
 High expenditures in September 2014 are due to Seascape road construction



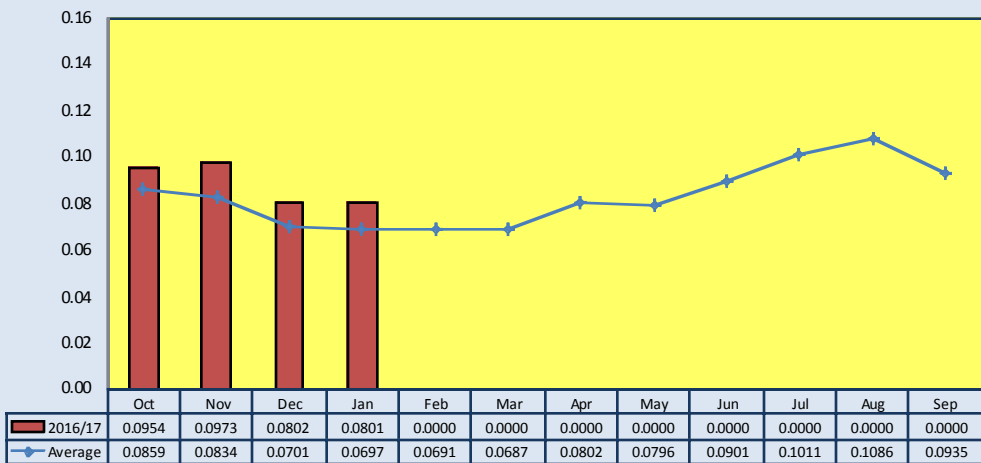
CHART F

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

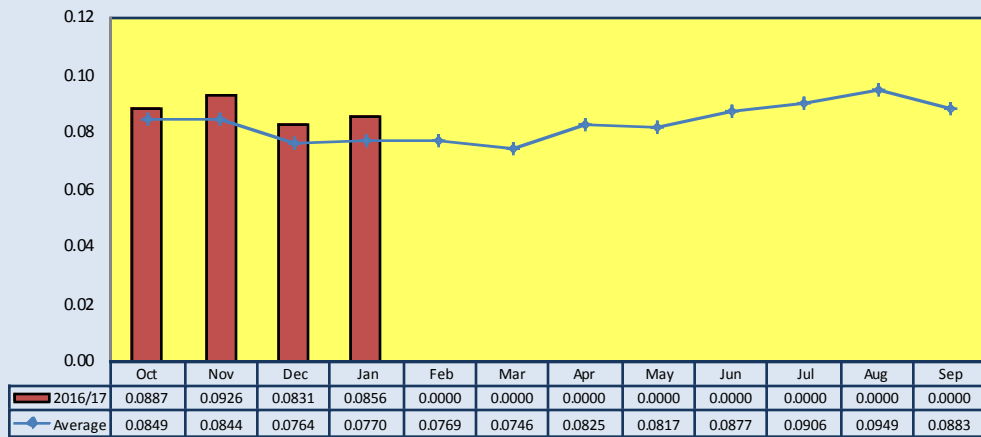


WASTEWATER BILLING ANALYSIS

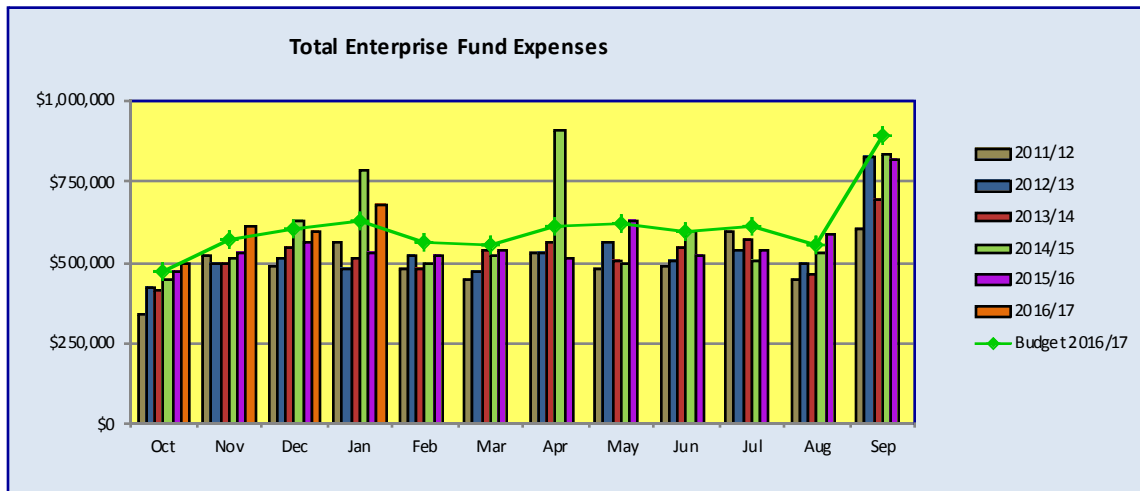
**Average Percent of Wastewater Billings by Month vs. 2015/16 Percent of Budgeted Billings**



**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

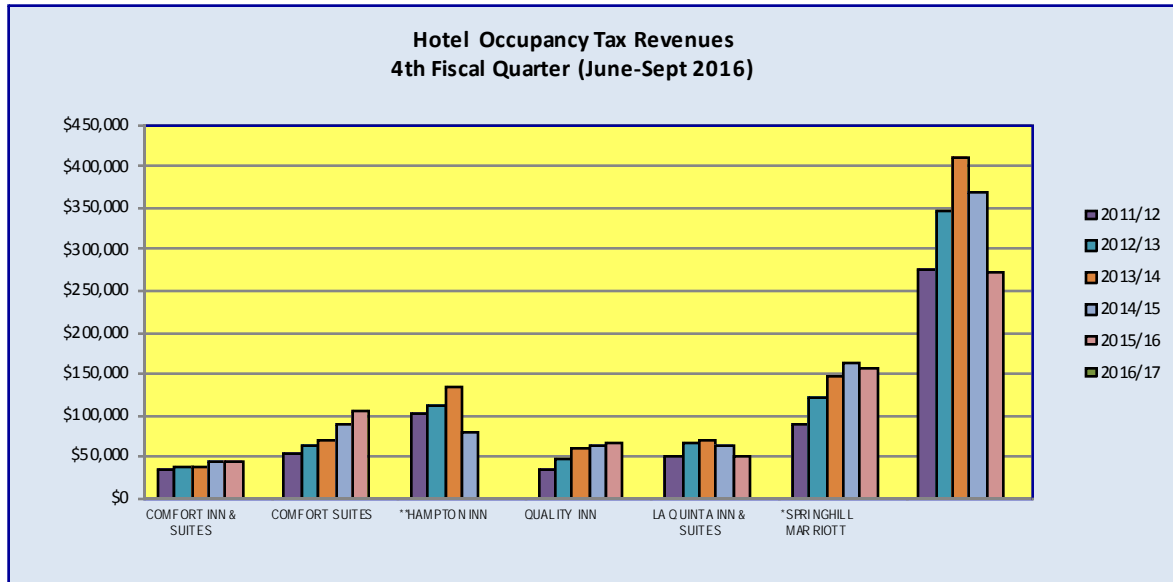
April 2015 expenses due to wastewater treatment plant upgrades

# HOTEL TAX FUND



CHART I

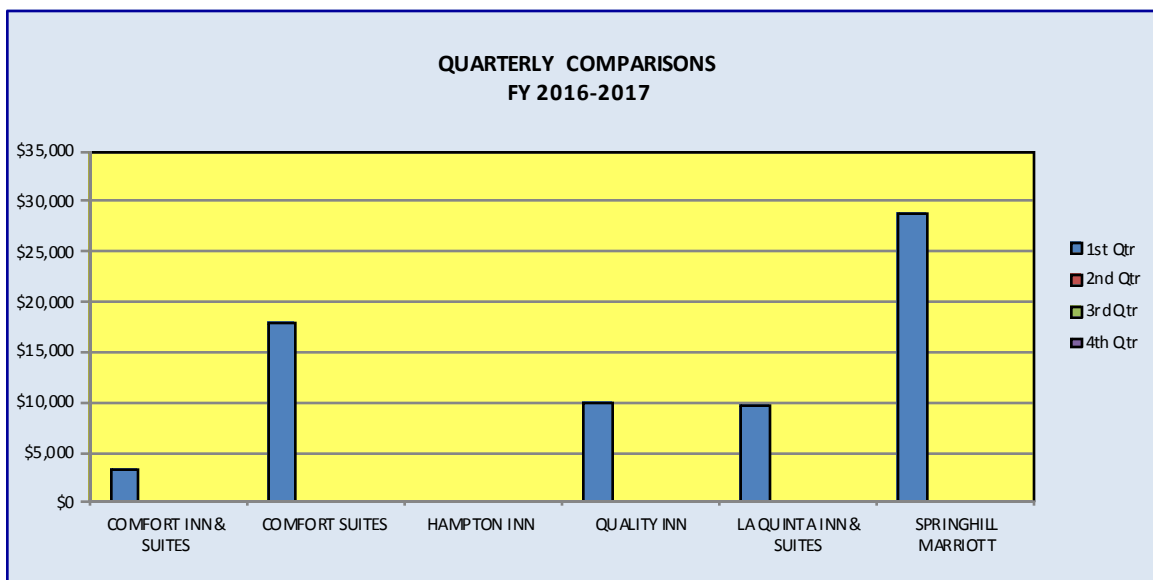
## HOTEL TAX REVENUE ANALYSIS



\*Springhill Marriott opened last quarter 2010  
 \*\* Hampton Inn closed 3rd quarter 2015 due to fire

CHART J

## HOTEL TAX REVENUE



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





CHART K

## SALES TAX REVENUE ANALYSIS

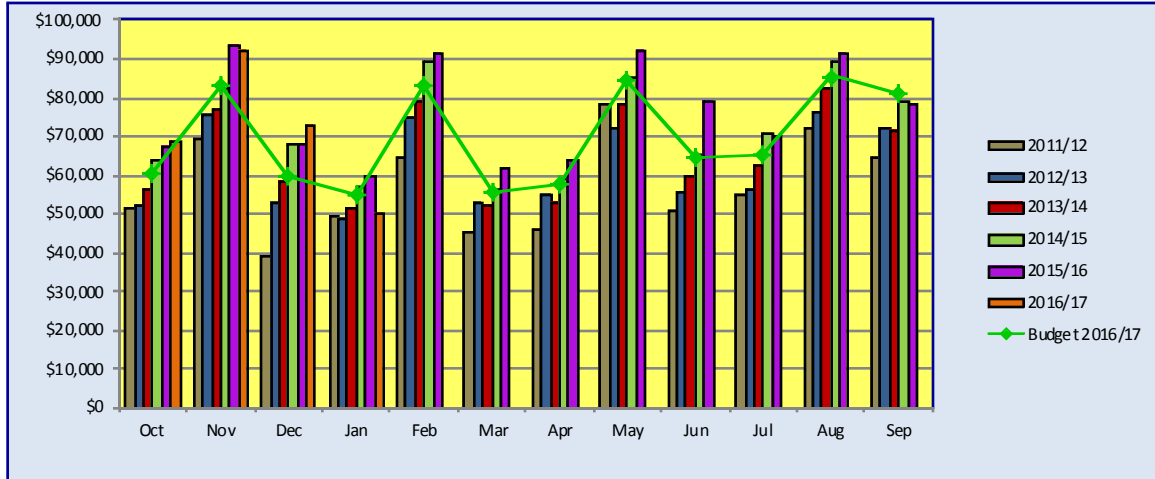
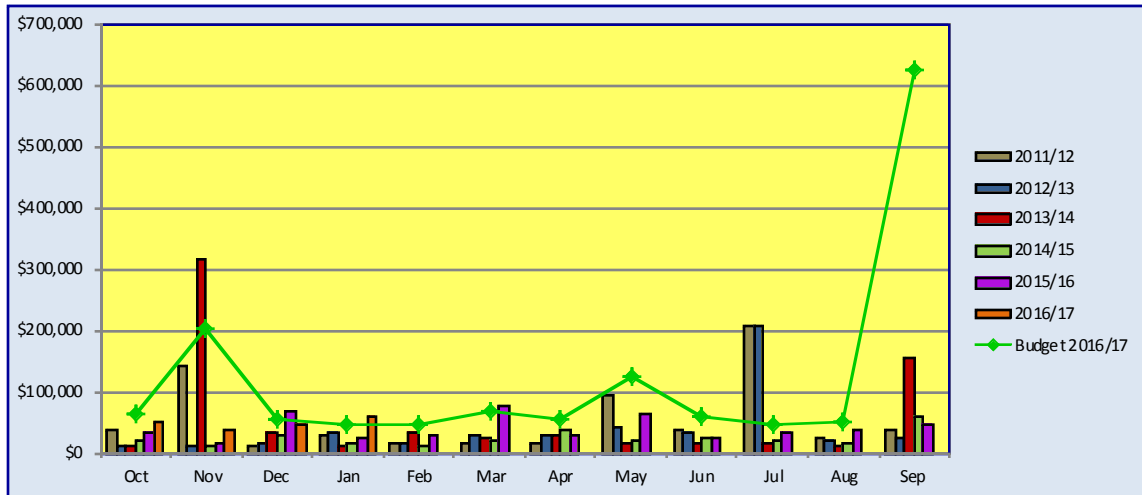


CHART L

## 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

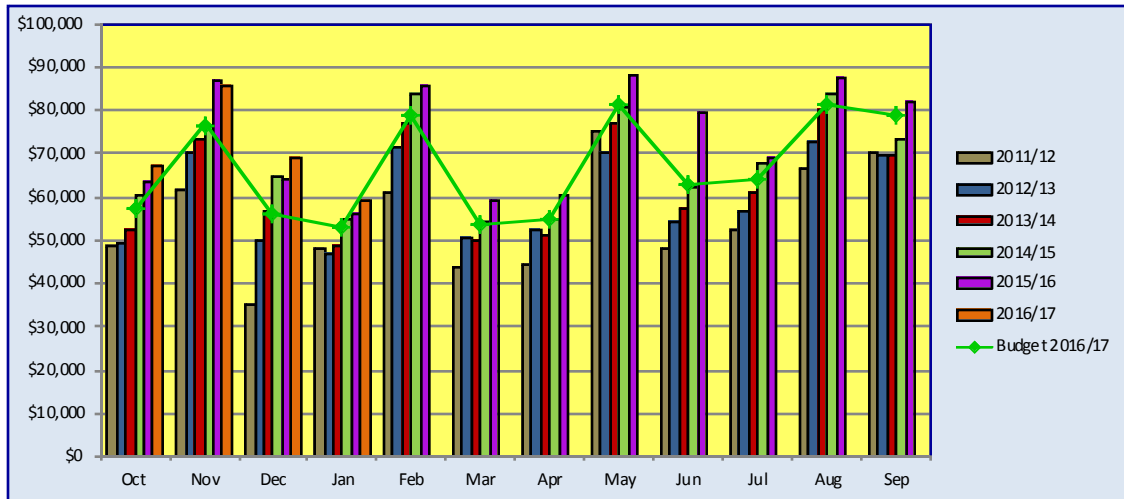
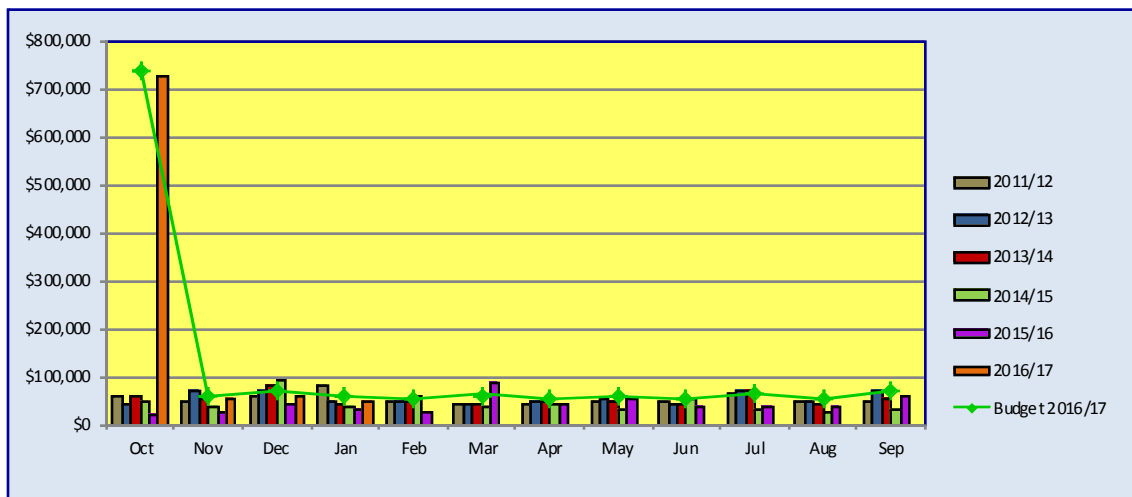


CHART N

## 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 JANUARY 2017

0.5385%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted Jan)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	3,927,945.57	1,855,454.27	2,782.86	5,786,182.70	Working capital
GENERAL FUND - RESTRICTED	1,600,000.00	0.00	incl in above	1,600,000.00	
ENTERPRISE FUND - UNRESTRIC	1,959,014.57	(213,106.93)	937.80	1,746,845.44	Working capital
ENTERPRISE FUND - RESTRICTEI	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,431,338.05	0.00	1,111.91	2,432,449.96	Water & sewer lines extensions & expansions
PARK FEES	64,448.33	400.00	29.64	64,877.97	Reserved for acquisition & development of park land
SEIZURE	33,599.42	0.00	15.37	33,614.79	Solely to purchase equipment for Law Enforcement
CHILD SAFETY PROGRAMS	32,268.76	0.00	14.76	32,283.52	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	15,073.57	0.00	6.89	15,080.46	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	1,188,928.41	(40,004.82)	540.70	1,149,464.29	Restricted for promotion of tourism
DEBT SERVICE FUND	2,088,257.30	962,651.10	969.50	3,051,877.90	Restricted for General fund reserves & yearly debt service
CAPITAL PROJECT BONDS	6,957,694.27	0.00	3,181.91	6,960,876.18	2016A CO WW Plant, Clarifier & Todville 2016 Sewer
WTR/SWR BONDS	2,746,715.91	(80,000.00)	1,250.08	2,667,965.99	Funds transferred from Bond Mkt Acct to allow liquidity
IT BONDS	57,765.69	0.00	26.42	57,792.11	Fiber Optics
PD & GF BONDS	4,905,695.99	(1,500,000.00)	2,130.11	3,407,826.10	Public Wokrks Facility
PD & GF BONDS (GEN FUND Reser	777,297.22	0.00	355.48	777,652.70	Public Wokrks Facility funds provided by GF Reserve
FIRE BONDS	25,260.27	0.00	11.55	25,271.82	Fire Engine
LAKESIDE DRIVE CERT DEP	134.27	0.00	0.06	134.33	
CAROTHERS	77,216.93	0.00	35.31	77,252.24	
ANIMAL	750.54	0.00	0.34	750.88	Animal Shelter Needs - Donation
CRIME DISTRICT	394,036.95	(17,098.31)	173.19	377,111.83	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	21,362.97	0.00	9.77	21,372.74	
PUBLIC SAFETY	234,195.60	0.00	107.10	234,302.70	Public Safety Needs
MUNI COURT - SECURITY FUND	34,433.73	0.00	15.75	34,449.48	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	15,005.20	0.00	6.86	15,012.06	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	18,248.13	(150.00)	8.31	18,106.44	
PUBLIC SAFETY VERF	690,009.06	(27,250.58)	318.36	663,076.84	Public Safety Vehicle Equipment Replacement
PEG Fund	91,974.01	0.00	42.06	92,016.07	
STABILIZATION FUND	805,128.24	0.00	368.20	805,496.44	
WATER RATE STABILIZATION	0.00	70,000.00	32.01	70,032.01	
<b>TOTAL TEXPOOL FUND</b>	<b>34,893,499.18</b>	<b>1,000,000.00</b>	<b>16,033.15</b>	<b>\$35,909,532.33</b>	

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.

*Mike Gibby*

Finance Director



# Monthly Newsletter: February 2017

## ANNOUNCEMENTS

**We would like to recognize and welcome the following entities who joined the TexPool program in January 2017:**

- TexPool**  
 McMullen County Foundation for Educational Excellence  
 Brazoria County MUD 39  
 Harris County Department of Education – Public Facilities Corporation  
 Mount Calm ISD  
 Dallas Area Rapid Transit – Amegy Bank TTEE  
 Champions MUD

- TexPool Prime**  
 McMullen County Foundation for Educational Excellence  
 City of Muleshoe  
 Dallas Area Rapid Transit – Amegy Bank TTEE  
 Levelland ISD

### Upcoming Events

Feb 27, 2017 - Mar 03, 2017  
 TASBO Annual Conference  
 Austin

### 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](http://www.texpool.com).

## Economic and Market Commentary: 2017 Outlook

February 1, 2017

The dots may have just run into reality. That's our take on the Federal Reserve's economic projections released at December 2016's Federal Open Market Committee meeting. The dot plot implied the Fed could be compelled to hike the target federal funds rate three times this year. We have taken a more conservative stance, still expecting only two moves, in March and September, with a third only as a possibility in December.

It's all well and good that the dots showed policymakers optimistic about how the U.S. economy will fare this year. Chair Janet Yellen and other officials' rhetoric also points in that direction. Cash managers such as us would certainly love for the positive momentum to translate into wage gains and increased prices that could push inflation to the Fed's 2% inflation target, and provide a bump in yield in the process. But we see enough uncertainty in the economic and political spheres to question that this will happen.

Simply put, economic statistics have not been bad but they have not been great, either. In January the housing market had some regional pockets of strength and regional pockets of slowdown. That makes sense because with an increase in rates, there are fewer new home sales and not as many housing starts. Retail sales were OK, but not anything to write home about. That's especially troubling considering the holiday-driven consumer activity expected every December and January. On the other hand, inflation does appear to be

*(continued page 6)*

### Performance as of January 31, 2017

	TexPool	TexPool Prime
Current Invested Balance	\$19,233,835,065.75	\$3,904,008,485.94
Weighted Average Maturity**	44 Days	49 Days
Weighted Average Life**	90 Days	62 Days
Net Asset Value	1.00021	1.00017
Total Number of Participants	2,388	231
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$7,976,623.18	\$2,746,128.67
Management Fee Collected	\$632,938.53	\$171,813.19
Standard & Poor's Current Rating	AAAm	AAAm
<b>Month Averages</b>		
Average Invested Balance	\$17,448,906,967.79	\$3,591,207,949.25
Average Monthly Rate*	0.54%	0.90%
Average Weighted Average Maturity**	48	50
Average Weighted Average Life**	94	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.

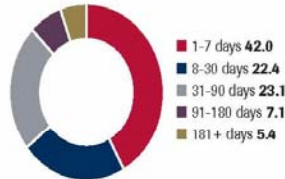
TexPool Participant Services  
 1001 Texas Avenue, Suite 1400 · Houston, TX 77002  
 Phone: 1-866-TEXPOOL (839-7665) · Fax: 1-866-839-3291 · [TexPool.com](http://TexPool.com)

Managed and  
 Serviced by **Federated**  
 G35884-24 (2/17)



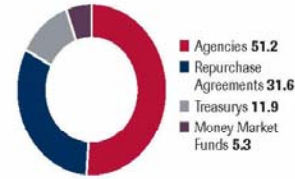
### Portfolio by Maturity (%)

As of January 31, 2017



### Portfolio by Type of Investment (%)

As of January 31, 2017



#### Portfolio Asset Summary as of January 31, 2017

	Book Value	Market Value
Uninvested Balance	\$110,507.63	\$110,507.63
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	12,667,710.10	12,667,710.10
Interest and Management Fees Payable	-7,976,707.35	-7,976,707.35
Payable for Investments Purchased	-101,838,694.49	-101,838,694.49
Accrued Expenses & Taxes	-23,242.77	-23,242.77
Repurchase Agreements	6,113,254,000.00	6,113,051,515.50
Mutual Fund Investments	1,015,022,103.88	1,015,022,103.88
Government Securities	9,896,415,218.26	9,900,627,993.24
US Treasury Bills	1,078,198,814.17	1,078,205,068.00
US Treasury Notes	1,227,004,356.32	1,227,054,172.00
<b>Total</b>	<b>\$19,233,835,065.75</b>	<b>\$19,237,800,426.39</b>

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	580	\$8,352,318,752.51
Higher Education	57	\$1,780,135,514.80
Healthcare	81	\$767,648,804.89
Utility District	751	\$2,434,001,961.71
City	455	\$4,339,039,500.97
County	182	\$2,022,289,634.65
Other	282	\$1,556,947,207.36

#### \*\*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.

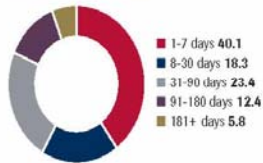


Daily Summary						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
1/1	0.4790%	0.000013123	\$15,967,120,164.89	1.00014	43	85
1/2	0.4790%	0.000013123	\$15,967,120,164.89	1.00014	43	85
1/3	0.4688%	0.000012844	\$16,469,744,578.88	1.00015	45	91
1/4	0.5313%	0.000014555	\$16,576,011,649.11	1.00018	46	93
1/5	0.5375%	0.000014726	\$16,682,792,855.21	1.00018	50	93
1/6	0.5348%	0.000014653	\$16,790,398,071.13	1.00018	52	97
1/7	0.5348%	0.000014653	\$16,790,398,071.13	1.00018	52	97
1/8	0.5340%	0.000014653	\$16,790,398,071.13	1.00018	52	97
1/9	0.5305%	0.000014533	\$16,825,918,472.79	1.00019	50	94
1/10	0.5583%	0.000015297	\$16,863,504,221.17	1.00021	49	96
1/11	0.5311%	0.000014552	\$16,970,085,825.21	1.00018	48	96
1/12	0.5397%	0.000014786	\$17,007,952,749.11	1.00019	50	97
1/13	0.5632%	0.000015430	\$17,250,774,067.95	1.00018	50	97
1/14	0.5632%	0.000015430	\$17,250,774,067.95	1.00018	50	97
1/15	0.5632%	0.000015430	\$17,250,774,067.95	1.00018	50	97
1/16	0.5632%	0.000015430	\$17,250,774,067.95	1.00018	50	97
1/17	0.5512%	0.000015102	\$17,396,965,001.43	1.00019	47	93
1/18	0.5412%	0.000014827	\$17,625,696,371.51	1.00017	45	91
1/19	0.5372%	0.000014717	\$17,641,464,045.12	1.00022	46	93
1/20	0.5365%	0.000014698	\$17,715,392,718.22	1.00024	47	94
1/21	0.5365%	0.000014698	\$17,715,392,718.22	1.00024	47	94
1/22	0.5365%	0.000014698	\$17,715,392,718.22	1.00024	47	94
1/23	0.5397%	0.000014785	\$17,787,970,242.93	1.00023	47	92
1/24	0.5476%	0.000015003	\$17,905,622,650.23	1.00023	50	94
1/25	0.5457%	0.000014950	\$18,210,353,631.90	1.00023	49	94
1/26	0.5490%	0.000015040	\$18,441,386,863.49	1.00022	48	93
1/27	0.5503%	0.000015078	\$18,650,886,878.75	1.00020	48	92
1/28	0.5503%	0.000015078	\$18,650,886,878.75	1.00020	48	92
1/29	0.5503%	0.000015078	\$18,650,886,878.75	1.00020	48	92
1/30	0.5530%	0.000015150	\$18,879,442,171.65	1.00021	45	92
1/31	0.5549%	0.000015202	\$18,233,835,065.75	1.00021	44	90
<b>Average:</b>	<b>0.5385%</b>	<b>0.000014752</b>	<b>\$17,448,906,967.79</b>	<b>1.00020</b>	<b>48</b>	<b>94</b>

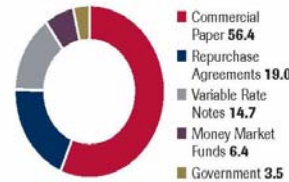


**TEXPOOL PRIME**

**Portfolio by Maturity (%)**  
As of January 31, 2017



**Portfolio by Type of Investment (%)**  
As of January 31, 2017



**Portfolio Asset Summary as of January 31, 2017**

	Book Value	Market Value
Uninvested Balance	\$33,841.97	\$33,841.97
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	1,225,846.13	1,225,846.13
Interest and Management Fees Payable	-2,746,131.20	-2,746,131.20
Payable for Investments Purchased	-19,986,729.16	-19,986,729.16
Accrued Expenses & Taxes	-6,125.63	-6,125.63
Repurchase Agreements	744,981,000.00	744,981,000.00
Commercial Paper	2,216,061,834.90	2,216,395,010.60
Bank Instruments	0.00	0.00
Mutual Fund Investments	252,099,960.10	252,091,990.80
Government Securities	136,688,878.71	136,696,660.00
Variable Rate Notes	575,656,110.12	575,973,367.28
<b>Total</b>	<b>\$3,904,008,485.94</b>	<b>\$3,904,658,730.79</b>

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	94	\$2,045,850,339.17
Higher Education	11	\$228,151,096.53
Healthcare	11	\$330,498,351.27
Utility District	10	\$218,091,489.64
City	47	\$478,384,901.38
County	28	\$333,666,317.70
Other	30	\$268,665,009.81



## TEXPOOL PRIME

### Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
1/1	0.8670%	0.000023754	\$2,987,613,836.55	1.00018	47	63
1/2	0.8670%	0.000023754	\$2,987,613,836.55	1.00018	47	63
1/3	0.8129%	0.000022272	\$3,276,051,659.36	1.00018	42	57
1/4	0.8212%	0.000022488	\$3,383,756,421.87	1.00017	42	56
1/5	0.8665%	0.000023739	\$3,410,245,799.08	1.00016	45	59
1/6	0.8649%	0.000023697	\$3,520,568,488.52	1.00013	45	59
1/7	0.8649%	0.000023697	\$3,520,568,488.52	1.00013	45	59
1/8	0.8649%	0.000023697	\$3,520,568,488.52	1.00013	45	59
1/9	0.8746%	0.000023863	\$3,525,207,586.81	1.00013	45	60
1/10	0.8848%	0.000024241	\$3,550,406,997.04	1.00012	48	62
1/11	0.8822%	0.000024171	\$3,593,649,591.11	1.00013	51	65
1/12	0.8911%	0.000024414	\$3,687,905,307.05	1.00014	51	64
1/13	0.9169%	0.000025120	\$3,613,848,049.33	1.00009	55	70
1/14	0.9169%	0.000025120	\$3,613,848,049.33	1.00009	55	70
1/15	0.9169%	0.000025120	\$3,613,848,049.33	1.00009	55	70
1/16	0.9169%	0.000025120	\$3,613,848,049.33	1.00009	55	70
1/17	0.9280%	0.000025425	\$3,672,124,894.28	1.00015	52	66
1/18	0.9172%	0.000025130	\$3,697,968,954.10	1.00014	52	66
1/19	0.9206%	0.000025222	\$3,647,105,753.21	1.00015	53	66
1/20	0.9180%	0.000025151	\$3,687,022,489.92	1.00011	53	66
1/21	0.9180%	0.000025151	\$3,687,022,489.92	1.00011	53	66
1/22	0.9180%	0.000025151	\$3,687,022,489.92	1.00011	53	66
1/23	0.9174%	0.000025135	\$3,696,474,451.56	1.00015	51	65
1/24	0.9236%	0.000025303	\$3,715,755,737.52	1.00015	51	65
1/25	0.9141%	0.000025043	\$3,791,467,941.94	1.00015	49	63
1/26	0.9441%	0.000025866	\$3,890,269,222.98	1.00016	53	67
1/27	0.9282%	0.000025430	\$3,764,269,964.91	1.00013	51	65
1/28	0.9282%	0.000025430	\$3,764,269,964.91	1.00013	51	65
1/29	0.9282%	0.000025430	\$3,764,269,964.91	1.00013	51	65
1/30	0.9289%	0.000025449	\$3,758,844,922.53	1.00017	50	65
1/31	0.9121%	0.000024889	\$3,904,008,485.94	1.00017	49	62
<b>Average:</b>	<b>0.8992%</b>	<b>0.000024635</b>	<b>\$3,591,207,949.25</b>	<b>1.00014</b>	<b>50</b>	<b>64</b>



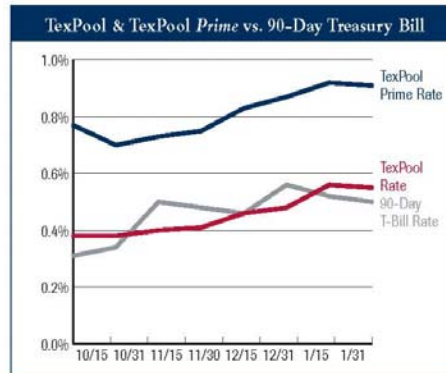


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picking up a bit. The consumer price index (CPI) is squarely above 2% at this point, the producer price index (PPI) is approaching 2% and the personal consumption expenditures index (PCE)—data Yellen is said to pay particular attention to—now hovers near that mark. Increasing inflation isn't bad, as long as it is orderly and is accompanied by measured gross domestic product (GDP) growth. But we are not convinced we are going to see enough to trigger a third move, and, again, economic data has been mixed lately.

Then you have the political wild cards. While these may not have a huge impact economically, the more that people and business leaders get caught up in expecting the unexpected, the less likely they are going to reach in terms of investing or planning for the future. You can see that easily enough in the stock market, which hit great heights last week but has tanked given the past weekend's crisis around President Trump's executive order on immigration. In fact, what happened has clarified to us that the next four years are not going to be 100% rosy. Since the election, the markets have tended to focus on the positive economic implications of Trump's potential policies. But now there is more of a realization that not all of these necessarily will be positive. In fact, some of his actions could lead to global fallout that could be detrimental to the U.S., especially if a trade war ensues. It is more of a balanced picture now, which solidifies our conviction that the Fed will undertake only two moves and not necessarily three in 2017.

The short end of the London interbank offered rate (Libor) curve remained elevated during January, with 3- and 6-month Libor bumping up around 4 basis points to 1.04% and 1.35%, respectively.



*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.*