House of Funds*

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Abstract

I document that political connections are an important driver of investment strategies of U.S. mutual funds. I collect data on mutual fund holdings of U.S. Congress members and equity holdings of mutual funds from 2004 to 2013. I show that funds whose shares belong to politicians place larger bets and trade more actively in stocks of politically sensitive firms, and in stocks of firms that operate in industries under the scope of politicians' congressional committees. Connected mutual funds perform significantly better on these equity holdings than their non-connected peers.

JEL Classification: G23, D72, G11, G14, G18.
Keywords: Mutual Funds, Political Connections, Performance, Legislator Incentives, Investment by Politicians.

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1. Introduction

The impact of politics on financial markets has been extensively discussed in public debate and academic research. However, existing literature focuses mainly on the relationship between the corporate sector and the government. Regrettably, the question of whether institutional investors benefit from political connections has instead received little attention in the literature, largely due to limited data availability. In this paper, I aim at filling this gap by investigating how political connections shape mutual fund investment strategies. To do so, I collect data on the personal fund holdings of the members of Congress to identify connections between fund managers and politicians. I find that funds whose shares belong to politicians exhibit a different investment behavior than their non-connected peers. Specifically, they trade more in stocks whose industries are more sensitive to political decisions, and in stocks of firms that operate in industries under the jurisdiction of connected politicians' congressional committees. In addition, a portfolio long in politically sensitive stocks and short in all remaining stocks earns abnormal return of over 75 basis points per quarter.

Why are connections with politicians determinants of mutual fund investment strategies? Congress passes laws that affect firms' competitive environment, product market, labor force and physical capital investment. Thus, mutual fund holdings owned by legislators may pose a conflict of interest. For example, Congress members may change their policy views or share information with funds about the ongoing legislative process to increase the returns on their personal investments. One example is the case of the ex-U.S. Senator Mark Udall. In his disclosure to the Senate Ethics Committee, he revealed that he had at least $31,000 invested in mutual funds and IRAs supported by clean energy investments. In the House he was co-chair of the Renewable Energy and Energy Efficiency Caucus, and in the Senate he served on the Energy Committee. After this disclosure, Senator Udall received public

pressure because the mutual funds he was connected to through his personal holdings might have benefited from the energy policies Senator Udall supported on his campaign trail.

The main challenge of investigating whether mutual funds extract value from their political connections is combining information from several data sources. To identify *connected funds*, I collect individual mutual fund holdings of all members of Congress from the Center for Responsive Politics for the period 2004-2013. With this information, I classify a mutual fund as *connected to Congress* in a given year if at least one member of Congress invests in this fund before year-end. In addition, if any member who holds shares of a fund connected to Congress also serves on a committee, then the fund is also *connected to the committee*. To construct the history of committee assignments, I use two sources, namely Charles Stewart's Congressional Data Page and the websites of congressional committees. Further, I classify stock holdings of all connected funds. I refer to politically sensitive stocks of funds connected to Congress as *stocks connected to Congress*. While I refer to stocks of funds connected to committees as *stocks connected to committees* if issuing firms operate in industries under the jurisdiction of politicians' congressional committees. Figure 1 illustrates the proposed classification of funds and stocks.

To document the role of political connections as determinants of mutual fund investment strategies, I perform two main analyses.

First, I investigate whether fund managers overweight and trade more actively in connected stocks. Second, I examine whether connected stocks outperform non-connected ones. For the first analysis, I compare stock holdings of connected funds with those of their non-connected peers. Specifically, I examine whether connected funds invest more heavily in connected stocks than non-connected funds in the corresponding industries. On average, connected funds hold 8.98 percent more stocks connected to Congress than their non-connected peers. The difference is statistically significant at the 1% level. The difference remains

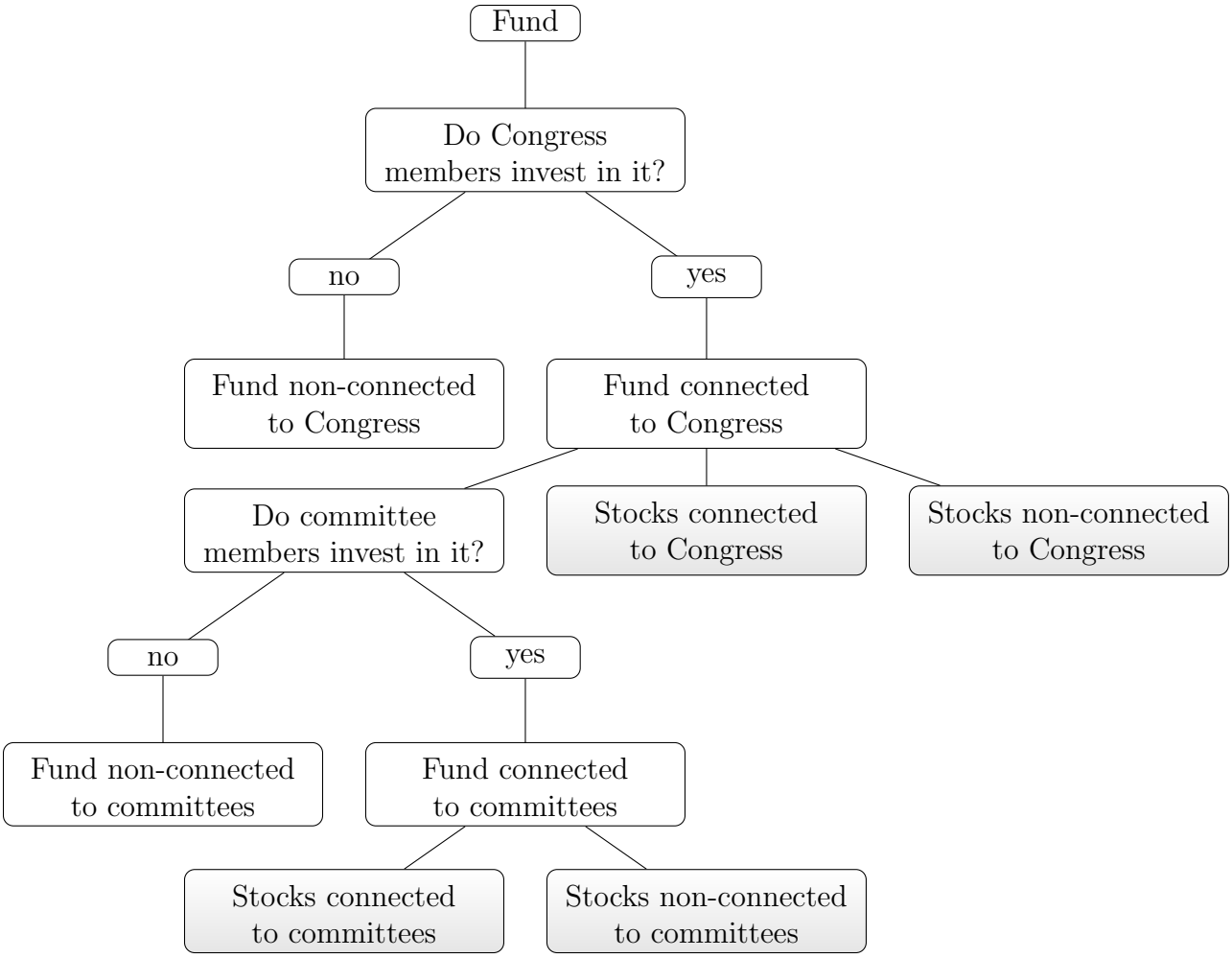

FIGURE 1. FUND AND STOCK CLASSIFICATION

significant after controlling for stock characteristics. I observe the same pattern for funds connected to committees, with the exception of the Transportation Committee. If funds generate value through their political connections, I expect connected funds to trade more actively in connected stocks than their non-connected peers. The data support this prediction. Specifically, the average fraction of trading volume by connected funds in stocks connected to Congress is 7.21 percent higher than by non-connected funds in corresponding industries. The difference is significant at the 1% level.

For the second analysis, I find that funds earn higher returns on their connected stock holdings than on their non-connected ones. A trading strategy long in a portfolio of stocks connected to Congress and short in a portfolio of all remaining stocks delivers a significant abnormal return of 75 to 95 basis points per quarter at the 1% level. A second strategy long in a portfolio of stocks connected to committees and short in a portfolio of all remaining stocks earns an abnormal return of 32 to 40 basis points per quarter.

Overall, the results suggest that political connections have an economically significant effect on both mutual funds' portfolio allocation and their market performance.

Related Literature. By providing evidence on how mutual funds benefit from access to political information, the paper complements the literature on the political economy and the literature on investment funds. First, the paper is related to the mutual fund literature on outside information providers. Ritter and Zhang (2007) show that lead underwriters allocate hot initial public offerings to affiliated funds. Massa and Rehman (2008) explore stock trading by mutual funds that belong to bank families. They conclude that mutual funds make profitable equity trades based on private information about borrowers received from affiliated lead banks. Cohen et al. (2008) provide evidence that fund managers overweight stocks in firms run by their former classmates and make excess returns on these holdings. Duan et al. (2014) show that corporate pension plans transfer valuable information to mutual fund managers who act as service providers for these plans. I add to this literature by identifying information flows between fund managers and the members of Congress as a new channel through which managers achieve excess returns. Moreover, this channel has two distinct features. First, the political information is generated outside of a firm, that is, it does not involve corporate insiders. Second, the provider of information is a retail client of a fund.

The paper is also closely related to the recent literature that investigates the outcomes of political connections through the equity holdings of legislators. To the best of my knowledge, it is the first work which explores the fund holdings of politicians. Existing papers argue that political connections can be important for firm value. Tahoun and van Lent (2013) find that financial institutions in the portfolios of key committee members received higher and quicker bailouts. Tahoun (2014) concludes that firms with strong politician ownership-contribution links receive more government contracts. Eggers and Hainmeuller (2014) find that the members of Congress overweight local firms and campaign contributors and that these connected firms outperform. However, they conclude that politicians are, on average, poor stock pickers. The paper provides new insights to this literature by offering evidence that being politically connected is beneficial for institutional investors.

Finally, I contribute to the literature on institutional investors and political engagement. There are only few papers that explore the relationship between funds and politics. Hong and Kostovetsky (2012) and DeVault and Sias (2014) analyze the behavioral aspect of mutual and hedge fund holdings using political orientation of fund managers. My paper is most closely related to Gao and Huang (2015). They explore lobbying activity of hedge funds. In contrast, I investigate the benefits that accrue to mutual funds. Restricting attention to mutual funds allows to benefit from observing the entire equity portfolio as opposed to only long holdings of hedge funds. Furthermore, my approach differs because I focus on personal holdings of politicians.

The remainder of the paper is organized as follows. Section 2 describes the institutional background. Section 3 presents the data and provides summary statistics. Section 4 presents empirical tests and analyzes the results. Section 5 draws conclusions.

2. Institutional Background

The members of Congress may have asset holdings which can create possible conflicts of interest. The Ethics in Government Act of 1978 requires them to file annual Financial Disclosure Statements.[1] Politicians need to disclose assets, liabilities and other details about their personal finances. The congressional ethics committees and the ethics offices of government agencies supervise compliance and enforcement of this requirement. Personal financial disclosure statements should be filed by May 15 each year. The reports are publicly disclosed 30 days later. The Center for Responsive Politics (CRP)[2] covers the reports of Congress members from 2004 to 2013 and collects them from the Senate Office of Public Records and the Office of the Clerk of the House.[3] Further, the Center classifies politicians' investments into categories including stocks, bonds, mutual funds, and constructs a database. Politicians may fill in the forms by hand and enclose account statements instead of filling in the standard forms.

Congress members need to report only assets worth more than $1,000 at the end of the calendar year, or producing more than $200 of income. The reports do not require exact values of assets. However, the members of Congress should report the range of value into which an asset falls. Valuation of assets owned by an individual is limited by the top range being over $50 million, and spouse's or dependent child's assets are limited by the top range being over $1 million.[4] Politicians must disclose the full name of each mutual fund, that is the name of the investment institution offering the mutual fund (e.g. Janus) and the specific

[1] https://www.congress.gov/bill/95th-congress/senate-bill/555

[2] https://www.opensecrets.org/pfds/

[3] CRP does not collect personal financial data for non-incumbent candidates for federal office who lost election.

[4] http://www.ethics.senate.gov/downloads/pdffiles/fdinstruct11.pdf
http://ethics.house.gov/forms/information-and-forms

identification of the fund (e.g. Large-cap growth fund). However, the lawmakers are not required to provide details on mutual funds' individual holdings.[5]

I provide an example of a financial disclosure statement by Mark Udall (D-CO) for year 2007 in Appendix C. Page 1 of the disclosure form asks for identifying data of the filer, preliminary questions that direct the filer to other schedules of the form, and declarations of whether the filer has any blind trusts or other investment vehicles that are not disclosed in the form. No individual or organization donated to a charity in lieu of paying for a speech, appearance or article by Dem. Udall (Schedule II), liabilities of Dem. Udall during the year did not exceed $10,000 (Schedule V), Dem. Udall did not receive any gift or travel allowances exceeding $305 (Schedule VI and VII), Dem. Udall did not hold any reportable position (Schedule Vlll), and Dem. Udall did not have any agreement or arrangement with an outside entity (Schedule IX), these schedules are not filled in. In Schedule lll Dem. Udall reports his assets with a value exceeding $1,000 or any asset that resulted in income in excess of $200.

Both houses of Congress have ethics codes. In the rules, a legislator's responsibility to vote and represent constituents generally raises questions concerning financial conflicts. "Voting on matters before the House is among the most fundamental of a Member's representational duties, and historical precedent has taken the position that there is no authority to deprive a Member of the right to vote on the House floor," the manual states.[6] In the same paragraph, however, the manual cites another principle: "Members may not use their congressional position for personal financial benefit." Hence, ethics rules leave it almost entirely to the legislators themselves to decide whether investments pose a conflict of interest.

[5]Members of Congress may transfer their assets to a blind trust and take advantage of the fact that assets placed in blind trusts do not have to be reported. However, on average only 1.06% of the House members and 12.15% of the Senate members set up blind trusts.

[6]http://ethics.house.gov/outside-employment-income/member-voting-and-other-official-activities

The members of Congress serving at committees with particular jurisdictions may take advantage of non-public information or influence legislations. To address these concerns the "Stop Trading on Congressional Knowledge Act of 2012," or STOCK Act, was passed in April, 2012. The STOCK Act is an Act of Congress designed to clarify ambiguous insider trading regulations. The bill prohibits the use of non-public information for private profit, including insider trading by members of Congress and other government employees.[7] However, there are several concerns in the law literature. For example, what qualifies as "non-public" information under the STOCK Act. Legislative information differs from private industry information, for example, congressional members are expected to make their positions clear and to inform the public how they intend to vote or whether they oppose certain legislation. Boland et al. (2015) provide as an example of the minor difference between duty-based, genuine predictions "I think this law will pass" and actionable non-public information "I know this law will pass". There are also potential overlaps between the STOCK Act and Freedom of Information Act (FOIA) requests or open meeting laws. While FOIA and the open meeting laws do not apply to the legislative or judicial branches, Congress regularly receives and exchanges information with the executive branch and numerous federal agencies that are subject to FOIA. Then, information could be "non-public" in Congress but subject to FOIA public disclosure. Insider trading laws are not easily suited to address such scenarios, where real-time, instantaneous trades could be based on information that will eventually be public but is either not public yet or is technically "public" but in practice not accessible to the public on a real-time basis.[8]

[7] https://www.congress.gov/112/plaws/publ105/PLAW-112publ105.pdf
[8] https://www.foley.com/the-stock-act-in-the-post-newman-era-04-07-2015/

3. Data

The Center for Responsive Politics provides data on congressional holdings, including mutual funds, between January 2004 and December 2013. I use mutual fund holdings of the members of Congress to identify the connection between fund managers and politicians. I focus on actively managed U.S. equity funds. I eliminate balanced, bond, international, money market and sector funds. I also exclude index funds, since their behavior is mechanically determined and cannot be influenced by political connections.[9] Finally, I obtain data on the mutual fund holdings of 569 politicians. The sample includes 636 unique funds owned by politicians between 2004 and 2013.

I classify a mutual fund as connected to Congress in a given year if at least one member of Congress invests in this fund in the current year. If any member holding shares of this fund also serves on a committee, then this fund is also connected to that particular committee. For all elected politicians, I obtain data on their committee assignments from Charles Stewart's Congressional Data Page and websites of committees.[10] To identify House committees with clear industry jurisdictions, I follow the classification by Ovtchinnikov and Pantaleoni (2012). These committees are the Agriculture, Armed Services/National Security, Financial Services, Energy and Commerce, Resources/Natural Resources, and Transportation and Infrastructure. Ovtchinnikov and Pantaleoni (2012) match the jurisdictions of committees with the Fama-French 48-industry definitions. Industry jurisdictions are from committee websites and from the Center for Responsive Politics. Table in Appendix B summarizes the industry jurisdictions of these six committees. Table 1 provides summary statistics of

[9]To identify index funds I use such strings: Index, Idx, Indx, Ind_ (where _ indicates a space), Russell, S & P, S and P, S&P, SandP, SP, DOW, Dow, DJ, MSCI, Bloomberg, KBW, NASDAQ, NYSE, STOXX, FTSE, Wilshire, Morningstar, 100, 400, 500, 600, 900, 1000, 1500, 2000, and 5000. Funds with keywords such "emerging," "options," "international," "derivative," "convertible," "global," and "private equity" are also excluded.

[10]I thank Charles Stewart for providing the data on his personal website http://web.mit.edu/17.251/www/data_page.html.

the number of the unique connections. The number of politicians investing in mutual funds averages 108 per year. The average number of funds connected to Congress is 259 per year, which is approximately 20% of the U.S. actively managed equity funds.

I use two datasets for mutual funds: the Thomson Reuters Mutual Fund ownership database (s12), for the data on fund holdings; the Center For Research in Security Prices (CRSP) Mutual Funds Database, for the data on mutual fund characteristics. I only consider U.S. actively managed equity funds. I use the investment objective code (IOC) field from the s12 database and focus on the five active equity styles: aggressive growth, growth, growth & income, metals, and unclassified. Following Kacperczyk et al. (2005), Pastor et al. (2015) and Agarwal et al. (2016), I exclude funds which have less than 50% of their assets invested in common stocks, which hold fewer than 10 stocks and whose size in the previous quarter is less than $15 million.

I merge the fund holdings data with the CRSP mutual fund data using the Wharton Research Data Services' MFLINKS tables to obtain fund returns and characteristics such as total assets under management, date of first offer, expense ratio, turnover and fund returns. Funds in both databases are linked to a Wharton Financial Institution Center Number (WFICN), which serves as a common identifying variable.

The CRSP database provides information at the share class level. I include funds with multiple share classes only once. To aggregate multiple share classes, I sum the total net assets (TNA) of each share class to obtain the TNA for the fund. I use the inception date of the initial fund class to calculate fund age. For other fund characteristics, such as expense ratio, turnover and fund returns I use the TNA-weighted average across all share classes. Quarterly fund flows are computed using the following equation:

$$flows_{i,t} = \frac{TNA_{i,t} - TNA_{i,t-1}(1 + R_{i,t})}{TNA_{i,t-1}}, \tag{1}$$

where $TNA_{i,t}$ and $TNA_{i,t-1}$ are the total net assets for fund i in quarters t and $t-1$, respectively, and $R_{i,t}$ is the cumulative return of the ith fund in quarter t.

I merge the mutual fund holdings database with the mutual funds at the reports of politicians by name. I focus on the subsample of mutual funds that have connections in any of the years during the sample period. Panel A of Table 2 provides the summary statistics for the matched sample of funds from January 2004 to December 2013. Panel B of Table 2 reports summary statistics for all funds.

I merge the holdings data with the committee assignments by matching the holding dates and the period of committee membership. For example, politician C served on the Agriculture Committee in 2011 and 2012, but she had mutual fund holdings before and after her service period on this committee. I ensure that only the funds whose shares were held by politician C in 2012 and 2013 and their equity holdings are associated with the Agriculture Committee.

I also consider firms operating in politically sensitive industries, because these firms are more likely to face regulatory changes that affect their business operations and corporate decisions. Following Hong and Kostovetsky (2012), Atanassov et al. (2015) and Aiken et al. (2016), I classify firms operating in tobacco products, pharmaceuticals, health care services, defense, petroleum and natural gas, telecommunications, and transportation industries as politically sensitive, where Fama-French 48 industries are used as the industry classification.[11] I link each reported stock holding to the CRSP stock database to find its price and industry classification code. To investigate investment performance of mutual funds controlling for characteristics of holdings, I collect stock-specific variables from Compustat.

[11]The Fama-French definitions of industries are publicly available online from: http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html.

4. Empirical Tests and Results

4.1. Connection Measures

To investigate mutual fund portfolio holdings, I need to define *connected funds* and *connected holdings*. Direct, personal financial interest could affect behavior of politicians, apart from any political interest, if they own significant personal mutual fund holdings. As investors in funds, politicians tie their own interests to those of the funds.[12] In contrast, other possible measures based on campaign contributions, lobbying activity, or employment, capture decisions by the fund to become politically connected, whereas the holding measure captures a decision by the politician.

I define two types of connections between a fund and Congress. A measure of being *connected to Congress* (CONNECTED1) is defined as an indicator variable equal to 1 if fund i's shares are owned by at least one member of the U.S. House or Senate at the end of year t, and 0 otherwise.[13]

Committees hold a substantial degree of the power in the legislative process in Congress. Legislation must be generally approved by committees before the full Senate or House can consider it. I classify a mutual fund as *connected to a committee* (CONNECTED2) in a given year if at least one member of this committee invests in this fund in the current year t.

I classify a stock as *connected* either if it is a politically sensitive stock and a fund which invests in it is connected to Congress, or if it is a stock under jurisdiction of a committee to which a fund holding the stock is connected.

[12]Peterson and Grose (2015), and Tahoun and Vasvari (2016) show that the members of Congress make decisions based on their own personal wealth interests.

[13]If I classify a mutual fund as connected in a given year if a politician invests in this fund in the previous year, I obtain similar results.

4.2. Holdings of Connected Securities

I assume that connected fund managers may place larger bets in politically sensitive and connected stocks in their portfolios due to their informational advantages. Coval and Moskowitz (1999; 2001) show that mutual funds overweight local investments. Cohen et al. (2008) provide evidence that mutual fund managers overweight holdings of firms in which they have board connections through prior educational ties.

Hypothesis 1a. Mutual funds connected to politicians at the committees overweight stocks from industries under jurisdiction of these committees.

Hypothesis 1b. Mutual funds connected to the members of Congress overweight stocks from politically sensitive industries.

For each fund-quarter, I compute the portfolio weights in politically connected stocks as the dollar holdings of these stocks divided by the total dollar holdings of the fund at the end of the quarter.

Further, to control for the style effects of fund holdings and the time-series variation in the holdings of connected and politically sensitive stocks, I follow Hong and Kostovetsky (2012) to adjust the portfolio weights by running cross-sectional regressions of the raw measures on mean component log ME and mean component log BM and assigning each observation the residual from these regressions.[14] For example, the residual weight in agricultural stocks for fund i in quarter t is obtained by estimating the following cross-sectional regression within quarter t:

$$Agriculture_i = \mu + \gamma_1 Mean\,Component\,Log\,ME_i + \gamma_2 Mean\,Component\,Log\,BM_i + \epsilon_i, \quad (2)$$

[14]Mean component log ME is the weighted average of the log market value of equity of stocks in the mutual fund's portfolio, weighted by their portfolio weight. Mean component log BM is the weighted average of the log book-to-market of stocks in the mutual fund's portfolio, weighted by their portfolio weight.

where BM is book-to-market, ME is market value of equity.

Table 3 lists the time-series averages for the raw weights and for the residual weights of the connected and non-connected funds for the period which lasts from January 2004 to December 2013. First, I compute the cross-sectional mean for connected and non-connected fund-quarters separately and report their time-series averages. Table 3 also reports the time-series averages (and t-statistics) of the differences in cross-sectional means between the two groups of funds. Connected fund managers place larger bets on politically sensitive stocks. On average, they hold 8.98 percent more politically sensitive stocks than their non-connected peers. The difference is significant at the 1% level. The residual portfolio weight is also significantly higher for connected funds than for the non-connected ones. The same pattern is observed for stocks connected to committees, with an exception of the Transportation Committee.

I run ordinary least squares (OLS) pooled regressions of raw weights on connected dummies and a series of controls:

$$w_{ijt} = \alpha + \beta_1 C_{ijt} + \beta_2 ME_{it} + \beta_3 BM_{it} + \beta_4 R12_{it} + a_j + a_t + \epsilon_{ijt}, \tag{3}$$

where w_{ijt} is a weight in stock i invested by fund j at quarter t, C_{ijt} is a connected dummy, ME is market value of equity, BM is book-to-market, R12 is past 12-month return, a_j and a_t are fund and quarter fixed effects.

Table 4 provides the results of ordinary least squares pooled regressions of portfolio weights on connected dummies and a series of controls. The dependent variable is the fund's portfolio weight in a given stock, in percent. The units of observation are stock-fund-quarter. All regressions include quarter and fund fixed effects. Controls include market value of equity (ME), book-to-market (BM), and past 12-month return (R12). Column 1 shows

that mutual funds connected to Congress place larger bets on stocks of firms in politically sensitive industries. The same pattern holds almost for all committees with the strongest result for connected holdings for the Natural Resources Committee. However, there is a negative coefficient on a connected dummy for the Transportation Committee.

Further, I regress residual portfolio weights on connected dummies, fund size and fund age, including fund and quarter fixed effects. The dependent variable is the residual portfolio weight in politically sensitive stocks or stocks under jurisdiction of the committees, while the explanatory variable of interest is a dummy variable that equals one if the fund is connected to Congress or a particular committee.

$$w_{jt}^{res} = \alpha + \beta_1 C_{jt} + \beta_2\, size_{jt} + \beta_3\, age_{jt} + a_j + a_t + \epsilon_{jt}, \tag{4}$$

where w_{jt}^{res} is a residual portfolio weight in politically sensitive stocks or stocks under jurisdiction of the committees invested by fund j at quarter t, C_{jt} is a connected dummy, a_j and a_t are fund and quarter fixed effects.

Table 5 presents the results. The coefficient on the connected variable is positive and significant for politically sensitive industries and for stocks connected to most of the committees. However, the Transportation Committee is again an exception.

Connected fund managers should trade disproportionately in connected stocks due to their informational advantages. To test this prediction, I compare the trading activity of connected mutual funds in connected stocks with that of non-connected peers.

Hypothesis 2a. Mutual funds connected to politicians at the committees trade more heavily in stocks from industries under jurisdiction of these committees than their non-connected peers.

Hypothesis 2b. Mutual funds connected to the members of Congress trade more heavily in stocks from politically sensitive industries than their non-connected peers.

I measure fund trading volume at a quarterly frequency by assuming that funds do not trade intra-quarterly between two consecutive quarterly reports and the changes in holdings during a quarter occur only at the end of the quarter. For each fund-quarter, I compute the fraction of trading volume in politically connected stocks as the dollar trading volume of the fund in politically connected stocks divided by the total dollar trading volume of the fund in the quarter.

To control for the style effects of fund holdings and the time-series variation in the trading of connected stocks, I adjust the trading fraction by running cross-sectional regressions of the raw measures on mean component log ME and mean component log BM and assigning each observation the residual from these regressions.

$$Agriculture_i = \mu + \gamma_1 Mean\,Component\,Log\,ME_i + \gamma_2 Mean\,Component\,Log\,BM_i + \epsilon_i, \quad (5)$$

where BM is book-to-market, ME is market value of equity.

Table 6 presents the summary statistics for the fraction of trading volume done by mutual funds in connected stocks for the sample of all fund-quarters from January 2004 through December 2013. I compute the cross-sectional mean for connected and non-connected fund-quarters separately and report their time-series averages. I also report the time-series average of the difference in cross-sectional means between the two groups of funds.

Connected funds trade more heavily in politically sensitive stocks than non-connected funds. The fraction of trading volume done by the average connected fund in politically sensitive stocks is 7.21 percent higher than that for the average non-connected fund. The difference is significant at the 1% level. Using the residual trading fraction, I observe that

the average connected fund residual trading fraction in politically sensitive stocks is 77 basis points higher than that for the average non-connected fund. The difference is significant at the 1% level.

4.3. Returns on Connected Holdings

I find that, on average, connected fund managers place larger bets and trade more actively in connected stocks than their non-connected peers. However, these fund managers may not necessarily benefit from such activities. Therefore, I explore the performance of their connected stock holdings compared to non-connected holdings and test the hypothesis that fund managers earn higher risk-adjusted returns on connected stocks.

Hypothesis 3a. A replicating strategy of buying stock holdings connected to Congress and shorting a portfolio of remaining stocks earns a risk-adjusted excess return.

Hypothesis 3b. A replicating strategy of buying stock holdings connected to committees and shorting a portfolio of remaining stocks earns a risk-adjusted excess return.

I use calendar time portfolio approach. At the beginning of each calendar quarter, I assign stocks in each mutual fund portfolio to one of two portfolios based on whether the stock is connected or non-connected. I compute monthly returns on connected and non-connected holdings between reports. I assume that funds do not trade intra-quarterly between two consecutive quarterly reports and the changes in holdings during a quarter occur only at the end of the quarter. Portfolios are rebalanced every calendar quarter, and within a given fund portfolio, stocks are weighted by the fund's dollar holdings (i.e., connected stocks are weighted by the fund's dollar holdings in the connected portfolio, and non-connected stocks are weighted by the fund's dollar holdings in the non-connected portfolio). Finally, I compute value-weighted calendar time portfolios by averaging across funds, weighting individual fund

portfolios by the fund's total net asset value at the end of the previous quarter. After forming the portfolios, I obtain a time series of monthly returns to each portfolio from April 2003 to March 2014. The portfolio-weighted portfolio returns are then regressed on the excess return on the value-weight market index and the Fama-French-Carhart four-factors.[15]

Table 7 compares the performance of connected stocks with that of non-connected ones. The first strategy goes long in the connected stocks of politically sensitive industries and goes short in non-connected stocks. These positions are held for 3 months. I find that connected funds earn higher returns on their politically sensitive and connected holdings. A replicating strategy of buying a portfolio of stocks connected to Congress and shorting a portfolio of all remaining stocks delivers a significant excess return of 75 to 95 basis points per quarter at the 1% level. The second strategy of buying a portfolio of stocks connected to committees and shorting all remaining stocks earns an excess return of 32 to 40 basis points per quarter but not significant. The results suggest that connected funds obtain value from trading stocks of firms from politically sensitive industries and stocks connected to committees.

5. Conclusion

I use the dataset on holdings of mutual funds and the dataset on holdings of members of Congress from January 2003 through December 2014 to investigate the existence of information flows from politicians to mutual fund managers. I provide empirical evidence that supports the hypothesis that mutual funds connected to Congress place larger bets on politically connected stocks, trade them more actively, and earn higher returns, on average, on these holdings than their non-connected peers.

[15] http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html

A promising direction for future work is to investigate the links between fund managers and individual politicians. This approach allows to analyze whether fund managers switch their stock holdings when politicians switch their committee assignments, or if there is an additional value of being connected to powerful politicians such as committee chairs. Moreover, committee activities of the members of Congress can be explored, for example, sponsoring and co-sponsoring of bills. Furthermore, the endogeneity concerns can be addressed by using three types of shocks: committee exiles, special elections of politicians, and politicians being under investigation. Another fruitful direction of the research is to investigate the joint effects of political connections, that is to include campaign contributions and lobbying expenses, and to identify personal relationships.

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TABLE 1. SUMMARY STATISTICS: CONNECTIONS BETWEEN POLITICIANS AND FUNDS

The table reports summary statistics as of December of each year for the sample of politicians and their mutual fund holdings between 2004 and 2013. I include in the sample of funds actively managed, U.S. equity mutual funds. In this table a fund is defined as connected to Congress if fund i's shares are owned by at least one member of the U.S. House or Senate at the end of year t. In this table a fund is defined as connected to a committee if at least one member of this committee invests in this fund in the current year t.

	Mean	Median	Min	Max	St. Dev.
Politicians per Year	108	105	79	129	15
Connected Funds per Year					
to Congress	259	263	217	303	24
to the Committees:					
Agriculture	42	45	26	63	11
Armed Services	57	54	41	81	13
Financial Services	52	55	29	70	13
Energy and Commerce	63	63	57	71	4
Natural Resources	41	42	31	53	5
Transportation and Infrastructure	49	56	19	70	18

Table 2. Summary Statistics for the Mutual Fund Sample

Panel A presents the summary statistics of the actively managed equity mutual funds connected at some point during the sample period. In this table a fund is defined as connected if fund i's shares are owned by at least one member of the U.S. House or Senate at the end of year t. Panel B reports the summary statistics of the universe of actively managed equity mutual funds. The sample period is from January 2004 to December 2013. All variables are defined in Appendix A. All continuous variables are winsorized at the 1st and 99th percentiles.

Panel A: Fund Characteristics of the Funds Connected at Some Point during the Sample Period

	Mean	Median	Min	Max	St. Dev.
Total Number of Funds	519	528	457	563	38
Number of Stocks Held by Fund	247	262	14	3165	288
Total Net Assets (millions)	3466.38	1037.14	20.55	55436.89	7802.83
Age (years)	23.94	19.65	10.93	77.72	14.73
Expenses (%)	0.97	0.98	0.50	2.12	0.39
Turnover (%)	68.00	53.55	3.10	281.20	55.03
Quarterly Raw Return (%)	1.63	2.05	-10.45	14.45	5.33

Panel B: Fund Characteristics of the Whole Sample

	Mean	Median	Min	Max	St. dev.
Total Number of Funds	1288	1284	1019	1601	194
Number of Stocks Held by Fund	375	300	19	1434	376
Total Net Assets (millions)	1625.98	304.42	15.00	35100.33	4420.54
Age (years)	20.78	16.01	10.71	76.56	13.43
Expenses (%)	0.92	0.89	0.44	2.50	0.47
Turnover (%)	75.25	58.90	3.20	312.90	60.98
Quarterly Raw Return (%)	1.64	1.11	-10.20	14.02	6.23

Table 3. Summary Statistics on Mutual Funds' Portfolio Weights in Connected Stocks

The table reports time-series averages of quarterly cross-sectional means of raw portfolio weights and residual portfolio weights for connected and non-connected funds. The sample consists of mutual funds from January 2004 through December 2013. I report the difference between means of connected and non-connected funds. Residual portfolio weight is adjusted for size and value effects by running cross-sectional regressions on mean component log ME and mean component log BM and assigning each observation the residual from these regressions. Numbers in parentheses are t-statistics. The symbols ***, ** and * indicate statistical significance at the 1, 5, and 10 percent levels, respectively.

	Raw Portfolio Weight			Residual Portfolio Weight		
	Connected Funds, (%) (1)	Non-connected Funds, (%) (2)	Difference (3)	Connected Funds, (%) (4)	Non-connected Funds, (%) (5)	Difference (6)
Politically Sensitive	26.95	24.73	2.21***	0.53	-0.60	1.13***
			(7.35)			(11.97)
Agriculture	2.28	1.86	0.42***	0.19	-0.02	0.21***
			(3.56)			(4.02)
Armed Services	1.35	1.35	0.00	-0.11	0.01	-0.12***
			(0.03)			(-4.61)
Financial Services	16.49	16.18	0.31	0.63	-0.07	0.70***
			(0.59)			(3.10)
Energy and Commerce	32.31	30.65	1.66***	0.69	-0.12	0.81***
			(3.02)			(2.14)
Natural Resources	9.09	7.88	1.20***	0.52	-0.03	0.55**
			(3.20)			(2.27)
Transportation	5.07	6.02	-0.94***	-0.50	0.04	-0.54***
			(-6.34)			(-6.40)

Table 4. Regressions of Mutual Funds' Weights in Stocks on Connections

The table reports pooled OLS quarterly regressions of mutual funds' weights in connected and non-connected stocks. The sample period is 2004-2013, and the units of observation are fund-stock-quarter. The dependent variable in the regressions is the fund's dollar investment in a stock as a percentage of total net assets of the fund (w_t). The independent variables of interest are those measuring the connection of the portfolio manager to the given stock. The given stock and the given mutual fund manager are connected if a politicians invests in this fund and serves on a committee which oversees the stock. The control variables ME, BM, and MOM are percentiles of market value of equity, book-to-market, and past 12-month return. Quarter and fund fixed effects are included in each regression. Numbers in parentheses are t-statistics. The symbols ***, ** and * indicate statistical significance at the 1, 5, and 10 percent levels, respectively.

Dependent Var.	Raw Weight						
	Politically Sensitive	Agriculture	Armed Services	Financial Services	Energy and Commerce	Natural Resources	Transportation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Connected	0.049***	0.031*	0.002	-0.012**	0.006*	0.104***	-0.078***
	(21.10)	(1.79)	(0.13)	(-2.16)	(1.66)	(11.02)	(-9.30)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quarter FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fund FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes

TABLE 5. REGRESSIONS OF MUTUAL FUNDS' PORTFOLIO RESIDUAL WEIGHTS IN STOCKS ON FUNDS' CONNECTIONS

The table reports pooled OLS quarterly regressions of mutual funds' portfolio residual weights in connected stocks. The sample period is 2004-2013, and the units of observation are fund-quarter. The dependent variable in the regressions is the fund's dollar investment in politically sensitive or committee related stocks as a percentage of total net assets of the fund (w_t^{res}). The independent variables of interest are those measuring the connection of the fund manager to the given group of stocks. The given group of stocks and the given mutual fund manager are connected if a politicians invests in this fund and serves on a committee which oversees the group of stocks. The control variables are log of fund age and log of fund size. Quarter fixed effects are included in each regression. Numbers in parentheses are t-statistics. The symbols ***, ** and * indicate statistical significance at the 1, 5, and 10 percent levels, respectively.

Dependent Var.	Residual Portfolio Weight						
	Politically Sensitive	Agriculture	Armed Services	Financial Services	Energy and Commerce	Natural Resources	Transportation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Connected	0.676***	0.304***	-0.098	0.551*	0.217	0.492*	-0.280**
	(3.02)	(4.10)	(-1.26)	(1.81)	(0.55)	(1.79)	(-2.35)
Log Fund Size	0.346***	-0.006	-0.015	0.059	0.398***	-0.123**	-0.073*
	(4.60)	(-0.42)	(-0.92)	0.95	(4.66)	(-2.47)	(-1.69)
Log Fund Age	0.314	-0.286***	-0.037	-0.529***	1.087***	0.542***	-0.212
	(1.42)	(-7.07)	(-0.75)	(-2.82)	(4.29)	(3.61)	(-0.58)
Quarter FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes

TABLE 6. SUMMARY STATISTICS ON MUTUAL FUNDS' TRADING VOLUME IN CONNECTED STOCKS

The table reports time-series averages of quarterly cross-sectional means of raw trading fractions and residual trading fractions for connected and non-connected funds. The sample consists of mutual funds from January 2004 through December 2013. I report the difference of means between connected and non-connected funds. Residual portfolio fraction is adjusted for size and value effects by running cross-sectional regressions on mean component log ME and mean component log BM and assigning each observation the residual from these regressions. Numbers in parentheses are t-statistics. The symbols ***, ** and * indicate statistical significance at the 1, 5, and 10 percent levels, respectively.

	Raw Portfolio Fraction			Residual Portfolio Fraction		
	Connected funds, (%) (1)	Non-connected funds, (%) (2)	Difference (3)	Connected funds, (%) (4)	Non-connected funds, (%) (5)	Difference (6)
Politically Sensitive	27.51	25.66	1.85***	0.35	-0.42	0.77***
			(5.25)			(5.92)
Agriculture	2.01	1.92	0.09	-0.07	0.01	-0.08
			(0.63)			(-0.99)
Armed Services	1.18	1.23	-0.05	-0.13	0.01	-0.14***
			(-0.75)			(-3.02)
Financial Services	16.91	16.48	0.43	0.32	-0.03	0.35
			(0.78)			(1.28)
Energy and Commerce	33.14	31.75	2.66***	0.51	-0.10	0.61*
			(3.65)			(1.72)
Natural Resources	9.49	8.38	1.12***	0.42	-0.03	0.45
			(2.72)			(1.54)
Transportation	5.56	6.37	-0.81***	-0.38	0.04	-0.42**
			(-3.70)			(-2.52)

Table 7. Calendar Time Portfolio Returns

The table lists calendar-time portfolio returns. At each quarter-end during from January 2004 until December 2013, stocks in each mutual fund portfolio are assigned to one of the two portfolios formed by mutual fund connections and the industries of stocks. The portfolios are rebalanced every three months. Stocks in each fund portfolio are weighted by the dollar value of holdings by the fund. The quarterly value-weighted portfolio returns across funds is computed by weighting individual funds by their total dollar holdings. The CAPM and the Fama-French-Carhart four-factor models are used as a benchmark to adjust the portfolio returns. Numbers in parentheses are t-statistics. The symbols ***, ** and * indicate statistical significance at the 1, 5, and 10 percent levels, respectively.

	Connected to Congress Stocks vs. Non-connected Stocks		Connected to Committees Stocks vs. Non-connected Stocks	
	CAPM	Four-factor Model	CAPM	Four-factor Model
	(1)	(2)	(3)	(4)
α	0.947**	0.748**	0.398	0.316
	(2.14)	(2.17)	(1.37)	(1.37)
β_{Rm-Rf}	-0.094*	-0.029	-0.036	-0.059*
	(-1.83)	(-0.61)	(-1.06)	(-1.85)
β_{SMB}		0.085		-0.023
		(0.71)		(-0.29)
β_{HML}		-0.012		0.264***
		(-0.13)		(4.45)
β_{MOM}		0.222***		0.195***
		(3.70)		(4.87)

Appendix A. Variable Description

The following table reports the definition of the variables used in the paper.

Variable	Definition	Source
BM	The book value of equity over the market value of equity.	Compustat
CONNECTED1	An indicator variable equal to 1 if fund i's shares are owned by at least one member of the U.S. House or Senate at the end of year t, and 0 otherwise.	CRP; Charles Stewarts Congressional Data Page
CONNECTED2	An indicator variable equal to 1 if fund i's shares are owned by at least one member of the Committee at the end of year t, and 0 otherwise.	CRP; Charles Stewarts Congressional Data Page
Expenses (%)	The expense ratio of a fund	s12
Fund Age	Age of fund in years.	s12
Fund Size	Total net assets in millions.	s12
HML	The return on the high-minus-low portfolio.	Kenneth R. French's webpage
ME	The market value of equity defined as the product between the stock price and shares outstanding.	CRSP
Mean Component log BM	The weighted average of the log book-to-market of stocks in the mutual fund's portfolio, weighted by their portfolio weight.	

Variable	Definition	Source
Mean Component log ME	The weighted average of the log market value of equity of stocks in the mutual fund's portfolio, weighted by their portfolio weight.	
MOM	The Carhart (1997) momentum factor.	Kenneth R. French's webpage
Number of stocks held by fund	Number of unique holdings per fund-quarter.	s12
Politically sensitive stocks	See Appendix B.	
R12	The past stock return for the previous twelve months.	CRSP
$R_m - R_f$	The market excess return on a value-weighted portfolio of NYSE, Amex, and Nasdaq stocks minus the T-bill rate.	Kenneth R. French's webpage
SMB	The return on the small-minus-big portfolio.	Kenneth R. French's webpage
Turnover (%)	The turnover ratio of a fund.	s12
Quarterly Raw Return(%)	The quarterly return of a fund.	s12

Appendix B. Congressional Committee Jurisdictions

The following table lists the committees of Congress and their industry jurisdictions.

Source: Ovtchinnikov and Pantaleoni (2012)

House committee	FF-48-industry	Additional industries defined at the SIC 4-digit level
Agriculture	Agriculture	0800–0899 (Forestry)
	Food	5143, 5450, 5451, 2020 (Dairy products and stores)
	Smoke	5144, 2015 (Poultry and eggs)
		6220–6221 (Commodity brokers & dealers)
Armed Services/National Security	Guns	3721, 3720, 3724, 3728 (Aircraft, engine and parts)
Financial Services	Banks	
	Construction	
	Health	
	Insurance	
	Real estate	
	Trading	
Energy and Commerce	Autos	5093 (Scrap and waste materials)
	Chemicals	
	Utilities	
	Health	
	Meals Mines	
	Oil	
	Drugs	
	Medical equipment Fun	
	Telecomm	
Resources/Natural Resources	Mines	5146, 0920, 0921, 0900, 0910
	Oil	(Commercial fishing and wholesale)
		0800–0899 (Forestry)

House committee	FF-48-industry	Additional industries defined at the SIC 4-digit level
	Autos	1520, 1540, 1541, 1521, 1542, 1522 (General contractors)
	Construction	3740, 3743 (Railroad equipment)
	Building materials	3730–3731 (Ship building and repair)
	Transportation	7510, 7515 (Auto and truck rental)
Senate committee	**FF-48-industry**	**Additional industries defined at the SIC 4-digit level**
Agriculture, Nutrition, and Forestry	Agriculture	0800–0899 (Forestry)
	Food	5143, 5450, 5451, 2020 (Dairy products and stores)
	Smoke	5144, 2015 (Poultry and eggs)
		6220–6221 (Commodity brokers & dealers)
Armed Services	Guns	3721, 3720, 3724, 3728 (Aircraft, engine and parts)
Financial Services	Banks	
	Construction	
	Health	
	Insurance	
	Real estate	
	Trading	
Commerce, Science, and Transportation	Aero	4520, 4522, 4512 (Air transport)
	Autos	5146, 0920, 0921, 0900, 0910
	Fun	(Commercial fishing and wholesale)
	Insurance	3730–3731 (Ship building and repair)
	Meals	7510, 7515 (Auto and truck rental)
	Oil	3740, 3743 (Railroad equipment)
	Telecomm	
	Transportation	
Energy and Natural Resources	Mines	0800–0899 (Forestry)
	Oil	5093 (Scrap and waste materials)
	Utilities	

Senate committee	FF-48-industry	Additional industries defined at the SIC 4-digit level
Environment and Public Works	Autos	5146, 0920, 0921, 0900, 0910
	Building materials	(Commercial fishing and wholesale)
	Chemicals	1520, 1540, 1541, 1521, 1542, 1522
	Construction	(General contractors)
	Mines	7510, 7515 (Auto and truck rental)
	Oil	5093 (Scrap and waste materials)
	Utilities	
Politically Sensitive	FF-48-industry	
	Tobacco Products	
	Pharmaceuticals	
	Health Care Services	
	Defense	
	Petroleum and Natural Gas	
	Telecommunications	
	Transportation	

Appendix C. Financial Disclosure Statement

An example of a financial disclosure statement for calendar year 2007 filed by Mark Udall (D-CO), a member of Congress from Colorado.

Source: the Center for Responsive Politics

INSIDE MAIL

UNITED STATES HOUSE OF REPRESENTATIVES

FINANCIAL DISCLOSURE STATEMENT FOR CALENDAR YEAR 2007

FORM A Page 1 of 20

For use by Members, officers, and employees

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(Office Use Only)

MC

Mark Emery Udall
(Full Name)

303-650-7820
(Daytime Telephone)

Filer Status ✔ Member of the U.S. House of Representatives — State: CO — District: 02 — Officer Or Employee — Employing Office:

Report Type ✔ Annual (May 15) — Amendment — Termination — Termination Date:

A $200 penalty shall be assessed against anyone who files more than 30 days late.

PRELIMINARY INFORMATION -- ANSWER EACH OF THESE QUESTIONS

I.	Did you or your spouse have "earned" income (e.g., salaries or fees) of $200 *or more from any source in the reporting period?* If yes, complete and attach Schedule I.	Yes ✔	No	VI.	Did you, your spouse, or a dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $305 and not otherwise exempt)? If yes, complete and attach Schedule VI.	Yes	No ✔
II.	Did any individual or organization make *a donation to charity in lieu of paying* you for a speech, appearance, or article in the reporting period? *If yes, complete and attach Schedule II.*	Yes	No ✔	VII.	Did you, your spouse, or a dependent child receive any reportable travel or reimbursements for travel in the reporting period (worth more than $305 from one source)? If yes, complete and attach Schedule VII.	Yes	No ✔
III.	Did you, your spouse, or a dependent child receive "unearned" income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If yes, complete and attach Schedule III.	Yes ✔	No	VIII.	Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, complete and attach Schedule VIII.	Yes	No ✔
IV.	Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset in a transaction exceeding $1,000 during the reporting period? If yes, complete and attach Schedule IV.	Yes ✔	No	IX.	Did you have any reportable agreement or arrangement with an outside *entity*? If yes, complete and attach Schedule IX.	Yes	No ✔
V.	Did you, your spouse, or a dependent child have any reportable liability (more than $10,000) during the reporting period? If yes, complete and attach Schedule V.	Yes	No ✔		**Each question in this part must be answered and the appropriate schedule *attached for each "Yes" response.***		

EXCLUSION OF SPOUSE, DEPENDENT, OR TRUST INFORMATION -- ANSWER EACH OF THESE QUESTIONS

Trusts--	Details regarding "Qualified Blind Trusts" approved by the Committee on Standards of Official Conduct and certain other "excepted trusts" need not be disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse, or dependent child?	Yes	No ✔
Exemptions--	Have you excluded from this report any other assets, "unearned" income, transactions, or liabilities of a spouse or dependent child because they meet all three tests for exemption?	Yes ✔	No

SCHEDULE I - EARNED INCOME

Name Mark Emery Udall

List the *source, type, and amount of earned income from any source* (other than the filer's current employment by the U.S. Government) totaling $200 or more during the preceding calendar year. For a spouse, list the source and amount of any honoraria; list only the source for other spouse earned income exceeding $1,000.

Source	Type	Amount
America Votes	Spouse Salary	N/A

SCHEDULE II - PAYMENTS MADE TO CHARITY IN LIEU OF HONORARIA

Name

List the source, activity (i.e., speech, appearance, or article), date, and amount of any payment made by the sponsor of an event to a charitable organization in lieu of an honorarium. A separate confidential list of charities receiving such payments must be filed directly with the Committee on Standards of Official Conduct. A green envelope for transmitting the list is included in each Member's filing package. Employees may request a green envelope from the Clerk or use a plain envelope that is appropriately labeled.

Source	Activity	Date	Amount

SCHEDULE III - ASSETS AND "UNEARNED" INCOME

Name Mark Emery Udall

BLOCK A **Asset and/or Income Source** Identify (a) each asset held for investment or production of income with a fair market value exceeding $1,000 at the end of the reporting period, *and (b) any other assets or sources of income which generated more* than $200 in "unearned" income during the year. For rental property or *land, provide a complete address. Provide full names of stocks and* mutual funds (do not use ticker symbols). For all IRAs and other retirement plans (such as 401(k) plans) that are self directed (i.e., plans in which you have the power, even if not exercised, to select the specific investments), provide the value and income information on each asset in the account that exceeds the reporting threshold. For retirement plans that are not self-directed, name the institution holding the account and its value at the end of the reporting period. For an active business that is not publicly traded, state the name of the business, the nature of its activities, and its geographic location in Block A. For additional information, see the instruction booklet. Exclude: Your personal residence(s) (unless there is rental income); any debt owed to you by your spouse, or by your or your spouse's child, parent or sibling; any deposits totaling $5,000 or less in personal savings accounts; any financial interest in or income derived from U.S. Government retirement programs. If you so choose, you may indicate that an asset or income source is that of your spouse (SP) or dependent child (DC) or is jointly held (JT), in the optional column on the far left.	BLOCK B **Year-End Value of Asset** at close of reporting year. If you use a *valuation method other* than fair market value, please specify the method used. If an *asset was sold and is* included only because it is generated income, the value should be "None."	BLOCK C **Type of Income** Check all columns that apply. Check "None" if asset did not generate any income during the *calendar year. If other* than one of the listed categories, specify the type of income by writing *a brief description in this* block. (For example: Partnership income or Farm Income)	BLOCK D **Amount of Income** For retirement plans or accounts that do not allow you to choose specific investments, you may write "NA" *for income. For all* other assets, indicate the category of income by checking the appropriate *box below. Dividends, even* if reinvested, should be listed as income. Check "None" if no income was earned.	BLOCK E **Transaction** Indicate if asset had purchases (P), sales (S), or exchanges (E) *exceeding* $1,000 in reporting year.
Schwab Value Advantage Fund	$15,001 - $50,000	DIVIDENDS	$1 - $200	P
Calvert World Values Intl Equity Fund Class A	$1,001 - $15,000	DIVIDENDS/CAPITAL GAINS	$201 - $1,000	
Vanguard Emerging Markets	$15,001 - $50,000	DIVIDENDS	$201 - $1,000	P
Schwab Advantage Cash Reserve Prem	None	NONE	NONE	
Schwab Advantage Cash Reserve	None	NONE	NONE	
Captial One Financial CP	None	Dividends	$1 - $200	S

SCHEDULE III - ASSETS AND "UNEARNED" INCOME

Name Mark Emery Udall

Schwab Short Term Bond Market Fund	None	Dividends	$2,501 - $5,000	S
Dell Inc	None	None	NONE	S
Schwab Value Advantage Money Fund IRA	$50,001 - $100,000	Dividends	$201 - $1,000	P
Calvert World Values Intl Equity Fund Class A IRA	$15,001 - $50,000	Dividends/ Capital Gains	$201 - $1,000	PS(part)
Lazard Emerging Markets Portfolio IRA	$15,001 - $50,000	Dividends/ Capital Gains	$2,501 - $5,000	P
Pimco Commodity Real Return IRA	$50,001 - $100,000	Dividends	$1,001 - $2,500	P
Morgan Stanley Inst Intl Real Estate IRA	$50,001 - $100,000	Dividends/ Capital Gains	$2,501 - $5,000	P
Cgm Focus Fund IRA	$15,001 - $50,000	Dividends / Capital Gains	$5,001 - $15,000	P
Alger Health Sciences Fund IRA	$15,001 - $50,000	Capital Gains	$2,501 - $5,000	P
Vanguard High Yield Corp Fund IRA	None	Dividends	$201 - $1,000	S
Vanguard GNMA Fund	None	Dividends	$201 - $1,000	S
Teva Pharm Inds LTD IRA	None	Dividends/CAPIT AL GAINS	$1,001 - $2,500	S
Texas Instruments Inc IRA	None	Dividends	$1 - $200	S
Schwab Govt Money Fund IRA	None	Dividends	$1 - $200	

SCHEDULE III - ASSETS AND "UNEARNED" INCOME

Name Mark Emery Udall

	Zimmer Holdings Inc IRA	None	None	NONE	PS
	Kellogg Company IRA	None	Dividends/CAPIT AL GAINS	$201 - $1,000	S
	Illinois Tool Works Inc IRA	None	Dividends/CAPIT AL GAINS	$201 - $1,000	S
	FPL Group Incorporated IRA	None	Dividends	$201 - $1,000	S
	Endo Pharm Holdings Inc IRA	None	None	NONE	S
	Dentsply Intl Inc IRA	None	Dividends/CAPIT AL GAINS	$2,501 - $5,000	S
SP	Schwab AMT Tax-Free Money Fund Value Adv SHS	$100,001 - $250,000	Dividends	$201 - $1,000	P
SP	Schwab Value Advantage Money Fund	$50,001 - $100,000	Dividends	$201 - $1,000	P
SP	Ishares Trust S&P 500	$50,001 - $100,000	None	NONE	P
SP	Bank of America Corp	$1,001 - $15,000	Dividends	$201 - $1,000	
SP	Chubb Corporation	$1,001 - $15,000	Dividends	$201 - $1,000	
SP	Johnson & Johnson	$1,001 - $15,000	Dividends	$201 - $1,000	
SP	Pepsico Incorporated	$15,001 - $50,000	Dividends	$201 - $1,000	
SP	Progress Energy Inc	$15,001 - $50,000	Dividends	$201 - $1,000	

SCHEDULE III - ASSETS AND "UNEARNED" INCOME

Name Mark Emery Udall

SP	Bank of Nova Scotia F	$1,001 - $15,000	Dividends	$201 - $1,000	
SP	Ishares TR Lehman Tips Bond Fund	$15,001 - $50,000	Dividends	$1 - $200	P
SP	Barclays Bank Ipath	$15,001 - $50,000	None	NONE	P
SP	Powershares Exchange Traded Fund TrWilderhill Clean Energy	$15,001 - $50,000	None	NONE	P
SP	Schwab Retirement Advtg Money Fund	$50,001 - $100,000	Dividends	$201 - $1,000	
SP	Schwab Adv Cash Reserve Prem	None	Dividends	$1 - $200	PS
SP	Schwab Adv Cash Reserve	None	Dividends	$1 - $200	PS
SP	Vanguard Interm Term Trsy Fund	None	Dividends/CAPITAL GAINS	$1,001 - $2,500	PS
SP	Vanguard Short Term Trsy Fund	None	Dividends/CAPITAL GAINS	$1,001 - $2,500	PS
SP	Vanguard High Yield Corp Fund	None	Dividends	$201 - $1,000	S
SP	Vanguard GNMA Fund	None	Dividends/CAPITAL GAINS	$1,001 - $2,500	S
SP	Pimco High Yield Fund	None	Dividends	$201 - $1,000	S
SP	Royal Bk Cda Montreal F	None	Dividends/CAPITAL GAINS	$1,001 - $2,500	S
SP	Procter & Gamble	None	Dividends/CAPITAL GAINS	$2,501 - $5,000	S

SCHEDULE III - ASSETS AND "UNEARNED" INCOME

Name *Mark Emery Udall*

SP	Hormel Foods Corp	None	Dividends	$1 - $200	S
SP	Associated Banc Corp Wis	None	Dividens	$201 - $1,000	S
SP	Wells Fargo Cap 5.85%33GTD TR PFD Due 05/01/33	None	Interest	$201 - $1,000	PS
SP	Verizon Communications	None	Dividends	$1 - $200	PS
SP	Novartis AG Sponsored ADR	None	Dividends/CAPITAL GAINS	$201 - $1,000	PS
SP	Emerson Electric Co	None	Dividends/CAPITAL GAINS	$2,501 - $5,000	S
SP	VCA Antech Inc	None	CAPITAL GAINS	$201 - $1,000	PS
SP	Toronto Dominion Bank F	None	Dividends/CAPITAL GAINS	$2,501 - $5,000	S
SP	Thornburg Mortgage Inc REIT	None	Dividedns	$1,001 - $2,500	S
SP	Novo-Nordisk A-S ADR F1	None	Dividends/CAPITAL GAINS	$5,001 - $15,000	S
SP	Nationwide Health PPTYS REIT	None	Dividends/CAPITAL GAINS	$2,501 - $5,000	S
SP	Linear Technolgy Corp Delaware	None	Dividends	$1 - $200	PS
SP	Ingersoll Rand CO Class A F Bermuda	None	Dividends/CAPITAL GAINS	$1,001 - $2,500	S
SP	Heinz HJ CO	None	Dividends	$2,501 - $5,000	S

SCHEDULE III - ASSETS AND "UNEARNED" INCOME

Name Mark Emery Udall

SP	Healthcare Realty Trust REIT	None	Dividends	$201 - $1,000	S
SP	FPL Group Incorporated	None	Dividends/CAPITAL GAINS	$5,001 - $15,000	S
SP	Cisco Systems Inc	None	Capital Gains	$201 - $1,000	PS
SP	Sysco Corporation	None	Dividends	$1 - $200	S
SP	Archstone Smith Trust REIT	None	Dividends/CAPITAL GAINS	$2,501 - $5,000	S
SP	Ariel Fund IRA	$15,001 - $50,000	Dividends / Capital Gains	$2,501 - $5,000	P
SP	Winslow Green Growth Fund IRA	$15,001 - $50,000	Capital Gains	$201 - $1,000	P
SP	Calvert World Values Intl Equity Fund IRA	$50,001 - $100,000	Dividends/ Capital Gains	$5,001 - $15,000	P
SP	Powershs Exchange Traded Fund TrWilderHill Clean Energy IRA	$1,001 - $15,000	None	NONE	P
SP	Wyeth IRA	None	Dividends	$1 - $200	S
SP	Vanguard High Yield Corp Fund IRA	None	Dividends	$201 - $1,000	S
SP	Vanguard GNMA Fund IRA	None	Dividends	$201 - $1,000	S
SP	Teva Pharm Inds LTD ADR IRA	None	Dividends /CAPITAL GAINS	$1,001 - $2,500	S
SP	Schwab Adv Cash Reserve IRA	None	Dividends	$1 - $200	P

SCHEDULE III - ASSETS AND "UNEARNED" INCOME

Name Mark Emery Udall

SP	Johnson & Johnson IRA	None	DIVIDENDS/CAPI TAL GAINS	$1,001 - $2,500	S
SP	Zimmer Holdings Inc IRA	None	None	NONE	PS
SP	Stryker Corp IRA	None	Dividends/CAPIT AL GAINS	$1,001 - $2,500	S
SP	Respironics Inc RIA	None	None	NONE	S
SP	Patterson Companies IRA	None	None	NONE	S
SP	National City Corp IRA	None	Dividends	$1 - $200	S
SP	Medtronic Inc IRA	None	Dividends	$1 - $200	S
SP	Becton Dickinson & Co IRA	None	Dividends/CAPIT AL GAINS	$1,001 - $2,500	S
SP	Applied Materials Inc IRA	None	Dividends	$1 - $200	S
SP	Allied Irish Banks ADR IRA	None	Dividends	$1 - $200	PS
SP	Adobe Systems Inc IRA	None	CAPITAL GAINS	$5,001 - $15,000	S
SP	T Rowe Price Health Sciences Fund IRA	None	CAPITAL GAINS	$1 - $200	S
SP	Sun Microsystems Inc	None	None	NONE	S
SP	Schwab Money Market Fund	$1 - $1,000	DIVIDENDS	$1,001 - $2,500	PS(part)

SCHEDULE III - ASSETS AND "UNEARNED" INCOME

Name Mark Emery Udall

SP	Mentor Corporation Minn IRA	None	Dividends	$1 - $200	S
SP	Motorola Inc IRA	None	Dividends	$1 - $200	S
DC1	Vanguard Short Term Trsy Fund	$1,001 - $15,000	Dividends	$201 - $1,000	
DC1	Vanguard GNMA Fund	$1,001 - $15,000	Dividends	$201 - $1,000	
DC1	Kimberly-Clark Corp	$1 - $1,000	Dividends	$1 - $200	
DC1	Health Care REIT Inc	$1,001 - $15,000	Dividends	$201 - $1,000	
DC1	HCP Inc REIT	$1,001 - $15,000	Dividends	$201 - $1,000	
DC1	Schwab Adv Cash Reserve	None	None	NONE	P
DC1	Schwab Govt Money Fund	None	Dividends	$1 - $200	
DC1	Healthcare Realty Trust REIT	None	Dividends	$201 - $1,000	S
DC1	Vanguard High Yield Corp Fund	None	Dividends	$201 - $1,000	S
DC1	Schwab Short Term Bond Market Fund	None	Dividends	$201 - $1,000	S
DC1	Equity Residential	None	Dividends/CAPITAL GAINS	$2,501 - $5,000	S
DC2	Vanguard Interm Term Trsy Fund	$1,001 - $15,000	Dividends	$201 - $1,000	

SCHEDULE III - ASSETS AND "UNEARNED" INCOME

Name Mark Emery Udall

DC2	Vanguard Short Term Trsy Fund	$15,001 - $50,000	Dividends	$201 - $1,000	P
DC2	Vanguard GNMA Fund	$15,001 - $50,000	Dividends	$1,001 - $2,500	
DC2	Vanguard High Yield Corp Fund	$1,001 - $15,000	Dividends	$201 - $1,000	P
DC2	General Mills Inc	$1,001 - $15,000	Dividends	$1 - $200	
DC2	Bank of America Corp	$1,001 - $15,000	Dividends	$201 - $1,000	
DC2	National City Corp	$1,001 - $15,000	Dividends	$1 - $200	
DC2	Johnson & Johnson	$1,001 - $15,000	Dividends	$1 - $200	
DC2	Pepsico Incorporated	$1,001 - $15,000	Dividends	$1 - $200	
DC2	Procter & Gamble	$1,001 - $15,000	Dividends	$1 - $200	
DC2	Kimberly-Clark Corp	$1 - $1,000	Dividends	$1 - $200	
DC2	The Southern Company	$1,001 - $15,000	Dividends	$201 - $1,000	
DC2	National Fuel Gas Co	$1,001 - $15,000	Dividends	$1 - $200	
DC2	Bank of Nova Scotia	$1 - $1,000	Dividends	$201 - $1,000	
DC2	Health Care REIT Inc REIT	$1,001 - $15,000	Dividends	$201 - $1,000	

SCHEDULE III - ASSETS AND "UNEARNED" INCOME

Name Mark Emery Udall

DC2	Healthcare Realty Trust REIT	$1,001 - $15,000	Dividends	$201 - $1,000	
DC2	HCP Inc REIT	$1,001 - $15,000	Dividends	$201 - $1,000	
DC2	Thornburg Mortgage Inc REIT	$1,001 - $15,000	Dividends	$201 - $1,000	
DC2	Novartis AG Spon ADR	$1,001 - $15,000	Dividends	$1 - $200	
DC2	Sysco Corporation	None	Dividends	$1 - $200	S
DC2	Patterson Companies	None	CAPITAL GAINS	$1,001 - $2,500	S
DC2	McGraw-Hill Cos	None	Dividends/CAPITAL GAINS	$1,001 - $2,500	S
DC2	Adobe Systems Inc	None	CAPITAL GAINS	$2,501 - $5,000	S
	Bella Madera Gardens Associates, LLC	$15,001 - $50,000	None	NONE	
	HG Shadowbriar Holdings, LLC	$15,001 - $50,000	None	NONE	
	VALIC Retirement Fund	None	INTEREST/DIVIDENDS/CAPITAL GAINS	NONE	S
	Alexandrite Sands Limited Partnership	$1,001 - $15,000	Other: (Father's estate)	$1 - $200	
	Kingman Station Limited Partnership	$1,001 - $15,000	Other: (Father's estate)	$1 - $200	

SCHEDULE IV - TRANSACTIONS

Report any purchase, sale or exchange by you, your spouse, or dependent child during the reporting year of any real property, stocks, bonds, commodities futures, or other securities when the amount of the transaction or series of transactions exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction between you, your spouse, or your dependent child, or the purchase or sale of your personal residence, unless it is rented out. Provide a brief

SP, DC, JT	Asset	Type of Transaction	Date	Amount of Transaction
SP	Associated Banc Corp Wis	S	11-08-07	$1,001 - $15,000
SP	Emerson Electric Co	S	11-08-07	$1,001 - $15,000
SP	FPL Group Incorporated	S	11-08-07	$1,001 - $15,000
SP	Heinz HJ CO	S	11-08-07	$1,001 - $15,000
SP	Healthcare Realty Trust REIT	S	11-08-07	$1,001 - $15,000
SP	Hormel Foods Corp	S	11-08-07	$1,001 - $15,000
SP	Ingersoll Rand CO Class A F Bermuda	S	11-08-07	$1,001 - $15,000
SP	Nationwide Health PPTYS REIT	S	11-08-07	$1,001 - $15,000
SP	Novartis AG Sponsored ADR	PS	11-08-07	$1,001 - $15,000
SP	Novo-Nordisk A-S ADR F1	S	11-08-07	$1,001 - $15,000
SP	Pimco High Yield Fund	S	11-08-07	$1,001 - $15,000
SP	Procter & Gamble	S	11-08-07	$1,001 - $15,000

SCHEDULE IV - TRANSACTIONS

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SP, DC, JT	Asset	Type of Transaction	Date	Amount of Transaction
SP	Royal Bk Cda Montreal F	S	11-08-07	$1,001 - $15,000
SP	Thornburg Mortgage Inc REIT	S	11-08-07	$1,001 - $15,000
SP	Toronto Dominion Bank F	S	11-08-07	$1,001 - $15,000
SP	VCA Antech Inc	PS	11-08-07	$1,001 - $15,000
SP	Verizon Communications	PS	11-08-07	$1,001 - $15,000
SP	Wells Fargo Cap 5.85%33GTD TR PFD Due 05/01/33	PS	11-08-07	$1,001 - $15,000
SP	Vanguard GNMA Fund	S	11-09-07	$50,001 - $100,000
SP	Vanguard High Yield Corp Fund	S	11-09-07	$1,001 - $15,000
SP	Vanguard Interm Term Trsy Fund	PS	11-09-07	$15,001 - $50,000
SP	Vanguard Short Term Trsy Fund	PS	11-09-07	$15,001 - $50,000
SP	Barclays Bank Ipath	P	11-13-07	$15,001 - $50,000
SP	Ishares TR Lehman Tips Bond Fund	P	11-13-07	$15,001 - $50,000

SCHEDULE IV - TRANSACTIONS

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SP, DC, JT	Asset	Type of Transaction	Date	Amount of Transaction
SP	Ishares Trust S&P 500	P	11-13-07	$50,001 - $100,000
SP	Powershares Exchange Traded Fund Trwilderhill Clean Energy	P	11-13-07	$15,001 - $50,000
SP	Schwab AMT Tax-Free Money Fund Value Adv SHS	P	11-26-07	$100,001 - $250,000
SP	Schwab Value Advantage Money Fund	P	11-26-07	$100,001 - $250,000
SP	Schwab Adv Cash Reserve Prem	PS	Monthly	$15,001 - $50,000
SP	Schwab Adv Cash Reserve	PS	Monthly	$50,001 - $100,000
SP	Cisco Systems Inc	PS	11-08-07	$1,001 - $15,000
SP	Linear Technolgy Corp Delaware	PS	11-08-07	$1,001 - $15,000
SP	Adobe Systems Inc IRA	S	11-08-07	$1,001 - $15,000
SP	Allied Irish Banks ADR IRA	PS	11-08-07	$1,001 - $15,000
SP	Applied Matericals Inc IRA	S	11-08-07	$1,001 - $15,000
SP	Becton Dickinson & Co IRA	S	11-08-07	$1,001 - $15,000

SCHEDULE IV - TRANSACTIONS

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SP, DC, JT	Asset	Type of Transaction	Date	Amount of Transaction
SP	Johnson & Johnson IRA	S	11-08-07	$1,001 - $15,000
SP	Medtronic Inc IRA	S	11-08-07	$1,001 - $15,000
SP	National City Corp IRA	S	11-08-07	$1,001 - $15,000
SP	Patterson Companies IRA	S	11-08-07	$1,001 - $15,000
SP	Respironics Inc RIA	S	11-08-07	$1,001 - $15,000
SP	Stryker Corp IRA	S	11-08-07	$1,001 - $15,000
SP	Wyeth IRA	S	11-08-07	$1,001 - $15,000
SP	T Rowe Price Health Sciences Fund IRA	S	11-08-07	$1,001 - $15,000
SP	Teva Pharm Inds LTD ADR IRA	S	11-08-07	$1,001 - $15,000
SP	Zimmer Holdings Inc IRA	PS	11-08-07	$1,001 - $15,000
SP	Vanguard GNMA Fund IRA	S	11-09-07	$15,001 - $50,000
SP	Vanguard High Yield Corp Fund IRA	S	11-09-07	$1,001 - $15,000

SCHEDULE IV - TRANSACTIONS

Report any purchase, sale or exchange by you, your spouse, or dependent child during the reporting year of any real property, stocks, bonds, commodities futures, or other securities when the amount of the transaction or series of transactions exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction between you, your spouse, or your dependent child, or the purchase or sale of your personal residence, unless it is rented out. Provide a brief

SP, DC, JT	Asset	Type of Transaction	Date	Amount of Transaction
SP	Calvert World Values Intl Equity Fund IRA	P	11-13-07	$50,001 - $100,000
SP	Powershs Exchange Traded Fund TrWilderHill Clean Energy IRA	P	11-13-07	$1,001 - $15,000
SP	Winslow Green Growth Fund IRA	P	11-13-07	$15,001 - $50,000
SP	Ariel Fund IRA	P	11-15-07	$15,001 - $50,000
	Schwab Short Term Bond Market Fund	S	11-08-07	$50,001 - $100,000
	Captial One Financial CP	S	11-08-07	$1,001 - $15,000
	Dell Inc	S	11-08-07	$15,001 - $50,000
	Vanguard Emerging Markets	P	11-13-07	$15,001 - $50,000
	Dentsply Intl Inc IRA	S	11-08-07	$1,001 - $15,000
	Endo Pharm Holdings Inc IRA	S	11-08-07	$1,001 - $15,000
	FPL Group Incorporated IRA	S	11-08-07	$1,001 - $15,000
	Illinois Tool Works Inc IRA	S	11-08-07	$1,001 - $15,000

SCHEDULE IV - TRANSACTIONS

Report any purchase, sale or exchange by you, your spouse, or dependent child during the reporting year of any real property, stocks, bonds, commodities futures, or other securities when the amount of the transaction or series of transactions exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction between you, your spouse, or your dependent child, or the purchase or sale of your personal residence, unless it is rented out. Provide a brief

SP, DC, JT	Asset	Type of Transaction	Date	Amount of Transaction
	Kellogg Company IRA	S	11-08-07	$1,001 - $15,000
	Teva Pharm Inds LTD IRA	S	11-08-07	$1,001 - $15,000
	Texas Instruments Inc IRA	S	11-08-07	$1,001 - $15,000
	Zimmer Holdings Inc IRA	PS	11-08-07	$1,001 - $15,000
	Vanguard GNMA Fund	S	11-09-07	$1,001 - $15,000
	Vanguard High Yield Corp Fund IRA	S	11-09-07	$1,001 - $15,000
	Calvert World Values Intl Equity Fund Class A IRA	PS	11-13-07	$1,001 - $15,000
	Pimco Commodity Real Return IRA	P	11-13-07	$50,001 - $100,000
	Alger Health Sciences Fund IRA	P	12-05-07	$15,001 - $50,000
	Cgm Focus Fund IRA	P	12-05-07	$15,001 - $50,000
	Lazard Emerging Markets Portfolio IRA	P	12-05-07	$15,001 - $50,000
	Morgan Stanley Inst Intl Real Estate IRA	P	12-05-07	$50,001 - $100,000

SCHEDULE IV - TRANSACTIONS

Report any purchase, sale or exchange by you, your spouse, or dependent child during the reporting year of any real property, stocks, bonds, commodities futures, or other securities when the amount of the transaction or series of transactions exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction between you, your spouse, or your dependent child, or the purchase or sale of your personal residence, unless it is rented out. Provide a brief

SP, DC, JT	Asset	Type of Transaction	Date	Amount of Transaction
	Schwab Value Advantage Money Fund IRA	P	12-05-07	$50,001 - $100,000
SP	Archstone Smith Trust REIT	S	03-05-07	$1,001 - $15,000
SP	Sysco Corporation	S	06-08-07	$1,001 - $15,000
SP	Motorola Inc IRA	S	03-05-07	$1,001 - $15,000
SP	Mentor Corporation Minn IRA	S	04-26-07	$1,001 - $15,000
SP	Schwab Adv Cash Reserve IRA	P	10-25-07	$1,001 - $15,000
DC1	Equity Residential	S	03-05-07	$1,001 - $15,000
DC1	Schwab Short Term Bond Market Fund	S	05-18-07	$1,001 - $15,000
DC1	Vanguard High Yield Corp Fund	S	08-27-07	$1,001 - $15,000
DC1	Healthcare Realty Trust REIT	S	08-27-07	$1,001 - $15,000
DC1	Schwab Adv Cash Reserve	P	10-25-07	$1,001 - $15,000
DC2	Sysco Corporation	S	03-14-07	$1,001 - $15,000

SCHEDULE IV - TRANSACTIONS

Name Mark Emery Udall

Report any purchase, sale or exchange by you, your spouse, or dependent child during the reporting year of any real property, stocks, bonds, commodities futures, or other securities when the amount of the transaction or series of transactions exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction between you, your spouse, or your dependent child, or the purchase or sale of your personal residence, unless it is rented out. Provide a brief

SP, DC, JT	Asset	Type of Transaction	Date	Amount of Transaction
DC2	Patterson Companies	S	03-14-07	$1,001 - $15,000
DC2	McGraw-Hill Cos	S	03-14-07	$1,001 - $15,000
DC2	Adobe Systems Inc	S	03-14-07	$1,001 - $15,000
DC2	Vanguard Short Term Trsy Fund	P	06-08-07	$1,001 - $15,000
DC2	Vanguard High Yield Corp Fund	P	06-08-07	$1,001 - $15,000
SP	Sun Microsystems Inc	S	11-08-07	Less than $1,000
	VALIC Retirement Fund	S	11-09-07	$250,001 - $500,000
SP	Schwab Money Market Fund	PS	Monthly	$15,001 - $50,000

SCHEDULE V - LIABILITIES

Name

Report liabilities of over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent child. Mark the highest amount owed during the year. *Exclude: Any mortgage on your personal residence (unless all or part of it is rented out);* loans secured by automobiles, household furniture, or appliances; and liabilities owed to a spouse, or the child, parent, or sibling of you or your spouse. Report "revolving charge accounts" (i.e., credit cards) only if the balance at the close of the preceding calendar year exceeded $10,000.

SP, DC, JT	Creditor	Type of Liability	Amount of Liability

SCHEDULE VI - GIFTS

Name

Report the source, a brief description, and the value of all gifts totaling more than $305 received by you, your spouse, or a dependent child from any source during the year. Exclude: Gifts from relatives, gifts of personal hospitality of an individual, local meals, and gifts to a spouse or dependent child that are totally independent of his or her relationship to you. Gifts with a value of $122 or less need not be added towards the $305 disclosure threshold. Note: The gift rule (House Rule 25, clause 5) prohibits acceptance of gifts except as specifically provided in the rule.

Source	Description	Value

SCHEDULE VII - TRAVEL PAYMENTS AND REIMBURSEMENTS

Name Mark Emery Udall

Identify the source and list travel itinerary, dates, and nature of expenses provided for travel and travel-related expenses totaling more than $305 received by you, your spouse, or a dependent child during the reporting period. Indicate whether a family member accompanied the traveler at the sponsor's expense, and the amount of time, if any, that was not at the sponsor's expense. Disclosure is required regardless of whether the expenses were reimbursed or paid directly by the sponsor. Exclude: Travel-related expenses provided by federal, state, and local governments, or by a foreign government required to be separately reported under the Foreign Gifts and Decorations Act (5 U.S.C § 7342); political travel that is required to be reported under the Federal Election Campaign Act; travel provided to a spouse or dependent child that is totally independent of his or her relationship to you.

Source	Date(s)	Point of Departure--Destination--Point of Return	Lodging? (Y/N)	Food? (Y/N)	Was a Family Member Included? (Y/N)	Days not at sponsor's expense
			N	N	N	

SCHEDULE VIII - POSITIONS

Name

Report all positions, compensated or uncompensated, held during the current calendar year as an officer, director, trustee of an organization, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or any business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. Exclude: Positions held in any religious, social, fraternal, or political entities; positions solely of an honorary nature; and positions listed on Schedule I.

Position	Name of Organization

SCHEDULE IX - AGREEMENTS

Name

Identify the date, parties to, and general terms of any agreement or arrangement with respect to: future employment; a leave of absence during the period of government service; continuation or deferral of payments by a former or current employer other than the U.S. Government; or continuing participation in an employee welfare or benefit plan maintained by a former employer.

Date	Parties To	Terms of Agreement