

# Portage County



## Investment Review

Presented to

The Investment Advisory Committee

By



**Productive Capital  
Management**

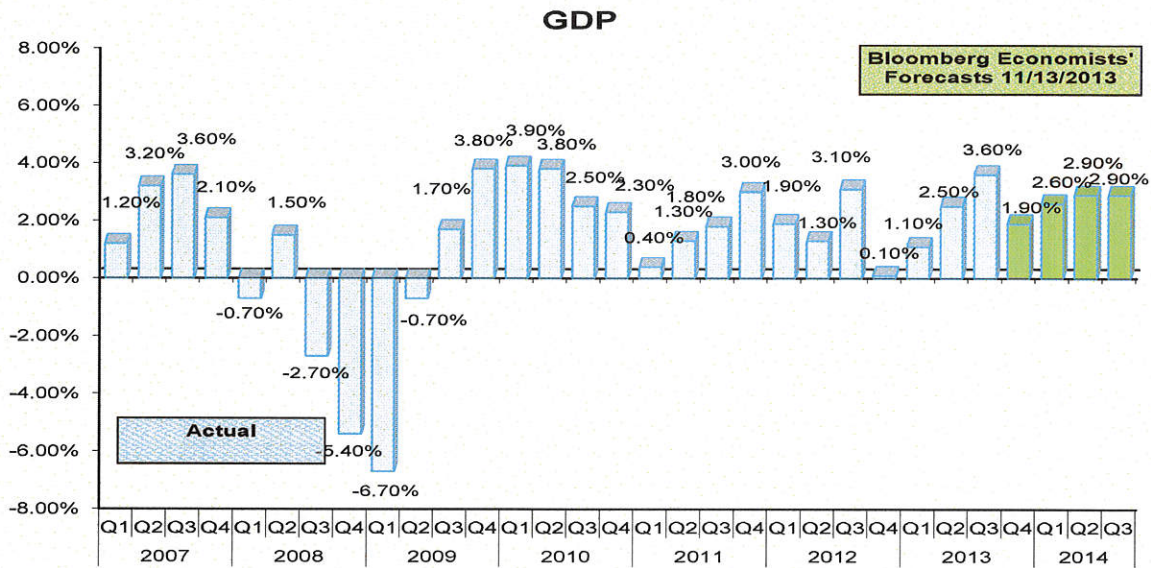
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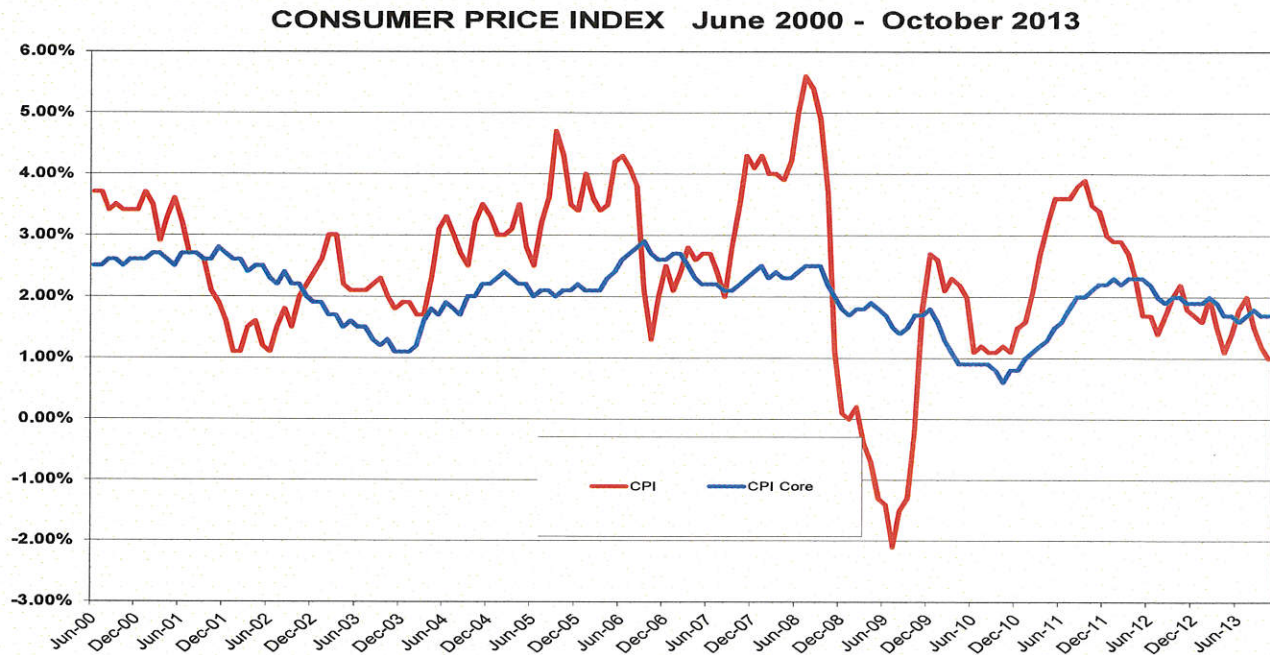
December 12, 2013

**Portage County  
Investment Advisory Committee  
December 12, 2013**

➤ **ECONOMIC CONDITIONS:**



GDP growth for the 3rd Quarter 2013 came in at much improved rate of 3.6% vs. 2<sup>nd</sup> Quarter at 2.5%. The Bloomberg Economists' poll is forecasting a 2.6% average growth rate for 2014.

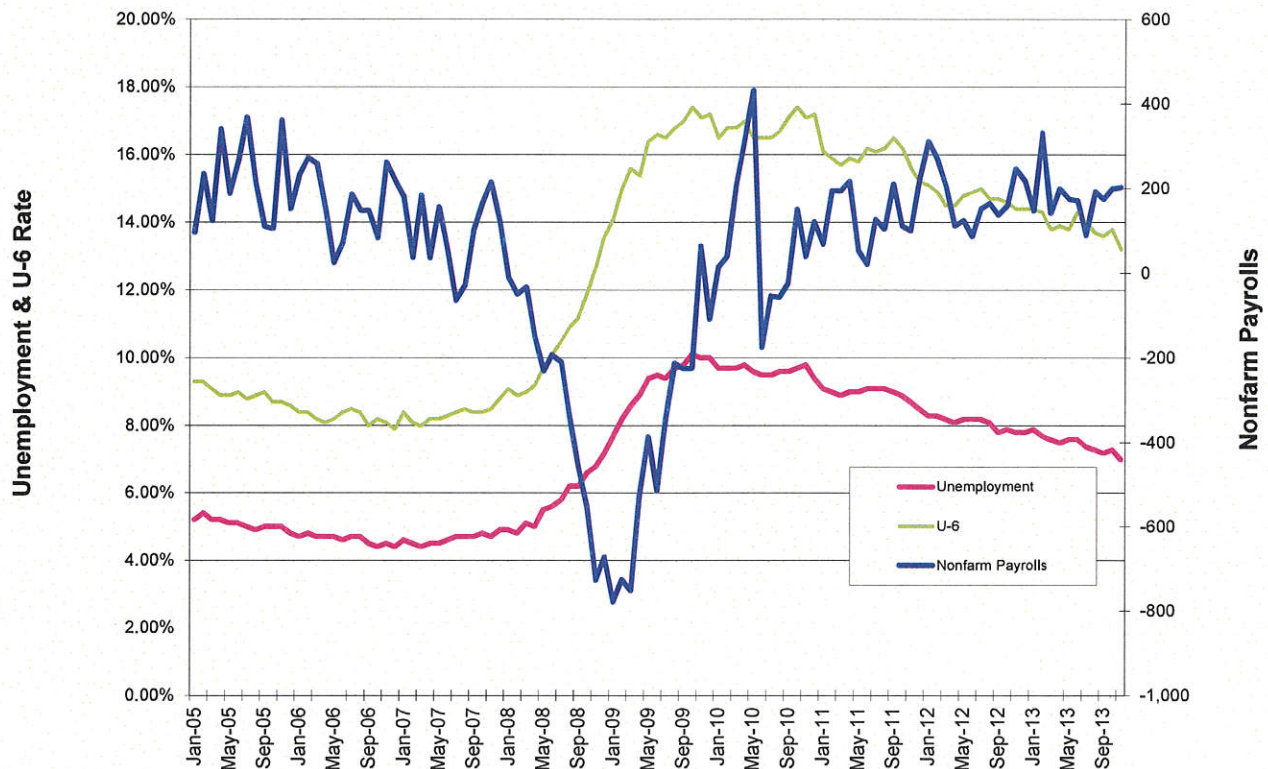


Source: Bloomberg

The CPI index is currently at 1% YOY (year over year) and well below the Fed's target range. The CPI Core index (less food and energy) is also up modestly at a 1.7% YOY. Gasoline prices have actually been a negative contributor to inflation with prices down 10.1% (year over year) through October.

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December 12, 2013**

**UNEMPLOYMENT, U-6 & NONFARM PAYROLLS  
Jan 2005 - Nov 2013**



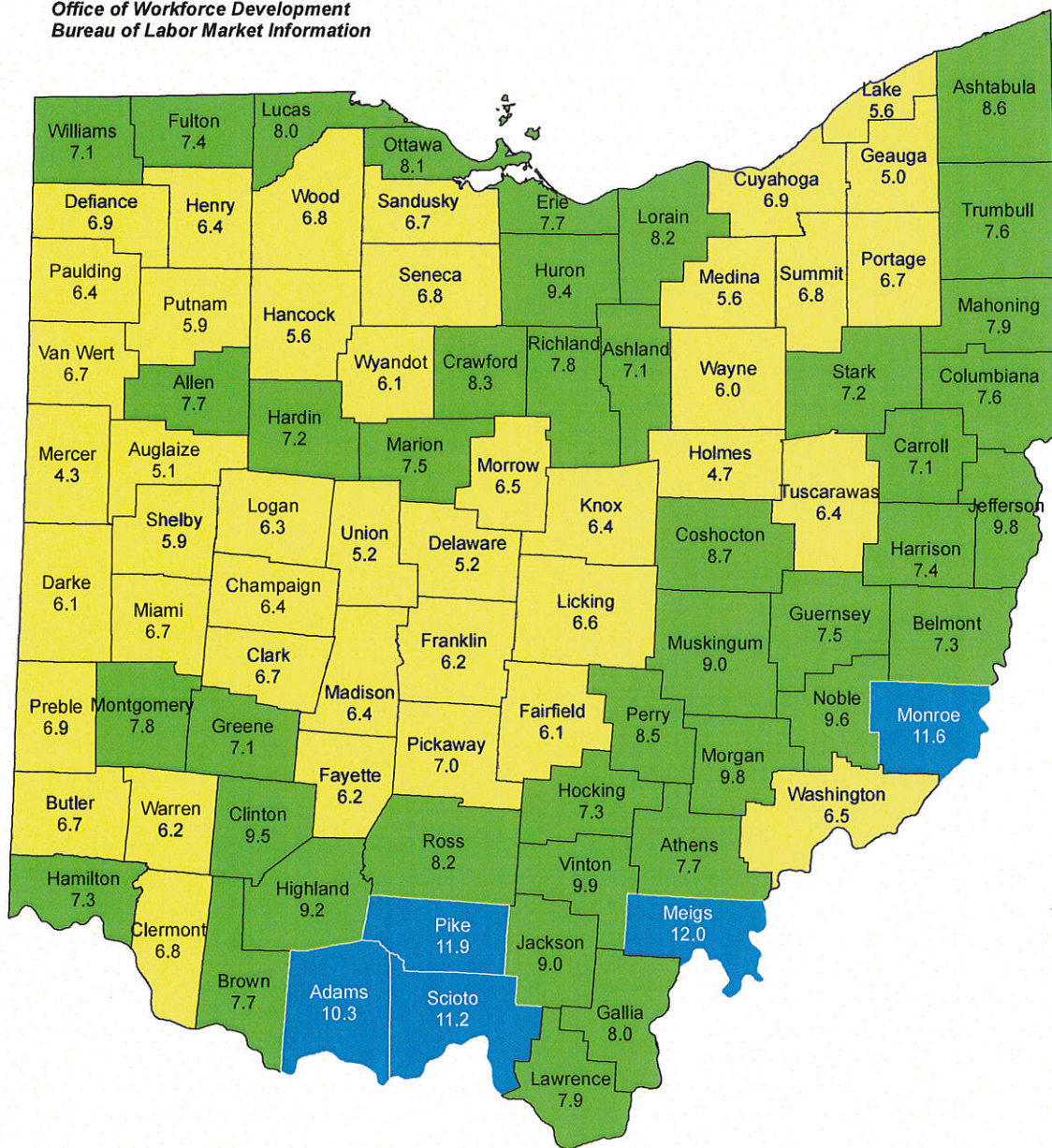
Source: Bloomberg

The national unemployment rate continues to drop and is currently at 7.0% down from 7.8% a year ago. The U6 number which includes the underemployed still remains a bit elevated at 13.2%. Ohio's unemployment rate has actually gone up over the past year from 6.9% to 7.5% through October. Portage County's unemployment rate has also increased over the past year from 5.8% to 6.7% through October.

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# Ohio Not Seasonally Adjusted Unemployment Rates October 2013

Office of Workforce Development  
Bureau of Labor Market Information



| Unemployment Rates |                         |                     | U.S. & Ohio rate of 7.0% or lower | Above U.S. & Ohio rate of 7.0%; below 10.0% | 10.0% or above |
|--------------------|-------------------------|---------------------|-----------------------------------|---------------------------------------------|----------------|
|                    | Not Seasonally Adjusted | Seasonally Adjusted |                                   |                                             |                |
| United States..    | 7.0%                    | 7.3%                |                                   |                                             |                |
| Ohio.....          | 7.0%                    | 7.5%                |                                   |                                             |                |

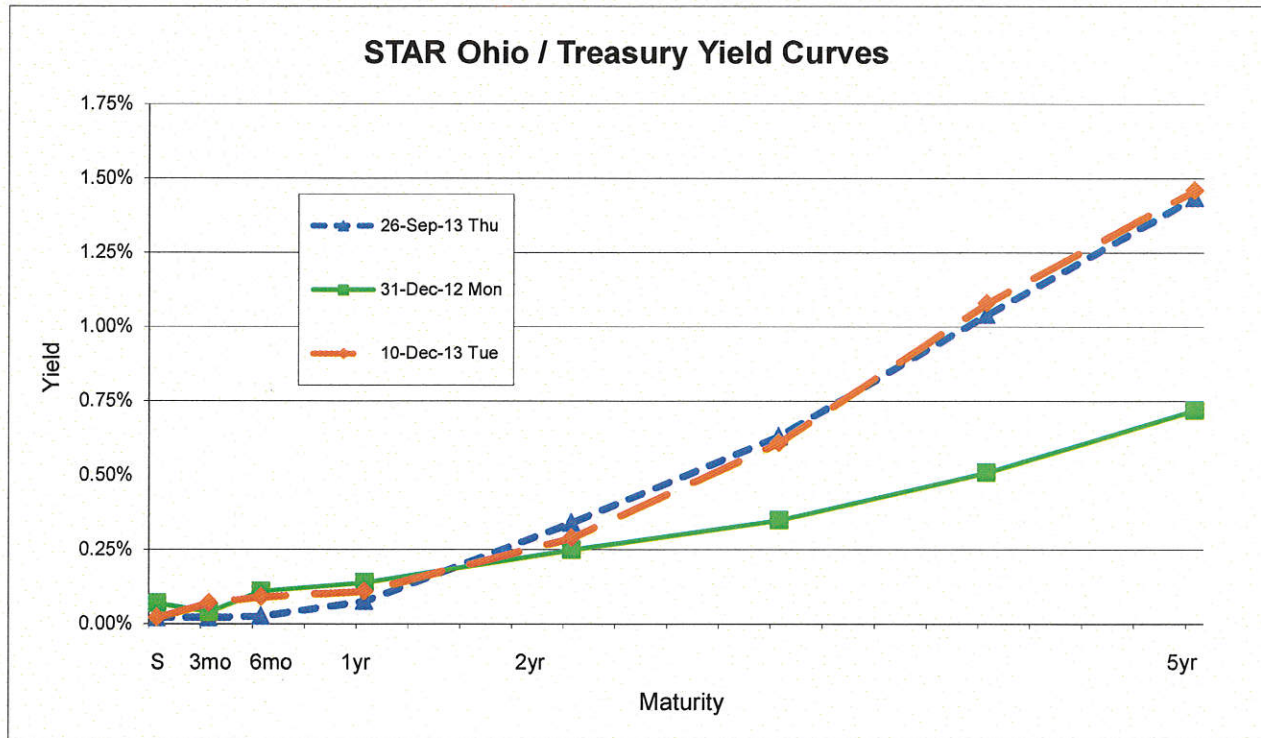
Ohio Department of Job and Family Services

John R. Kasich, Governor

Cynthia C. Dungey, Director

**Portage County  
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➤ **Interest Rates:**



The yield on the 2-year Treasury is currently at .30% about the same as last quarter at .33%. STAR Ohio has remained at .02%. The Fed Funds rate remains at 0-.25%. 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%. There is mixed sentiment at the Fed as to when they will begin their tapering of the QE program.

## Indicative Interest Rates as of December 10, 2013

Star Ohio                0.02%

Star Plus                0.20%

| <u>3 Month Maturity</u> |       |
|-------------------------|-------|
| CD's                    | 0.05% |
| Agencies                | 0.07% |
| Treasuries              | 0.07% |
| CDARS                   | 0.05% |
| C/P                     | 0.09% |

| <u>6 Month Maturity</u> |       |
|-------------------------|-------|
| CD's                    | 0.15% |
| Agencies                | 0.10% |
| Treasuries              | 0.09% |
| CDARS                   | 0.10% |
| C/P                     | 0.18% |

| <u>12 Month Maturity</u> |       |
|--------------------------|-------|
| CD's                     | 0.20% |
| Agencies                 | 0.13% |
| Treasuries               | 0.11% |
| CDARS                    | 0.35% |
| Municipal Bond           | 0.40% |

| <u>2 Year Maturity</u> |       |
|------------------------|-------|
| CD's                   |       |
| Agencies               | 0.33% |
| Treasuries             | 0.30% |
| CDARS                  | 0.45% |

| <u>3 Year Maturity</u> |       |
|------------------------|-------|
| Agencies               | 0.70% |
| Treasuries             | 0.60% |

| <u>5 Year Maturity</u> |       |
|------------------------|-------|
| Agencies               | 1.61% |
| Treasuries             | 1.46% |

**Portage County  
Investment Advisory Committee  
December 12, 2013**

➤ **PORTFOLIO: As of November 30, 2013:**

| <b>Purchases since last meeting:</b> | <b><u>Par Value</u></b> | <b><u>Avg: Yield</u></b> | <b><u>WAL</u></b> |
|--------------------------------------|-------------------------|--------------------------|-------------------|
| <b>CD</b>                            |                         |                          |                   |
| <b>CDARS</b>                         | <b>\$ 9.5 million</b>   | <b>.43%</b>              | <b>1.5 years</b>  |
| <b>US Treasuries</b>                 |                         |                          |                   |
| <b>Callable Agencies</b>             | <b>\$7.5 million</b>    | <b>.52%</b>              | <b>2.0 years</b>  |
| <b>Non-Callable Agencies</b>         |                         |                          |                   |
| <b>Commercial Paper</b>              |                         |                          |                   |
| <b>Corporate Notes</b>               |                         |                          |                   |
| <b>Municipal Bonds</b>               | <b>\$ .6 million</b>    | <b>.52%</b>              | <b>1.0 year</b>   |

**Maturity Summary Excluding Cash:**

|               |                        |
|---------------|------------------------|
| <b>2013 -</b> | <b>\$ 5.7 million</b>  |
| <b>2014 -</b> | <b>\$ 21.3 million</b> |
| <b>2015 -</b> | <b>\$ 22.0 million</b> |
| <b>2016 -</b> | <b>\$ 22.5 million</b> |
| <b>2017 -</b> | <b>\$ 3.0 million</b>  |

| <b>Portfolio, (Excluding Cash):</b> | <b><u>Wgtd. Avg.<br/>Maturity</u></b> | <b><u>Wgtd. Avg.<br/>Yield</u></b> | <b><u>STAR<br/>Ohio</u></b> |
|-------------------------------------|---------------------------------------|------------------------------------|-----------------------------|
| <b>11/30/13    \$74.6 million</b>   | <b>1.5 Years</b>                      | <b>.64%</b>                        | <b>.02%</b>                 |
| <b>8/31/13    \$82.5 million</b>    | <b>1.5 Years</b>                      | <b>.66%</b>                        | <b>.02%</b>                 |
| <b>5/31/13    \$84.2 million</b>    | <b>1.5 Years</b>                      | <b>.76%</b>                        | <b>.04%</b>                 |
| <b>2/28/13    \$82.3 million</b>    | <b>1.6 Years</b>                      | <b>.80%</b>                        | <b>.08%</b>                 |
| <b>11/30/12    \$73.9 million</b>   | <b>1.1 Years</b>                      | <b>.84%</b>                        | <b>.10%</b>                 |



**PORTAGE COUNTY**  
Consolidated Investment Portfolio  
As of: 11/30/2013

| PAR        | TYPE      | COUPON | MATURITY DATE | SETTLE DATE | ORIGINAL<br>PRINCIPAL <sup>2</sup> | PURCHASE YLD | NOTE/CALL FEATURE                      | DAYS TO<br>MATURITY |
|------------|-----------|--------|---------------|-------------|------------------------------------|--------------|----------------------------------------|---------------------|
| 94,760     | STAR OHIO | 0.020% | 12/1/13       | 11/30/13    | 94,759.61                          | 0.020%       |                                        | 1                   |
| 11,035,434 | MMK       | 0.020% | 12/1/13       | 11/30/13    | 11,035,434.00                      | 0.020%       | First Amer. Govt. Oblig. Fd. (US BANK) | 1                   |
| 494,867    | CHECKING  | 0.090% | 12/1/13       | 11/30/13    | 494,867.30                         | 0.090%       | Huntington                             | 1                   |
| 15,983,873 | HIGH BAL  | 0.070% | 12/1/13       | 11/30/13    | 15,983,872.53                      | 0.070%       | Chase Bank-savings                     | 1                   |

**SECURITIES**

| PAR       | TYPE      | COUPON | MATURITY DATE | SETTLE DATE | ORIGINAL<br>PRINCIPAL <sup>2</sup> | PURCHASE YLD | NOTE/CALL FEATURE        | SAFEKEEPING | CUSIP     | DAYS TO<br>MATURITY |
|-----------|-----------|--------|---------------|-------------|------------------------------------|--------------|--------------------------|-------------|-----------|---------------------|
| 1,000,000 | T NOTE    | 0.750% | 12/15/13      | 12/15/10    | 992,500.00                         | 1.004%       |                          | US Bank     | 912828PL8 | 15                  |
| 1,000,000 | CDARS     | 0.750% | 12/26/13      | 12/29/11    | 1,000,000.00                       | 0.750%       |                          | TriState    |           | 26                  |
| 2,000,000 | CDARS     | 0.300% | 12/26/13      | 12/27/12    | 2,000,000.00                       | 0.300%       |                          | HNB         |           | 26                  |
| 1,740,000 | FHLB      | 1.250% | 12/30/13      | 03/15/11    | 1,739,565.00                       | 1.260%       |                          | US Bank     | 313372V27 | 30                  |
| 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 | 38                  |
| 2,000,000 | CDARS     | 0.300% | 01/23/14      | 01/24/13    | 2,000,000.00                       | 0.300%       |                          | Portage CB  |           | 54                  |
| 1,500,000 | CDARS     | 0.500% | 03/06/14      | 03/08/12    | 1,500,000.00                       | 0.500%       | Resubm.date 3/7/13       | HNB         |           | 96                  |
| 1,000,000 | FHLB      | 1.125% | 03/10/14      | 09/10/10    | 998,590.00                         | 1.166%       |                          | US Bank     | 313370VR6 | 100                 |
| 800,000   | MUNI      | 1.000% | 06/25/14      | 06/25/13    | 804,776.00                         | 0.401%       | Upper Arlington GO       | US Bank     | 915489VM7 | 207                 |
| 1,000,000 | FHLB      | 1.250% | 06/27/14      | 08/18/10    | 1,000,490.00                       | 1.237%       |                          | US Bank     | 313370L73 | 209                 |
| 2,000,000 | FHLB      | 0.400% | 06/27/14      | 06/27/12    | 2,000,000.00                       | 0.400%       |                          | US Bank     | 313379VJ5 | 209                 |
| 5,000,000 | CDARS     | 0.350% | 07/03/14      | 07/05/13    | 5,000,000.00                       | 0.350%       | Int. at Mat.             | HNB         |           | 215                 |
| 1,000,000 | CDARS     | 0.350% | 07/10/14      | 07/11/13    | 1,000,000.00                       | 0.350%       |                          | Portage CB  |           | 222                 |
| 2,000,000 | CDARS     | 0.350% | 07/10/14      | 07/11/13    | 2,000,000.00                       | 0.350%       |                          | Portage CB  |           | 222                 |
| 600,000   | MUNI      | 1.050% | 08/14/14      | 08/14/13    | 602,382.00                         | 0.650%       | Cuyahoga Falls OH GO BAN | US Bank     | 232291VM1 | 257                 |
| 1,500,000 | CDARS     | 0.250% | 10/09/14      | 10/10/13    | 1,500,000.00                       | 0.250%       |                          | HNB         |           | 313                 |
| 625,000   | MUNI      | 1.000% | 11/07/14      | 11/08/13    | 628,412.50                         | 0.450%       | Sheffield Lake GO BANS   | US Bank     | 821209LN1 | 342                 |
| 1,000,000 | FHLB      | 1.500% | 11/28/14      | 08/16/10    | 1,006,769.00                       | 1.337%       |                          | US Bank     | 313370KU1 | 363                 |
| 310,000   | MUNI      | 0.490% | 12/01/14      | 04/03/13    | 310,000.00                         | 0.490%       | Dayton Metro Library GO  | US Bank     | 239864AR2 | 366                 |
| 3,000,000 | CDARS     | 0.450% | 03/26/15      | 09/26/13    | 3,000,000.00                       | 0.450%       | 9-25-14                  | TriState    |           | 481                 |
| 2,000,000 | CDARS     | 0.450% | 04/30/15      | 10/31/13    | 2,000,000.00                       | 0.450%       | 10-30-14                 | TriState    |           | 516                 |
| 2,000,000 | CDARS     | 0.450% | 05/07/15      | 11/07/13    | 2,000,000.00                       | 0.450%       |                          | TriState    |           | 523                 |
| 1,000,000 | FHLB      | 1.700% | 05/29/15      | 08/13/10    | 1,007,790.00                       | 1.531%       |                          | US Bank     | 313370JE9 | 545                 |
| 1,000,000 | FFCB      | 0.350% | 07/30/15      | 03/20/13    | 1,000,000.00                       | 0.350%       |                          | US Bank     | 3133ECHV9 | 607                 |
| 1,000,000 | FHLB      | 1.630% | 08/20/15      | 08/30/10    | 998,980.00                         | 1.651%       |                          | US Bank     | 313370NE4 | 628                 |
| 1,000,000 | FFCB      | 0.400% | 09/15/15      | 01/31/13    | 999,240.00                         | 0.429%       |                          | US Bank     | 3133ECBB9 | 654                 |
| 1,000,000 | CDARS     | 0.550% | 10/15/15      | 10/17/13    | 1,000,000.00                       | 0.550%       |                          | Portage CB  |           | 684                 |
| 2,000,000 | FFCB      | 0.400% | 10/21/15      | 10/21/13    | 1,998,200.00                       | 0.445%       | 10/21/14 continuous      | US Bank     | 3133ED5B4 | 690                 |
| 2,500,000 | FHLB      | 0.400% | 10/28/15      | 10/28/13    | 2,500,000.00                       | 0.400%       | 10/28/14 continuous      | US Bank     | 3130A0B25 | 697                 |
| 2,000,000 | FFCB      | 0.430% | 11/16/15      | 02/06/13    | 2,000,000.00                       | 0.430%       |                          | US Bank     | 3133ECB12 | 716                 |
| 2,000,000 | FHLB      | 0.500% | 11/20/15      | 06/12/13    | 1,999,900.00                       | 0.502%       |                          | US Bank     | 313380L96 | 720                 |

<sup>1</sup>Balances for Cash accounts are based on information provided by the client and may not reflect true balances as of the date of this report.<sup>2</sup>Does not include accrued interest, if any, paid at time of purchase.



**PORTAGE COUNTY**  
Consolidated Investment Portfolio  
As of: 11/30/2013

|           |      |        |          |          |              |        |         |           |       |
|-----------|------|--------|----------|----------|--------------|--------|---------|-----------|-------|
| 475,000   | MUNI | 0.610% | 12/01/15 | 04/03/13 | 475,000.00   | 0.610% | US Bank | 239864AS0 | 731   |
| 1,000,000 | FFCB | 1.810% | 12/08/15 | 12/08/10 | 1,001,710.00 | 1.774% | US Bank | 31331J4P5 | 738   |
| 3,000,000 | FHLB | 0.450% | 12/28/15 | 12/28/12 | 2,999,550.00 | 0.455% | US Bank | 313381HL2 | 758   |
| 3,000,000 | FHLB | 0.500% | 01/08/16 | 01/23/13 | 3,000,000.00 | 0.500% | US Bank | 313381MG7 | 769   |
| 2,000,000 | FFCB | 0.500% | 02/25/16 | 02/25/13 | 1,997,800.00 | 0.537% | US Bank | 3133ECG65 | 817   |
| 2,000,000 | FHLB | 0.500% | 04/25/16 | 04/25/13 | 2,000,000.00 | 0.500% | US Bank | 313382PL1 | 877   |
| 2,000,000 | FFCB | 0.600% | 06/14/16 | 06/14/13 | 1,995,280.00 | 0.680% | US Bank | 3133ECS47 | 927   |
| 2,000,000 | FFCB | 1.020% | 09/06/16 | 09/06/13 | 1,997,800.00 | 1.057% | US Bank | 3133ECYN8 | 1,011 |
| 2,500,000 | FFCB | 1.030% | 09/12/16 | 09/16/13 | 2,498,875.00 | 1.045% | US Bank | 3133ECZA5 | 1,017 |
| 3,000,000 | FHLB | 0.700% | 11/14/16 | 11/27/13 | 3,000,000.00 | 0.700% | US Bank | 3133ED7D8 | 1,080 |
| 3,000,000 | FFCB | 0.640% | 11/29/16 | 12/06/12 | 2,999,100.00 | 0.648% | US Bank | 3133EC5B6 | 1,095 |
| 3,000,000 | FFCB | 0.940% | 11/13/17 | 11/13/12 | 2,999,100.00 | 0.946% | US Bank | 3133EC2M5 | 1,444 |

| TOTALS                     | ORIGINAL       |                   | PAR | WTD MATURITY |     | WTD YIELD |  |
|----------------------------|----------------|-------------------|-----|--------------|-----|-----------|--|
|                            | PRINCIPAL      |                   |     |              |     |           |  |
| CASH ACCOUNTS <sup>1</sup> | \$ 27,608,933  | \$ 27,608,933.44  |     |              | 1   | 0.05%     |  |
| SECURITIES                 | 74,550,000     | 74,567,179.50     |     |              | 581 | 0.64%     |  |
| TOTAL                      | \$ 102,158,933 | \$ 102,176,112.94 |     |              | 425 | 0.48%     |  |

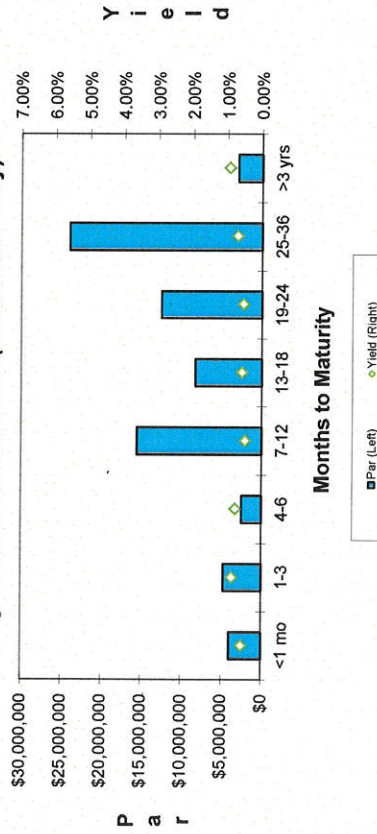
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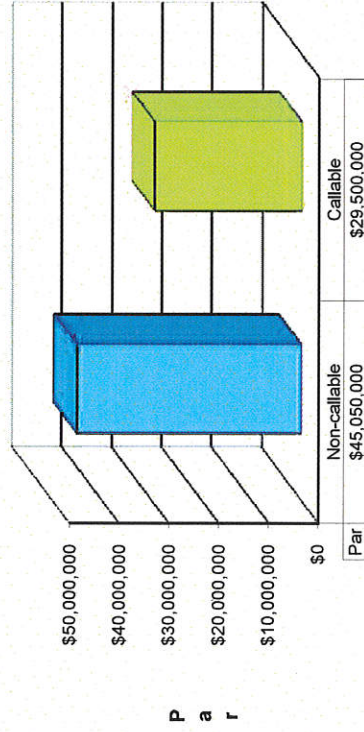


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**Maturity & Yield Distribution (Securities Only)**



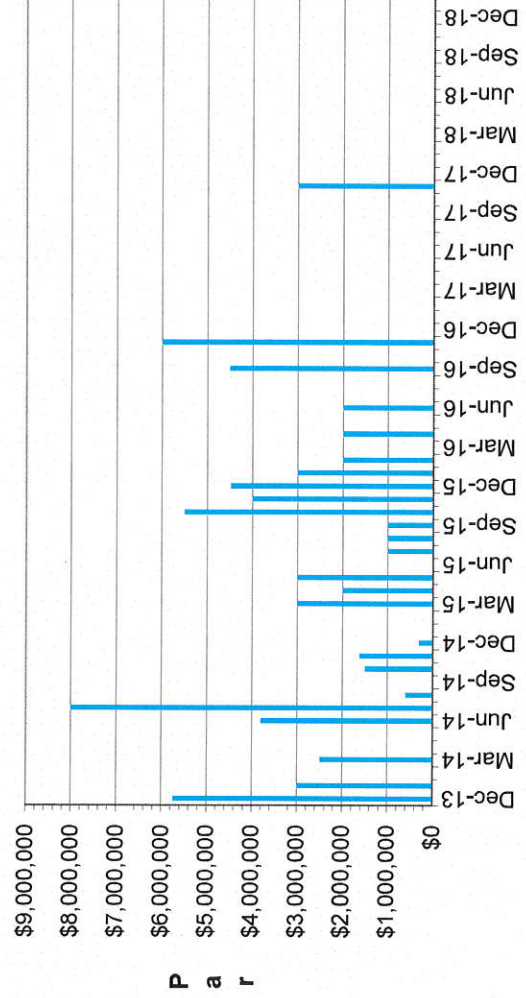
**Securities Distribution**



**Diversification by Asset Class**

|                                | Par                  | %             |
|--------------------------------|----------------------|---------------|
| <b>Cash Equivalents</b>        | <b>\$27,608,933</b>  | <b>27.0%</b>  |
| Cash Equivalents               | \$27,608,933         | 27.0%         |
| <b>US Treasury</b>             | <b>\$1,000,000</b>   | <b>1.0%</b>   |
| US Treasury                    | \$1,000,000          | 1.0%          |
| <b>Agencies</b>                | <b>\$45,740,000</b>  | <b>44.8%</b>  |
| FFCB                           | \$21,500,000         | 21.0%         |
| FHLB                           | \$24,240,000         | 23.7%         |
| FHLMC                          | \$0                  | 0.0%          |
| FNMA                           | \$0                  | 0.0%          |
| GNMA                           | \$0                  | 0.0%          |
| <b>Certificates of Deposit</b> | <b>\$24,000,000</b>  | <b>23.5%</b>  |
| CD                             | \$24,000,000         | 23.5%         |
| <b>Other</b>                   | <b>\$3,810,000</b>   | <b>3.7%</b>   |
| BA                             | \$0                  | 0.0%          |
| CP                             | \$0                  | 0.0%          |
| Other                          | \$3,810,000          | 3.7%          |
| <b>Grand Total</b>             | <b>\$102,158,933</b> | <b>100.0%</b> |

**Maturities by Month (Securities Only)**



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