

# MONTHLY FINANCIAL REPORT

## PERFORMANCE SUMMARY

August 2015

	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	NEUTRAL	B
Property Tax Collection Analysis	POSITIVE	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	NEGATIVE	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	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 AUGUST 2015

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	4,358,162	4,254,636	97.62%	99.60%
Penalties & Interest	38,000	37,675	99.14%	82.77%
Sales Tax	1,475,000	1,574,771	106.76%	90.90%
Franchise Tax	685,000	712,121	103.96%	99.01%
Other Tax	100,000	125,863	125.86%	66.45%
License & Permits	320,000	222,622	69.57%	55.45%
Charges for Services	50,000	63,544	127.09%	93.02%
DOT Fines	15,000	39,874	265.83%	82.38%
Other Municipal Court Fees	369,700	370,607	100.25%	92.15%
Interest Income	573	1,825	318.55%	90.65%
Intergovernmental	575,843	611,089	106.12%	86.37%
Other Revenue	32,500	94,347	290.30%	95.30%
Transfers from Enterprise Fund	1,690,642	1,549,756	91.67%	91.67%
Payment for Services-EDC	<u>125,000</u>	<u>114,583</u>	<u>91.67%</u>	<u>91.67%</u>
<b>Total Revenues</b>	<b>9,835,420</b>	<b>9,773,311</b>	<b>99.37%</b>	<b>93.34%</b>

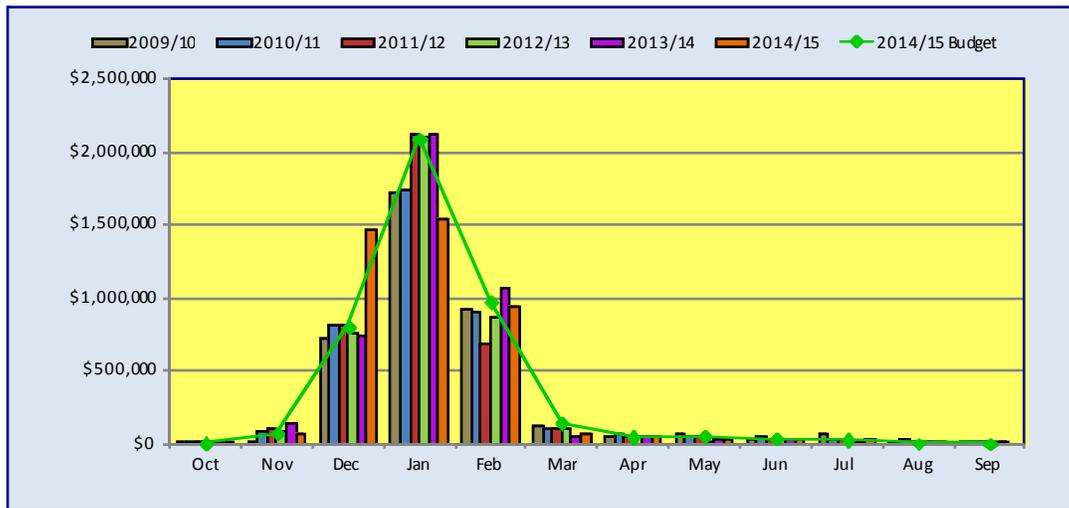
CHART B

## TOTAL EXPENDITURES THROUGH AUGUST 2015

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	6,481,159	5,535,216	85.40%	92.96%
Supplies	309,449	278,191	89.90%	94.98%
Services	2,693,795	2,249,537	83.51%	86.85%
Capital	140,000	180,068	128.62%	17.49%
Oper Transfer to Other Funds	0	0	0.00%	0.00%
<b>Total Expenditures</b>	<b>9,624,403</b>	<b>8,243,012</b>	<b>85.65%</b>	<b>86.04%</b>

CHART C

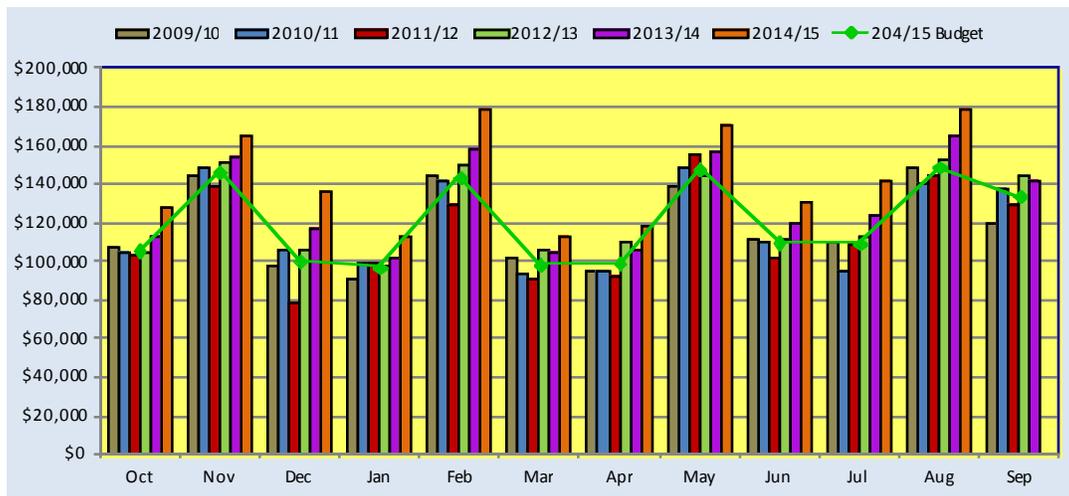
PROPERTY TAX ANALYSIS



Budget is divided into months based on the monthly percentages of the last 5 years' collections.  
 December collections were higher than the trend but were offset by lower collections in January

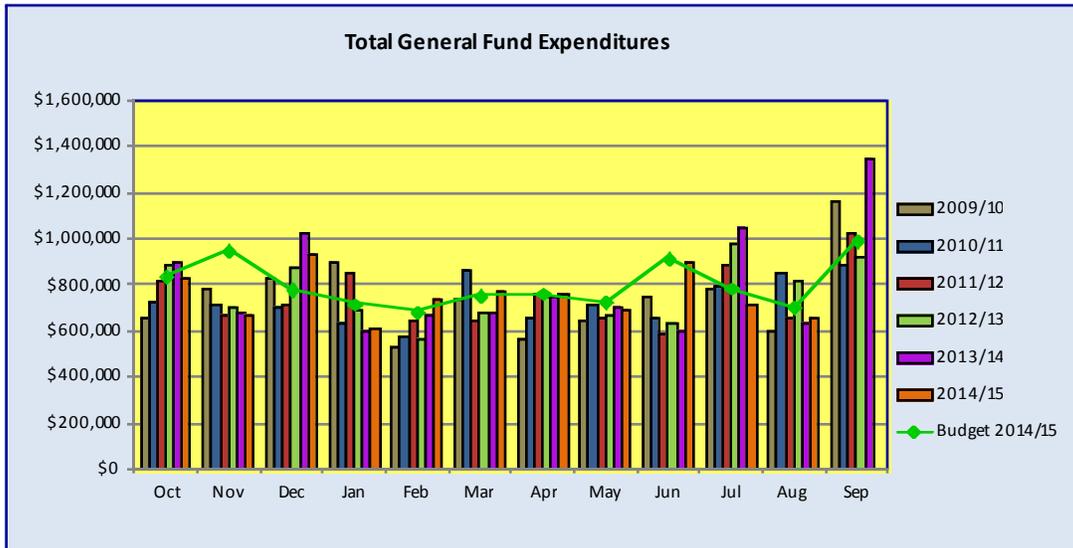
CHART D

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



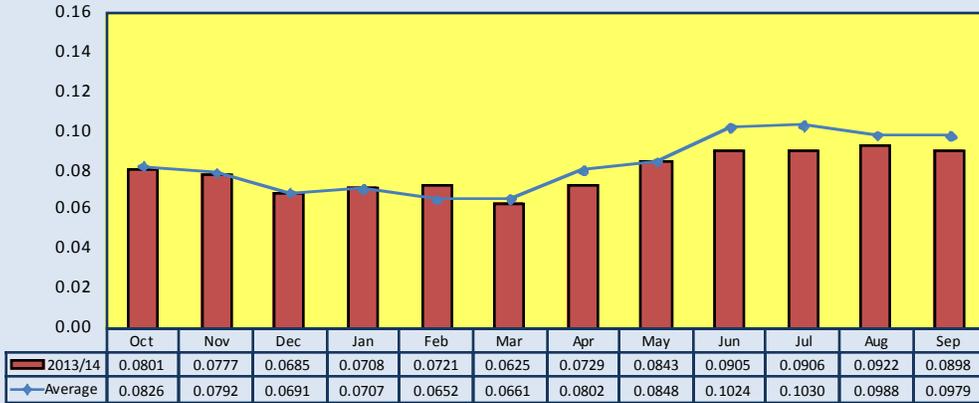
High expenditures in September 2010 are due to city hall A/C replacement.  
 High expenditures in September 2014 are due to Seascape road construction



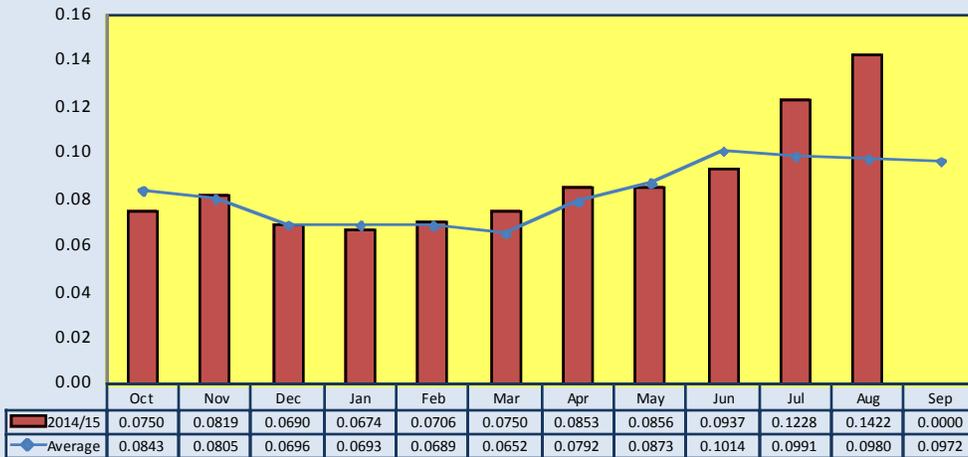
CHART F

WATER BILLING ANALYSIS

Average Percent of Water Billings by Month vs.  
2013/14 Percent of Budgeted Billings

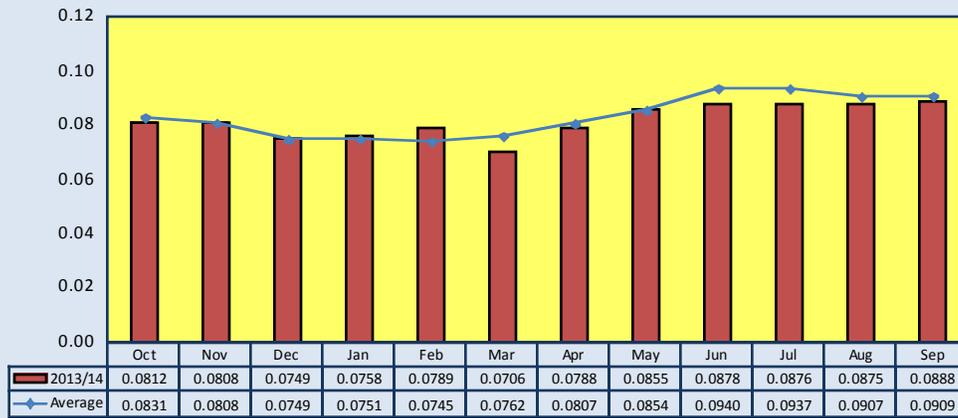


Average Percent of Water Billings by Month vs.  
2014/15 Percent of Budgeted Billings

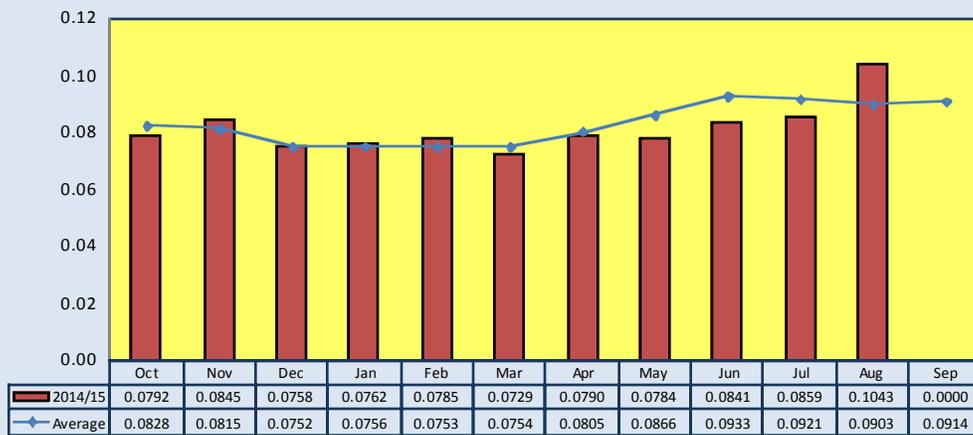


WASTEWATER BILLING ANALYSIS

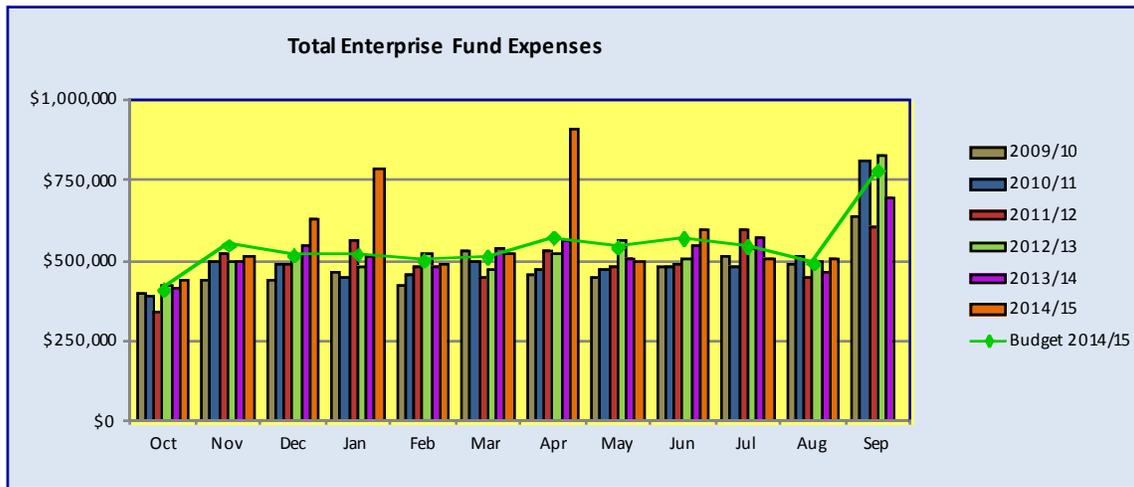
**Average Percent of Wastewater Billings by Month vs. 2012/13 Percent of Budgeted Billings**



**Average Percent of Wastewater Billings by Month vs. 2013/14 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

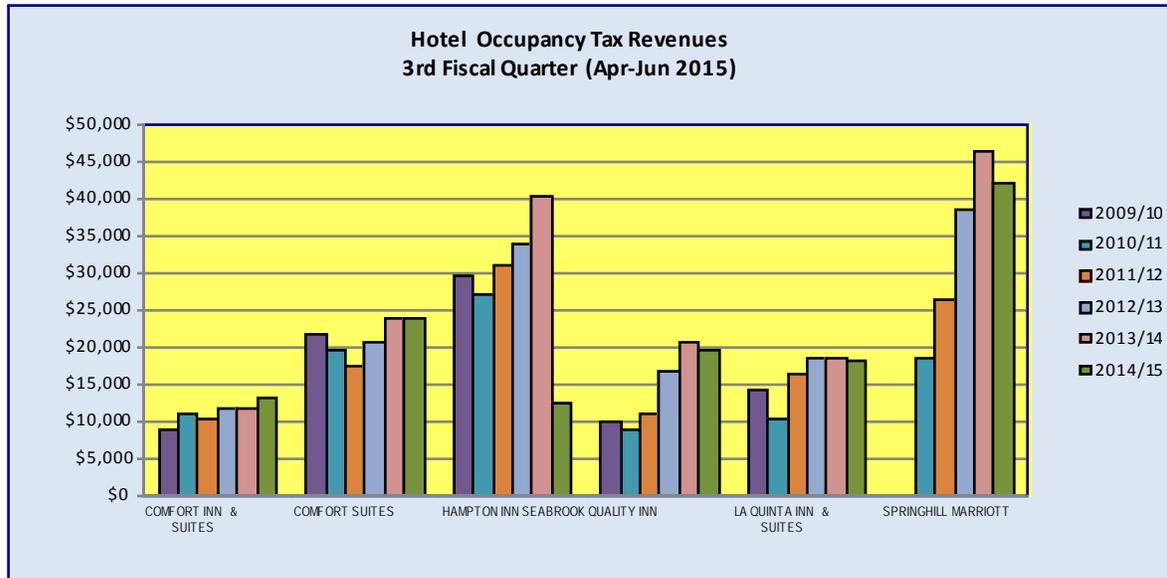
April 2015 expenses due to wastewater treatment plant upgrades

# HOTEL TAX FUND



CHART I

## HOTEL TAX REVENUE ANALYSIS

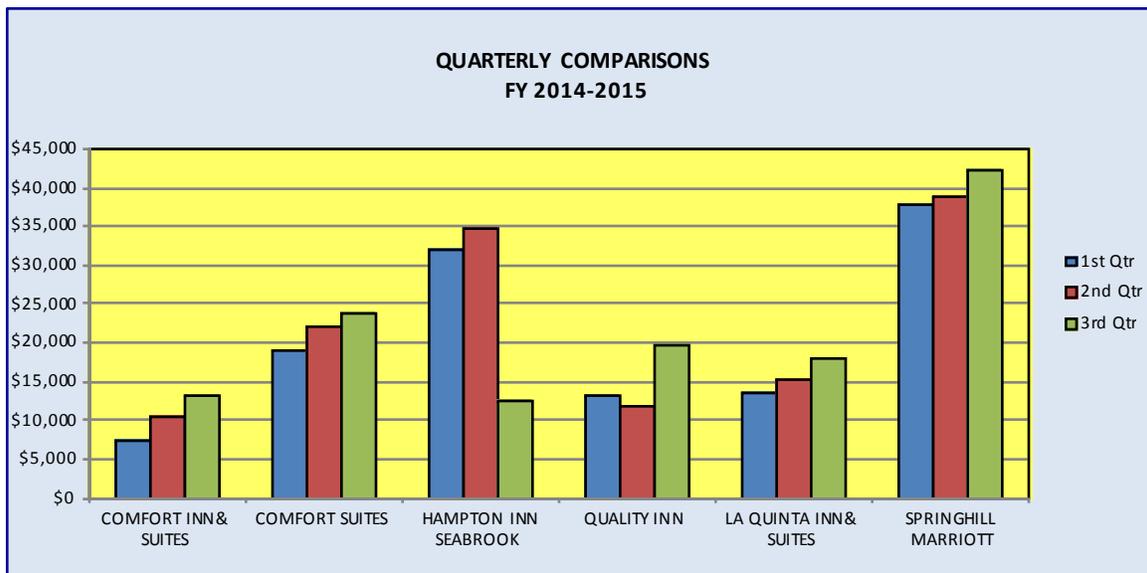


\*Springhill Marriott opened last quarter 2010

4th quarter reports and payments are due October 31st.

CHART J

## HOTEL TAX REVENUE



# SEABROOK EDC



CHART K

## SALES TAX REVENUE ANALYSIS

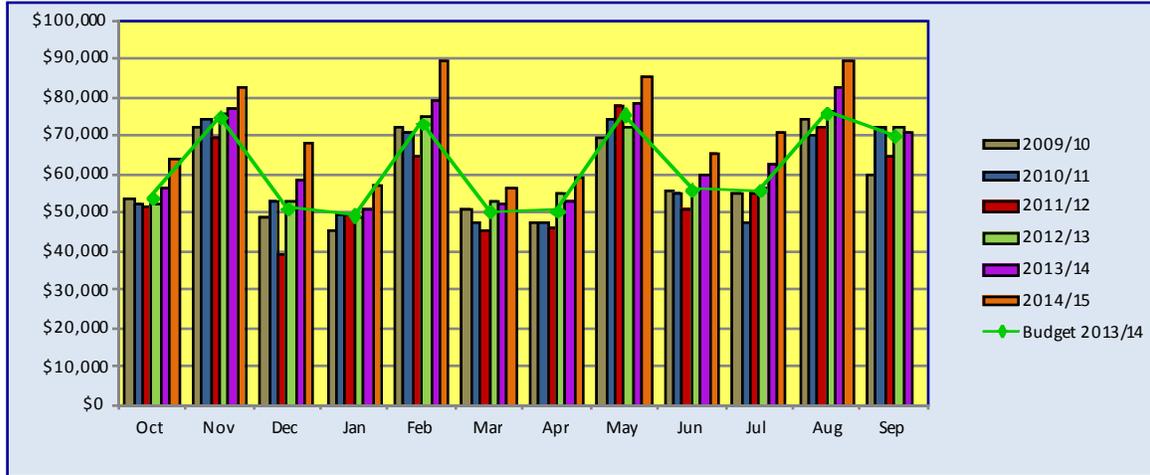
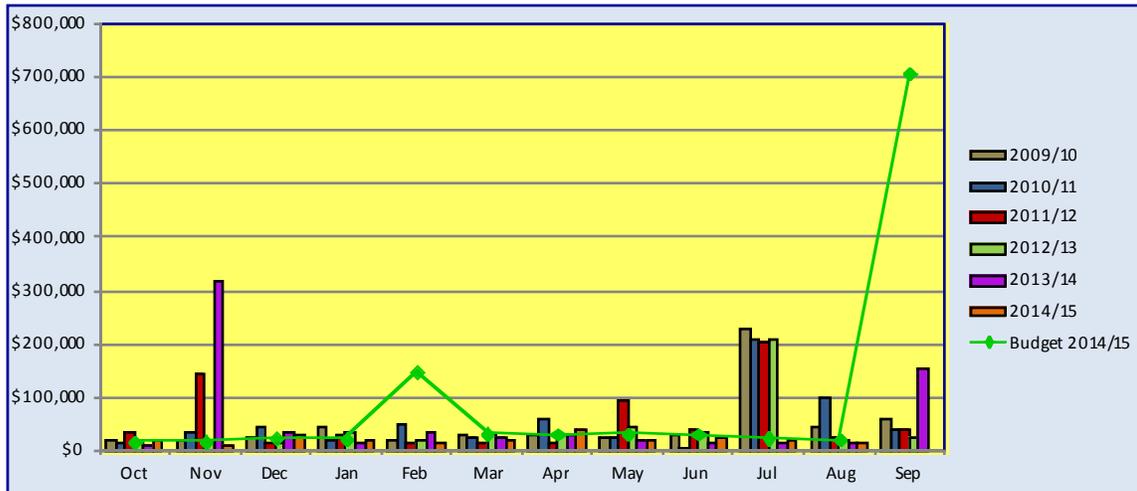


CHART L

## EXPENDITURE ANALYSIS



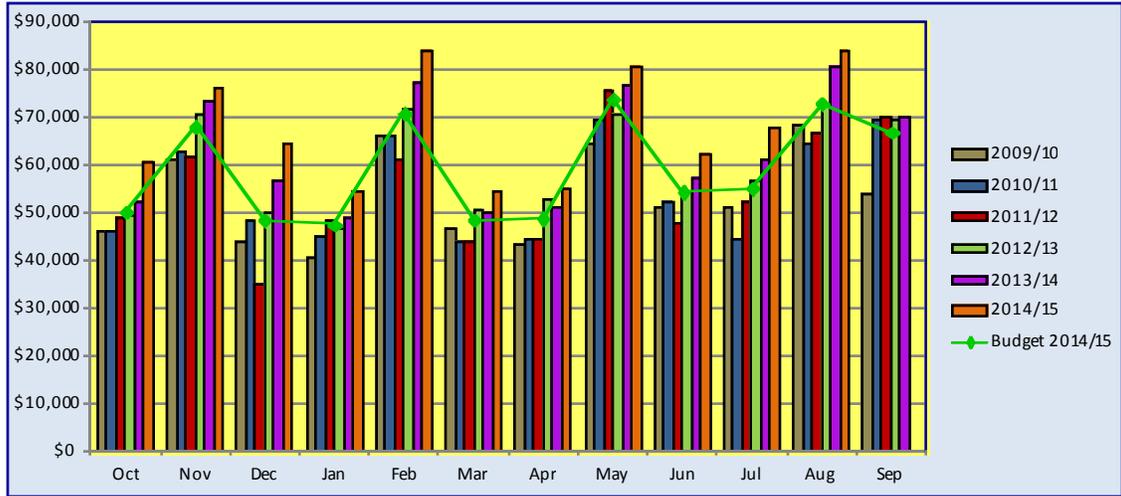
2014/15 September budget reflects appropriations for incentives and Business relocation off HWY 146  
 High exp in Nov 2011 was due to Gateway sign. July expenditures prior to 2013/14 included debt service payments.

# CRIME DISTRICT



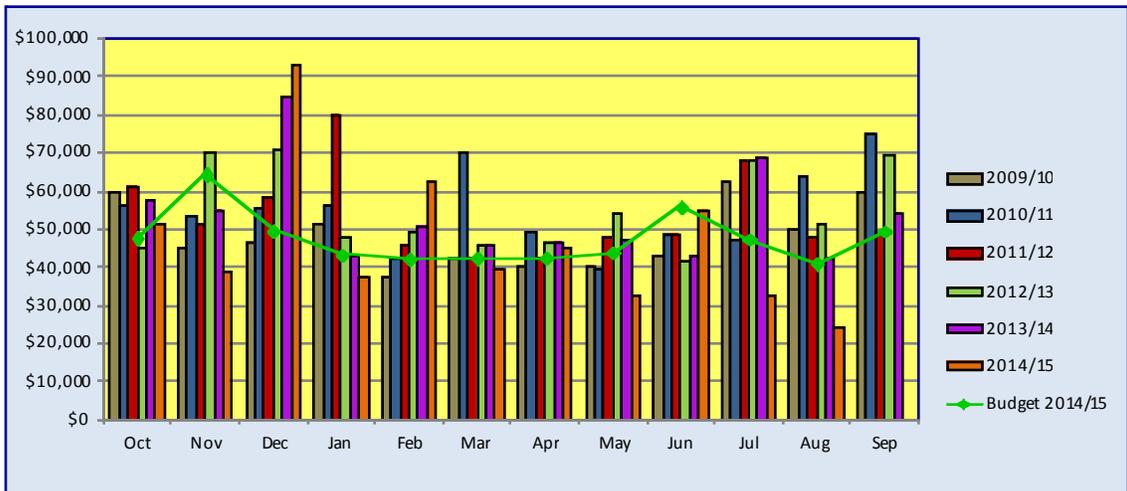
## SALES TAX REVENUE ANALYSIS

CHART M



## EXPENDITURE ANALYSIS

CHART N



Large December expenditures included vehicles

# INVESTMENTS



CHART O

## MONTHLY INVESTMENT REPORT

### TEXPOOL REPORT

MONTH OF AUGUST 2015  
0.0716%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted Aug)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	5,347,761.06	(14,141.47)	333.77	5,333,953.36	Working capital
ENTERPRISE FUND - UNRESTRIC	1,552,688.97	157,329.73	104.68	1,710,123.38	Working capital
ENTERPRISE FUND - RESTRICTEI	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,496,656.78	0.00	151.82	2,496,808.60	Water & sewer lines extensions & expansions
PARK FEES	110,257.36	0.00	6.70	110,264.06	Reserved for acquisition & development of park land
SEIZURE	70,031.68	0.00	4.26	70,035.94	Solely to purchase equipment for Law Enforcement
CHILD SAFETY PROGRAMS	32,138.18	0.00	1.95	32,140.13	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	15,012.57	0.00	0.91	15,013.48	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	1,283,460.66	(17.15)	78.05	1,283,521.56	Restricted for promotion of tourism
DEBT SERVICE FUND	3,128,732.04	(1,348,298.45)	169.35	1,780,602.94	Restricted for General fund reserves & yearly debt service
WTR/SWR BONDS	291,955.48	0.00	17.75	291,973.23	Funds transferred from Bond Mkt Acct to allow liquidity
IT BONDS	505,126.26	0.00	30.72	505,156.98	Fiber Optics
PD & GF BONDS	6,803,680.54	(30,000.00)	413.67	6,774,094.21	Public Wokrks Facility
FIRE BONDS	23,581.63	0.00	1.43	23,583.06	Fire Engine
PARK BONDS	280,090.63	0.00	17.03	280,107.66	Splash Pad
PINE GULLY PARK BONDS	0.00	0.00	0.00	0.00	Funds transferred from Bond Mkt Acct to allow liquidity
LIBRARY BONDS	70.54	0.00	0.00	70.54	Funds transferred from Bond Mkt Acct to allow liquidity
LAKE SIDE DRIVE CERT DEP	294,832.10	(5,000.00)	17.92	289,850.02	
CAROTHERS	25,515.17	0.00	1.55	25,516.72	
CRIME DISTRICT	455,014.80	99,562.62	27.86	554,605.28	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - UNRESTRICTED	2,546,502.95	78,974.25	168.64	2,625,645.84	Seabrook Economic Development Corporation II
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	33,494.04	0.00	2.04	33,496.08	
PUBLIC SAFETY	173,329.36	0.00	10.54	173,339.90	
MUNI COURT - SECURITY FUND	21,670.71	0.00	1.32	21,672.03	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	9,378.99	0.00	0.57	9,379.56	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	6,487.15	0.00	0.39	6,487.54	
PEG Fund	8,011.99	8,875.19	0.98	16,888.16	
STABILIZATION FUND	801,870.55	0.00	48.76	801,919.31	
<b>TOTAL TEXPOOL FUND</b>	<b>26,797,352.19</b>	<b>(1,052,715.28)</b>	<b>1,612.66</b>	<b>\$25,746,249.57</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.

*Pam Lab*

Finance Director



# Monthly Newsletter: September 2015

## ANNOUNCEMENTS

**We would like to recognize and welcome the following entities who joined the TexPool program in August 2015:**

**TexPool**

City of Elmendorf  
Williamson County MUD 19  
Travis County MUD 21  
Kelly Lane WCID 2

**TexPool Prime**

City of Elmendorf

**Upcoming Events**

9/14/2015 – 9/17/2015  
CIAT Annual Conference  
Wichita Falls

9/22/2015 – 9/25/2015  
TMI Conference  
San Antonio

10/02/2015 – 10/04/2015  
TASA/TASB Annual Conference  
Austin

**TexPool Advisory Board Members**

Overseen by the State of Texas  
Comptroller of Public Accounts  
Glenn Hegar.

Operated under the supervision  
of the Texas Treasury Safekeeping  
Trust Company.

**Additional information regarding TexPool is available upon request:**

www.texpool.com  
1-866-839-7665 (1-866-TEXPOOL)  
Fax: 866-839-3291

## Economic and Market Commentary: Fed hike still in the cards for 2015

September 1, 2015

The equity market ended August battered by choppy waves emanating from China. Money managers didn't have to navigate those, but we had ample concerns about how the turbulence could affect the Federal Reserve's desire to raise rates for the first time in many, many years. A speech by the Fed's vice chairman at the annual Jackson Hole conference more-or-less sums up the situation. Stanley Fischer said that the case for a hike continues to grow but that volatility coming from China and other issues could impact that decision. Yet he seemed to dismiss the benign inflation readings from the summer, saying there is "good reason" to expect it to rise, and pointed to improving U.S. economic data.

Regardless of his noncommittal stance and the equally noncommittal minutes of the July Federal Open Market Committee meeting, we are still of the opinion that 2015 is in the cards and that liftoff in September is more likely than in October or December. The economic statistics out between the end of July and the end of August are impossible to discount. Data has been very good, with housing and employment numbers coming in strong. The revised gross domestic product (GDP) reading for the second quarter of 3.7% was great. The only soft spot continues to be low inflation abetted by the low price of oil—probably the biggest reason that policymakers are still on the fence.

We think there's another reason that points to an imminent hike in the federal funds rate

*(continued page 6)*

### Performance as of August 31, 2015

	TexPool	TexPool Prime
Current Invested Balance	\$12,526,071,810.58	\$981,681,967.62
Weighted Average Maturity**	41 Days	25 Days
Weighted Average Life**	72 Days	50 Days
Net Asset Value	1.00003	1.00001
Total Number of Participants	2,337	191
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$796,775.51	\$121,806.99
Management Fee Collected	\$522,934.42	\$45,620.14
Standard & Poor's Current Rating	AAAm	AAAm
<b>Month Averages</b>		
Average Invested Balance	\$12,972,273,153.52	\$1,026,582,822.80
Average Monthly Rate*	0.07%	0.14%
Average Weighted Average Maturity**	47 Days	35 Days
Average Weighted Average Life**	80 Days	55 Days

\*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.

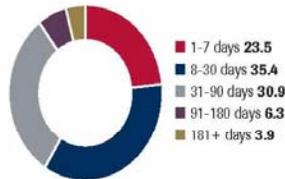
TexPool Participant Services  
1001 Texas Avenue, Suite 1400 · Houston, TX 77002  
Phone: 1-866-TEXPOOL (839-7665) · Fax: 1-866-839-3291 · TexPool.com

Managed and  
Served by **Federated.**  
G35884-24 (9/15)



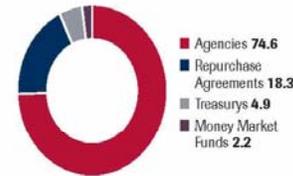
**Portfolio by Maturity (%)**

As of August 31, 2015



**Portfolio by Type of Investment (%)**

As of August 31, 2015



**Portfolio Asset Summary as of August 31, 2015**

	Book Value	Market Value
Uninvested Balance	\$152,210.60	\$152,210.60
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	8,429,485.71	8,429,485.71
Interest and Management Fees Payable	-786,759.77	-786,759.77
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	0.00	0.00
Repurchase Agreements	2,284,319,000.00	2,284,290,950.00
Mutual Fund Investments	275,020,952.90	275,020,952.90
Government Securities	8,049,559,428.46	8,049,924,452.61
US Treasury Bills	0.00	0.00
US Treasury Notes	1,908,377,492.68	1,908,372,411.50
<b>Total</b>	<b>\$12,526,071,810.58</b>	<b>\$12,526,403,703.55</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Foleated 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	575	\$3,752,524,310.97
Higher Education	57	\$1,077,430,537.78
Healthcare	81	\$345,832,849.87
Utility District	725	\$1,599,918,047.18
City	453	\$3,650,466,138.31
County	177	\$1,063,058,442.93
Other	269	\$1,034,668,825.29

**\*\*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.

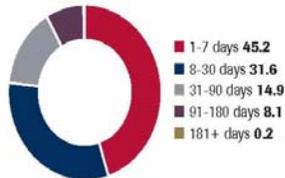


Daily Summary						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
8/1	0.0668%	0.000001833	\$13,453,405,389.74	1.00005	49	82
8/2	0.0669%	0.000001833	\$13,453,405,389.74	1.00005	49	82
8/3	0.0652%	0.000001787	\$13,348,767,069.31	1.00006	47	80
8/4	0.0626%	0.000001715	\$13,234,270,346.97	1.00006	48	80
8/5	0.0677%	0.000001856	\$13,269,956,932.58	1.00004	49	81
8/6	0.0657%	0.000001800	\$13,288,699,862.90	1.00004	49	81
8/7	0.0667%	0.000001828	\$13,241,172,227.11	1.00005	49	82
8/8	0.0667%	0.000001828	\$13,241,172,227.11	1.00005	49	82
8/9	0.0667%	0.000001828	\$13,241,172,227.11	1.00005	49	82
8/10	0.0673%	0.000001844	\$13,186,535,620.26	1.00004	50	82
8/11	0.0714%	0.000001956	\$13,234,133,564.90	1.00003	49	80
8/12	0.0706%	0.000001935	\$13,248,431,652.45	1.00003	50	80
8/13	0.0730%	0.000002001	\$12,952,076,762.81	1.00001	50	84
8/14	0.0780%	0.000002136	\$12,851,022,322.21	1.00000	51	84
8/15	0.0780%	0.000002136	\$12,851,022,322.21	1.00000	51	84
8/16	0.0780%	0.000002136	\$12,851,022,322.21	1.00000	51	84
8/17	0.0781%	0.000002140	\$12,890,278,278.11	1.00001	48	81
8/18	0.0760%	0.000002083	\$12,681,565,937.90	0.99999	48	81
8/19	0.0745%	0.000002041	\$12,671,655,499.10	1.00000	48	81
8/20	0.0738%	0.000002022	\$12,682,725,168.76	1.00002	47	80
8/21	0.0735%	0.000002014	\$12,647,682,731.82	0.99993	47	80
8/22	0.0735%	0.000002014	\$12,647,682,731.82	0.99993	47	80
8/23	0.0735%	0.000002014	\$12,647,682,731.82	0.99993	47	80
8/24	0.0753%	0.000002064	\$12,575,422,075.94	0.99993	46	78
8/25	0.0740%	0.000002051	\$13,148,226,267.53	0.99994	43	74
8/26	0.0729%	0.000001998	\$12,889,415,893.19	0.99994	44	75
8/27	0.0715%	0.000001959	\$12,833,138,378.32	0.99996	43	75
8/28	0.0719%	0.000001971	\$12,784,217,671.49	1.00001	42	74
8/29	0.0719%	0.000001971	\$12,784,217,671.49	1.00001	42	74
8/30	0.0719%	0.000001971	\$12,784,217,671.49	1.00001	42	74
8/31	0.0746%	0.000002044	\$12,526,071,810.58	1.00003	41	73
<b>Average:</b>	<b>0.0716%</b>	<b>0.000001962</b>	<b>\$12,972,273,153.52</b>	<b>1.00001</b>	<b>47</b>	<b>80</b>

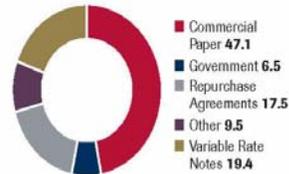


## TEXPOOL PRIME

### Portfolio by Maturity (%) As of August 31, 2015



### Portfolio by Type of Investment (%) As of August 31, 2015



#### Portfolio Asset Summary as of August 31, 2015

	Book Value	Market Value
Uninvested Balance	-\$45,505.30	-\$45,505.30
Receivable for Investments Sold	25,005,471.35	25,005,471.35
Accrual of Interest Income	81,932.02	81,932.02
Interest and Management Fees Payable	-121,807.03	-121,807.03
Payable for Investments Purchased	-25,000,000.00	-25,000,000.00
Accrued Expenses & Taxes	0.00	0.00
Repurchase Agreements	171,655,000.00	171,655,000.00
Commercial Paper	507,611,022.88	507,634,221.94
Bank Instruments	50,481,560.85	50,476,025.00
Mutual Fund Investments	95,014,192.88	95,014,192.88
Government Securities	38,997,486.66	38,999,571.00
Variable Rate Notes	118,002,633.31	117,981,771.00
<b>Total</b>	<b>\$981,681,987.62</b>	<b>\$981,690,872.86</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	84	\$484,428,870.51
Higher Education	8	\$72,713,368.95
Healthcare	10	\$11,272,287.18
Utility District	5	\$40,013,630.46
City	39	\$170,547,905.58
County	22	\$88,343,737.45
Other	23	\$114,362,363.81



## TEXPOOL PRIME

### Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
8/1	0.1397%	0.00003828	\$1,104,047,634.83	1.00000	34	55
8/2	0.1397%	0.00003828	\$1,104,047,634.83	1.00000	34	55
8/3	0.1409%	0.00003861	\$1,111,014,764.22	1.00000	36	56
8/4	0.1337%	0.00003864	\$1,114,213,588.26	1.00000	37	56
8/5	0.1331%	0.00003646	\$1,111,876,786.95	0.99999	38	57
8/6	0.1340%	0.00003672	\$1,105,756,901.15	1.00000	38	56
8/7	0.1341%	0.00003675	\$1,093,149,849.50	0.99999	42	60
8/8	0.1341%	0.00003675	\$1,093,149,849.50	0.99999	42	60
8/9	0.1341%	0.00003675	\$1,093,149,849.50	0.99999	42	60
8/10	0.1402%	0.00003842	\$1,105,328,063.85	0.99999	40	58
8/11	0.1401%	0.00003839	\$1,094,664,667.98	0.99999	41	59
8/12	0.1449%	0.00003971	\$1,060,518,056.86	0.99999	41	59
8/13	0.1542%	0.00004224	\$995,486,021.46	0.99999	42	62
8/14	0.1438%	0.00003941	\$987,808,134.27	0.99999	41	60
8/15	0.1438%	0.00003941	\$987,808,134.27	0.99999	41	60
8/16	0.1438%	0.00003941	\$987,808,134.27	0.99999	41	60
8/17	0.1449%	0.00003970	\$995,020,207.26	1.00000	39	57
8/18	0.1432%	0.00003922	\$987,667,673.13	1.00000	39	57
8/19	0.1467%	0.00004019	\$975,899,779.61	1.00000	39	57
8/20	0.1424%	0.00003900	\$973,105,680.04	1.00001	36	54
8/21	0.1402%	0.00003841	\$965,426,115.89	1.00000	30	53
8/22	0.1402%	0.00003841	\$965,426,115.89	1.00000	30	53
8/23	0.1402%	0.00003841	\$965,426,115.89	1.00000	30	53
8/24	0.1461%	0.00004004	\$945,738,319.81	1.00001	30	53
8/25	0.1344%	0.00003683	\$996,469,221.47	1.00001	26	48
8/26	0.1342%	0.00003677	\$1,000,475,396.14	1.00001	26	47
8/27	0.1319%	0.00003614	\$1,003,853,496.69	1.00001	26	52
8/28	0.1367%	0.00003744	\$976,016,438.56	1.00001	27	52
8/29	0.1367%	0.00003744	\$976,016,438.56	1.00001	27	52
8/30	0.1367%	0.00003744	\$976,016,438.56	1.00001	27	52
8/31	0.1463%	0.00004008	\$981,681,987.62	1.00001	25	50
<b>Average:</b>	<b>0.1398%</b>	<b>0.00003831</b>	<b>\$1,026,582,822.80</b>	<b>1.00000</b>	<b>35</b>	<b>55</b>

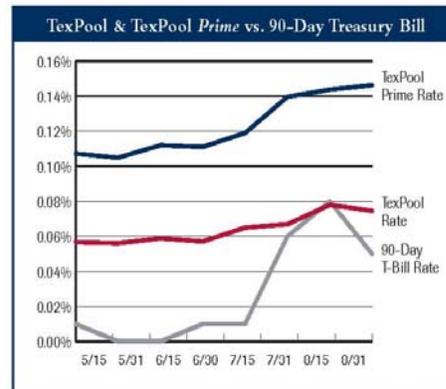


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range, one that money market managers pay more attention to than most product managers. Lately, the New York Fed has been accelerating its fine tuning of repo rates, term repo and other policy tools it will be using to guide rates when they climb. The staff won't implement everything until the FOMC actually raises the target range, but it has experimented with several different strategies on money funds over the past year or so.

We have been asked whether or not the volatility in the equity market has caused the recent increased inflows to the money markets, because sometimes that happens. Although inflows were up in the months of June and July, we don't think that had anything to do with the volatility in the equity market and the bond market. It's worth pointing out that the China problems affected the longer part of the yield curve, not really impacting the short end that affect us.

From a portfolio positioning perspective we decreased the weighted average maturity (WAM) target range for our government portfolios, backing-up our expectation of a Fed move. It had been in the 40-50-day range and we decreased that to 35-45 days. It's also a reflection of short-term rates lately being a little bit more generous than they have been. We did not take the same approach with the prime portfolios, mainly because they were already at the short end of their WAM range of 40-50 days.



*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.*