

City of Peoria



For the Quarter Ended

December 31, 2016

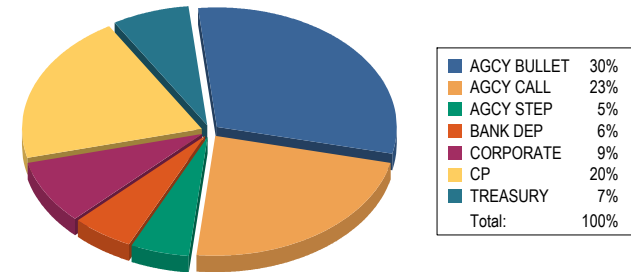
Account Summary

Allocation by Security Type

Beginning Values as of 09/30/16

Ending Values as of 12/31/16

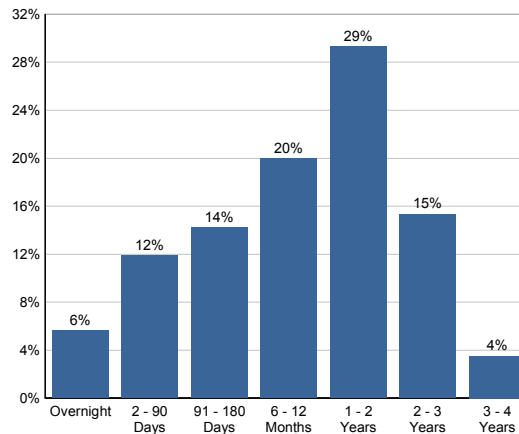
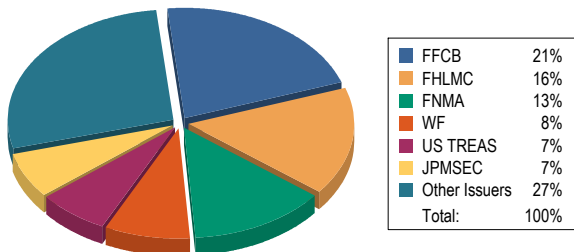
Par Value	324,865,007.34	337,176,238.64
Market Value	325,235,350.40	336,421,474.85
Book Value	325,059,355.95	337,096,472.16
Unrealized Gain/(Loss)	175,994.45	(674,997.31)
Market Value %	100.05%	99.80%
Weighted Avg. YTW	0.924%	0.985%
Weighted Avg. YTM	0.984%	1.040%



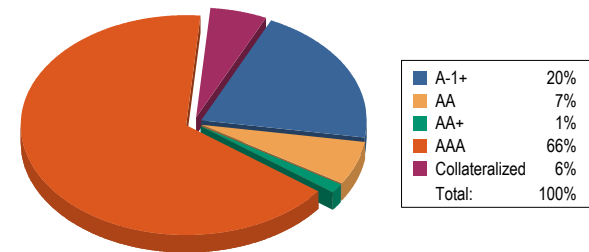
Allocation by Issuer

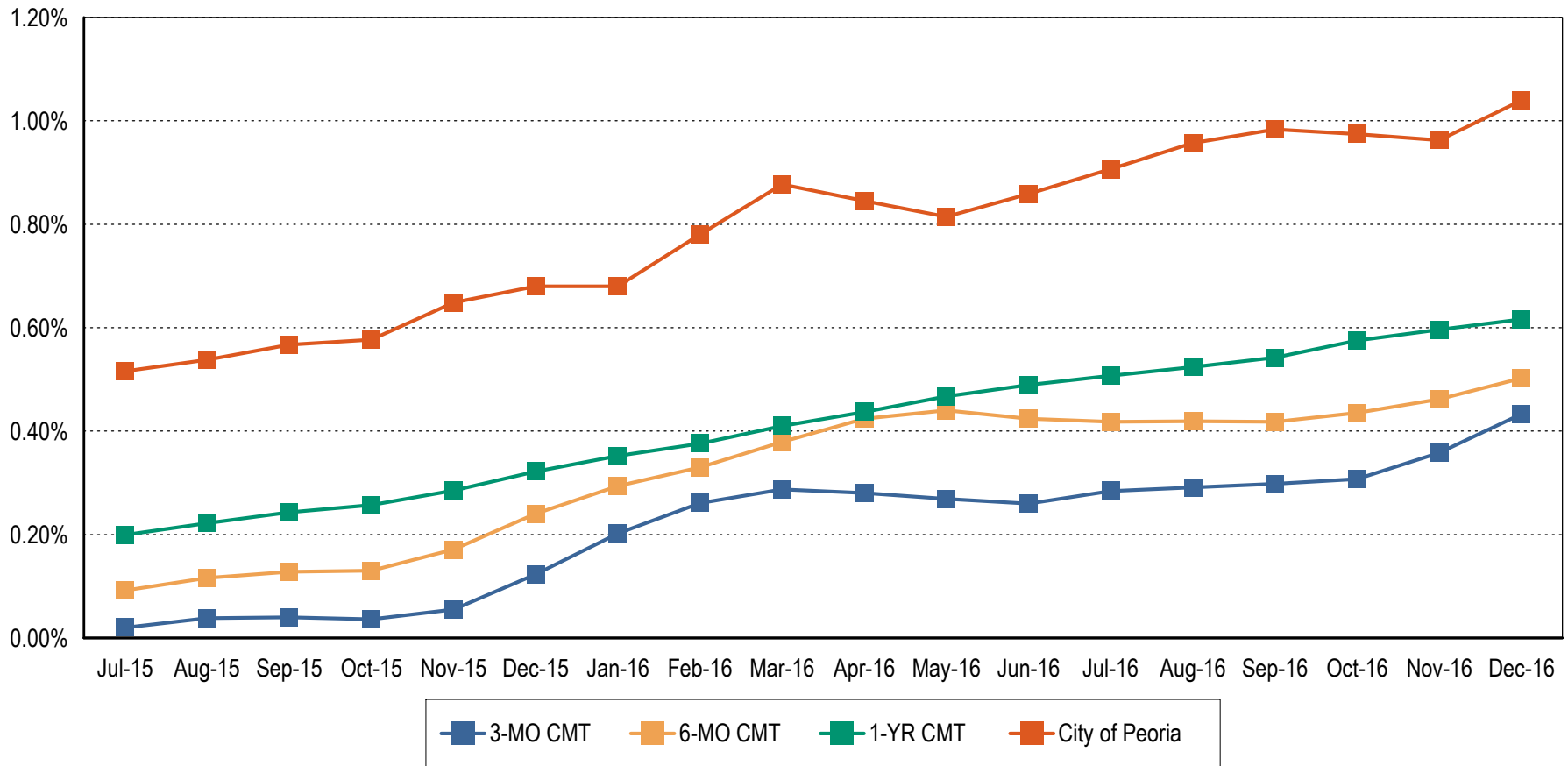
Maturity Distribution %

Credit Quality



Weighted Average Days to Maturity: 421





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.

Investment Type Allocation:	Book Value	Percent	Policy Maximum	Pass / Fail?
Money Market Funds	18,956,238.64	5.6%	35.00%	Pass
Agencies	197,284,285.69	58.5%	80.00%	Pass
Commercial Paper	68,749,009.00	20.4%	35.00%	Pass
U.S. Treasury	23,034,022.91	6.8%	80.00%	Pass
Corporates	29,072,915.92	8.6%	35.00%	Pass
	337,096,472.16	100.00%		

Maturity Breakdown:	Book Value	Percent	Policy Maximum	Pass / Fail?
Less Than 90 Days	58,999,119.44	17.5%	No Limit	
90 to 180 Days	47,930,654.22	14.2%	No Limit	
181 to 365 Days	67,311,501.25	20.0%	No Limit	
1 to 2 Years	98,960,509.08	29.4%	No Limit	
2 to 3 Years	51,927,553.57	15.4%	No Limit	
More Than 3 Years	11,967,134.60	3.6%	20.00%	Pass
	337,096,472.16	100.00%		

Issuer Allocation:	Book Value	Percent	Policy Maximum	Pass / Fail?
Fannie Mae	45,556,752.96	13.5%	40.00%	Pass
Freddie Mac	52,807,908.43	15.7%	40.00%	Pass
FHLB	21,995,625.48	6.5%	40.00%	Pass
Federal Farm Credit	72,595,554.77	21.5%	40.00%	Pass
U.S. Treasury	23,034,022.91	6.8%	80.00%	Pass
Private Export Funding Corp	4,328,444.05	1.3%	40.00%	Pass
Wells Fargo MM	18,956,238.64	5.6%	35.00%	Pass
J.P.Morgan Sec	22,878,453.60	6.8%	10.00%	Pass
Kaiser Foundation Hosp	15,063,088.96	4.5%	10.00%	Pass
Nestle Finance	10,938,799.74	3.2%	10.00%	Pass
Toyota Mtr Cr	21,867,281.34	6.5%	10.00%	Pass
Apple Inc	2,997,921.96	0.9%	5.00%	Pass
Berkshire Hathaway	5,035,240.20	1.5%	5.00%	Pass
Chevron Corp	8,003,388.56	2.4%	5.00%	Pass
Exxon Mobil	6,016,923.46	1.8%	5.00%	Pass
Wells Fargo	5,020,827.10	1.5%	5.00%	Pass
	337,096,472.16	100.00%		

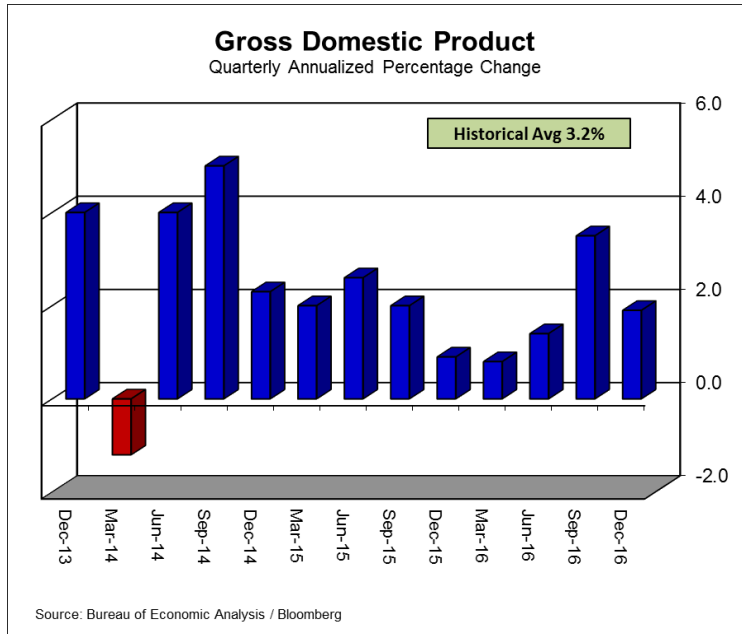
Other Policy Tests:	Pass / Fail?
Policy requires at least 35% of portfolio to mature in less than one year. Current Portfolio Maturing in Less Than One Year = 51.7%	Pass
Policy sets a maximum weighted average maturity of 3 years (1095 days). Current Portfolio Weighted Average Maturity = 421	Pass

Investment Income for the Period From 10/1/2016 through 12/31/2016:	
Interest Income	768,785.74
Realized Gains/Losses	-
Net Investment Income	768,785.74

National Economic Trends

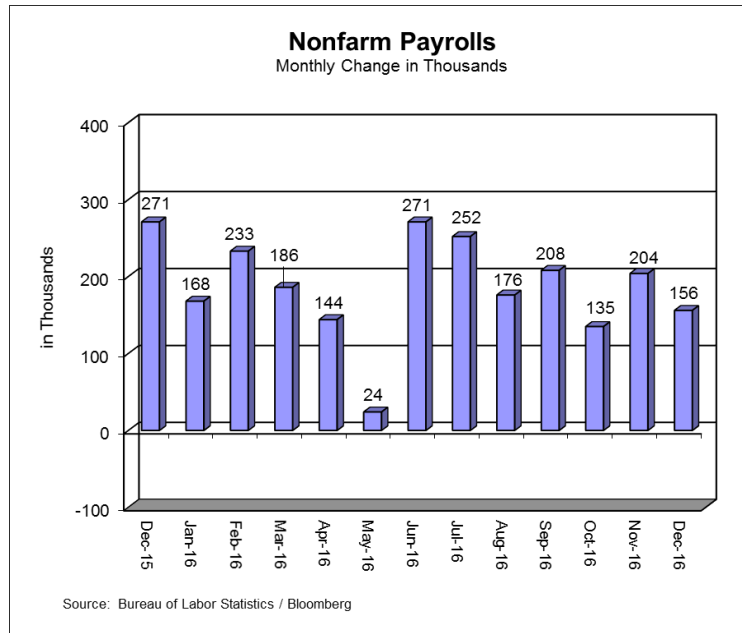
Period ending December 31, 2016

Gross Domestic Product (GDP)



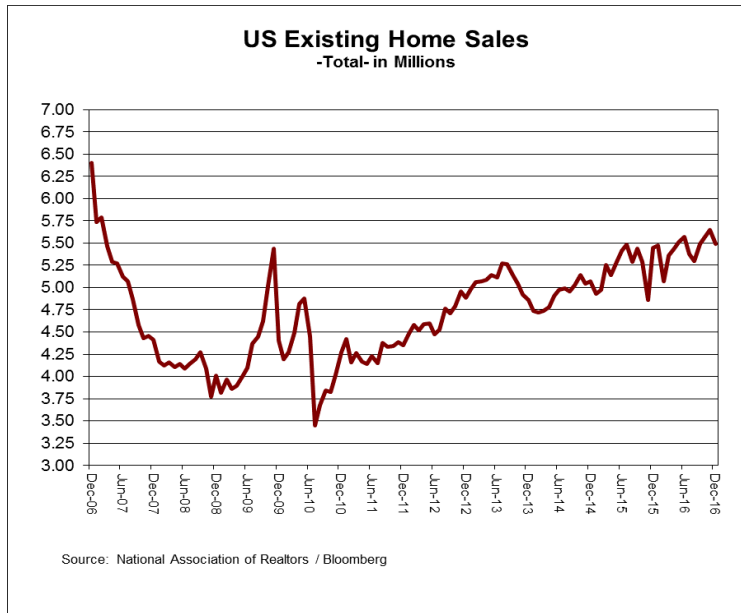
The initial calculation of fourth quarter GDP came in at a +1.9% annualized rate of growth, less than the +2.2% median forecast and well below the +3.5% (revised) pace of the previous quarter. The primary drag was the trade deficit as net exports subtracted 1.7 percentage points from the headline, the 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



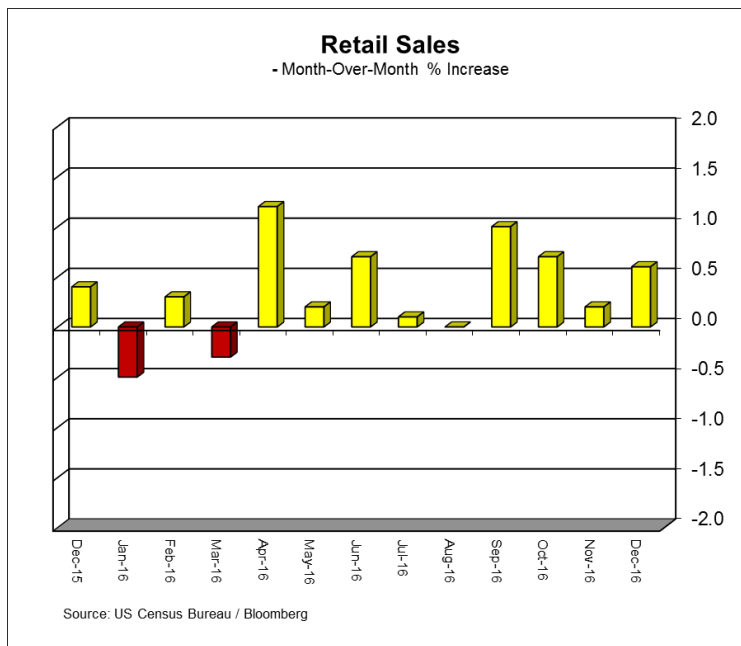
The headline of the December report appeared weaker than expected, but the underlying data suggested a tighter labor market. Nonfarm payrolls rose by +156k, falling short of the +175k median forecast, but made up the difference with +19k in upward revisions to the previous two months. The official unemployment 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 1/10th 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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