



JOSH MANDEL

TREASURER OF OHIO





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STAR Ohio Update

November 19, 2013

Josh Mandel, *Treasurer of Ohio*
Conrad R. Metz, *Chief Investment Officer*
Jason Click, *Vice President, Public Funds Administrators*

CPIM Eligibility

½ hour of
CPIM credit

Please fill out
the form in
your packet

Your
information
will be sent to
CPIM



STAR Ohio Update



Local Government Investment Pool
Managed By The Treasurer of Ohio



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Investment Philosophy

The STAR Ohio suite of programs invests the funds of Ohio political subdivisions using three principles:



Safety



Liquidity

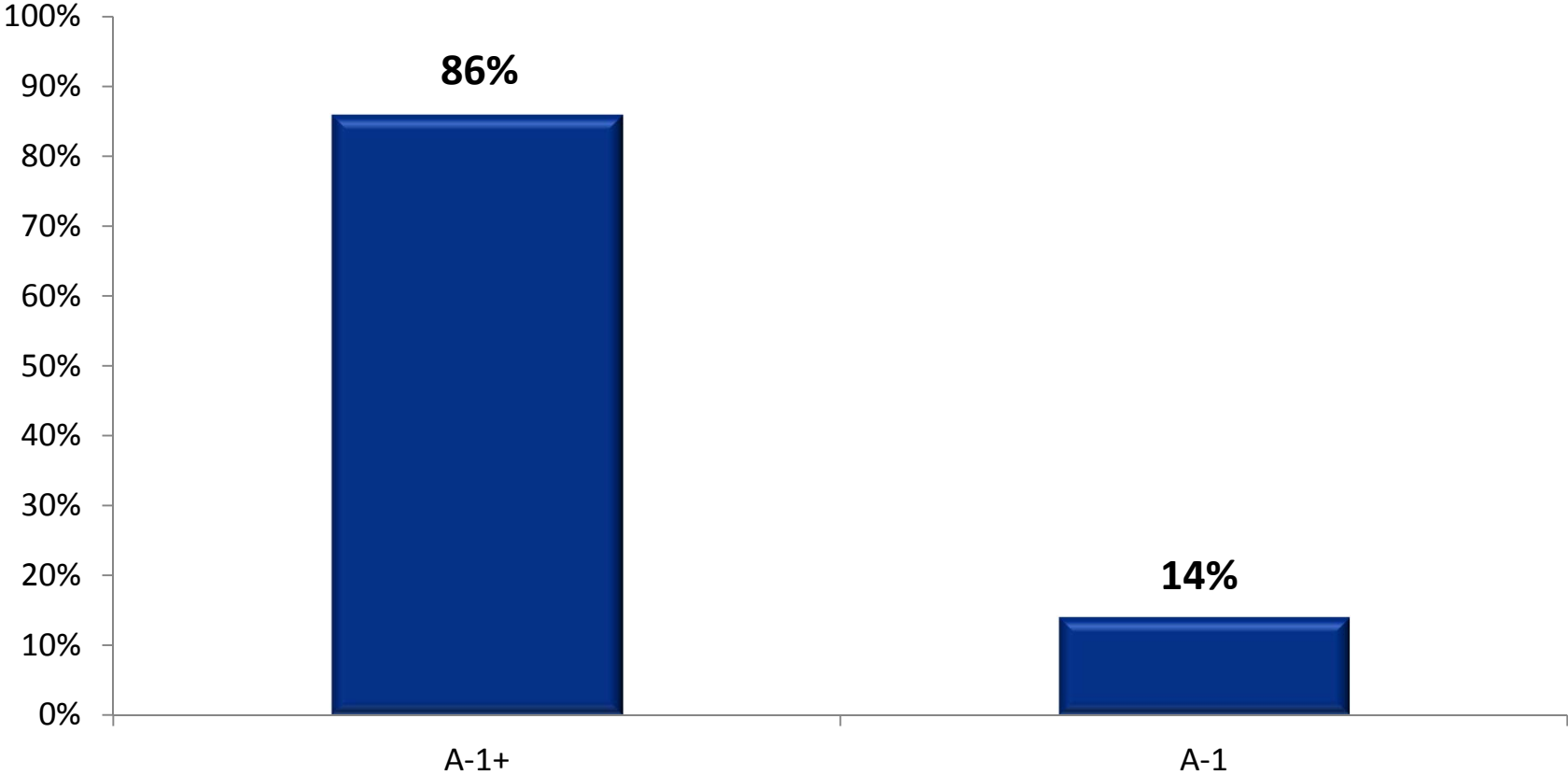


Yield



Safety

Portfolio Credit Quality



Data as of 10/31/13

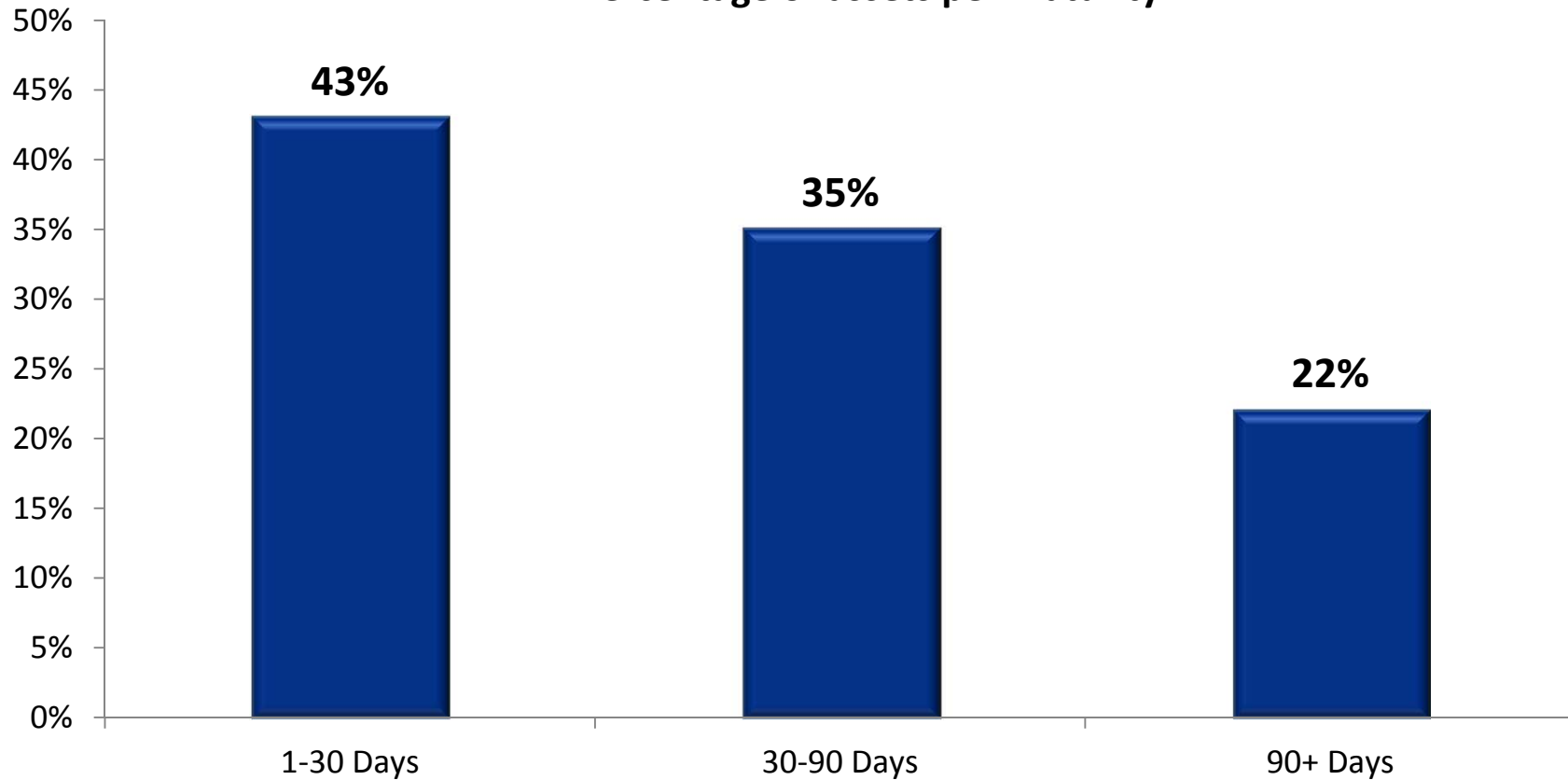


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Liquidity

Percentage of assets per maturity



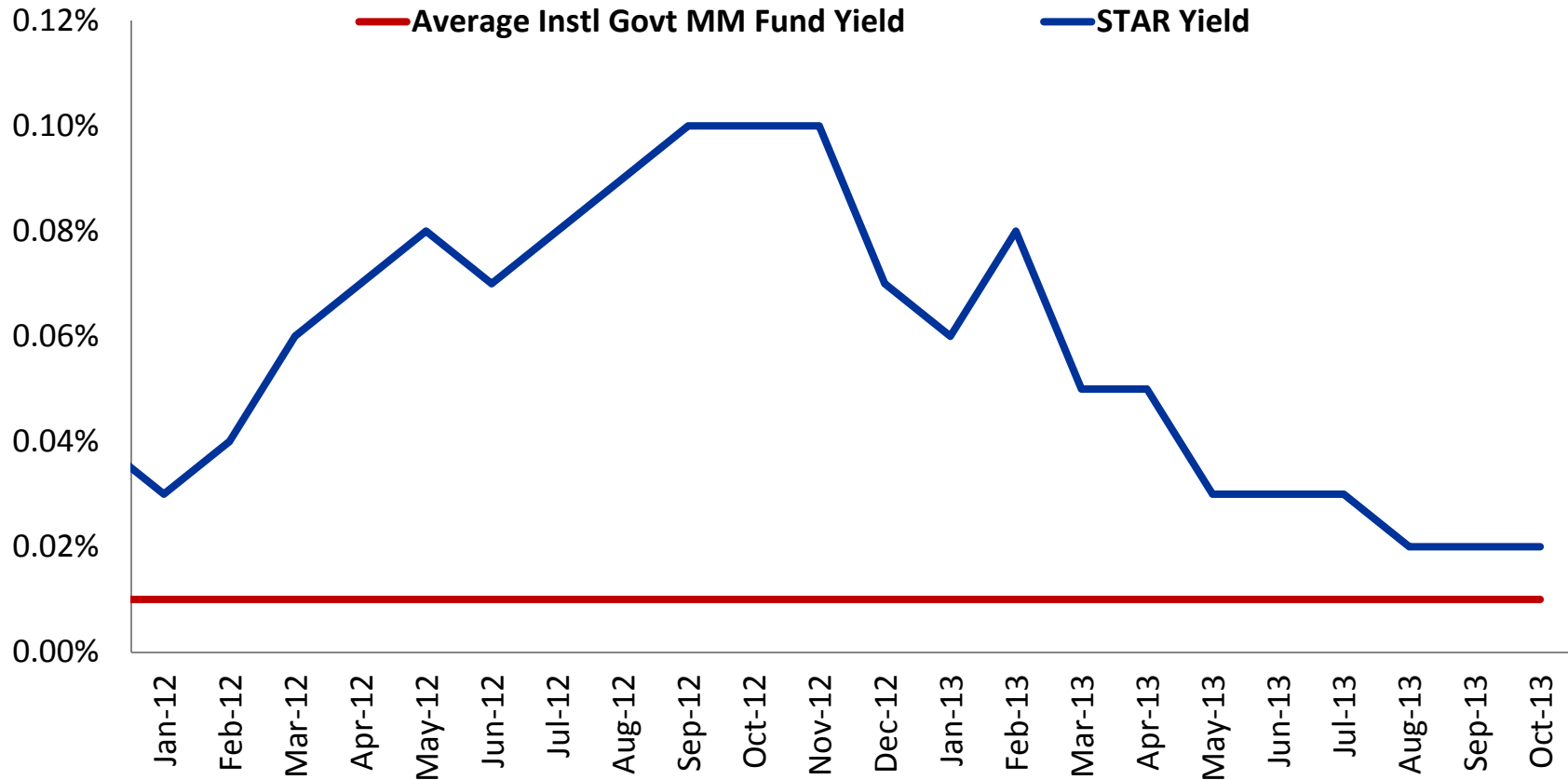
Data as of 10/31/13



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Net Yield Comparison



Data as of 10/31/13

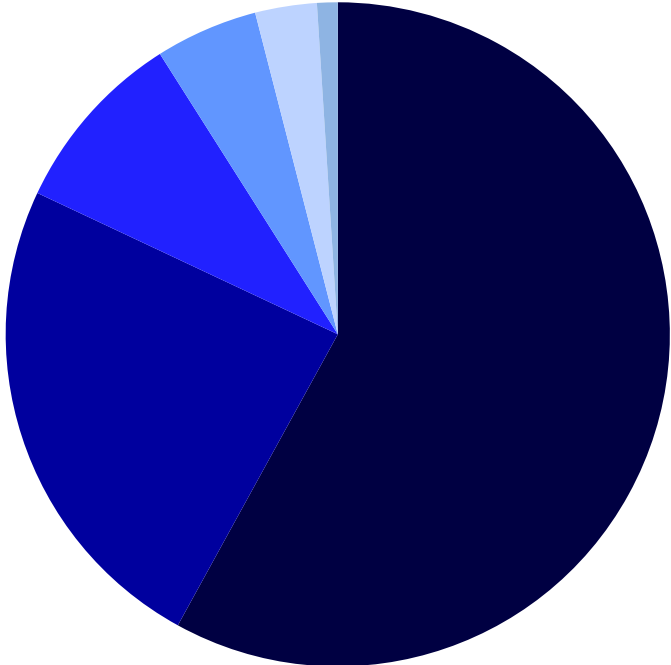
Source: Standard and Poor's Rated Money Fund Report



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Current Portfolio



- U.S. Government Agencies- 58%
- Commercial Paper- 25%
- Money Market Funds- 9%
- Corporate Obligations- 5%
- Bank Deposits- 3%
- U.S. Treasury Bills- 1%

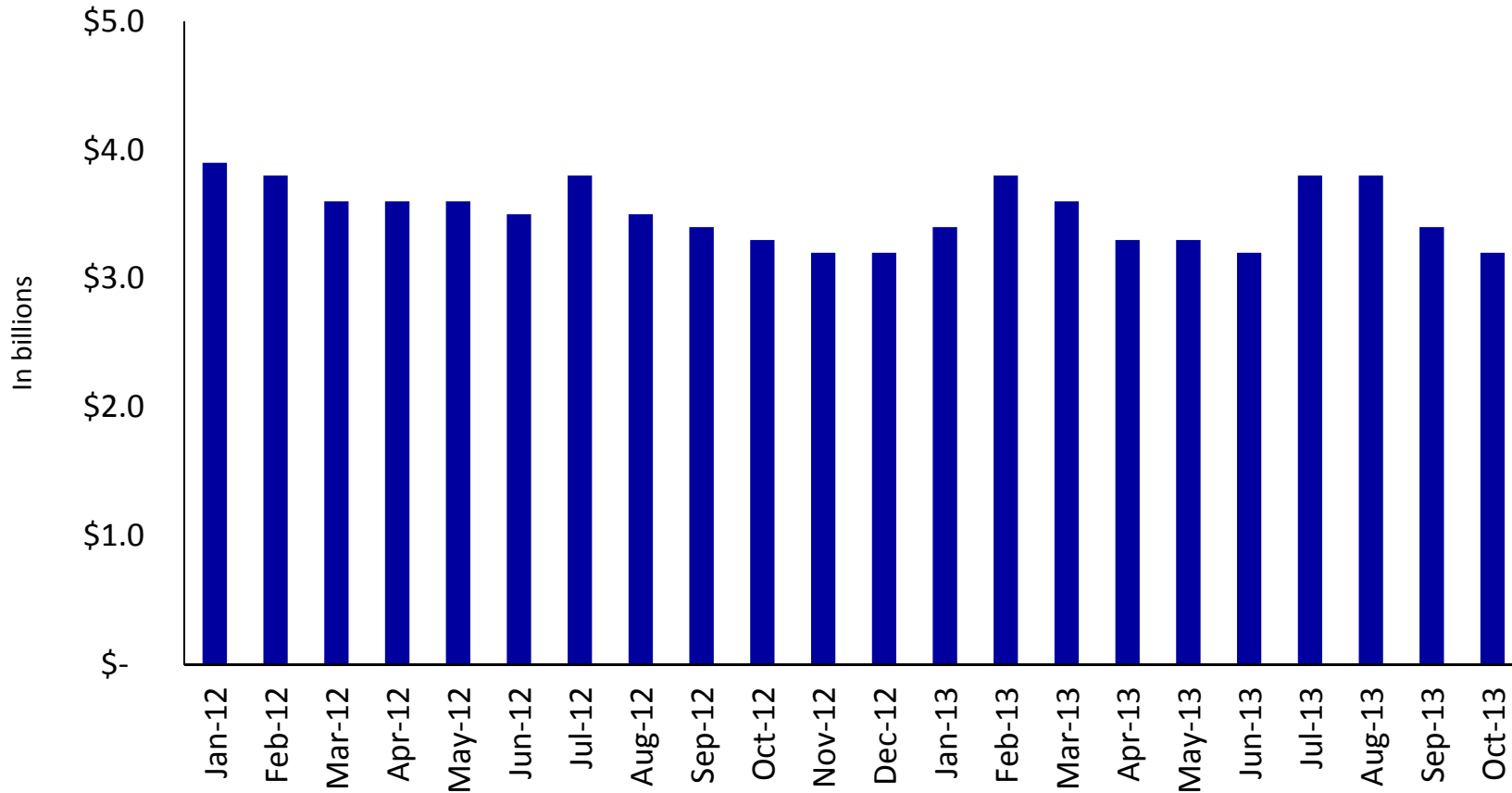
Data as of 10/31/13



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Over \$3 Billion in Deposits



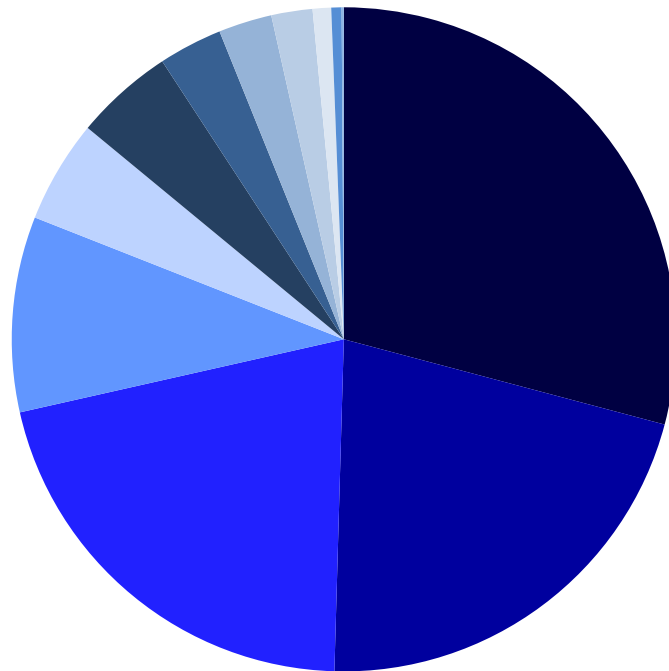
Data as of 10/31/13



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Over 2,700 Accounts



- Schools- 29%
- State Custody- 21%
- Cities- 21%
- Counties-9%
- Higher Education- 5%
- Miscellaneous- 5%
- Townships- 3%
- Libraries- 3%
- Villages- 2%
- Joint Vocational Schools- 1%
- SWCD- <1%
- Fire Districts- <1%

Data as of 10/31/2013



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Market Environment

- The Federal Open Market Committee (FOMC) has kept in place accommodative monetary policy since December 2008.
- Short-term interest rates have remained at historically low levels.
- Economists remain focused on when the FOMC will decide to end Quantitative Easing.

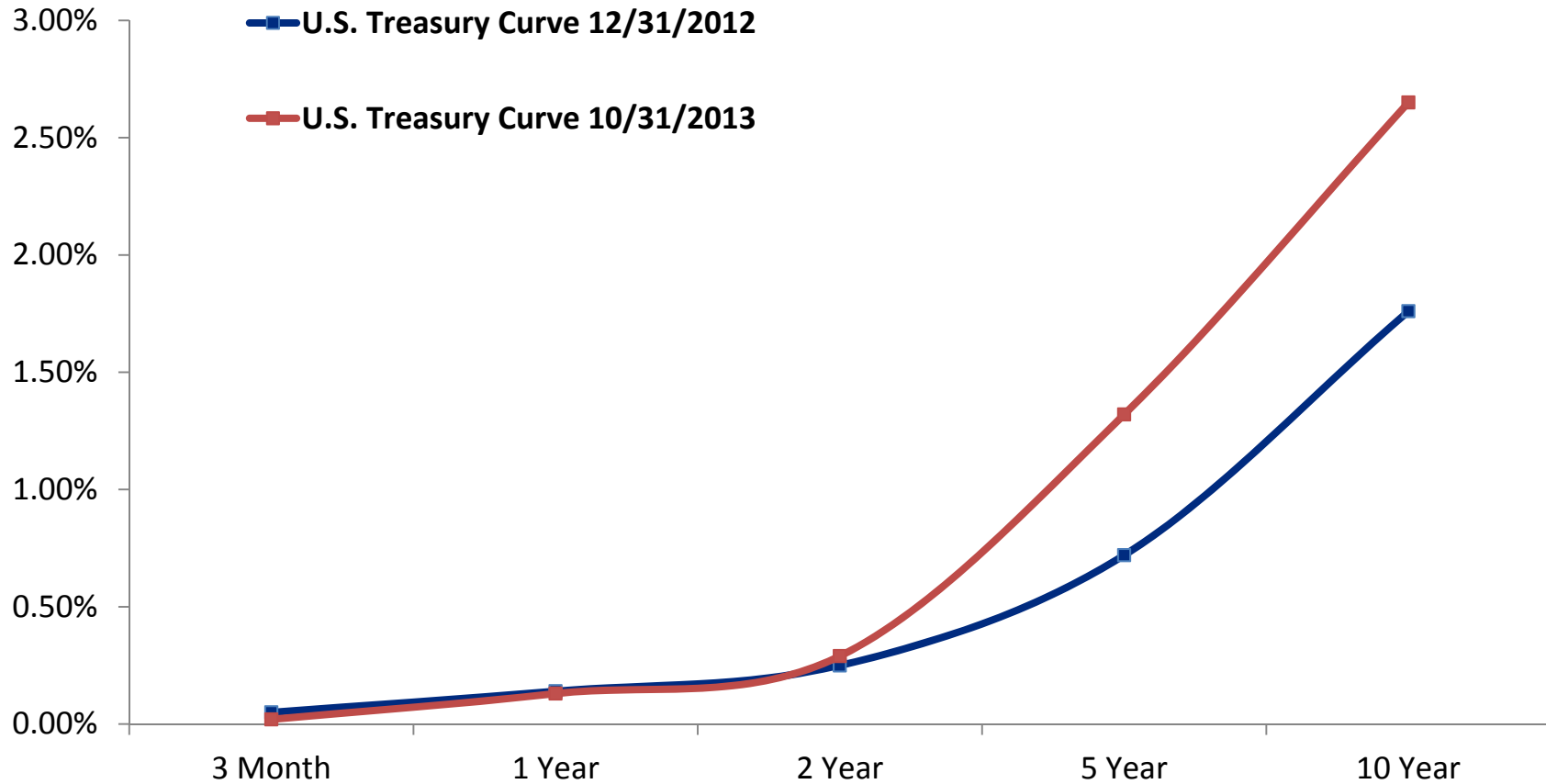


Market Environment

- Third quarter estimates for GDP showed an increase of 2.8%.
- U.S. Personal Consumption Expenditure Core Price Index, commonly referred to as the PCE Core deflator, stands at 1.2%.
- In October, the U.S. economy added 204,000 jobs and the unemployment rate was 7.3%.



U.S. Treasury Curve



Data as of 10/31/13



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STAR Program Enhancements

Launched Spring 2013

Electronic-only Statements & Trade Confirmations



- Convenient, 24/7 access to printable PDF
- Access to statements first business day of the month
- Next day access to trade confirmations

Implementation

- The Office of the Auditor of the State of Ohio confirms the use of electronic statements for monthly accounting records is acceptable.
- 262 accounts have elected to "Go Green" and turn off paper statements.



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STAR Program Enhancements (Cont'd)

Launched Spring 2013

Wire Redemptions Online



- 24/7 access
- Ability to schedule up to 14 calendar days in advance

Implementation

- STAR participants have utilized this convenient new feature sending over 400 online wires.



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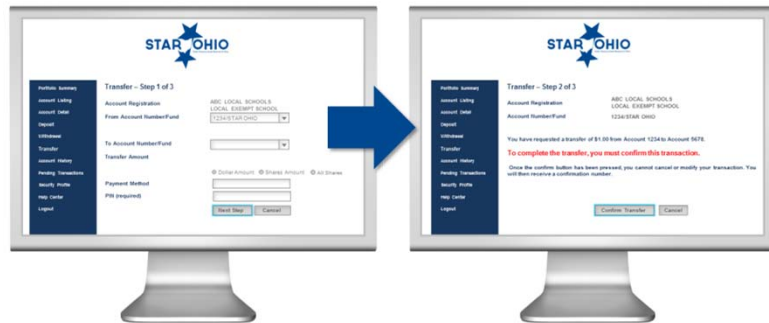


STAR Program Enhancements (Cont'd)

Launched Spring 2013

STAR to STAR Transfers Online

- 24/7 access
- Ability to schedule up to 14 calendar days in advance



Implementation

- STAR participants have utilized this new feature to process more than 360 online transfers.



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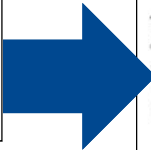
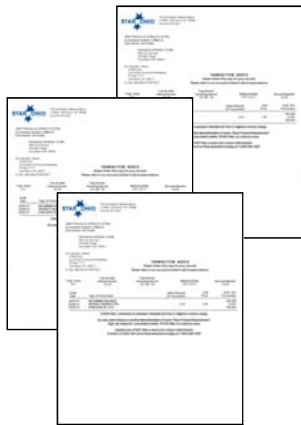


STAR Program Enhancements (Cont'd)

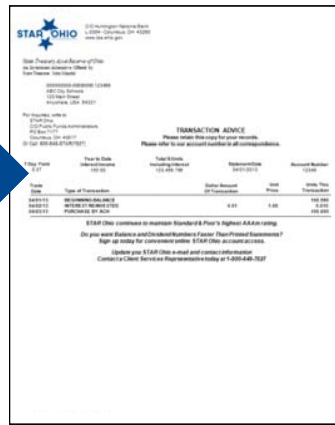
Launched Spring 2013

Combining of Statements

Multiple STAR accounts



One Statement



- Upon request
- Combination of statements for participants with multiple STAR accounts
- Easily review multiple accounts
- More efficient to print and mail
- Easy, convenient, green



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Forms and Enhanced STAR Information Book



The screenshot shows the STAR Ohio website. At the top, it features the name 'JOSH MANDEL STATE TREASURER OF OHIO' and a search bar. Below the navigation menu, there is a news section with the headline 'invests in STAR Plus program'. The main content area is titled 'STAR Ohio' and includes links for 'STAR OHIO LOGIN' and 'STAR PLUS LOGIN', each with an 'INFO BOOKLET' button. A 'Register Now for the STAR Ohio Update Webinar' link is also present. The page includes a sidebar with a 'PROGRAMS' list and an 'ASK JOSH' section with a 'RECENT QUESTION'.

Forms

- Most up-to-date forms
- Authorized Signers
- Add/Update Wire or ACH instructions

Enhanced STAR Information Book

- Available by year end
- Information on 2013 program updates
- Updated contact information
 - Lockbox deposits
 - Auditor confirm requests
 - STAR Ohio Client Services



Program Reminders

- Please inform Client Services by noon if your deposits or redemptions will exceed \$25 million in one day.
- Update your Authorized Signers if necessary.
- Contact STAR Client Services to sign up for online access or to stop paper statements.
 - Email: info@starohio.com
 - Phone: (800) 648-7827
 - Fax: (614) 923-1149



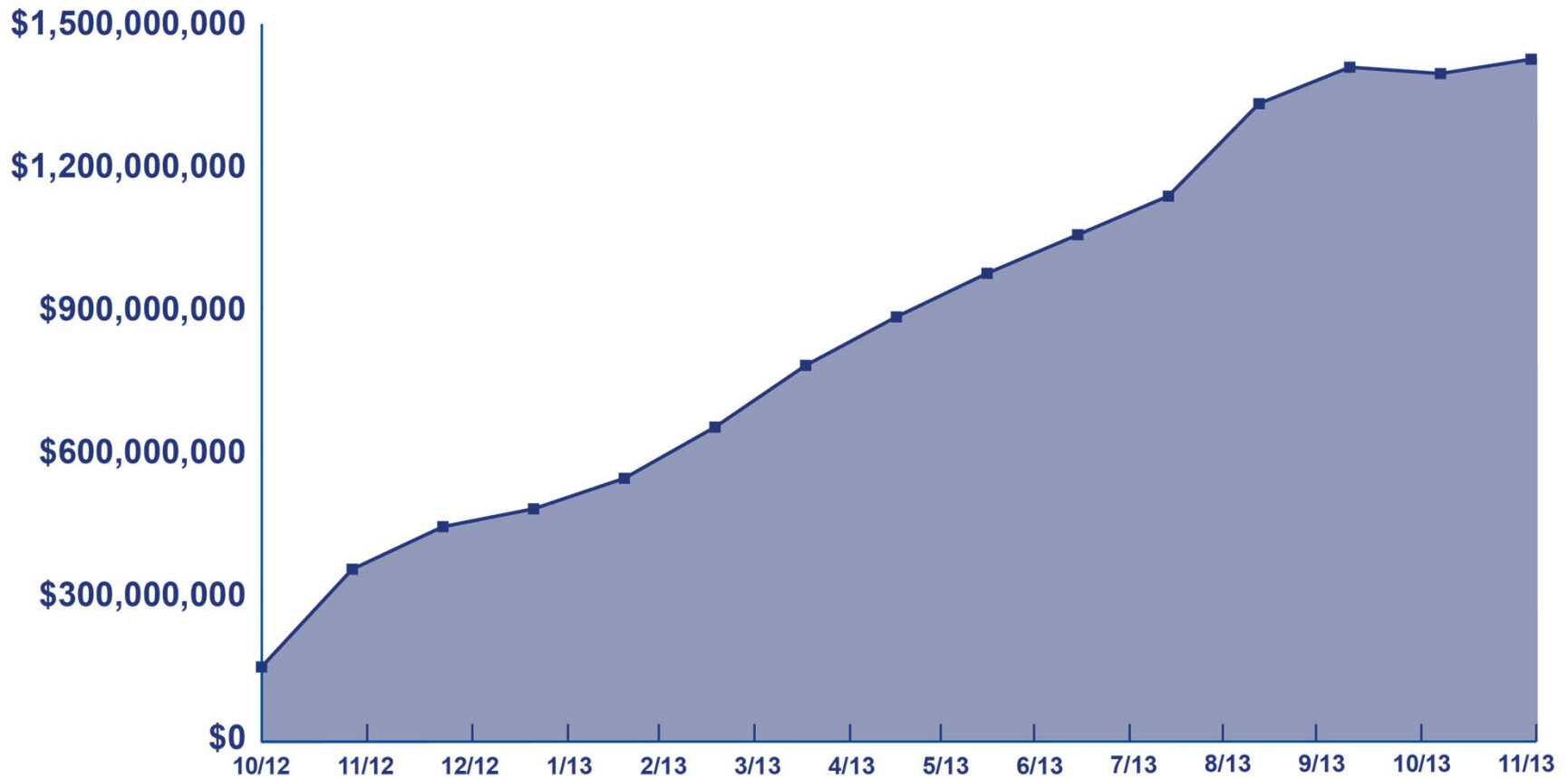
STAR Plus Update



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Nearly \$1.5 Billion in Deposits



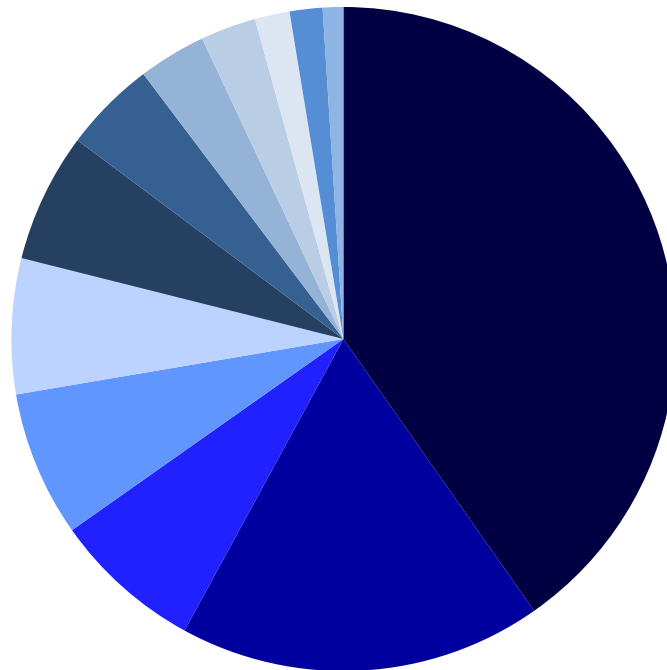
Data as of 10/31/13



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Over 400 Participants



- Schools- 40%
- Cities- 18%
- Counties- 7%
- Higher Education- 7%
- Libraries- 7%
- Townships- 6%
- Miscellaneous- 5%
- Joint Vocational Schools- 3%
- Villages- 3%
- Parks- 2%
- Transit/ Port Authorities- 1%
- Hospitals/ Medical Centers- 1%

Data as of 10/31/13



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STAR Plus Benefits Public Funds Managers

- Over **\$2.4 million** in interest paid as of 11/1/2013
- **100%** FDIC-insured deposits
- Yielding **20** basis points¹ (0.20%)
- Deposit up to **\$15 million** per account

¹ Current Net Yield and maximum FDIC insurance coverage is indicative for STAR Plus and may change without notice due to changes in market or business conditions. Current Net Yield is the net yield to client based on APYE as of 10/31/13. For Current Net Yield call 1(800) 648-STAR (7827).

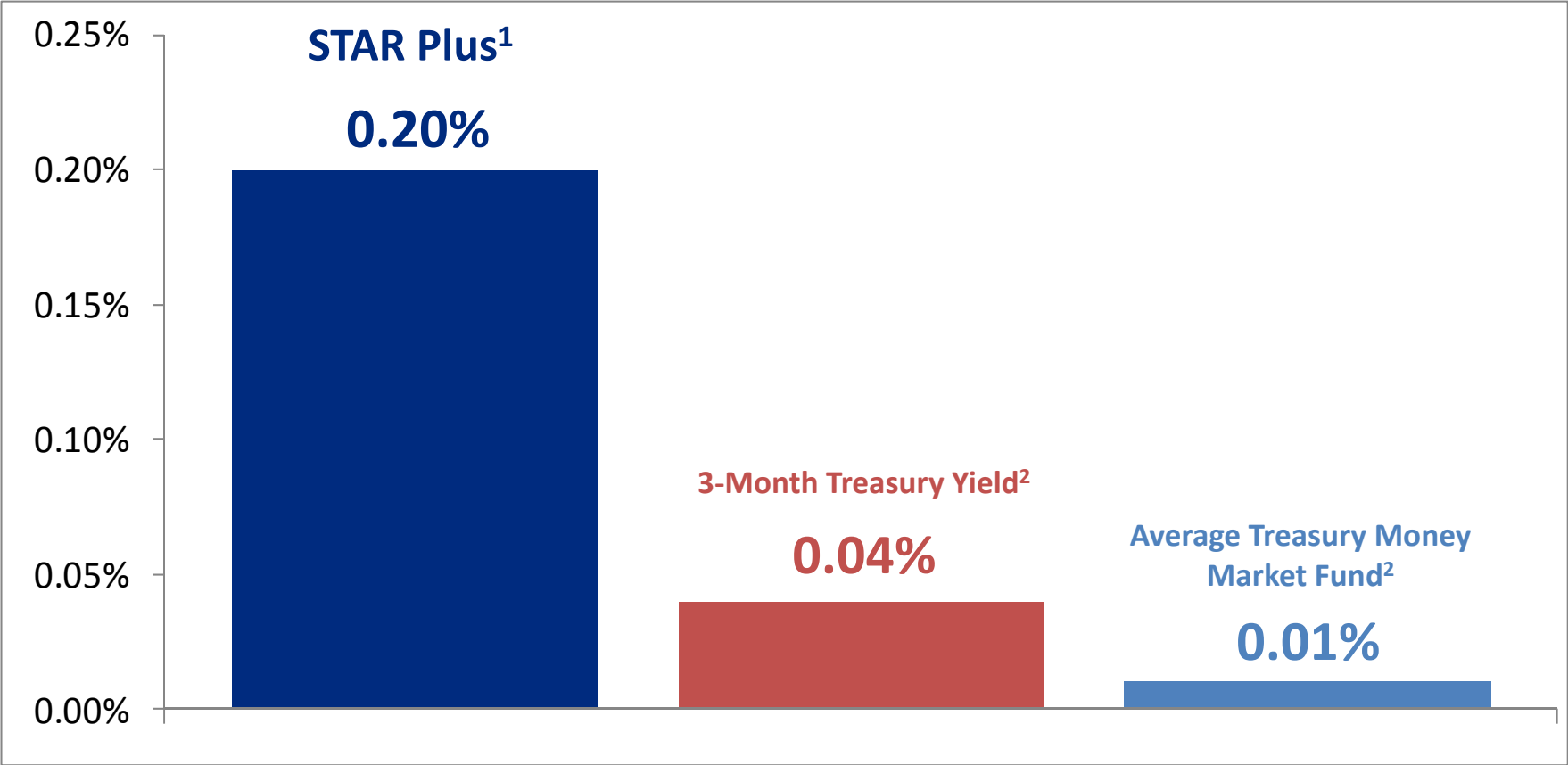


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24



Yield Comparison



Data as of 10/31/13 ¹ Current Net Yield is the net yield to client based on APYE as of 10/31/13. For Current Net Yield call 1(800) 648-STAR (7827). ² Source: Bloomberg



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STAR Plus Success

“Since the cash is liquid, it is possible to realize gains without compromising cash when we need it,” Cahall said. “I never thought we could benefit from interest on investments, especially being in fiscal emergency, but the interest from STAR Plus is helping us in our recovery.”

- Holly Cahall, Treasurer, Monroe Local Schools

“STAR Plus provides Greene County with an investment alternative in this historically low interest rate environment that will allow us to reap higher returns for taxpayers. This is exactly the kind of program we have been looking for,” said Greene County Treasurer Dick Gould, after depositing \$15 million.

- Dick Gould, Treasurer, Greene County

“When we could see the results, we went ahead and deposited additional funds.”

- Dixie Depew, Controller, Clark State Community College



STAR Plus Depository Banks

- All deposits are fully FDIC-insured
- Credit standards:
 - Quantitative rating criteria based on CAMELS methodology used by bank regulators
- Active screening
 - Additional layer of security
 - Banks reviewed at least once per quarter



STAR Plus Announcements

Regularly
monitor bank
exclusion list

CPIM-exempt

\$250,000
Reduced minimum
investment



STAR Plus Bank Link

Access STAR Plus through your local relationship bank

- Based on feedback from participants
- Another way to participate with the same benefits
 - FDIC-insured
 - Competitive yield (0.20%)
 - Weekly withdrawal and daily deposit capability
- Make deposits and withdrawals through relationship bank
- Minimum initial deposit of \$250,000
- Call (800) 648-7827 to refer a bank



STAR Plus Bank Link

Access STAR Plus through your local relationship bank



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Questions?



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Thank You

Thank you for your time today. If you have questions regarding the presentation, please feel free to contact us or the STAR Ohio Co-Administrator Public Funds Administrators (PFA):

Office of Ohio
Treasurer Josh
Mandel

(614) 466-3511

Public Funds
Administrators

(800) 648-7827