Portage County

PORTAGE
1808
COUNTY

Investment Review

Presented to

The Investment Advisory Committee

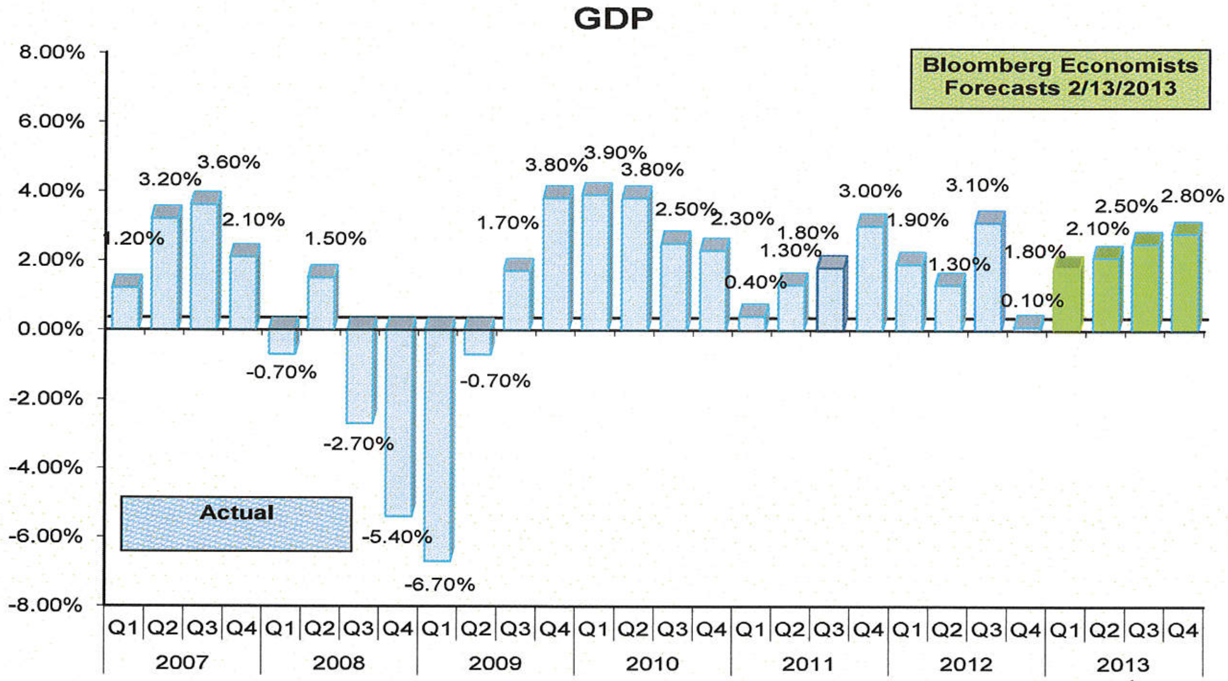
By

PRODUCTIVE
Capital Management, Inc.
A registered investment adviser

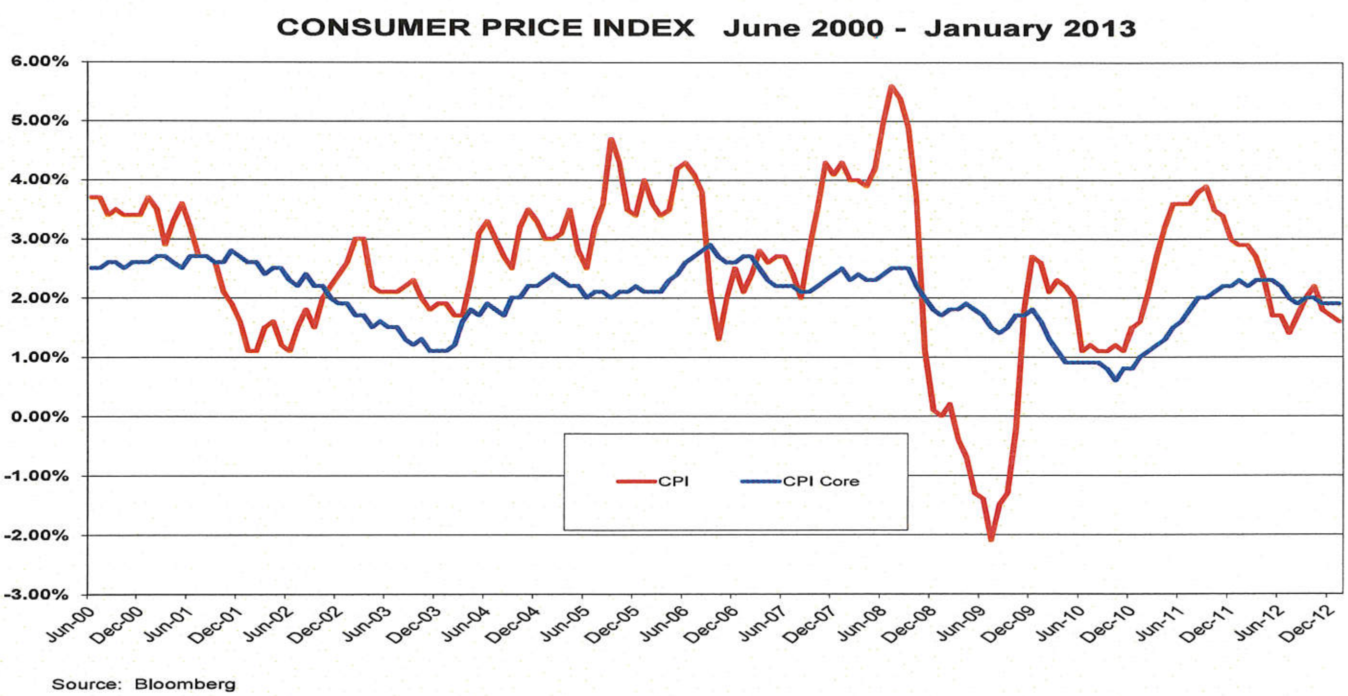
March 12, 2013

Portage County
Investment Advisory Committee
March 12, 2013

➢ ECONOMIC CONDITIONS:



GDP growth for the 4th quarter 2012 came in at a very weak rate of .01% compared to the 3rd quarter rate of 3.1%. The average GDP growth rate for 2012 was 2.2%. Economists are currently forecasting 2013 to be a little weaker than 2012 with an average growth rate of 1.8% and an improvement into 2014 of a 2.7% growth rate.



The CPI index has remained moderate at +1.6 % YOY (year over year). The CPI Core index (less food and energy) is also up modestly at a 1.9% YOY.

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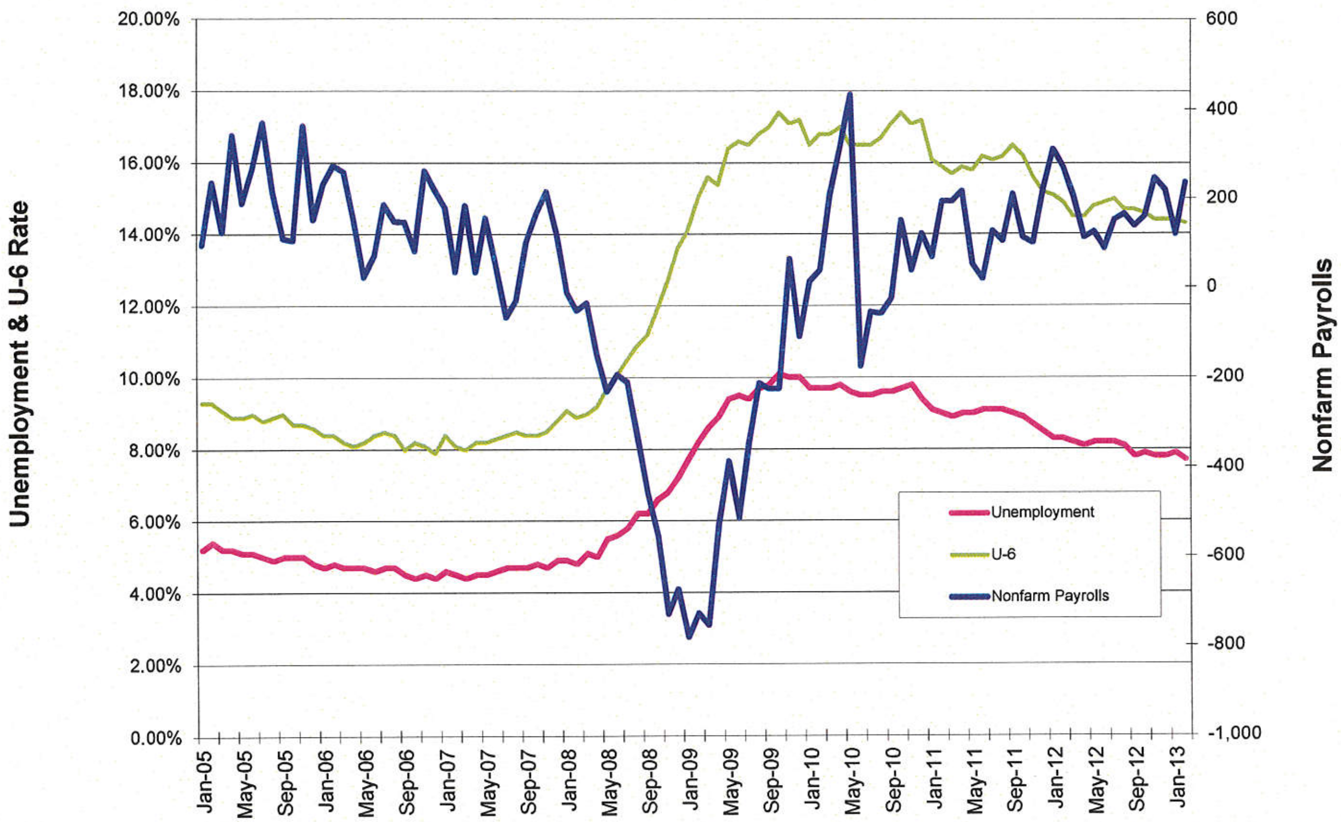
UNEMPLOYMENT, U-6 & NONFARM PAYROLLS
Jan 2005 - Feb 2013

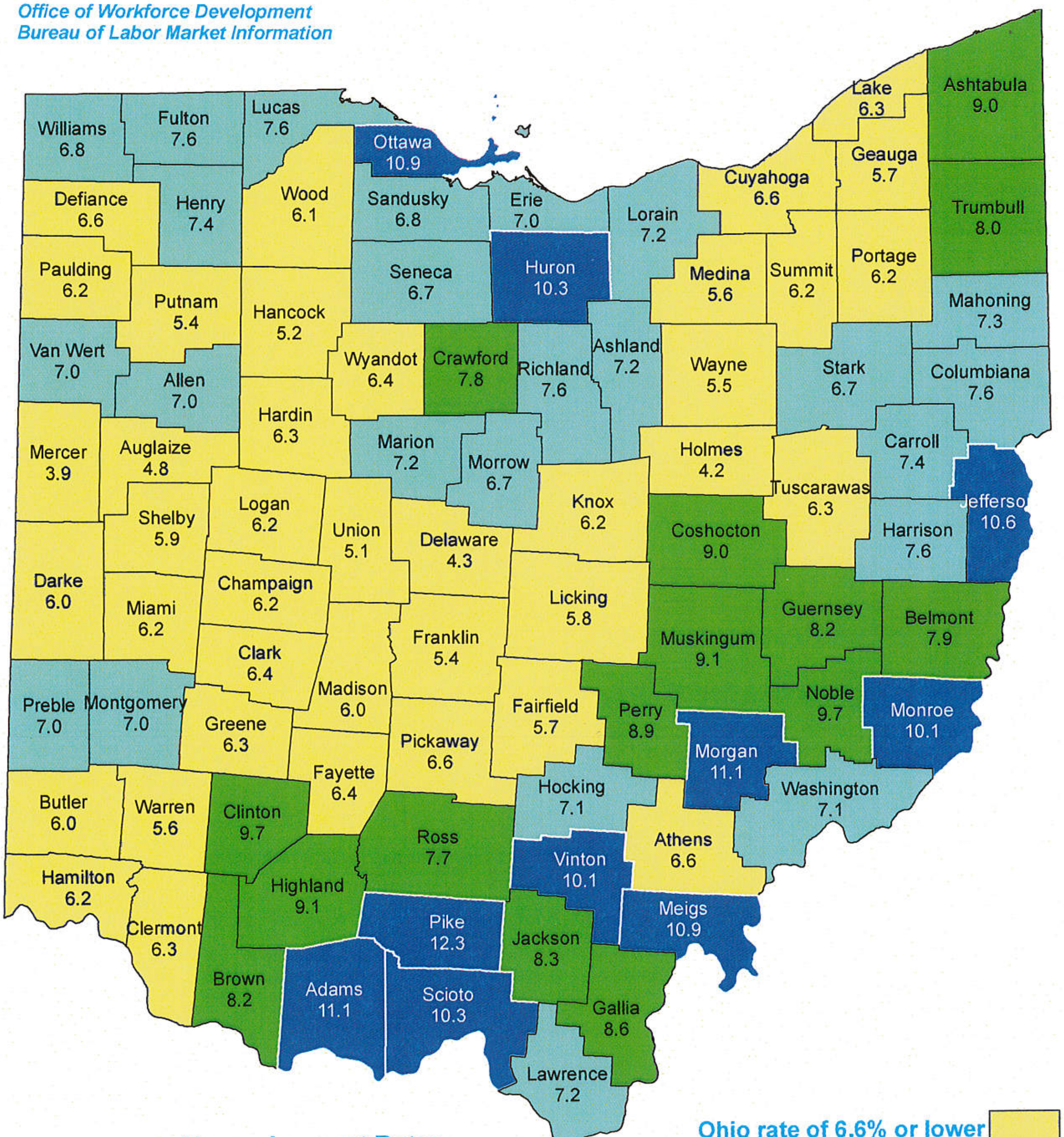


Source: Bloomberg

We are finally starting to see some consistent improvement in job creation. The unemployment rate is currently at 7.7% a great improvement from a year ago at 8.3%. The nation has added an average of 191,000 new jobs per month over the past 3 months. Ohio has done better than the national average and is now at a 7.0% unemployment rate.. The national U-6 rate which includes the underemployed and discouraged workers has remained at an elevated level of 14.3%. Ohio's average U6 for 2012 was at 13.6% vs. the national average of 14.7%. Portage County is currently at a 6.2 % unemployment rate through December..

Ohio Not Seasonally Adjusted Unemployment Rates December 2012

Office of Workforce Development
Bureau of Labor Market Information



Ohio rate of 6.6% or lower
Above Ohio rate of 6.6%; US rate of 7.6% or lower
Above US rate of 7.6%; below 10.0%
10.0% or above

Unemployment Rates

	Not Seasonally Adjusted	Seasonally Adjusted
United States..	7.6%	7.8%
Ohio................	6.6%	6.8%

Ohio Department of Job and Family Services

John R. Kasich, **Governor**

Michael B. Colbert, **Director**

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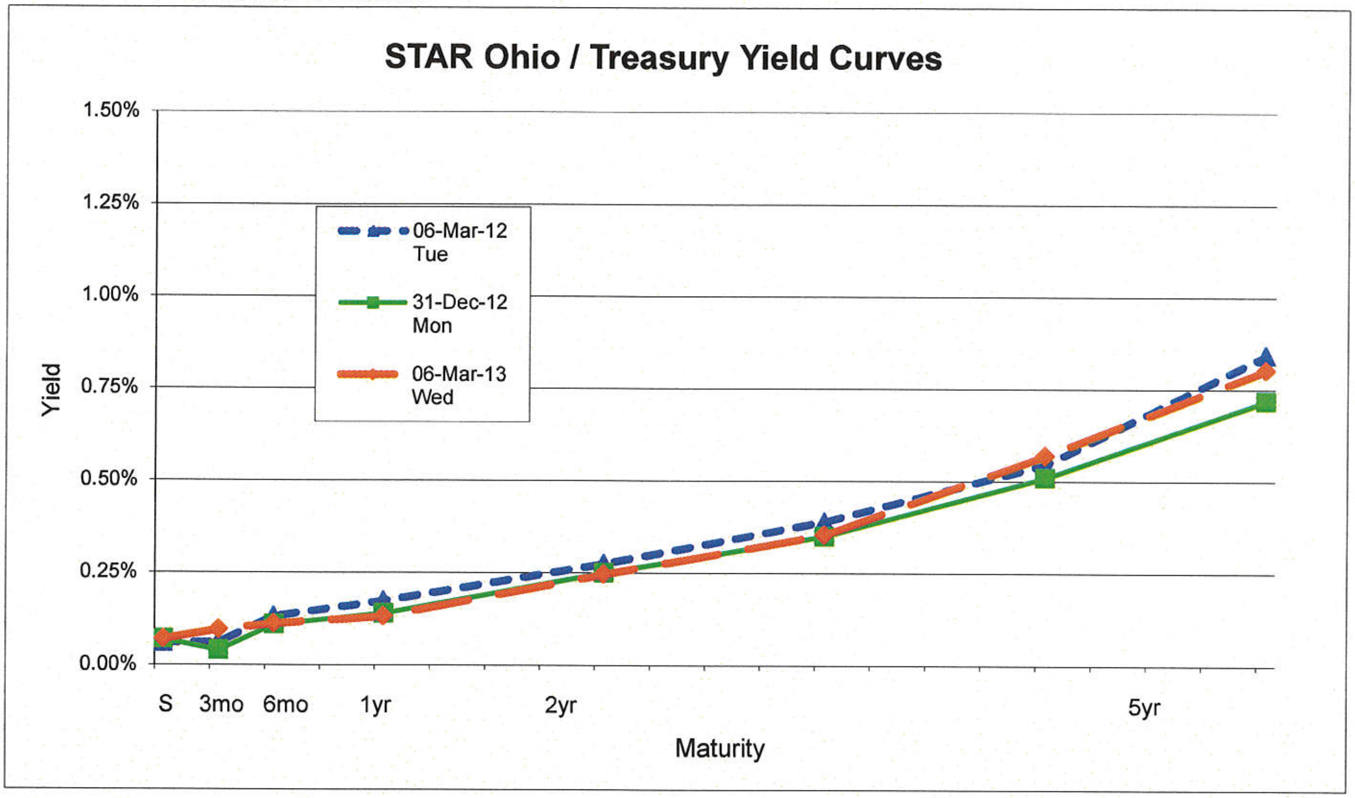
- **Interest Rates:**



The yield on the 2-year Treasury is currently at .26% a very small change from last quarter. STAR Ohio has dropped from .10% to .07%. The Fed Funds rate remains at 0-.25%. The Fed recently stated that the economy has expanded moderately but growth in employment has been slow and the unemployment rate remains elevated. Global financial market concerns have eased but still pose significant downside risk. The committee also anticipates that inflation will remain moderate. They also changed their language at their last meeting stating 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 is below 2.25%. There is also a split in opinion between Fed members as to when they should discontinue the QE asset purchase programs which may lead to these programs ending sooner than originally expected.

Indicative Interest Rates as of March 8, 2013

Star Ohio **0.07%**

3 Month Maturity	
CD's	0.10%
Agencies	0.10%
Treasuries	0.09%
CDARS	0.05%
C/P	0.12%

6 Month Maturity	
CD's	0.10%
Agencies	0.12%
Treasuries	0.11%
CDARS	0.10%
C/P	0.22%

12 Month Maturity	
CD's	0.20%
Agencies	0.17%
Treasuries	0.16%
CDARS	0.30%
Municipal Bond	0.40%

2 Year Maturity	
CD's	
Agencies	0.30%
Treasuries	0.25%
CDARS	0.50%

3 Year Maturity	
Agencies	0.45%
Treasuries	0.40%

5 Year Maturity	
Agencies	0.98%
Treasuries	0.90%

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- **PORTFOLIO: As of February 28, 2013:**

Purchases since last meeting:	Par Value	Avg: Yield	WAL
CD			
CDARS	$ 2.0 million	.30%	1.0 years
US Treasuries			
Callable Agencies	$20.9 million	.50%	2.8 years
Non-Callable Agencies	$ 3.0 million	.43%	2.3 years
Commercial Paper			
Corporate Notes			
Municipal Bonds			

Maturity Summary Excluding Cash:

2013 -	$	36.9 million
2014 -	$	10.5 million
2015 -	$	19.9 million
2016 -	$	12.0 million
2017 -	$	3.0 million

Portfolio, (Excluding Cash):		Wgtd. Avg. Maturity	Wgtd. Avg. Yield	STAR Ohio
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%
5/31/12	$78.9 million	1.2 Years	.98%	.08%
3/28/12	$79.1million	1.3 Years	1.01%	.06%

This report prepared for: VICKI KLINE

PRODUCTIVE Capital Management, Inc.

PORTAGE COUNTY

Consolidated Investment Portfolio

As of: 02/28/2013

PAR	TYPE	COUPON	MATURITY DATE	SETTLE DATE	ORIGINAL PRINCIPAL[2]	PURCHASE YLD	NOTE/CALL FEATURE	DAYS TO MATURITY
94,731	STAR OHIO	0.080%	3/1/13	2/28/13	94,731.05	0.080%		1
4,729,925	MMK	0.002%	3/1/13	2/28/13	4,729,924.75	0.002%	FIRST AMER. GOVT. OBLIG. FD. (US BANK)	1
12,592,023	CHECKING	0.000%	3/1/13	2/28/13	12,592,022.91	0.000%	CHASE BANK	1
447,464	CHECKING	0.000%	3/1/13	2/28/13	447,463.59	0.000%	HUNTINGTON	1
64,963,855	HIGH BAL	0.130%	3/1/13	2/28/13	64,963,855.16	0.130%	CHASE BANK	1
1,138,377	MMK	0.110%	3/1/13	2/28/13	1,138,376.71	0.110%	KEYBANK	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	1.625%	03/20/13	02/22/10	995,530.00	1.775%		US Bank	3133XX7F8	20
2,000,000	CP	0.000%	05/10/13	08/13/12	1,988,900.00	0.754%	UBS FINANCE DEL.	US Bank	90262CSA6	71
2,000,000	FHLB	1.625%	06/14/13	07/27/10	2,027,740.00	1.134%		US Bank	3133XYHD0	106
1,000,000	FHLB	1.625%	06/14/13	05/02/11	1,017,680.00	0.781%		US Bank	3133XYHD0	106
5,000,000	CDARS	0.400%	07/05/13	07/05/12	5,000,000.00	0.400%		HNB		127
1,000,000	CD	6.490%	07/11/13	08/05/08	1,000,000.00	6.580%		Key		133
2,000,000	CDARS	1.045%	07/11/13	07/14/11	2,000,000.00	1.045%	Qtrly Int. Cal Yr.	Portage CB		133
1,000,000	CDARS	0.400%	07/11/13	07/12/12	1,000,000.00	0.400%		Portage CB		133
2,000,000	FHLB	0.500%	08/28/13	07/21/11	1,997,320.00	0.564%		US Bank	313374Y61	181
1,000,000	FHLB	1.000%	09/13/13	09/07/10	999,110.00	1.030%		US Bank	313370LB2	197
1,000,000	FHLB	1.000%	09/13/13	12/13/10	997,319.00	1.099%		US Bank	313370LB2	197
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	200
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	200
1,100,000	MUNI	1.250%	09/24/13	09/25/12	1,108,184.00	0.500%	SOUTH EUCLID BAN	US Bank	837752JW5	208
3,000,000	CDARS	0.750%	09/26/13	09/29/11	3,000,000.00	0.750%		TriState		210
1,500,000	CDARS	1.700%	10/10/13	10/14/10	1,500,000.00	1.710%		HNB		224
600,000	MUNI	1.000%	10/10/13	10/10/12	603,282.00	0.450%	SANDUSKY OH BAN	US Bank	800188L51	224
2,000,000	CDARS	0.750%	11/07/13	11/10/11	2,000,000.00	0.750%	Qtrly Int. Cal Yr	TriState		252
2,000,000	FFCB	0.500%	11/29/13	11/29/11	2,000,000.00	0.500%		US Bank	31331KY79	274
1,000,000	T NOTE	0.750%	12/15/13	12/15/10	992,500.00	1.004%		US Bank	912828PL8	290
1,000,000	CDARS	0.750%	12/26/13	12/29/11	1,000,000.00	0.750%		TriState		301
2,000,000	CDARS	0.300%	12/26/13	12/27/12	2,000,000.00	0.300%		HNB		301
1,740,000	FHLB	1.250%	12/30/13	03/15/11	1,739,565.00	1.260%		US Bank	313372V27	305
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	313
2,000,000	CDARS	0.300%	01/23/14	01/24/13	2,000,000.00	0.300%		Portage CB		329
1,500,000	CDARS	0.500%	03/06/14	03/08/12	1,500,000.00	0.500%	Resubm.date 3/7/13	HNB		371
1,000,000	FHLB	1.125%	03/10/14	09/10/10	998,590.00	1.166%		US Bank	313370VR6	375
1,000,000	FFCB	0.370%	06/11/14	06/11/12	999,000.00	0.420%	6/11/13 continuous	US Bank	3133EATN8	468
1,000,000	FHLB	1.250%	06/27/14	08/18/10	1,000,490.00	1.237%		US Bank	313370LT3	484

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2,000,000	FHLB	0.400%	06/27/14	06/27/12	2,000,000.00	0.400%		US Bank	313379VJ5	484
1,000,000	FHLB	1.500%	11/28/14	08/16/10	1,006,769.00	1.337%		US Bank	313370KU1	638
400,000	FHLB	0.320%	01/23/15	01/23/13	400,000.00	0.320%	7/23/13 monthly	US Bank	313381U52	694
2,500,000	FHLB	0.320%	01/23/15	01/23/13	2,500,000.00	0.320%	7/23/13 Monthly	US Bank	313381U52	694
1,000,000	FHLB	1.700%	05/29/15	08/13/10	1,007,790.00	1.531%		US Bank	313370JE9	820
1,000,000	FHLB	1.630%	08/20/15	08/30/10	998,980.00	1.651%		US Bank	313370NE4	903
2,000,000	FFCB	0.480%	08/27/15	11/26/12	2,000,000.00	0.480%	8/27/13 continuous	US Bank	3133EAP77	910
1,000,000	FFCB	0.400%	09/15/15	01/31/13	999,240.00	0.429%		US Bank	3133ECBB9	929
2,000,000	FHLB	0.550%	11/13/15	11/13/12	2,000,000.00	0.550%	3/13/13 monthly	US Bank	3133816B6	988
2,000,000	FFCB	0.430%	11/16/15	02/06/13	2,000,000.00	0.430%		US Bank	3133ECBJ2	991
1,000,000	FFCB	1.810%	12/08/15	12/08/10	1,001,710.00	1.774%		US Bank	31331J4P5	1,013
3,000,000	FHLB	0.450%	12/28/15	12/28/12	2,999,550.00	0.455%	6/28/13 monthly	US Bank	313381HL2	1,033
4,000,000	FHLB	0.500%	12/28/15	12/28/12	4,000,000.00	0.500%	6/28/13 monthly	US Bank	313381N84	1,033
3,000,000	FHLB	0.500%	01/08/16	01/23/13	3,000,000.00	0.500%	7/8/13 Quarterly	US Bank	313381MG7	1,044
2,000,000	FHLB	0.550%	02/12/16	02/12/13	2,000,000.00	0.550%	8/12/13 qtrly	US Bank	3133822D4	1,079
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	1,092
2,000,000	FHLB	0.550%	02/26/16	02/26/13	2,000,000.00	0.550%	8/26/13 qtrly	US Bank	3133824Q3	1,093
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	1,370
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	1,719

TOTALS	PAR	ORIGINAL PRINCIPAL	WTD MATURITY	WTD YIELD
CASH ACCOUNTS[1]	$ 83,966,374	$ 83,966,374.17	1	0.10%
SECURITIES	82,340,000	82,410,499.00	595	0.80%
TOTAL	$ 166,306,374	$166,376,873.17	295	0.45%

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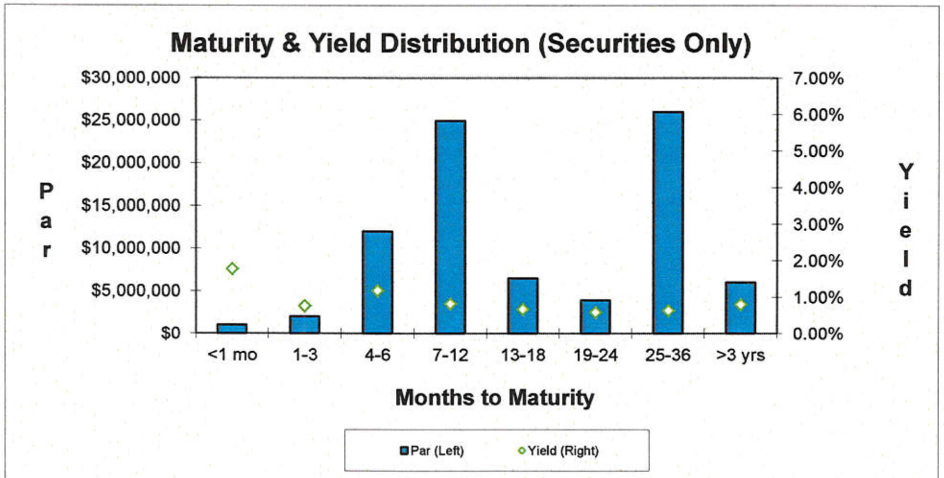
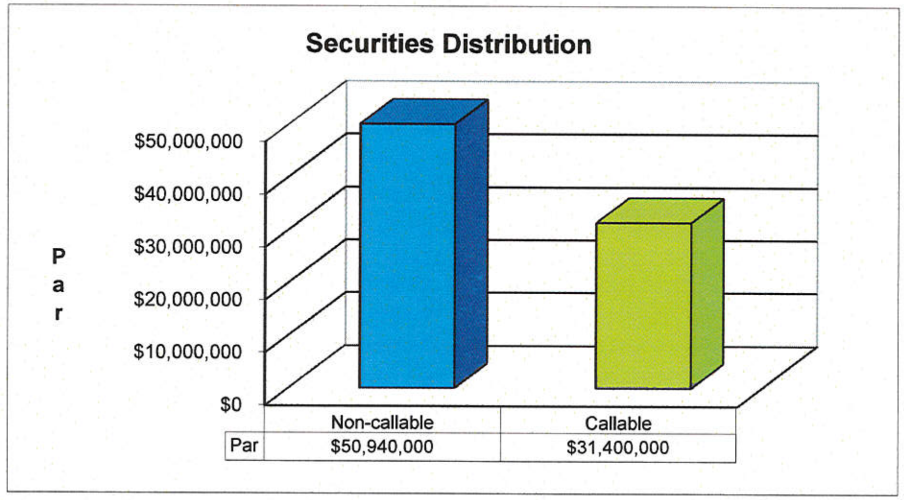
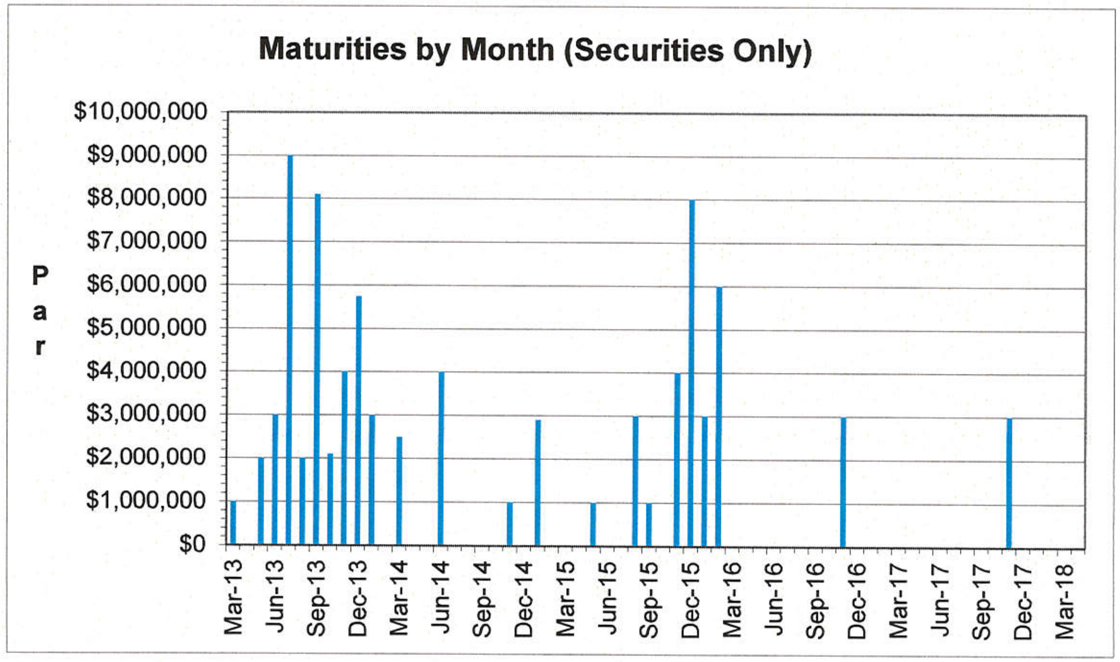




Diversification by Asset Class

		Par	%
Cash Equivalents		**$83,966,374**	**50.5%**
	Cash Equivalents	$83,966,374	50.5%
US Treasury		**$1,000,000**	**0.6%**
	US Treasury	$1,000,000	0.6%
Agencies		**$52,640,000**	**31.7%**
	FFCB	$17,000,000	10.2%
	FHLB	$35,640,000	21.4%
	FHLMC	$0	0.0%
	FNMA	$0	0.0%
	GNMA	$0	0.0%
Certificates of Deposit		**$22,000,000**	**13.2%**
	CD	$22,000,000	13.2%
Other		**$6,700,000**	**4.0%**
	BA	$0	0.0%
	CP	$2,000,000	1.2%
	Other	$4,700,000	2.8%
Grand Total		**$166,306,374**	**100.0%**



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