

# MONTHLY FINANCIAL REPORT

## PERFORMANCE SUMMARY

April 2017

	Current Month	Year to Date	Chart
<b>GENERAL FUND</b>			
Total Revenues as a % of Budget Compared to Prior Year	N/A	POSITIVE	A
Total Expenditures as a % Budget Compared to Prior Year	N/A	POSITIVE	B
Property Tax Collection Analysis	NEGATIVE	NEUTRAL	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	POSITIVE	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	POSITIVE	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 APRIL 2017

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	4,531,199	4,391,303	96.91%	97.17%
Penalties & Interest	39,000	29,225	74.94%	50.21%
Sales Tax	1,661,792	1,069,594	64.36%	55.21%
Franchise Tax	725,000	409,717	56.51%	57.68%
Other Tax	133,500	79,652	59.66%	41.82%
License & Permits	220,000	263,477	119.76%	47.38%
Charges for Services	60,500	19,378	32.03%	21.49%
DOT Fines	75,000	54,919	73.22%	49.95%
Other Municipal Court Fees	379,100	259,039	68.33%	54.72%
Interest Income	21,622	22,421	103.70%	46.28%
Intergovernmental	382,184	244,288	63.92%	53.60%
Other Revenue	46,800	23,287	49.76%	2.28%
Transfers from Enterprise Fund	1,774,820	883,660	49.79%	58.33%
Payment for Services-EDC	<u>200,000</u>	<u>100,000</u>	<u>50.00%</u>	<u>58.33%</u>
<b>Total Revenues</b>	<b>10,250,517</b>	<b>7,849,960</b>	<b>76.58%</b>	<b>73.01%</b>

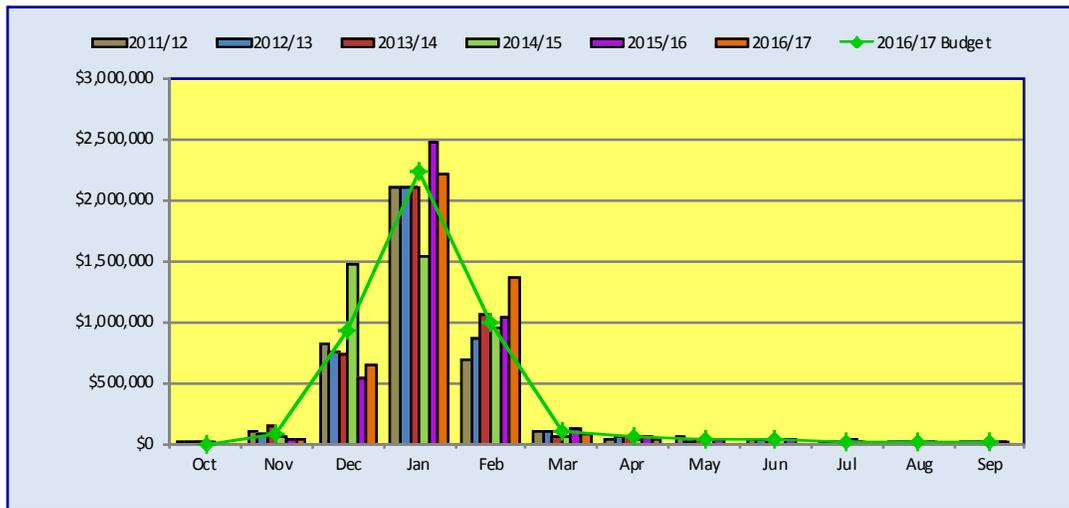
CHART B

## TOTAL EXPENDITURES THROUGH APRIL 2017

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	7,073,330	3,929,030	55.55%	56.53%
Supplies	299,850	89,220	29.75%	50.31%
Services	2,617,012	1,521,383	58.13%	57.92%
Capital	<u>260,013</u>	<u>91,807</u>	<u>35.31%</u>	<u>50.84%</u>
<b>Total Expenditures</b>	<b>10,250,205</b>	<b>5,631,440</b>	<b>54.94%</b>	<b>56.42%</b>

CHART C

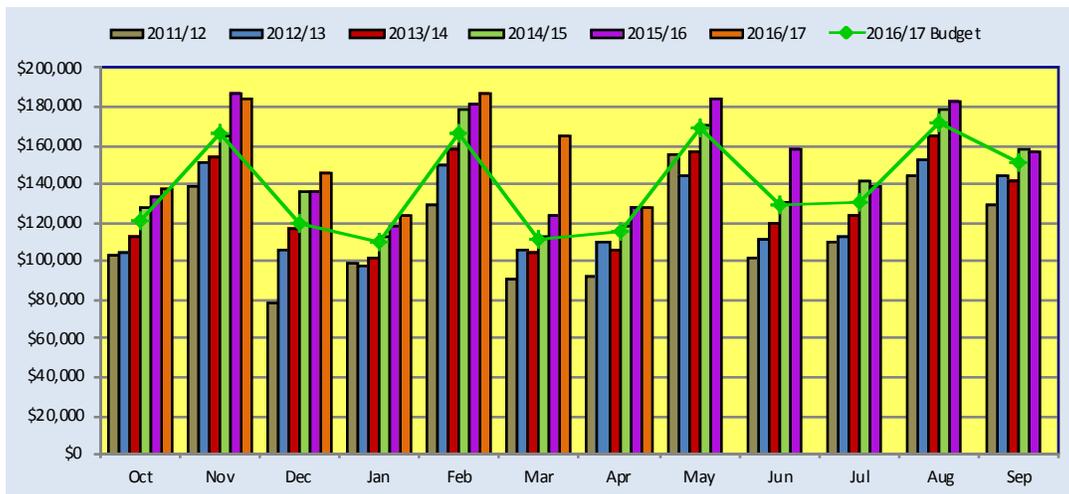
PROPERTY TAX ANALYSIS



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

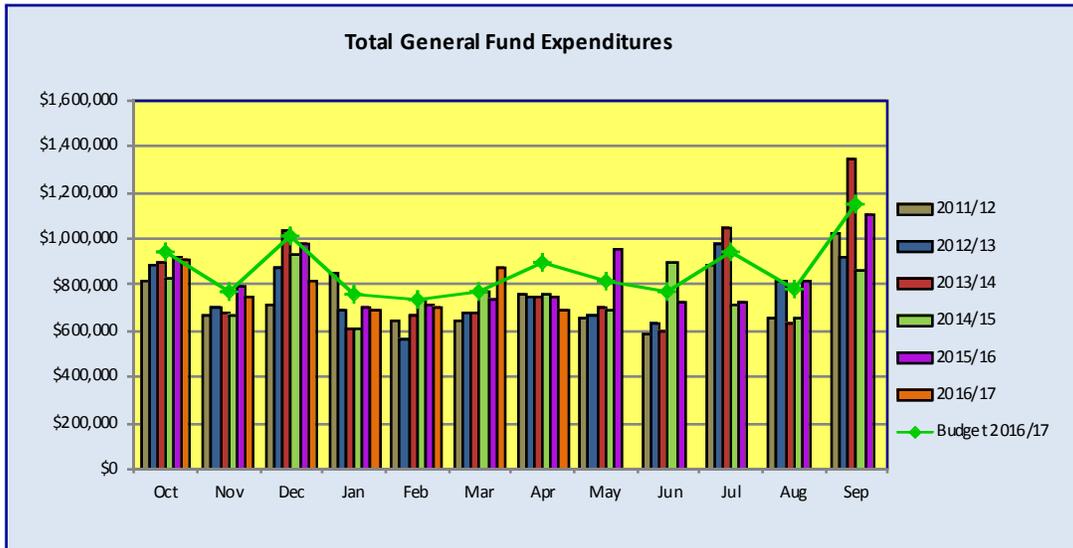
CHART D

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



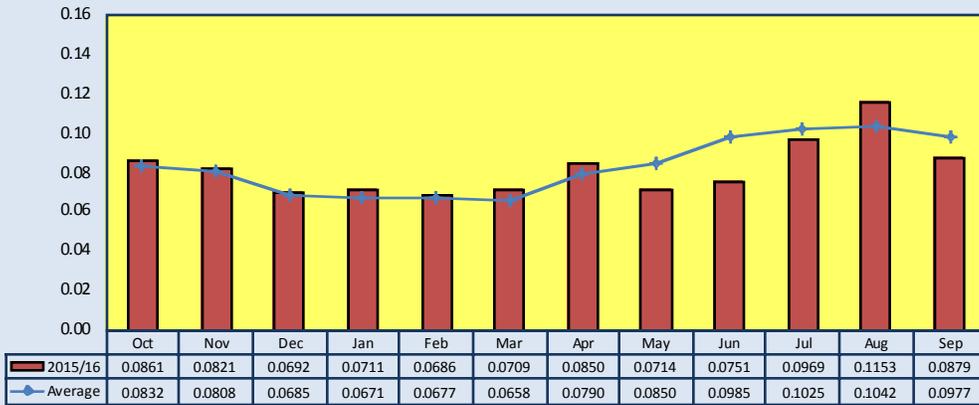
High expenditures in September 2010 are due to city hall A/C replacement.  
 High expenditures in September 2014 are due to Seascape road construction



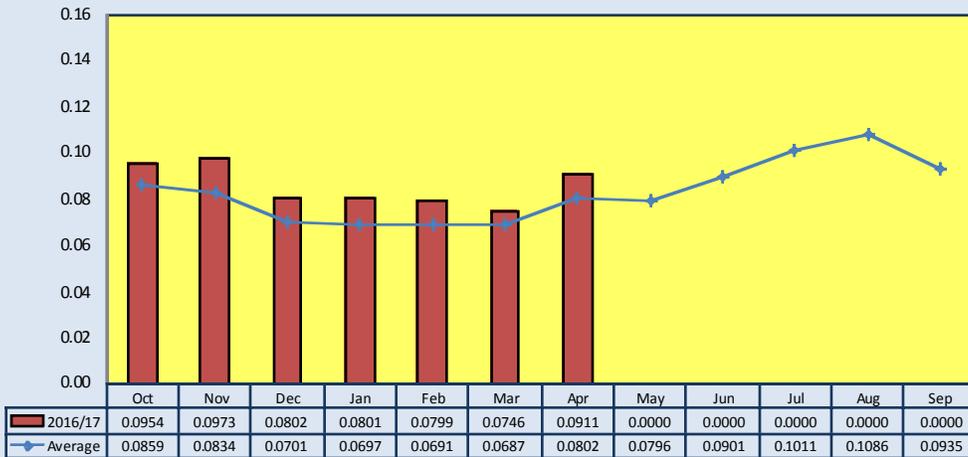
CHART F

WATER BILLING ANALYSIS

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

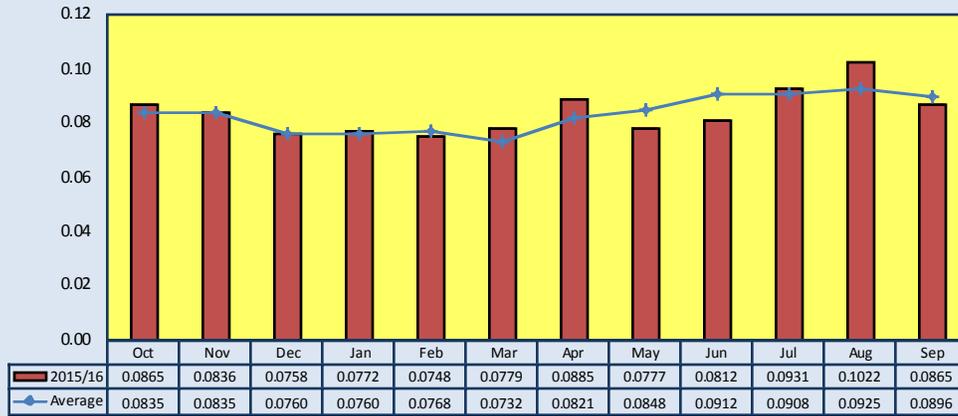


Average Percent of Water Billings by Month vs.  
2016/17 Percent of Budgeted Billings

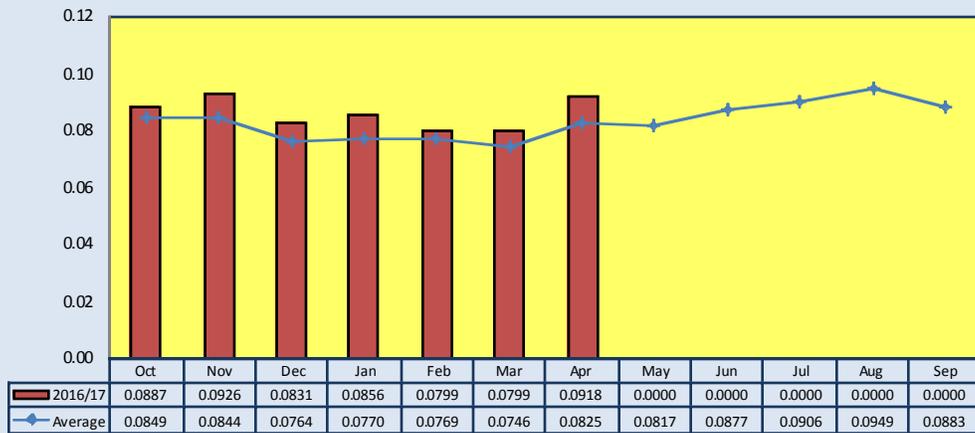


WASTEWATER BILLING ANALYSIS

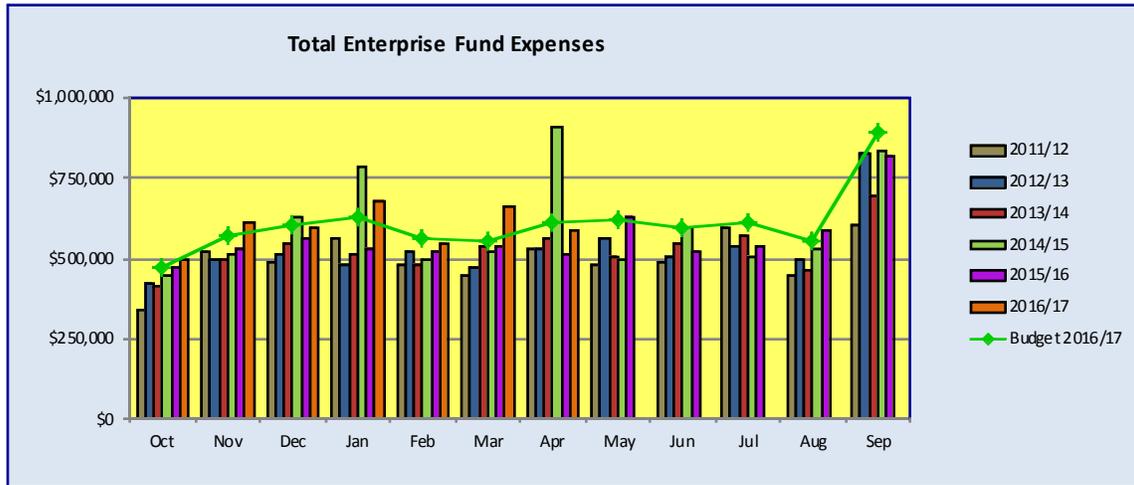
**Average Percent of Wastewater Billings by Month vs. 2015/16 Percent of Budgeted Billings**



**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

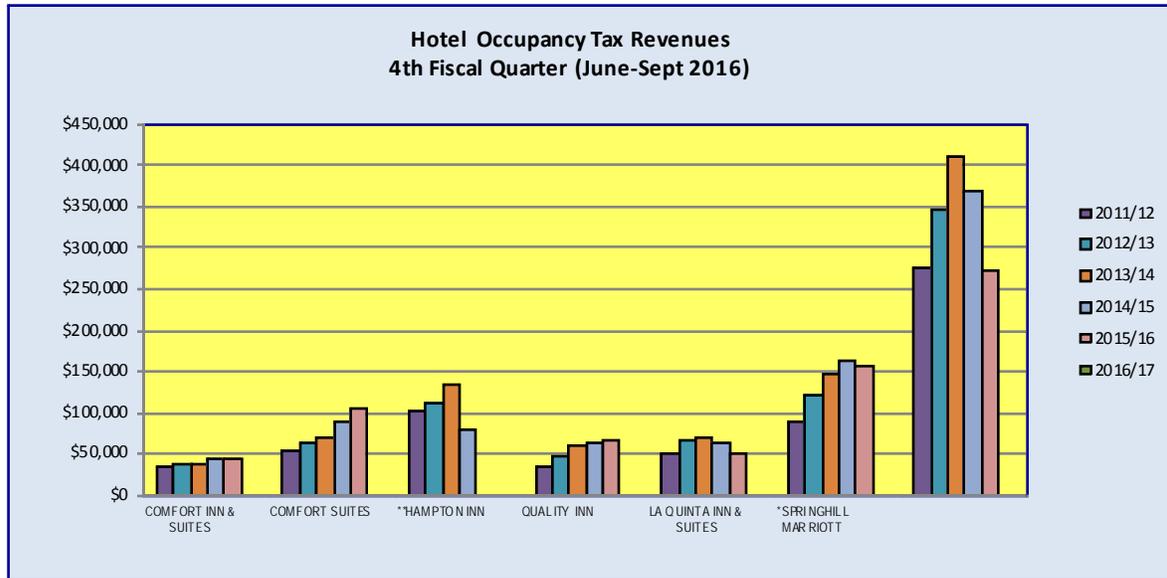
April 2015 expenses due to wastewater treatment plant upgrades

# HOTEL TAX FUND



CHART I

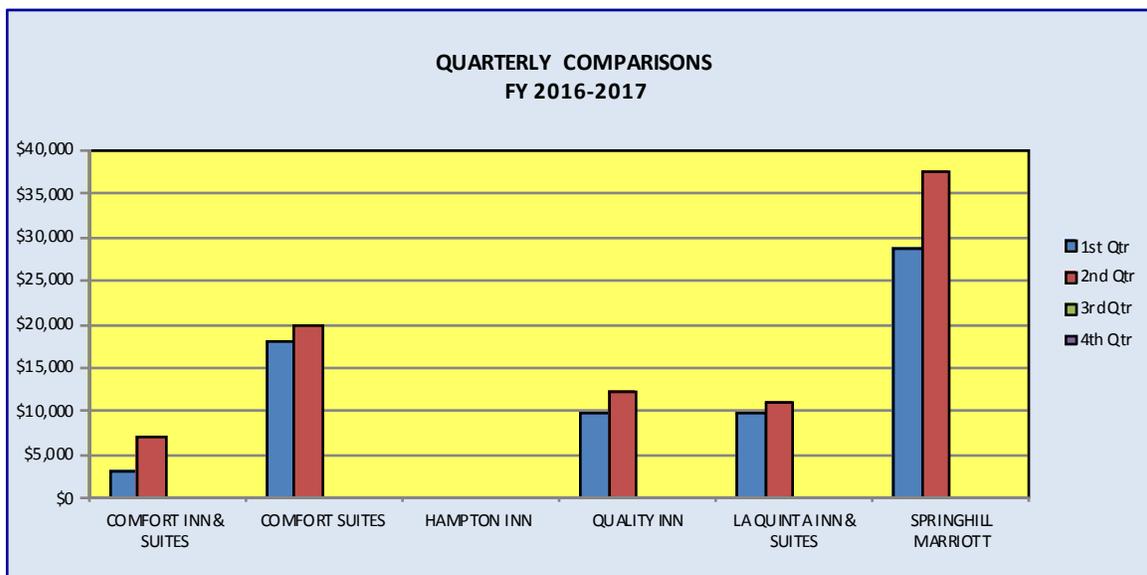
## HOTEL TAX REVENUE ANALYSIS



\*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

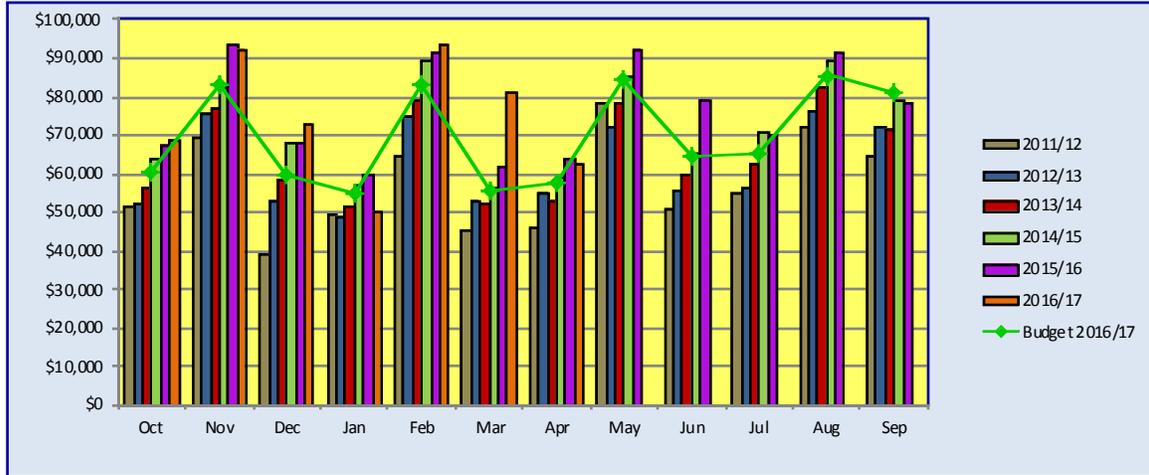
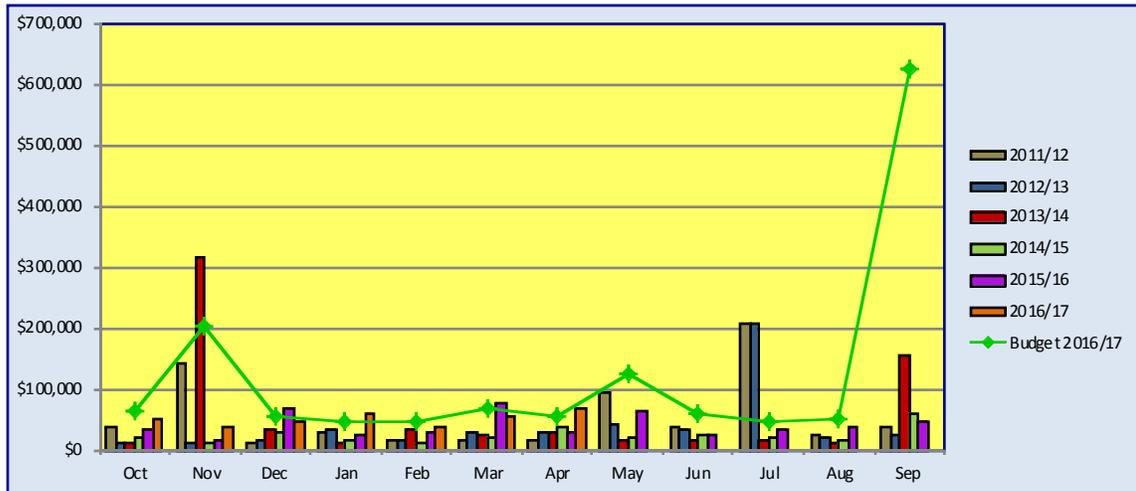


CHART L

## 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

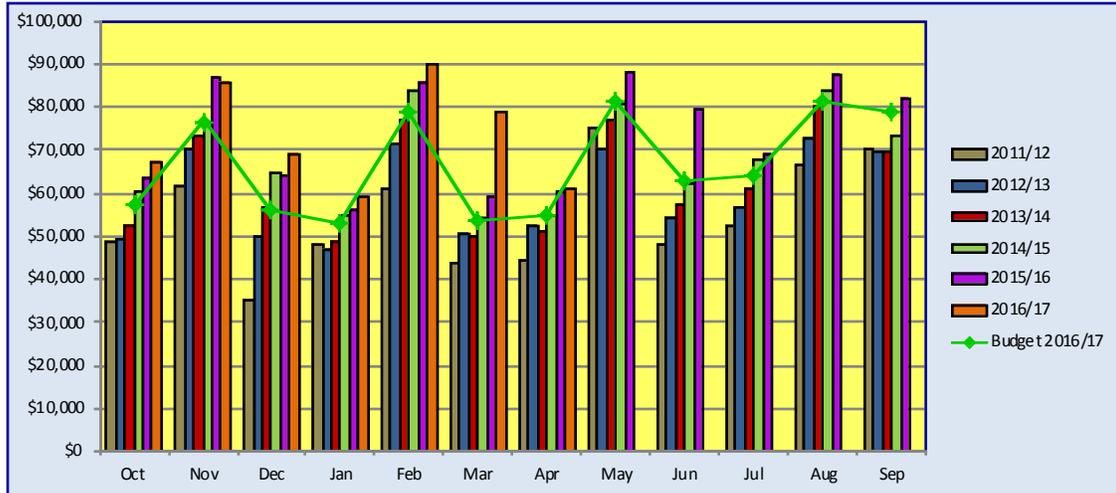
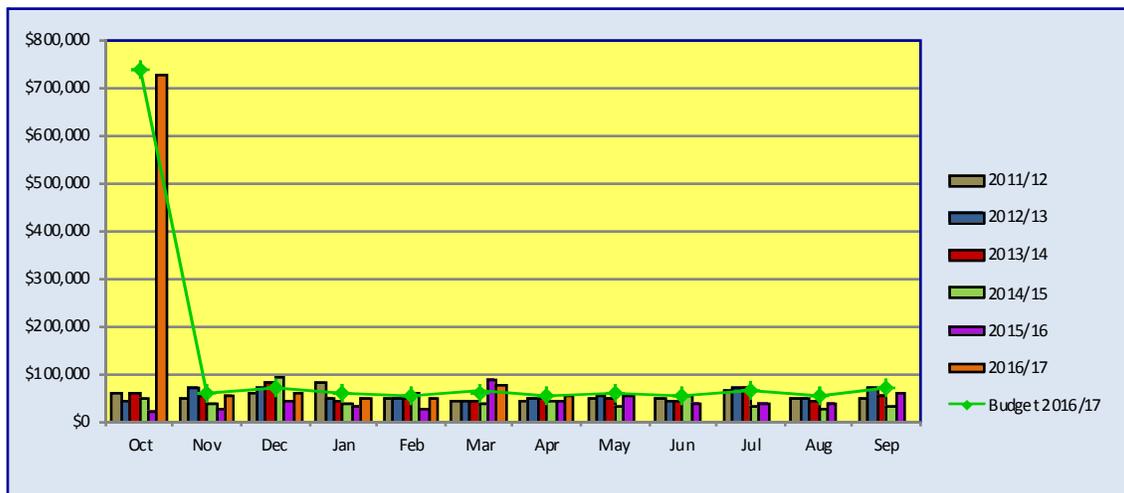


CHART N

## 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 APRIL 2017  
0.7121%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted Apr)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	7,494,574.21	(239,796.27)	5,368.07	7,260,146.01	Working capital
GENERAL FUND - RESTRICTED	1,600,000.00	0.00	incl in above	1,600,000.00	
ENTERPRISE FUND - UNRESTRIC	2,339,333.72	67,913.19	1,464.28	2,408,711.19	Working capital
ENTERPRISE FUND - RESTRICTEI	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,574,792.05	0.00	1,507.05	2,576,299.10	Water & sewer lines extensions & expansions
PARK FEES	64,940.09	550.00	38.24	65,528.33	Reserved for acquisition & development of park land
SEIZURE	33,646.98	0.00	19.69	33,666.67	Solely to purchase equipment for Law Enforcement
CHILD SAFETY PROGRAMS	32,314.43	0.00	18.91	32,333.34	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	15,094.90	0.00	8.84	15,103.74	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	1,150,399.65	(5.36)	673.32	1,151,067.61	Restricted for promotion of tourism
DEBT SERVICE FUND	3,324,446.80	19,416.01	1,945.85	3,345,808.66	Restricted for General fund reserves & yearly debt service
CAPITAL PROJECT BONDS	6,927,537.59	0.00	4,054.75	6,931,592.34	2016A CO WW Plant, Clarifier & Todville 2016 Sewer
WTR/SWR BONDS	2,160,405.59	(65,000.00)	1,263.19	2,096,668.78	Funds transferred from Bond Mkt Acct to allow liquidity
IT BONDS	57,847.44	0.00	33.86	57,881.30	Fiber Optics
PD & GF BONDS	1,870,585.30	(750,000.00)	1,079.72	1,121,665.02	Public Wokrks Facility
PD & GF BONDS (GEN FUND Reser	778,397.31	0.00	455.60	778,852.91	Public Wokrks Facility funds provided by GF Reserve
FIRE BONDS	25,296.02	0.00	14.81	25,310.83	Fire Engine
LAKESIDE DRIVE CERT DEP	134.46	0.00	0.08	134.54	
CAROTHERS	77,326.21	(500.00)	44.99	76,871.20	Carother Facility & Park
ANIMAL	751.60	0.00	0.44	752.04	Animal Shelter Needs - Donation
CRIME DISTRICT	338,453.24	(16,667.04)	188.56	321,974.76	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	13,388.85	0.00	7.84	13,396.69	
PUBLIC SAFETY	234,527.05	0.00	137.27	234,664.32	Public Safety Needs
MUNI COURT - SECURITY FUND	34,482.46	(7,500.00)	19.43	27,001.89	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	15,026.44	0.00	8.80	15,035.24	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	18,123.78	0.00	10.61	18,134.39	Fund court on technology
PUBLIC SAFETY VERF	609,905.55	12,749.42	364.45	623,019.42	Public Safety Vehicle Equipment Replacement
PEG Fund	94,390.96	0.00	55.25	94,446.21	Public Education and Government Access
STABILIZATION FUND	806,267.71	0.00	471.92	806,739.63	Highway 146 Project
WATER RATE STABILIZATION	70,099.06	0.00	41.03	70,140.09	
<b>TOTAL TEXPOOL FUND</b>	<b>36,544,494.56</b>	<b>(1,000,000.00)</b>	<b>21,329.28</b>	<b>\$35,565,823.84</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.

*Michael Gibbs*

Finance Director



# Monthly Newsletter: May 2017

## ANNOUNCEMENTS

### We welcome the following entities who joined TexPool in April 2017:

#### TexPool

- Lower Trinity Groundwater Conservation District
- Northampton MUD
- Pecos 4B Economic Development Corporation
- Kinney County Groundwater Conservation District
- Conroe Municipal Management District No. 1
- The San Antonio River Authority
- Red River County
- Gillespie County County Clerk
- Gillespie County District Clerk
- Fort Bend County MUD 134D
- Talty Special Utility District

#### TexPool Prime

- Lower Trinity Groundwater Conservation District
- Northampton MUD
- Kinney County Groundwater Conservation District
- Lake Cities Municipal Utility Authority
- The San Antonio River Authority
- Jackson County Countywide Drainage District
- Talty Special Utility District
- Angelo State University

### Upcoming Events

- GFOA National Conference  
May 21-24, 2017 | Denver
- TASBO Summer Conference  
June 18-21, 2017 | Galveston
- AWBD Conference  
June 22-24, 2017 | Corpus Christi

### 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

## Economic and Market Commentary: Finally able to catch our breath

May 1, 2017

Political brinkmanship dominated the news cycle and impacted stocks and bonds in April, but it was in many ways the first calm month in some time for cash managers. After two Federal Reserve rate hikes in three months, the aftermath of money market fund reform and the always interesting year-end and quarter-end, it seemed even the occasional April shower was gentle and warm.

Domestic growth slowed a bit over the month, but the U.S. economy clearly remains on a positive and upward path. The housing market remains robust, retail sales are decent and manufacturing is hanging onto its recent resurgence. The disappointing employment report that showed the economy added only 98,000 nonfarm jobs in March likely is an aberration, especially as other measures of labor-market health remain strong. Inflation is still below the level the Fed would like to see, at least according to the personal consumption expenditures index, but it appears to be high enough to keep the Fed on track for two more moves in 2017. While policymakers do meet in May, the market and we here at Federated expect the hikes to come at the June and September meetings. The market isn't completely buying a June hike, but it is the majority opinion at the moment, and the London interbank offered rate (Libor) has been inching up in anticipation.

(continued page 6)

### Performance as of April 30, 2017

	TexPool	TexPool Prime
Current Invested Balance	\$18,121,055,565.80	\$4,122,607,370.42
Weighted Average Maturity**	42	46
Weighted Average Life**	109	68
Net Asset Value	1.00006	1.00014
Total Number of Participants	2,409	250
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$10,843,103.36	\$3,571,778.79
Management Fee Collected	\$710,541.95	\$185,794.50
Standard & Poor's Current Rating	AAAm	AAAm
<b>Month Averages</b>		
Average Invested Balance	\$18,548,890,869.87	\$4,156,687,308.37
Average Monthly Rate*	0.71%	1.05%
Average Weighted Average Maturity**	41	43
Average Weighted Average Life**	110	63

\*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.

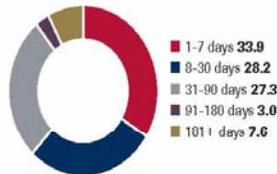
TexPool Participant Services  
1001 Texas Avenue, Suite 1400 · Houston, TX 77002  
Phone: 1-866-TEXPOOL (839-7665) · Fax: 1-866-839-3291 · TexPool.com

Managed and  
Served by **Federated**  
G35884-24 (5/17)



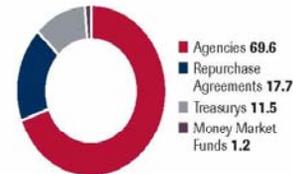
### Portfolio by Maturity (%)

As of April 30, 2017



### Portfolio by Type of Investment (%)

As of April 30, 2017



### Portfolio Asset Summary as of April 30, 2017

	Book Value	Market Value
Uninvested Balance	\$31,306.59	\$31,306.59
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	10,626,941.40	10,626,941.40
Interest and Management Fees Payable	-10,844,399.83	-10,844,399.83
Payable for Investments Purchased	-298,808,750.00	-298,808,750.00
Accrued Expenses & Taxes	-69,404.67	-69,404.67
Repurchase Agreements	3,268,162,000.00	3,268,158,821.00
Mutual Fund Investments	215,022,103.88	215,022,103.88
Government Securities	12,824,860,736.10	12,826,459,723.64
U.S. Treasury Inflation Protected Securities	0.00	0.00
US Treasury Bills	1,174,110,326.33	1,174,114,175.00
US Treasury Notes	938,964,706.00	938,436,446.00
<b>Total</b>	<b>\$18,121,055,565.80</b>	<b>\$18,122,126,963.01</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	582	\$5,534,371,881.38
Higher Education	57	\$1,444,875,540.26
Healthcare	81	\$771,801,636.82
Utility District	758	\$2,471,796,268.14
City	455	\$4,449,970,629.19
County	185	\$1,815,586,736.47
Other	291	\$1,627,506,501.09

### \*\*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.



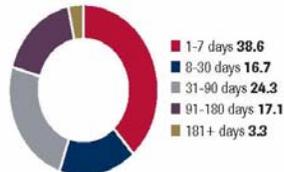
Daily Summary						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
4/1	0.6767%	0.000018540	\$18,953,206,363.73	1.00008	40	108
4/2	0.6767%	0.000018540	\$18,953,206,363.73	1.00008	40	108
4/3	0.6793%	0.000018610	\$18,903,165,598.99	1.00008	39	108
4/4	0.6785%	0.000018580	\$18,893,457,358.80	1.00006	38	103
4/5	0.6877%	0.000018840	\$18,844,481,328.98	1.00006	38	105
4/6	0.6927%	0.000018978	\$18,802,420,904.88	1.00005	41	111
4/7	0.7081%	0.000019400	\$18,710,963,989.67	1.00006	42	114
4/8	0.7081%	0.000019400	\$18,710,963,989.67	1.00006	42	114
4/9	0.7081%	0.000019400	\$18,710,963,989.67	1.00006	42	114
4/10	0.7123%	0.000019514	\$18,690,055,845.55	1.00006	40	111
4/11	0.7135%	0.000019547	\$18,653,269,323.58	1.00005	40	111
4/12	0.7146%	0.000019578	\$18,562,488,723.30	1.00005	41	111
4/13	0.7071%	0.000019372	\$18,432,141,575.05	1.00007	41	112
4/14	0.7071%	0.000019372	\$18,432,141,575.05	1.00007	41	112
4/15	0.7071%	0.000019372	\$18,432,141,575.05	1.00007	41	112
4/16	0.7071%	0.000019372	\$18,432,141,575.05	1.00007	41	112
4/17	0.7250%	0.000019864	\$18,572,635,159.77	1.00007	38	108
4/18	0.7211%	0.000019755	\$18,541,961,616.55	1.00007	38	107
4/19	0.7204%	0.000019736	\$18,543,049,888.82	1.00006	41	110
4/20	0.7191%	0.000019700	\$18,458,215,651.87	1.00006	40	109
4/21	0.7219%	0.000019777	\$18,440,257,868.04	1.00006	41	110
4/22	0.7219%	0.000019777	\$18,440,257,868.04	1.00006	41	110
4/23	0.7219%	0.000019777	\$18,440,257,868.04	1.00006	41	110
4/24	0.7220%	0.000019780	\$18,409,725,356.99	1.00005	40	107
4/25	0.7270%	0.000019917	\$18,470,304,459.23	1.00004	41	107
4/26	0.7307%	0.000020019	\$18,441,692,278.59	1.00005	42	108
4/27	0.7370%	0.000020193	\$18,227,991,301.14	1.00007	43	110
4/28	0.7372%	0.000020197	\$18,121,055,565.80	1.00006	42	109
4/29	0.7372%	0.000020197	\$18,121,055,565.80	1.00006	42	109
4/30	0.7372%	0.000020197	\$18,121,055,565.80	1.00006	42	109
<b>Average:</b>	<b>0.7121%</b>	<b>0.000019510</b>	<b>\$18,548,890,869.87</b>	<b>1.00006</b>	<b>41</b>	<b>110</b>



## TEXPOOL PRIME

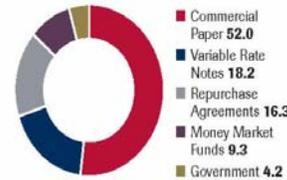
### Portfolio by Maturity (%)

As of April 30, 2017



### Portfolio by Type of Investment (%)

As of April 30, 2017



### Portfolio Asset Summary as of April 30, 2017

	Book Value	Market Value
Uninvested Balance	\$302,988.92	\$302,988.92
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	1,667,294.42	1,667,294.42
Interest and Management Fees Payable	-3,313,547.89	-3,313,547.89
Payable for Investments Purchased	-25,000,000.00	-25,000,000.00
Accrued Expenses & Taxes	-6,505.03	-6,505.03
Repurchase Agreements	766,258,000.00	766,258,000.00
Commercial Paper	2,315,216,896.39	2,315,547,078.68
Bank Instruments	0.00	0.00
Mutual Fund Investments	252,099,922.15	252,091,990.80
Government Securities	221,720,081.52	221,588,541.28
Variable Rate Notes	625,654,737.42	626,015,681.36
<b>Total</b>	<b>\$4,154,599,827.90</b>	<b>\$4,155,151,522.54</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	96	\$2,182,908,857.94
Higher Education	12	\$203,180,328.48
Healthcare	11	\$315,164,455.52
Utility District	14	\$229,050,154.01
City	51	\$380,321,620.14
County	28	\$377,242,683.59
Other	38	\$434,748,206.83



## TEXPOOL PRIME

### Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
4/1	0.9975%	0.000027328	\$4,154,599,827.90	1.00014	36	52
4/2	0.9975%	0.000027328	\$4,154,599,827.90	1.00014	36	52
4/3	0.9915%	0.000027165	\$4,179,548,431.21	1.00014	36	52
4/4	1.0152%	0.000027815	\$4,179,476,991.52	1.00014	37	55
4/5	1.0184%	0.000027901	\$4,203,199,199.39	1.00014	38	55
4/6	1.0264%	0.000028120	\$4,205,471,798.70	1.00014	41	59
4/7	1.0448%	0.000028625	\$4,154,846,544.72	1.00010	44	62
4/8	1.0448%	0.000028625	\$4,154,846,544.72	1.00010	44	62
4/9	1.0448%	0.000028625	\$4,154,846,544.72	1.00010	44	62
4/10	1.0498%	0.000028763	\$4,129,311,478.08	1.00013	45	63
4/11	1.0669%	0.000029229	\$4,129,449,984.27	1.00013	45	62
4/12	1.0539%	0.000028874	\$4,142,263,404.47	1.00013	45	66
4/13	1.0558%	0.000028925	\$4,125,050,093.96	1.00009	47	67
4/14	1.0558%	0.000028925	\$4,125,050,093.96	1.00009	47	67
4/15	1.0558%	0.000028925	\$4,125,050,093.96	1.00009	47	67
4/16	1.0558%	0.000028925	\$4,125,050,093.96	1.00009	47	67
4/17	1.0758%	0.000029475	\$4,214,629,366.94	1.00014	42	63
4/18	1.0656%	0.000029194	\$4,210,116,911.71	1.00015	42	65
4/19	1.0835%	0.000029685	\$4,189,857,912.50	1.00013	44	66
4/20	1.0607%	0.000029061	\$4,217,236,530.62	1.00014	43	65
4/21	1.0534%	0.000028861	\$4,168,503,038.96	1.00011	44	66
4/22	1.0534%	0.000028861	\$4,168,503,038.96	1.00011	44	66
4/23	1.0534%	0.000028861	\$4,168,503,038.96	1.00011	44	66
4/24	1.0525%	0.000028835	\$4,154,531,070.93	1.00015	41	64
4/25	1.0550%	0.000028905	\$4,152,141,808.58	1.00016	43	65
4/26	1.0493%	0.000028749	\$4,144,548,132.30	1.00016	42	65
4/27	1.0604%	0.000029053	\$4,101,565,335.88	1.00017	43	65
4/28	1.0649%	0.000029176	\$4,122,607,370.42	1.00014	46	68
4/29	1.0649%	0.000029176	\$4,122,607,370.42	1.00014	46	68
4/30	1.0649%	0.000029176	\$4,122,607,370.42	1.00014	46	68
<b>Average:</b>	<b>1.0477%</b>	<b>0.000028706</b>	<b>\$4,156,687,308.37</b>	<b>1.00013</b>	<b>43</b>	<b>63</b>

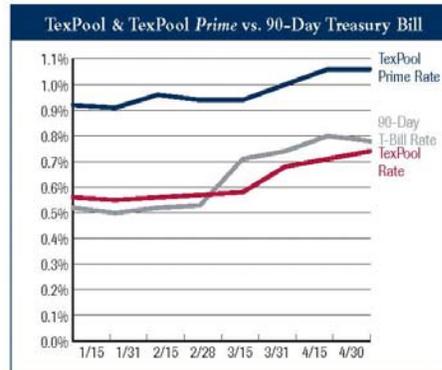


Participant Services  
1001 Texas Ave. 14th Floor  
Houston, TX 77002

Although the Fed has begun to discuss its humongous balance sheet, we feel any action this year to reduce their holdings of government and agency securities would come in the fourth quarter and be set up by plenty of Fed speak far ahead of time.

With the military strike on Syria, talk of a federal government shutdown, the Trump administration's controversial proposed tax cuts, a snap election in the U.K., belligerent talk by North Korea and unpredictable shifts in President Trump's positions (including the possibility now that he might want Janet Yellen to chair the Fed for another term!), April had plenty of volatility. And that list does not even include the most potential market-moving event: the outcome of the French election.

It's enough to make your head spin, but the Treasury yield curve has had none of that, flattening over April. That led us in the middle of month to shorten our weighted average maturity (WAM) by five days for our prime portfolios, bringing it in line with our government portfolios WAM of 35-45 days. There was simply no reason to go further out the curve as relative value just wasn't there and spreads had tightened. We still think floaters are attractive, though not as much as in the first quarter of this year. Our purchases of fixed-rate paper in April were on the short side, as well, mostly in the 2- and 3-month space. We would rather keep some dry powder for when the curve steepens. And we hope it would be due to the economy, not politics.



*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.*