FirstSouthwest AssetManagement
A Hilltop Holdings Company

Investment Portfolio Summary

City of Peoria
Vistancia

For the Quarter Ended

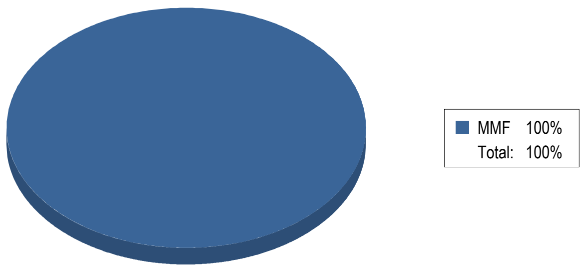
March 31, 2017

Prepared by
FirstSouthwest Asset Management

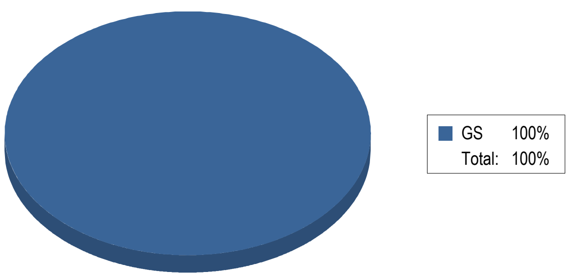
Account Summary

	Beginning Values as of 12/31/16	Ending Values as of 03/31/17
Par Value	304,095.84	299,431.17
Market Value	304,095.84	299,431.17
Book Value	304,095.84	299,431.17
Unrealized Gain /(Loss)	0.00	0.00
Market Value %	**100.00%**	**100.00%**
Weighted Avg. YTW	0.375%	0.519%
Weighted Avg. YTM	0.375%	0.519%

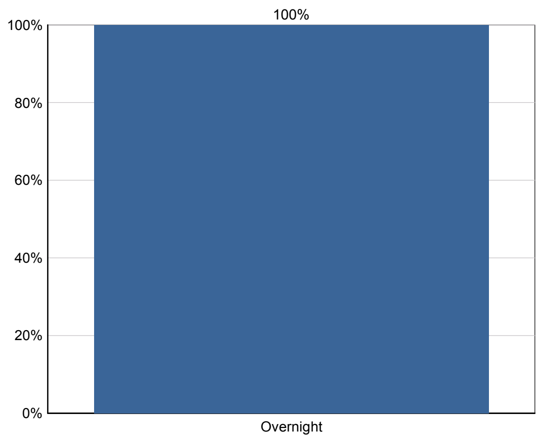
Allocation by Security Type



Allocation by Issuer

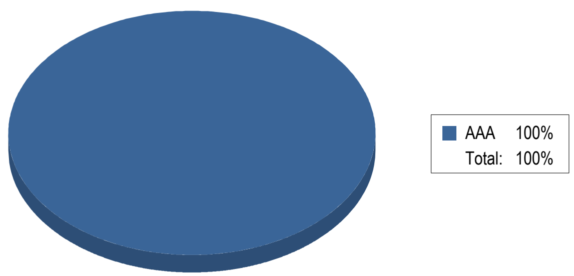


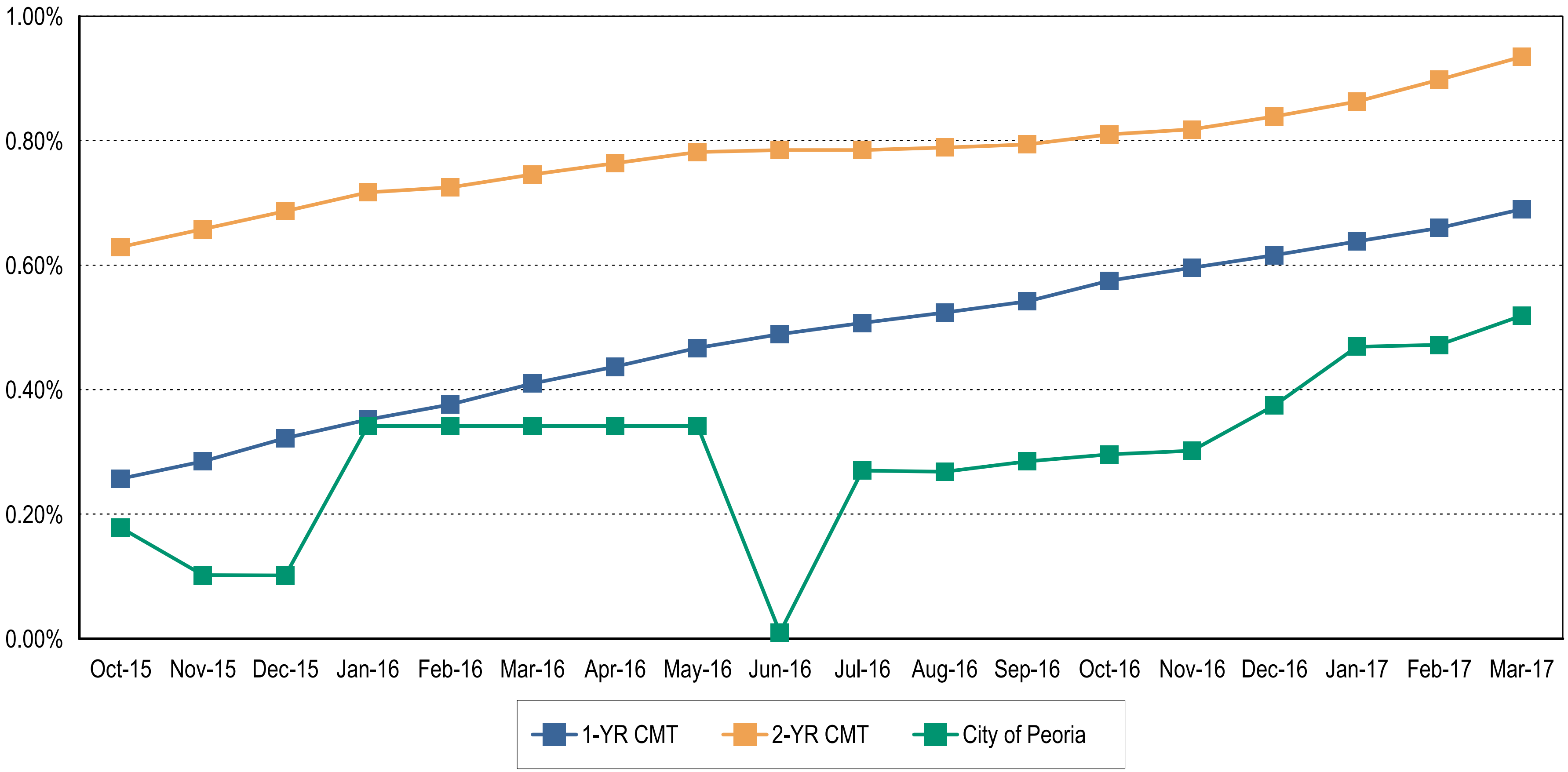
Maturity Distribution %



Weighted Average Days to Maturity: 0

Credit Quality





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.

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City of Peoria - Vistancia
Investment Policy Compliance and Investment Income
As of March 31, 2017

Investment Type Allocation:	Book Value	Percent	Policy Maximum	Pass / Fail?
Money Market Funds	299,431.17	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
	299,431.17	**100.00%**		

Maturity Breakdown:	Book Value	Percent	Policy Maximum	Pass / Fail?
Less Than 90 Days	299,431.17	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
	299,431.17	**100.00%**		

Issuer Allocation:	Book Value	Percent	Policy Maximum	Pass / Fail?
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	299,431.17	100.00%	35.00%	Fail
	299,431.17	**100.00%**		

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

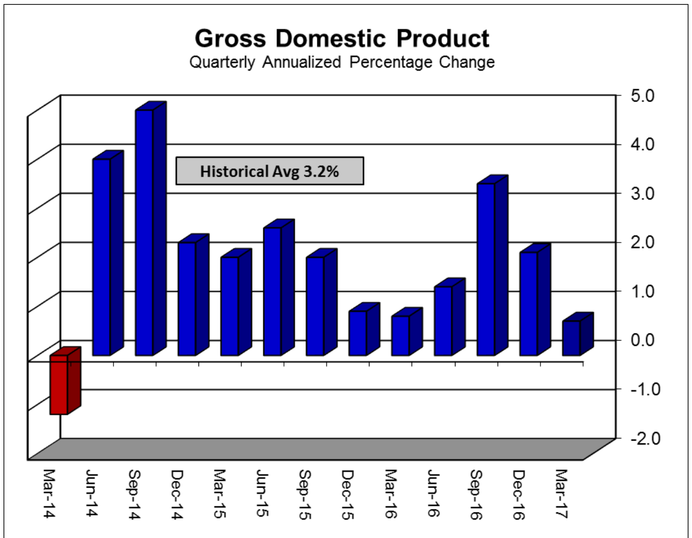
Investment Income for the Period From 1/1/2017 through 3/31/2017:	
Interest Income	335.33
Realized Gains/Losses	-
Net Investment Income	**335.33**

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

National Economic Trends

Period Ending March 31, 2017

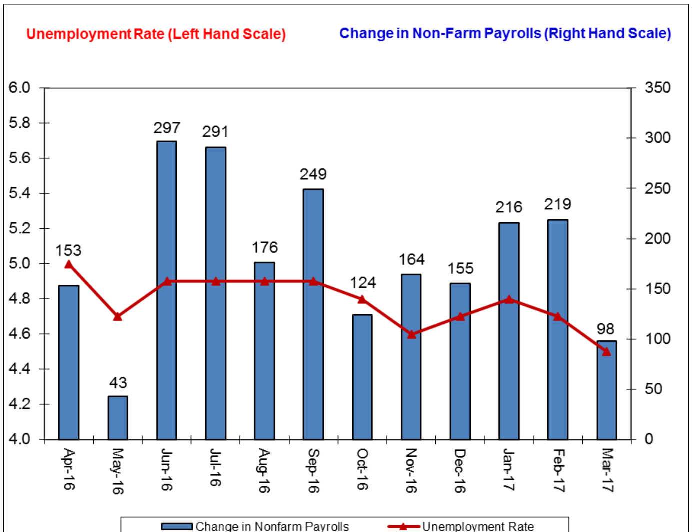
Gross Domestic Product (GDP)



Source: Bureau of Economic Analysis / Bloomberg

Robust consumer confidence numbers suggested that economic growth was poised to take a step forward in the first quarter, but the reality was quite different. GDP actually increased at a sluggish +0.7% annual rate in the first quarter of 2017, the slowest growth in three years, and a sharp deceleration from the +2.1% advance in the previous quarter. Consumer spending, the key component to U.S. economic growth, rose by just +0.3%. Residential spending (housing) jumped during the quarter, while nonresidential (business structures) surged; both got a boost from warm weather in January and February. Slower inventory buildup shaved almost a full percentage point from the overall number, but will likely *add to GDP* in subsequent quarters. All indications suggest that growth will resume in the second quarter.

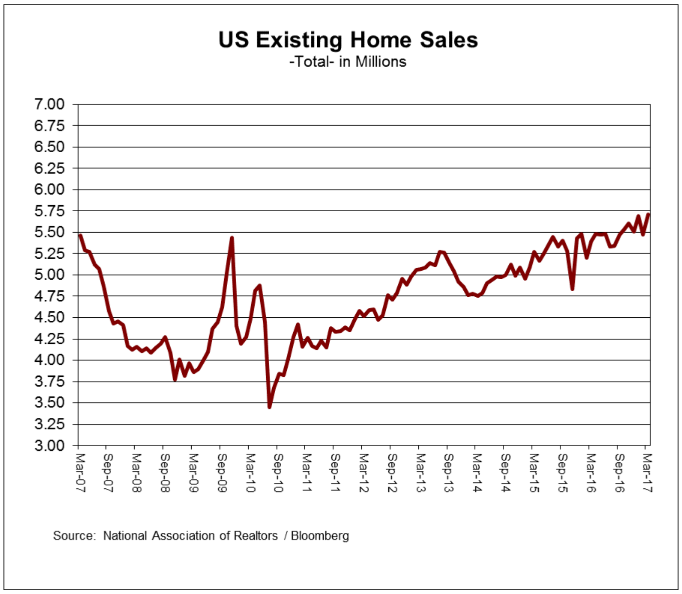
Nonfarm Payrolls



Source: Bureau of Labor Statistics /

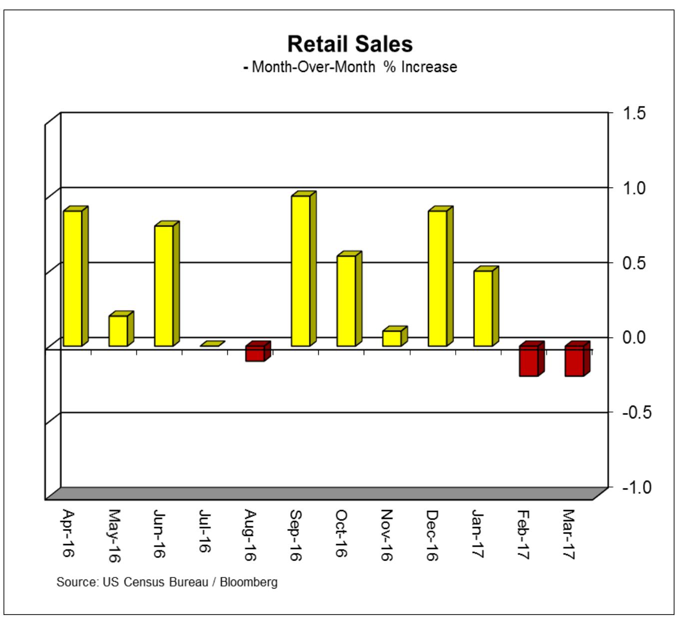
The Bureau of Labor Statistics reported nonfarm payrolls increased by just +98k in March, falling well short of the +180k median forecast, while the previous two months were revised downward by a combined -38k. Jobs in retail stores fell by -30k following a -31k decline in February. The worst two-month showing since 2009 reflects the sag in consumer spending during the first quarter and a continued hammering of brick and mortar businesses. The separate household survey (which calculates the unemployment rate) told a completely different story. The headline unemployment rate declined from 4.7% to a *10-year low* of 4.5%. The household job count rose by a whopping +472k in March following a +447k February gain, while the labor force grew by just +145k.

Housing



The housing market, buoyed by favorable weather for much of the quarter, reached fresh recovery highs. Existing home sales rose by +4.4% in March to a 5.71 million unit annualized rate, the highest in more than 10 years. The available supply held near a 12-year low of 3.8 months, well below what is typically considered a tight housing market, while the average days on the market fell from 45 to 34. Lean supply pushed the average sales price for an existing home up +6.8% year-over-year to $236,400. March *new* home sales jumped +5.8% to a 621k annualized rate, the second highest sales pace in a decade. The month's supply declined from 5.4 to 5.2, while the median sales price rose +1.2% year-over-year to $315,100. The housing sector, despite higher prices and lending rates, is likely to add several tenths to GDP in Q1.

Retail Sales



The Conference Board's measure of consumer confidence soared from 116.1 in February to a 16-year high of 125.6 in March. Yet, actual spending numbers failed to corroborate the survey. Retail sales dropped by -0.2% in March, after a revised February decrease of -0.3%. It was the first back-to-back decline in two years. Internet sales, which are harder to measure, have outpaced purchases at the traditional brick-and-mortar stores. Vehicle sales fell by -1.2% in March to a 16.5 million unit annual pace. Retail sales, ex auto and gasoline, remained constant with an anemic +0.1% gain in both February and March. It was an unexpectedly weak quarter for spending. U.S. consumers appear hopeful, but apprehensive.