

**City of Peoria**  
**Vistancia**



**For the Quarter Ended**  
**December 31, 2016**

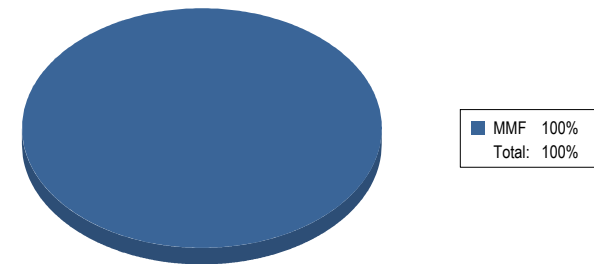
**Account Summary**

**Allocation by Security Type**

Beginning Values as of 09/30/16

Ending Values as of 12/31/16

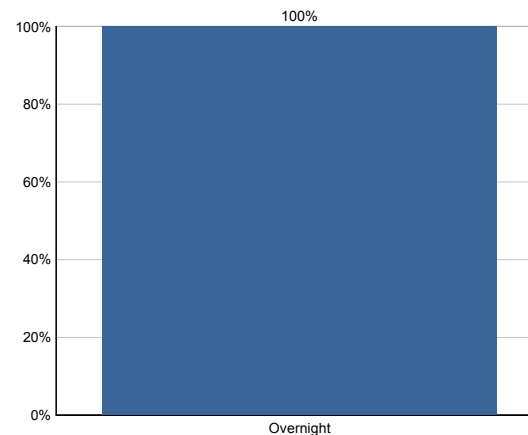
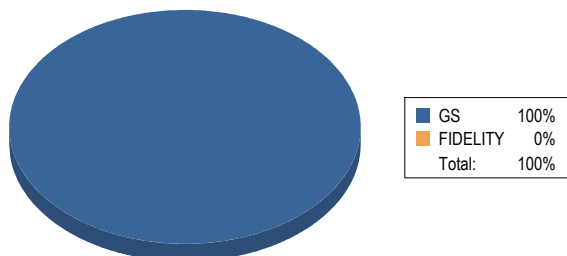
Par Value	303,868.10	304,095.84
Market Value	303,868.10	304,095.84
Book Value	303,868.10	304,095.84
Unrealized Gain/(Loss)	0.00	0.00
<b>Market Value %</b>	<b>100.00%</b>	<b>100.00%</b>
Weighted Avg. YTW	0.285%	0.375%
Weighted Avg. YTM	0.285%	0.375%



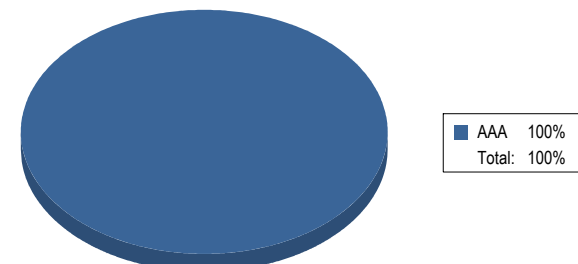
**Allocation by Issuer**

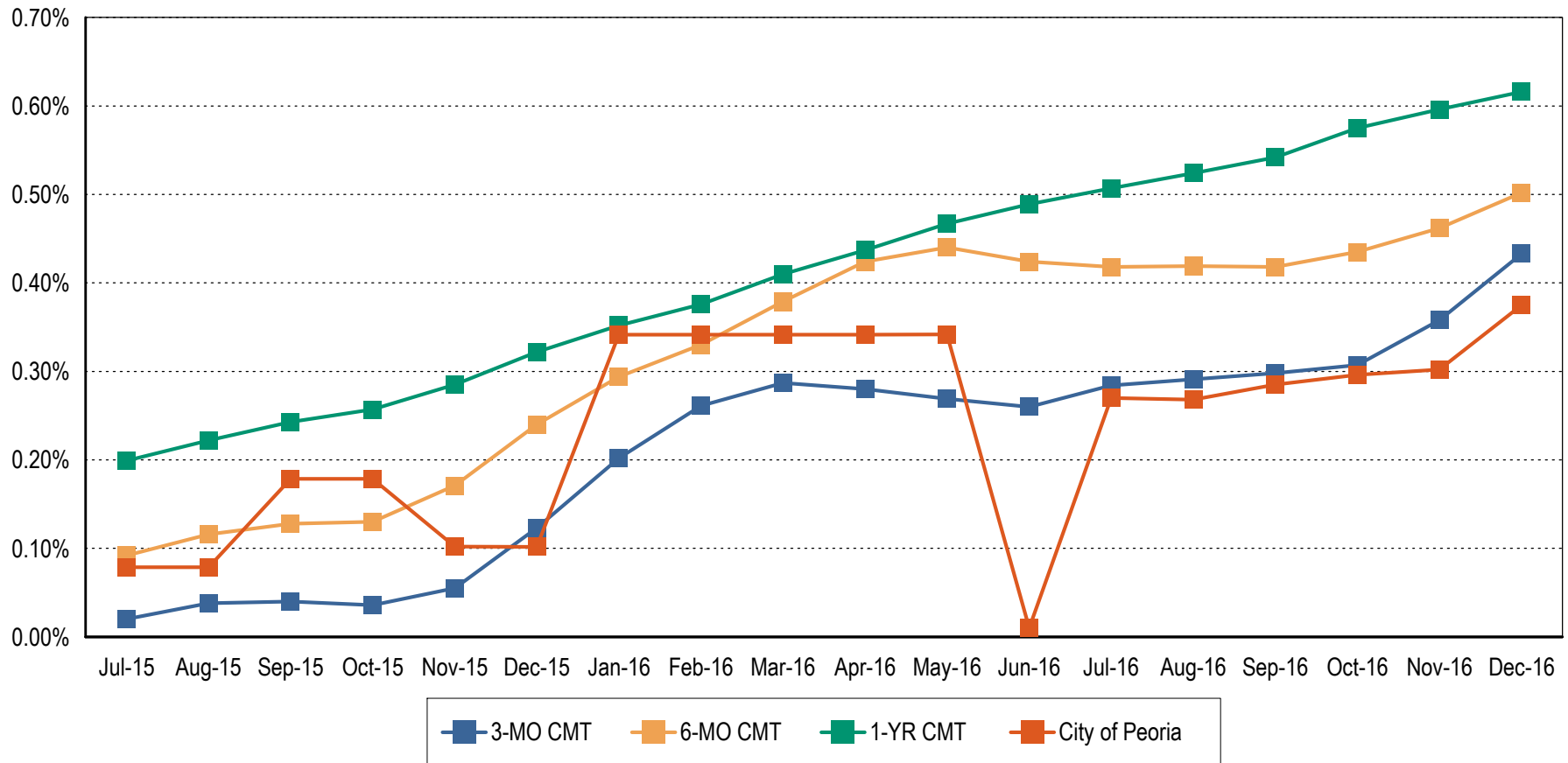
**Maturity Distribution %**

**Credit Quality**



Weighted Average Days to Maturity: 0





**Note 1:** CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities. The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year and 2-year CMT's are the daily averages for the previous 12-months.

<b>Investment Type Allocation:</b>	<b>Book Value</b>	<b>Percent</b>	<b>Policy Maximum</b>	<b>Pass / Fail?</b>
Money Market Funds	304,095.84	100.00%	35.00%	Fail*
Agencies	-	0.00%	80.00%	Pass
Commercial Paper	-	0.00%	35.00%	Pass
U.S. Treasury	-	0.00%	80.00%	Pass
	<b>304,095.84</b>	<b>100.00%</b>		

<b>Issuer Allocation:</b>	<b>Book Value</b>	<b>Percent</b>	<b>Policy Maximum</b>	<b>Pass / Fail?</b>
Fannie Mae	-	0.00%	40.00%	Pass
Freddie Mac	-	0.00%	40.00%	Pass
FHLB	-	0.00%	40.00%	Pass
Federal Farm Credit	-	0.00%	40.00%	Pass
U.S. Treasury	-	0.00%	80.00%	Pass
GE Capital (FDIC)	-	0.00%	10.00%	Pass
Toyota Motor Credit	-	0.00%	10.00%	Pass
Wells Fargo MMF	-	0.00%	35.00%	Pass
GE Capital Corp	-	0.00%	10.00%	Pass
Goldman Sachs MMF	304,095.84	100.00%	35.00%	Fail
	<b>304,095.84</b>	<b>100.00%</b>		

<b>Investment Income for the Period From 10/1/2016 through 12/31/2016:</b>	
Interest Income	227.74
Realized Gains/Losses	-
<b>Net Investment Income</b>	<b>227.74</b>

<b>Maturity Breakdown:</b>	<b>Book Value</b>	<b>Percent</b>	<b>Policy Maximum</b>	<b>Pass / Fail?</b>
Less Than 90 Days	304,095.84	100.00%		
90 to 180 Days	-	0.00%		
181 to 365 Days	-	0.00%		
1 to 2 Years	-	0.00%		
2 to 3 Years	-	0.00%		
More Than 3 Years	-	0.00%	20.00%	Pass
	<b>304,095.84</b>	<b>100.00%</b>		

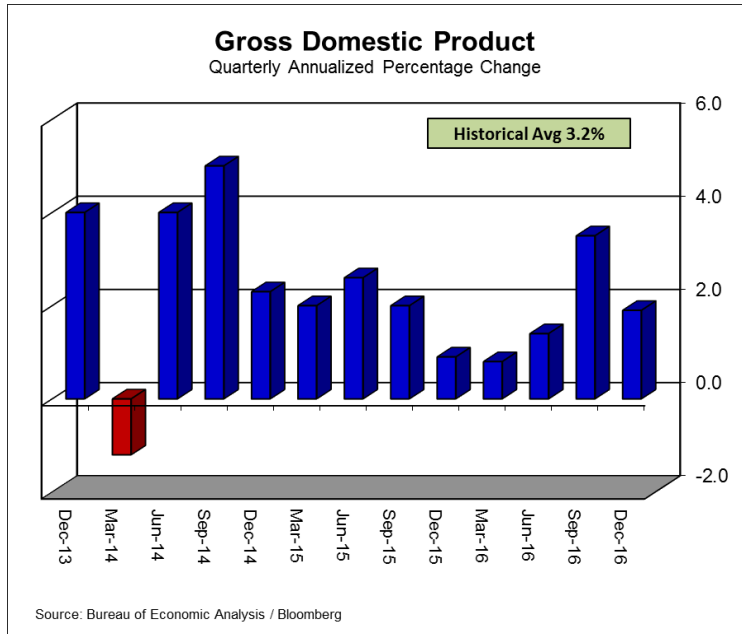
<b>Other Policy Tests:</b>	<b>Pass / Fail?</b>
Policy requires at least 35% of portfolio to mature in less than one year. Current Portfolio Maturing in Less Than One Year = <b>100.0%</b>	Pass
Policy sets a maximum weighted average maturity of 1095 days (3 years). Current Portfolio Weighted Average Maturity = <b>1</b>	Pass

\* **Note:** Policy violations due to overconcentration of investments in money market funds is due to imminent funding needs.

# National Economic Trends

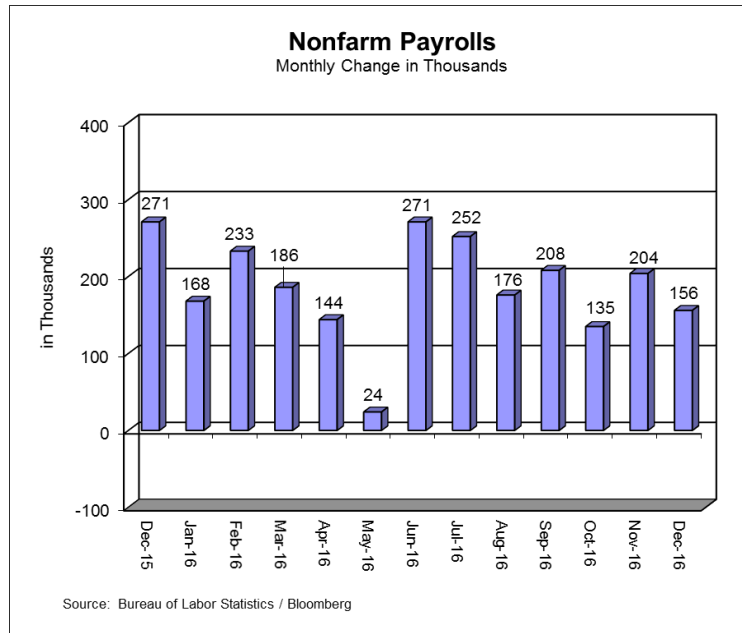
Period ending December 31, 2016

## Gross Domestic Product (GDP)



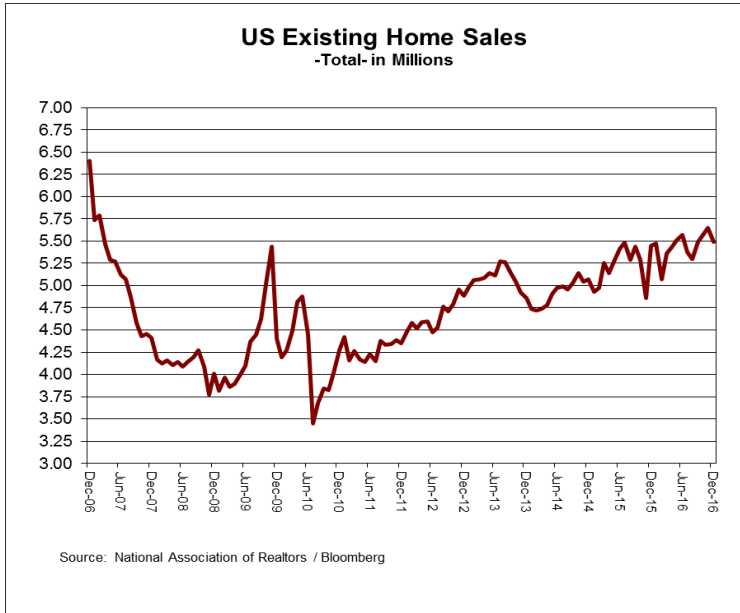
The initial calculation of fourth quarter GDP came in at a +1.9% annualized rate of growth, less than the +2.2% median forecast and well below the +3.5% (revised) pace of the previous quarter. The primary drag was the trade deficit as net exports subtracted 1.7 percentage points from the headline, the most since 2010. This very simply reflects the fact that American consumers bought significantly more imported goods than foreign buyers bought U.S. exports. Inventory accumulation added one full percentage point to overall growth. If exports and inventories (both very volatile) are stripped from the equation, “final sales to domestic producers” grew +2.5%, the fastest in five quarters. For all of 2016, GDP grew by +1.6%, the weakest since 2011 and slightly below the average annual pace of the lackluster seven+ year recovery cycle.

## Nonfarm Payrolls



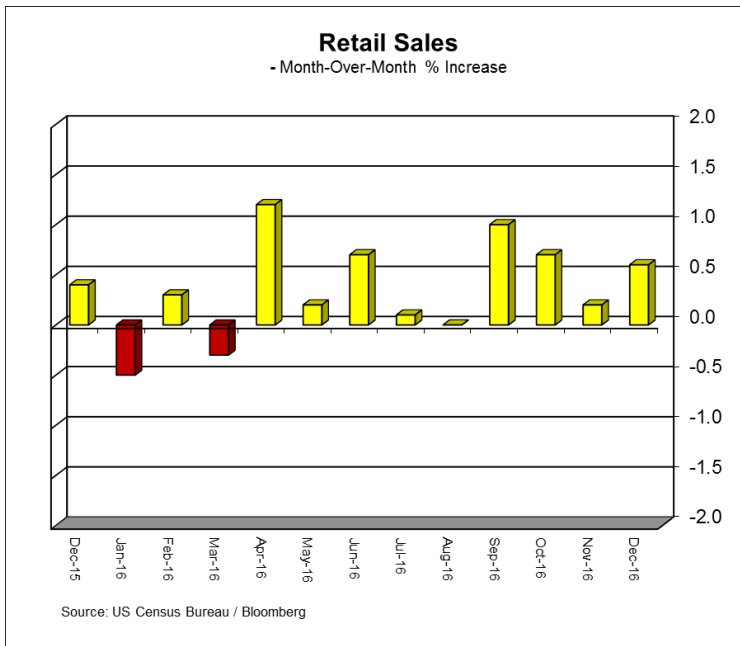
The headline of the December report appeared weaker than expected, but the underlying data suggested a tighter labor market. Nonfarm payrolls rose by +156k, falling short of the +175k median forecast, but made up the difference with +19k in upward revisions to the previous two months. The official unemployment rate edged up from a 9½-year low of 4.6% to 4.7% as the labor market participation rate increased. The participation rate climbed by 1/10<sup>th</sup> to 62.7% (still very close to a four decade low) as +184k newly encouraged Americans rejoined the labor force. For all of 2016, payrolls increased by an average of +180k per month, down from +229k and +251k in 2015 and 2014. The 6th consecutive year of 2 million+ job creation is the best since 1999, although the quality of those jobs removes some of the luster.

## Housing



The monthly housing data reflected the negative impact of higher lending rates as both new and existing sales slipped in December. Existing home sales fell -2.8% in December to a 5.49 million annualized rate, while November sales were revised slightly upward to a 5.65 million pace. The available supply fell to a 12-year low of 3.6 months, well below what is typically considered a tight housing market. The total number of existing homes listed for sale fell -10.6% to 1.65 million, a record low going back to 1999. For all of 2016, 5.44 million existing homes were sold, the best in a decade. December *new* home sales fell -10.4% to a 536k annualized rate. Although the drop was the largest in nearly two years, the year as a whole was very good. Total new home sales in 2016 were 563k, the highest since 2007.

## Retail Sales



Retail sales rose significantly in December as U.S. consumers spent large amounts on autos, gasoline and online purchases. The +0.6% December headline advance followed +0.2% and +0.7% revised increases in the prior two months. For all of 2016, retail sales rose +3.3%, a nice increase over the +2.3% gain in 2015. Vehicle sales rose +2.4% in December, thanks to generous (and profit-draining) discounts and rebates. Auto sales were up +7.4% in 2016 and reached a historical high for the second straight year. Unfortunately, the underlying numbers weren't quite as strong. If auto sales are excluded, there was *no change* from November, and the retail sales "control group," which excludes autos, gas and building materials and is used to calculate GDP, rose by just +0.2%.

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