Portage County

PORTAGE
1808
COUNTY

Investment Review

Presented to

The Investment Advisory Committee

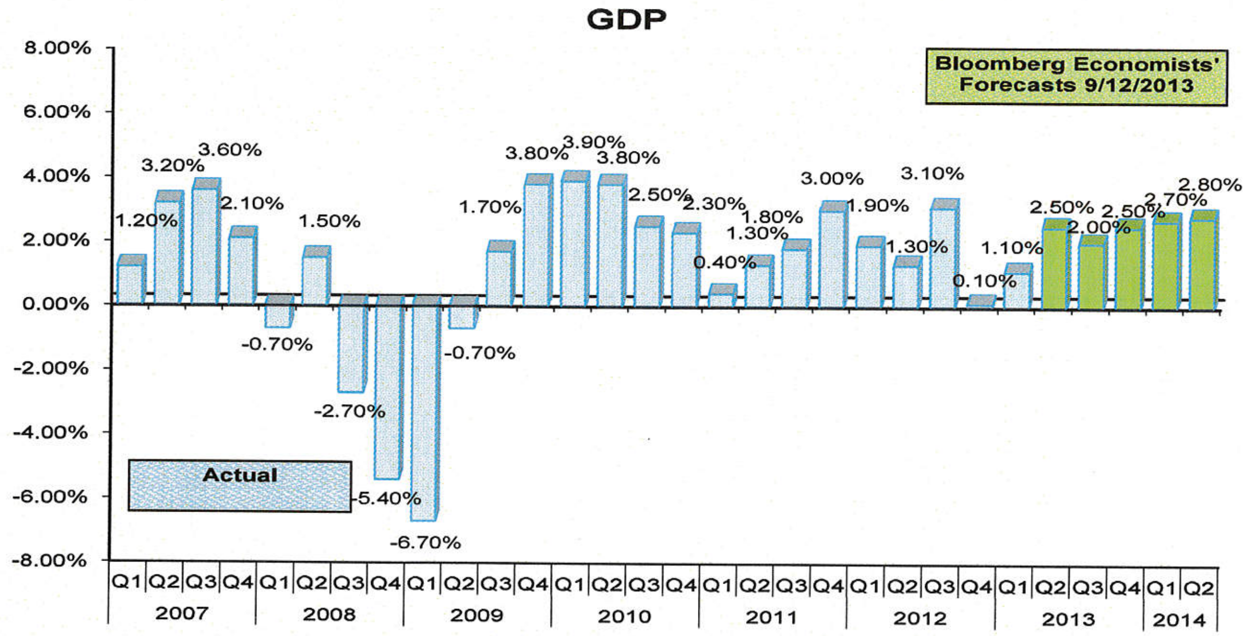
By

PRODUCTIVE
Capital Management, Inc.
A registered investment adviser

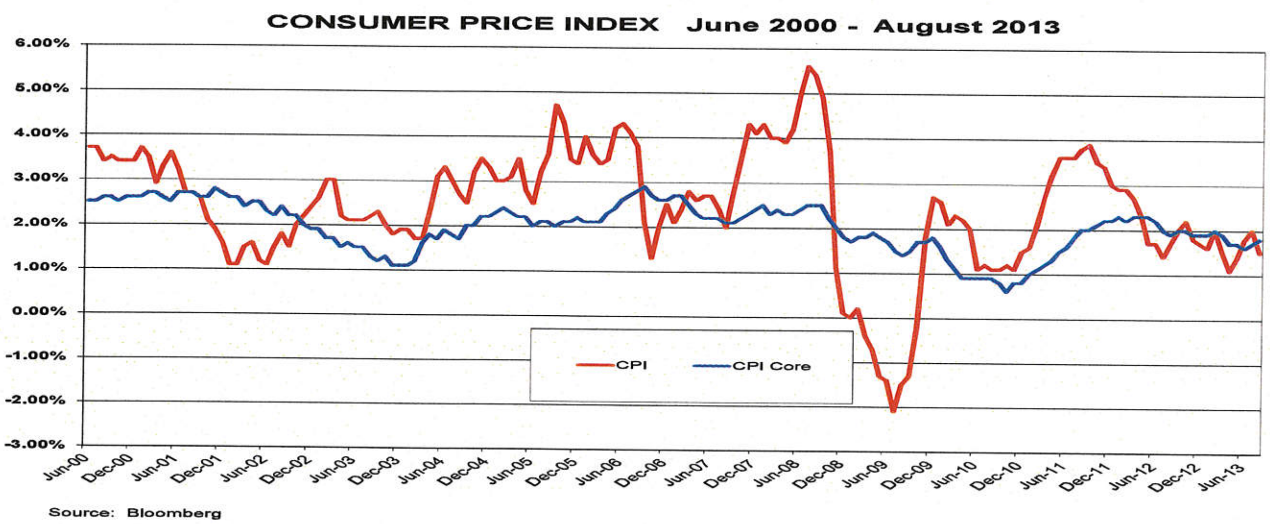
September 26, 2013

Portage County
Investment Advisory Committee
September 26, 2013

➢ ECONOMIC CONDITIONS:



GDP growth for the 2nd Quarter 2013 came in at an improved rate of 2.5% vs.1.1% in the 1st Quarter. The Bloomberg Economists' poll is forecasting a 1.6% average growth rate for 2013 and an improved rate of 2.7% for 2014.



The CPI index is currently at 1.5% YOY (year over year) and has stayed under the Fed's target range. The CPI Core index (less food and energy) is also up modestly at a 1.8% YOY. Gasoline prices have been very volatile over the past year are actually down 2.2% YOY.

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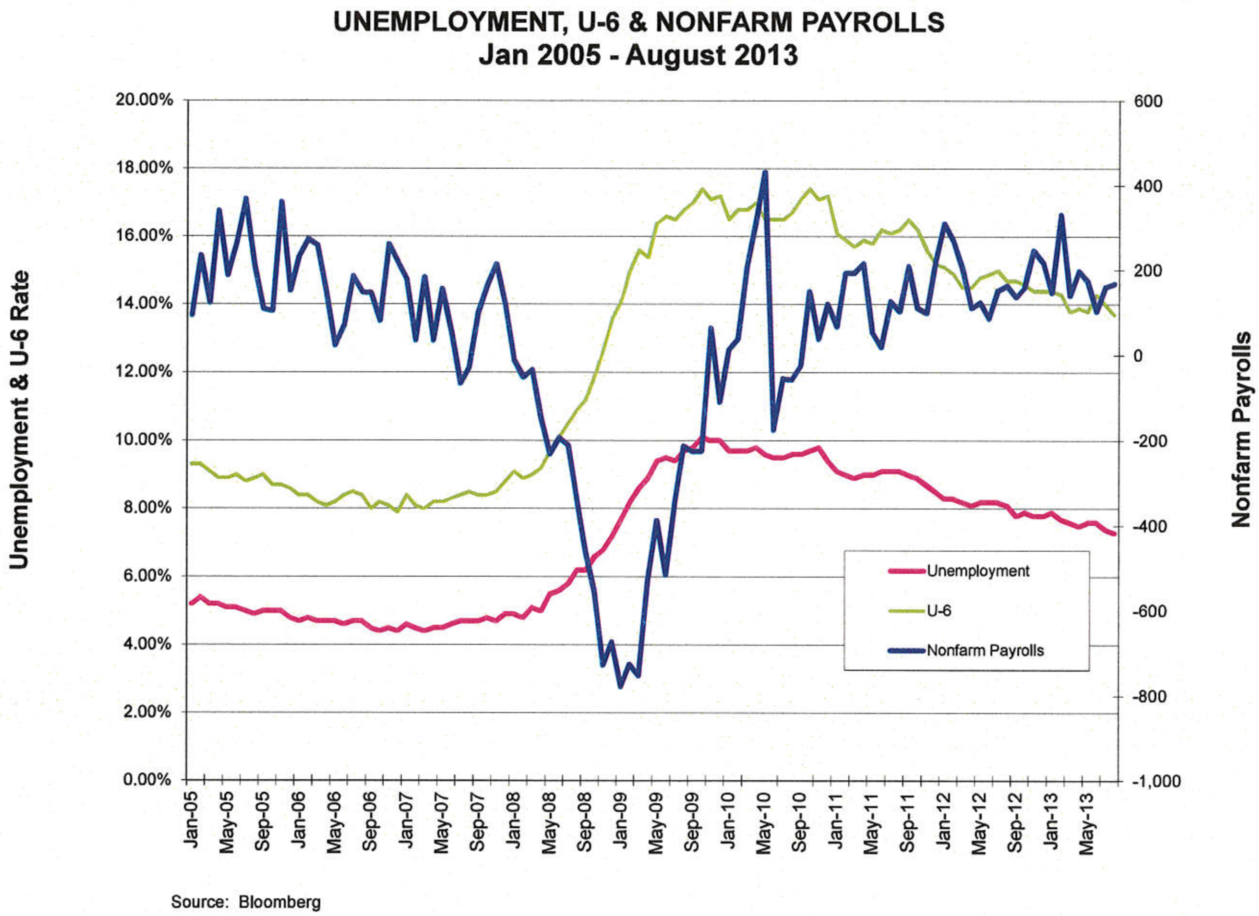

The national unemployment rate continues to drop and is currently at 7.3% down from 7.8% a year ago. The August payroll additions were disappointing and despite the unemployment rate dropping, it is largely attributable to people dropping out of the workforce. The U6 number which includes the underemployed still remains elevated at 13.7%. Ohio's unemployment rate has actually gone up during this calendar year. It started the year at 6.7% is not at 7.3%. Portage County's unemployment rate has also inched up a bit this year starting at 6.2% and is currently at 7.1%.

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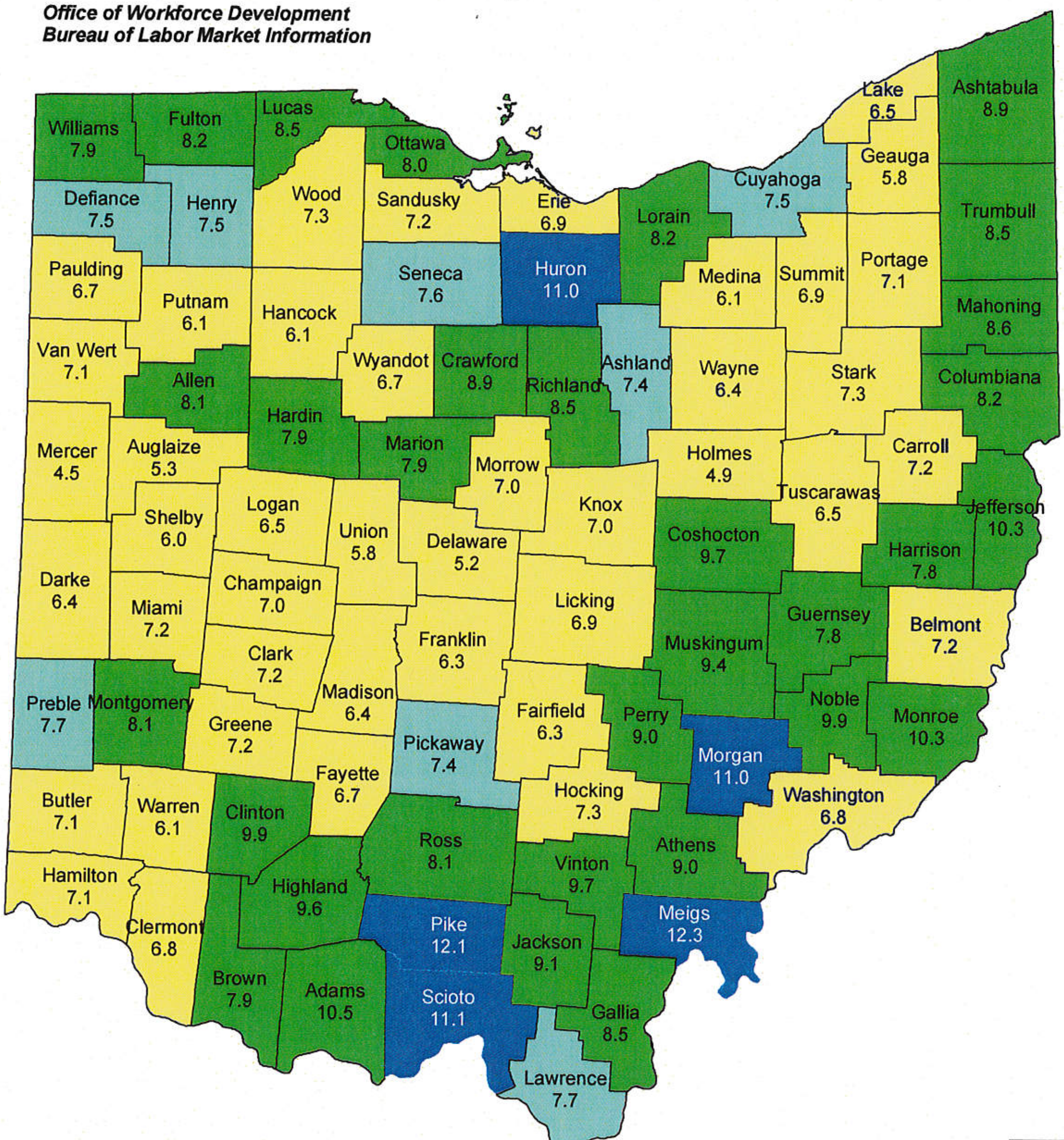
Ohio Not Seasonally Adjusted Unemployment Rates July 2013

Office of Workforce Development
Bureau of Labor Market Information



Ohio rate of 7.3% or lower

Above Ohio rate of 7.3%; US rate of 7.7% or lower

Above US rate of 7.7%; below 11.0%

11.0% or above

Unemployment Rates

	Not Seasonally Adjusted	Seasonally Adjusted
United States..	7.7%	7.4%
Ohio................	7.3%	7.2%

Ohio Department of Job and Family Services

John R. Kasich, **Governor**

Michael B. Colbert, **Director**

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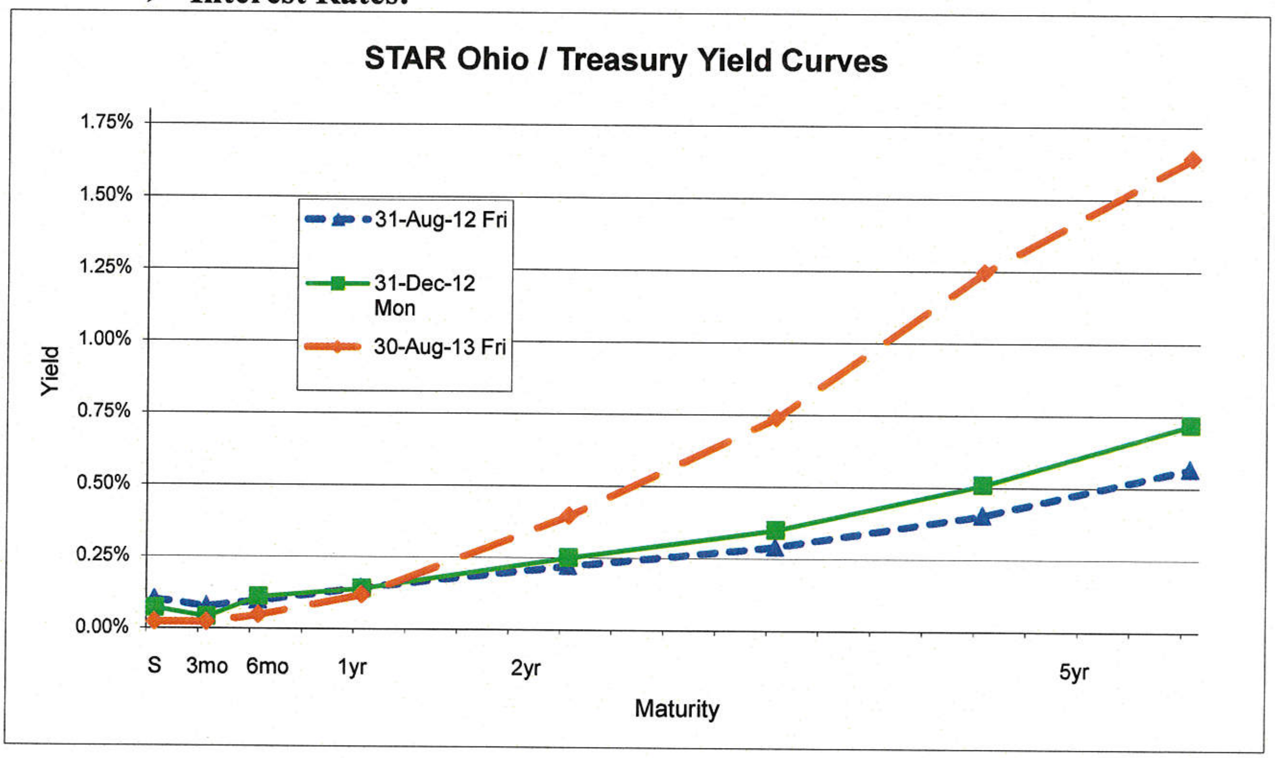
- **Interest Rates:**



The yield on the 2-year Treasury is currently at .33% up from last quarter at .27%. STAR Ohio has dropped from .04% to .02%. The Fed Funds rate remains at 0-.25%. Interest rates have been very volatile in the past quarter with the Fed sending out mixed signals as to when they may taper their QE purchases. During this quarter, the 2 year Treasury was as high as .52% on 9/5 and as low at .26% on 6/17. This swing was even more severe on the longer end of the curve with the 5 year Treasury peaking at 1.64% on 8/30 and as low as 1.00% on 5/30. At the Fed's latest meeting, they stated that the economic recovery has continued at a moderate pace in recent quarters and that current economic conditions are likely to warrant keeping the federal funds rate at these exceptionally low levels until unemployment is below 6.5% and as long as inflation remains below 2.25%. Chairman Bernanke had stated that it may be appropriate to moderate their monthly pace of QE purchases later this year if economic growth begins to step up during the second half of the year but at their meeting last week they chose not to taper their asset purchases at this time.

Indicative Interest Rates as of September 23, 2013

Star Ohio **0.02%**

3 Month Maturity	
CD's	0.05%
Agencies	0.05%
Treasuries	0.01%
CDARS	0.05%
C/P	0.09%

6 Month Maturity	
CD's	0.15%
Agencies	0.05%
Treasuries	0.04%
CDARS	0.10%
C/P	0.18%

12 Month Maturity	
CD's	0.20%
Agencies	0.13%
Treasuries	0.08%
CDARS	0.35%
Municipal Bond	0.40%

2 Year Maturity	
CD's	
Agencies	0.38%
Treasuries	0.33%
CDARS	0.45%

3 Year Maturity	
Agencies	0.80%
Treasuries	0.69%

5 Year Maturity	
Agencies	1.67%
Treasuries	1.47%

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- **PORTFOLIO: As of August 31, 2013:**

Purchases since last meeting:	Par Value	Avg: Yield	WAL
CD			
CDARS	$ 8.0 million	.35%	1.0 years
US Treasuries			
Callable Agencies			
Non-Callable Agencies	$ 4.0 million	.60%	2.7 years
Commercial Paper			
Corporate Notes			
Municipal Bonds	$ 1.4 million	.53%	1.0 years

Maturity Summary Excluding Cash:

2013 -	$	19.9 million
2014 -	$	19.2 million
2015 -	$	24.4 million
2016 -	$	16.0 million
2017 -	$	3.0 million

Portfolio, (Excluding Cash):		Wgtd. Avg. Maturity	Wgtd. Avg. Yield	STAR Ohio
8/31/13	$82.5 million	1.5 Years	.66%	.02%
5/31/13	$84.2 million	1.5 Years	.76%	.04%
2/28/13	$82.3 million	1.6 Years	.80%	.08%
11/30/12	$73.9 million	1.1 Years	.84%	.10%
9/20/12	$86.4 million	1.0 Years	.77%	.10%

This report prepared for: VICKI KLINE

PRODUCTIVE
Capital Management, Inc.

PORTAGE COUNTY

Consolidated Investment Portfolio

As of: 09/05/2013

PAR	TYPE	COUPON	MATURITY DATE	SETTLE DATE	ORIGINAL PRINCIPAL[2]	PURCHASE YLD	NOTE/CALL FEATURE	DAYS TO MATURITY
94,754	STAR OHIO	0.020%	9/6/13	9/5/13	94,753.66	0.020%		1
5,961,117	MMK	0.070%	9/6/13	9/5/13	5,961,117.09	0.070%	First Amer. Govt. Oblig. Fd. (US BANK)	1
475,025	CHECKING	0.000%	9/6/13	9/5/13	475,024.51	0.000%	Huntington	1
28,978,252	HIGH BAL	0.130%	9/6/13	9/5/13	28,978,251.97	0.130%	Chase Bank-savings	1

SECURITIES

PAR	TYPE	COUPON	MATURITY DATE	SETTLE DATE	ORIGINAL PRINCIPAL[2]	PURCHASE YLD	NOTE/CALL FEATURE	SAFEKEEPING	CUSIP	DAYS TO MATURITY
1,000,000	FHLB	1.000%	09/13/13	09/07/10	999,110.00	1.030%		US Bank	313370LB2	8
1,000,000	FHLB	1.000%	09/13/13	12/13/10	997,319.00	1.099%		US Bank	313370LB2	8
1,000,000	CORP NOTE	1.875%	09/16/13	10/27/11	1,008,340.00	1.423%	GE CAPITAL CORP	US Bank	36962G4Q4	11
1,000,000	CORP NOTE	1.875%	09/16/13	11/18/11	1,011,540.00	1.234%	GE CAPITAL CORP	US Bank	36962G4Q4	11
1,100,000	MUNI	1.250%	09/24/13	09/25/12	1,108,184.00	0.500%	SOUTH EUCLID BAN	US Bank	837752JW5	19
3,000,000	CDARS	0.750%	09/26/13	09/29/11	3,000,000.00	0.750%		TriState		21
1,500,000	CDARS	1.700%	10/10/13	10/14/10	1,500,000.00	1.710%		HNB		35
600,000	MUNI	1.000%	10/10/13	10/10/12	603,282.00	0.450%	SANDUSKY OH BAN	US Bank	800188L51	35
2,000,000	CDARS	0.750%	11/07/13	11/10/11	2,000,000.00	0.750%	Qtrly Int. Cal Yr	TriState		63
2,000,000	FFCB	0.500%	11/29/13	11/29/11	2,000,000.00	0.500%		US Bank	31331KY79	85
1,000,000	T NOTE	0.750%	12/15/13	12/15/10	992,500.00	1.004%		US Bank	912828PL8	101
1,000,000	CDARS	0.750%	12/26/13	12/29/11	1,000,000.00	0.750%		TriState		112
2,000,000	CDARS	0.300%	12/26/13	12/27/12	2,000,000.00	0.300%		HNB		112
1,740,000	FHLB	1.250%	12/30/13	03/15/11	1,739,565.00	1.260%		US Bank	313372V27	116
1,000,000	CORP NOTE	2.100%	01/07/14	01/17/12	1,015,370.00	1.308%	GE CAPITAL CORP.	US Bank	36962G4X9	124
2,000,000	CDARS	0.300%	01/23/14	01/24/13	2,000,000.00	0.300%		Portage CB		140
1,500,000	CDARS	0.500%	03/06/14	03/08/12	1,500,000.00	0.500%	Resubm.date 3/7/13	HNB		182
1,000,000	FHLB	1.125%	03/10/14	09/10/10	998,590.00	1.166%		US Bank	313370VR6	186
800,000	MUNI	1.000%	06/25/14	06/25/13	804,776.00	0.401%	Upper Arlington GO	US Bank	915489VM7	293
1,000,000	FHLB	1.250%	06/27/14	08/18/10	1,000,490.00	1.237%		US Bank	313370LT3	295
2,000,000	FHLB	0.400%	06/27/14	06/27/12	2,000,000.00	0.400%		US Bank	313379VJ5	295
5,000,000	CDARS	0.350%	07/03/14	07/05/13	5,000,000.00	0.350%	Int. at Mat.	HNB		301
1,000,000	CDARS	0.350%	07/10/14	07/11/13	1,000,000.00	0.350%		Portage CB		308
2,000,000	CDARS	0.350%	07/10/14	07/11/13	2,000,000.00	0.350%		Portage CB		308
600,000	MUNI	1.050%	08/14/14	08/14/13	602,382.00	0.650%	Cuyahoga Falls OH GO BAN	US Bank	232291VW1	343
1,000,000	FHLB	1.500%	11/28/14	08/16/10	1,006,769.00	1.337%		US Bank	313370KU1	449
310,000	MUNI	0.490%	12/01/14	04/03/13	310,000.00	0.490%	Dayton Metro Library GO	US Bank	239864AR2	452
400,000	FHLB	0.320%	01/23/15	01/23/13	400,000.00	0.320%	9/23/13 monthly	US Bank	313381U52	505
2,500,000	FHLB	0.320%	01/23/15	01/23/13	2,500,000.00	0.320%	9/23/13 monthly	US Bank	313381U52	505
1,000,000	FHLB	1.700%	05/29/15	08/13/10	1,007,790.00	1.531%		US Bank	313370JE9	631
500,000	FHLB	0.375%	07/17/15	04/22/13	499,975.00	0.377%	10/17/13 qtrly	US Bank	313382QN6	680

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2,500,000	FHLB	0.375%	07/30/15	03/01/13	2,500,000.00	0.375%	10/30/13 qtrly	US Bank	313381UR4	693
1,000,000	FFCB	0.350%	07/30/15	03/20/13	1,000,000.00	0.350%		US Bank	3133ECHV9	693
1,000,000	FHLB	1.630%	08/20/15	08/30/10	998,980.00	1.651%		US Bank	313370NE4	714
2,000,000	FFCB	0.480%	08/27/15	11/26/12	2,000,000.00	0.480%	9/03/13 continuous	US Bank	3133EAP77	721
1,000,000	FFCB	0.400%	09/15/15	01/31/13	999,240.00	0.429%		US Bank	3133ECBB9	740
2,000,000	FFCB	0.430%	11/16/15	02/06/13	2,000,000.00	0.430%		US Bank	3133ECBJ2	802
2,000,000	FHLB	0.500%	11/20/15	06/12/13	1,999,900.00	0.502%		US Bank	313380L96	806
475,000	MUNI	0.610%	12/01/15	04/03/13	475,000.00	0.610%	Dayton Metro Library GO	US Bank	239864AS0	817
1,000,000	FFCB	1.810%	12/08/15	12/08/10	1,001,710.00	1.774%		US Bank	31331J4P5	824
3,000,000	FHLB	0.450%	12/28/15	12/28/12	2,999,550.00	0.455%	9/28/13 monthly	US Bank	313381HL2	844
4,000,000	FHLB	0.500%	12/28/15	12/28/12	4,000,000.00	0.500%	7/28/13 monthly	US Bank	313381N84	844
3,000,000	FHLB	0.500%	01/08/16	01/23/13	3,000,000.00	0.500%	10/8/13 qtrly	US Bank	313381MG7	855
2,000,000	FHLB	0.550%	02/12/16	02/12/13	2,000,000.00	0.550%	11/12/13 qtrly	US Bank	3133822D4	890
2,000,000	FFCB	0.500%	02/25/16	02/25/13	1,997,800.00	0.537%	2/25/14 continuous	US Bank	3133ECG65	903
2,000,000	FHLB	0.550%	02/26/16	02/26/13	2,000,000.00	0.550%	11/26/13 qtrly	US Bank	3133824Q3	904
2,000,000	FHLB	0.500%	04/25/16	04/25/13	2,000,000.00	0.500%	4/25/14 qtrly	US Bank	313382PL1	963
2,000,000	FFCB	0.600%	06/14/16	06/14/13	1,995,280.00	0.680%		US Bank	3133ECS47	1,013
3,000,000	FFCB	0.640%	11/29/16	12/06/12	2,999,100.00	0.648%	11/29/13 continuous	US Bank	3133EC5B6	1,181
3,000,000	FFCB	0.940%	11/13/17	11/13/12	2,999,100.00	0.946%	11/13/13 continuous	US Bank	3133EC2M5	1,530

TOTALS	PAR	ORIGINAL PRINCIPAL	WTD MATURITY	WTD YIELD
CASH ACCOUNTS[1]	$ 35,509,147	$ 35,509,147.23	1	0.12%
SECURITIES	82,525,000	82,571,642.00	539	0.66%
TOTAL	$ 118,034,147	$118,080,789.23	377	0.50%

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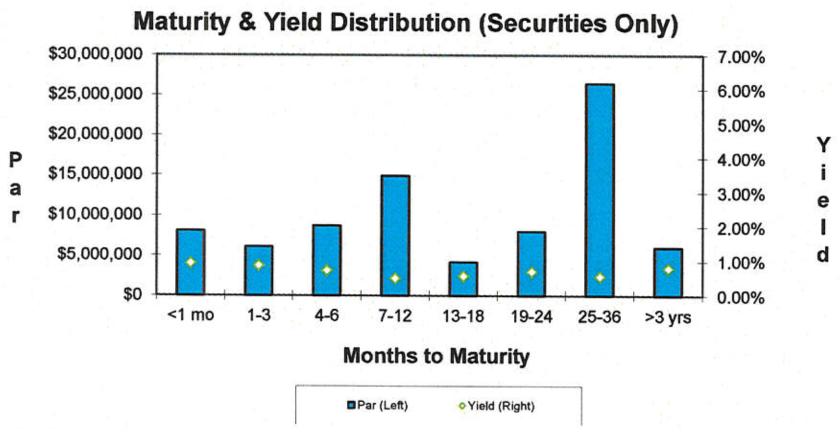
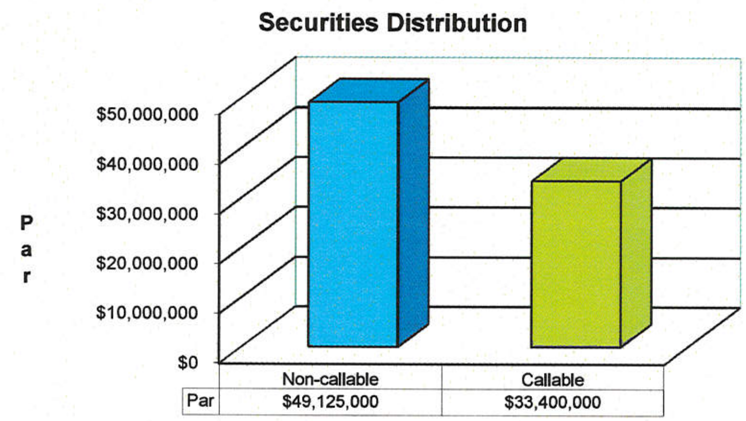
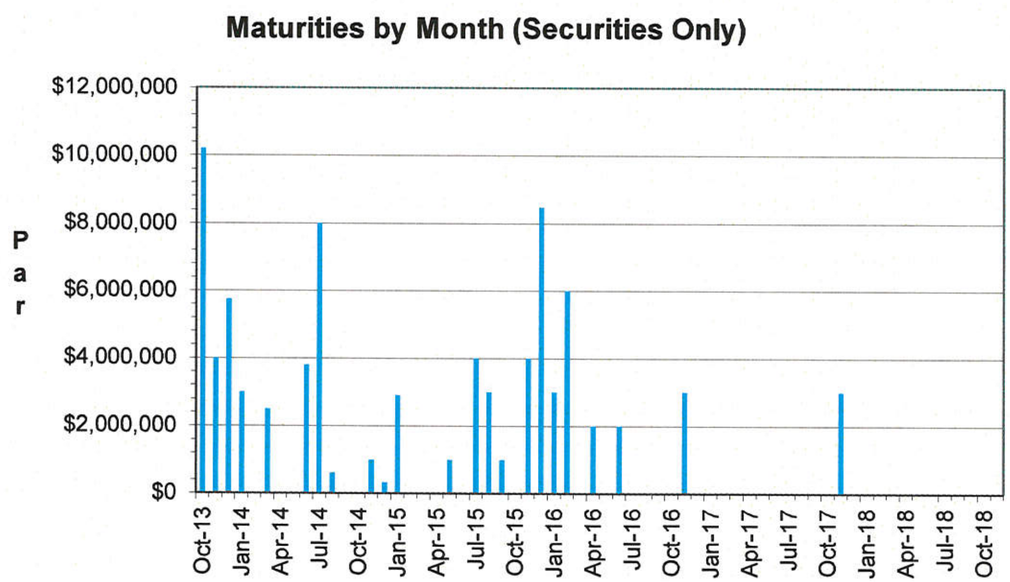




Diversification by Asset Class

		Par	%
Cash Equivalents		$35,509,147	30.1%
	Cash Equivalents	$35,509,147	30.1%
US Treasury		$1,000,000	0.8%
	US Treasury	$1,000,000	0.8%
Agencies		$53,640,000	45.4%
	FFCB	$19,000,000	16.1%
	FHLB	$34,640,000	29.3%
	FHLMC	$0	0.0%
	FNMA	$0	0.0%
	GNMA	$0	0.0%
Certificates of Deposit		$21,000,000	17.8%
	CD	$21,000,000	17.8%
Other		$6,885,000	5.8%
	BA	$0	0.0%
	CP	$0	0.0%
	Other	$6,885,000	5.8%
Grand Total		$118,034,147	100.0%



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