JOSH MANDEL
STATE TREASURER OF OHIO

STAR OHIO
State Treasury Asset Reserve of Ohio

STAR Ohio Update

April 17, 2013

Seth Metcalf, ***Deputy Treasurer***
Conrad R. Metz, ***Interim Director of Investments***
Ryan A. Bilsky, ***Deputy Director of Investments***

If you are having technical difficulties, please call
Go To Webinar at (800) 263-6317

Overview

- Market Update
- STAR Ohio Update
- STAR Ohio Program Enhancements
- STAR Plus Update
- Q&A

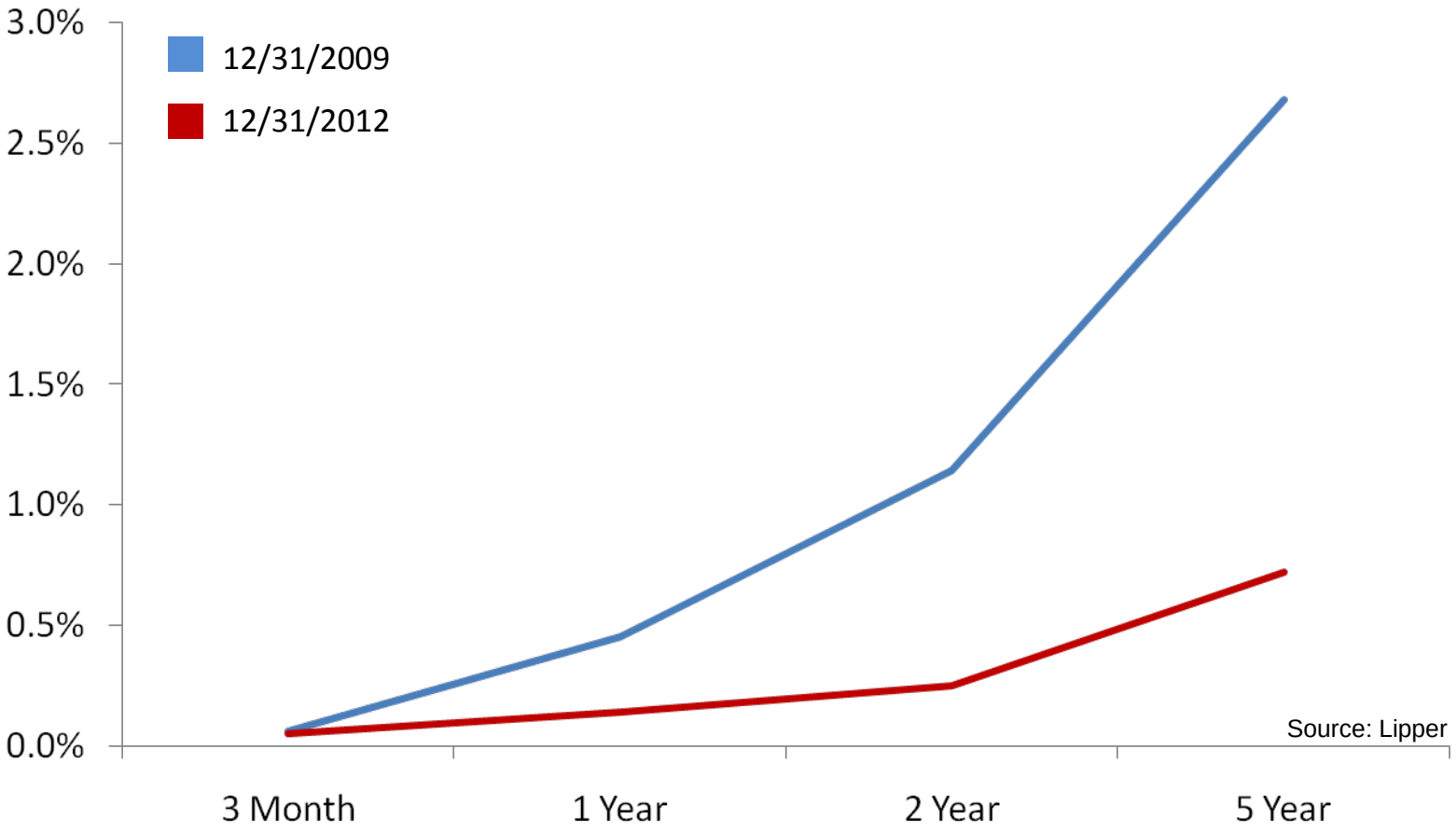
Market Update

- Fixed income investors have continued to struggle to find attractive yields since the Federal Reserve lowered its key rate to 0.00% – 0.25% in December 2008.

- A painfully slow economic recovery in the United States, coupled with a tumultuous period for many European economies, has contributed to a low interest rate environment.

- “Flight to Quality”
- U.S. Treasury yields have traded in various ranges, and at very low levels.
- One-year T-bills have barely exceeded 20 basis points (0.20%) since April of 2011 and are currently trading around 12 basis points (0.12%).

U.S. Treasury Yield Curve Comparison



U.S. Economic Recovery

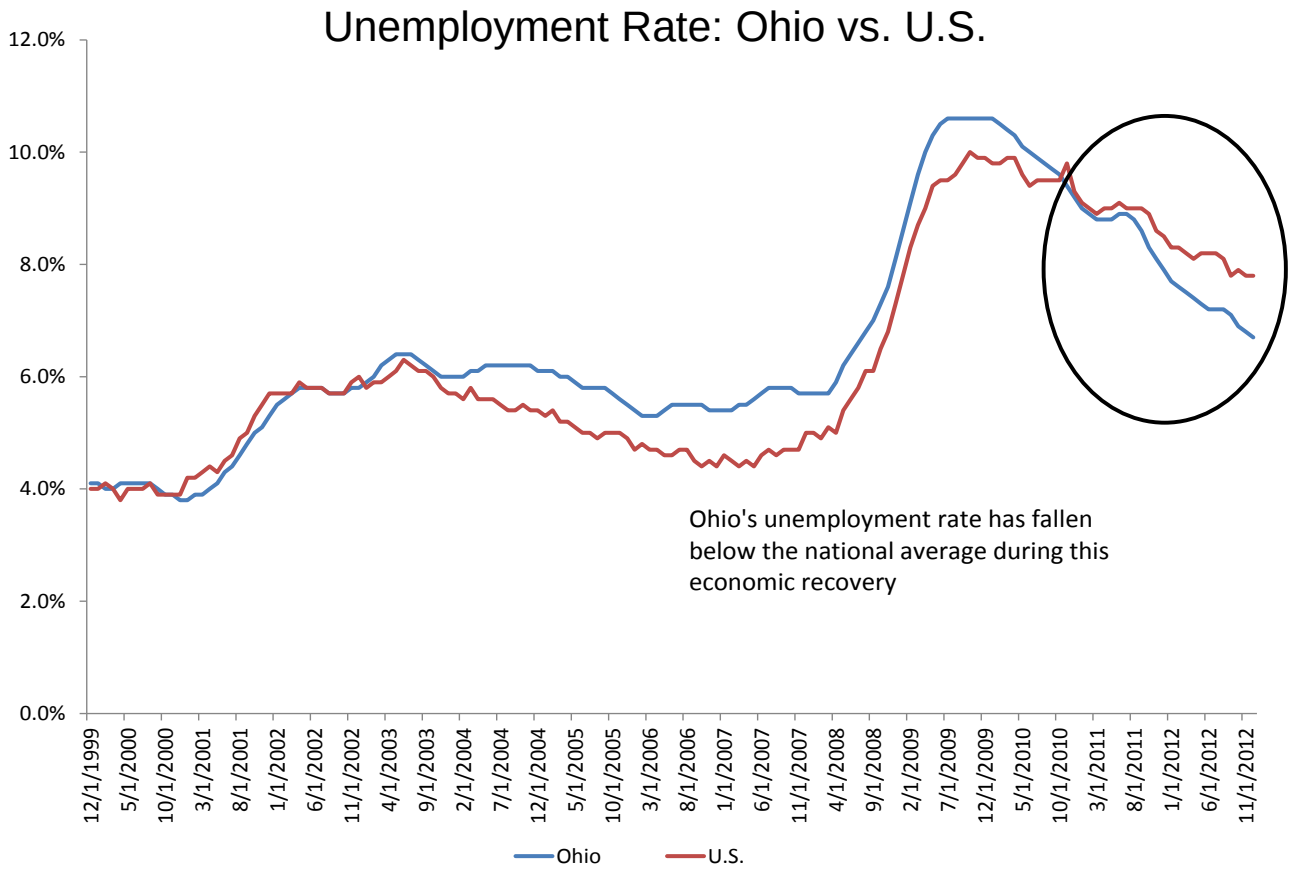
- Market analysts interpret recent economic data as improving:
  - Employment Data
  - Home Sales
  - Inflation steady
- The Federal Open Market Committee (FOMC) believes that the recovery is too weak to remove any of its "easy money" policies.
  - The FOMC has gone as far as putting targets of 2.5% on inflation and 6.5% on the unemployment rate.

Ohio Economic Data

Jobs Added in 2012		
1	Texas	260,800
2	California	225,900
3	New York	123,600
4	**Ohio**	**90,700**
5	Georgia	74,100

Manufacturing Jobs Added in 2012		
1	Indiana	17,500
2	Michigan	17,000
3	Illinois	16,500
4	**Ohio**	**15,300**
5	Tennessee	12,200

Source: Bureau of Labor Statistics



European Financial Crisis

- European economies continue to struggle, many of which are in recession.
- It remains unclear as to how the countries that received bailouts via the Long-Term Refinancing Operation (LTRO) will recover economically.
- Economists think that it may take years for countries like Portugal, Italy, Greece, Spain and Cyprus to work through structural and fiscal changes.

STAR Ohio Update

Local Government Investment Pool
Managed By The State Treasurer of Ohio

- Established in 1985
  - Investment Alternative for Ohio Public Fund Managers
- Approximately $3.3 Billion Pool
- Rated AAAm by Standard & Poor's
  - Since 1995
  - Affirmed in 2012

Investment Philosophy

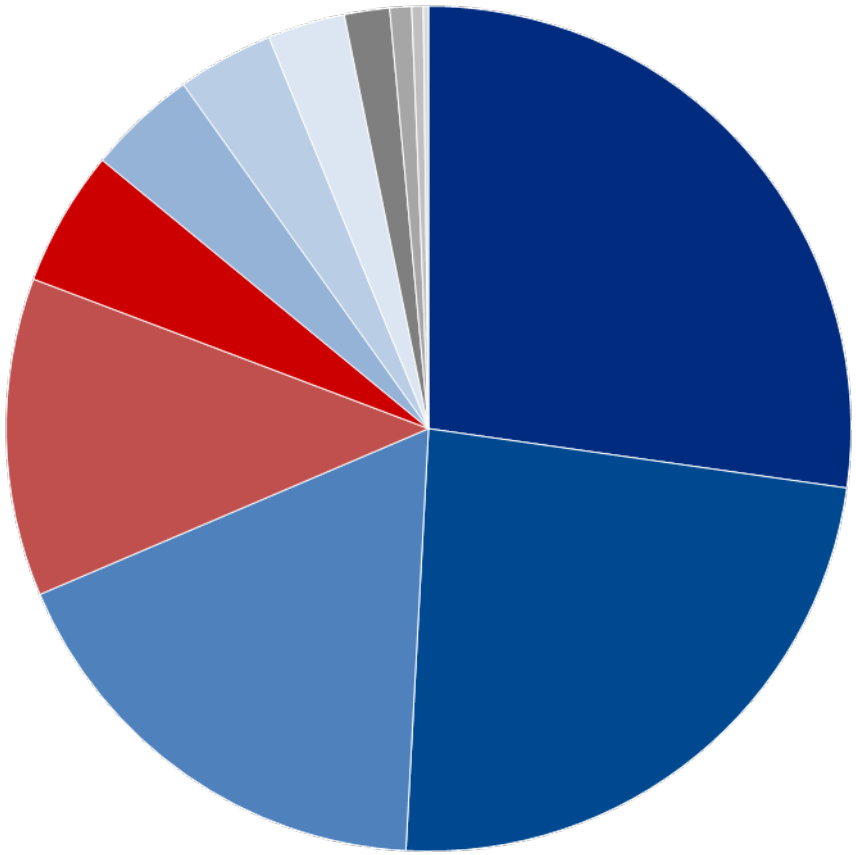
- The Investment Department of the State Treasurer invests with three principles in mind in the following order:
  - Safety
  - Liquidity
  - Yield

How it Works

Pooled investments result in efficient buying power, lower expenses, and greater yields.

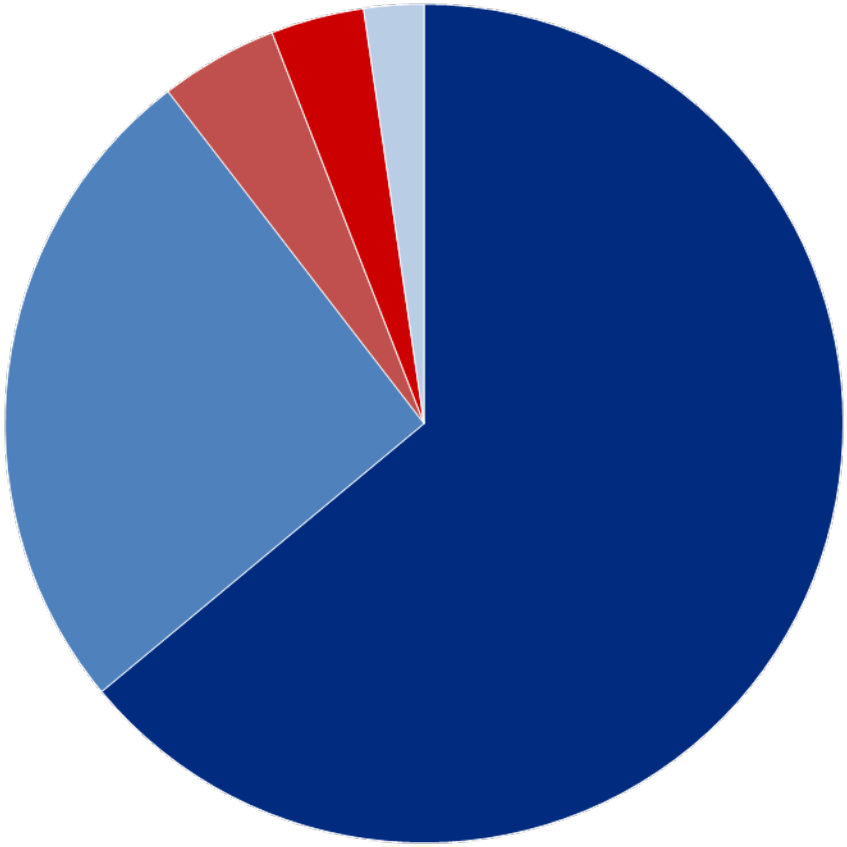
Allows public fund managers to effectively diversify and maintain confidence with a safe and liquid investment.

Current Participants



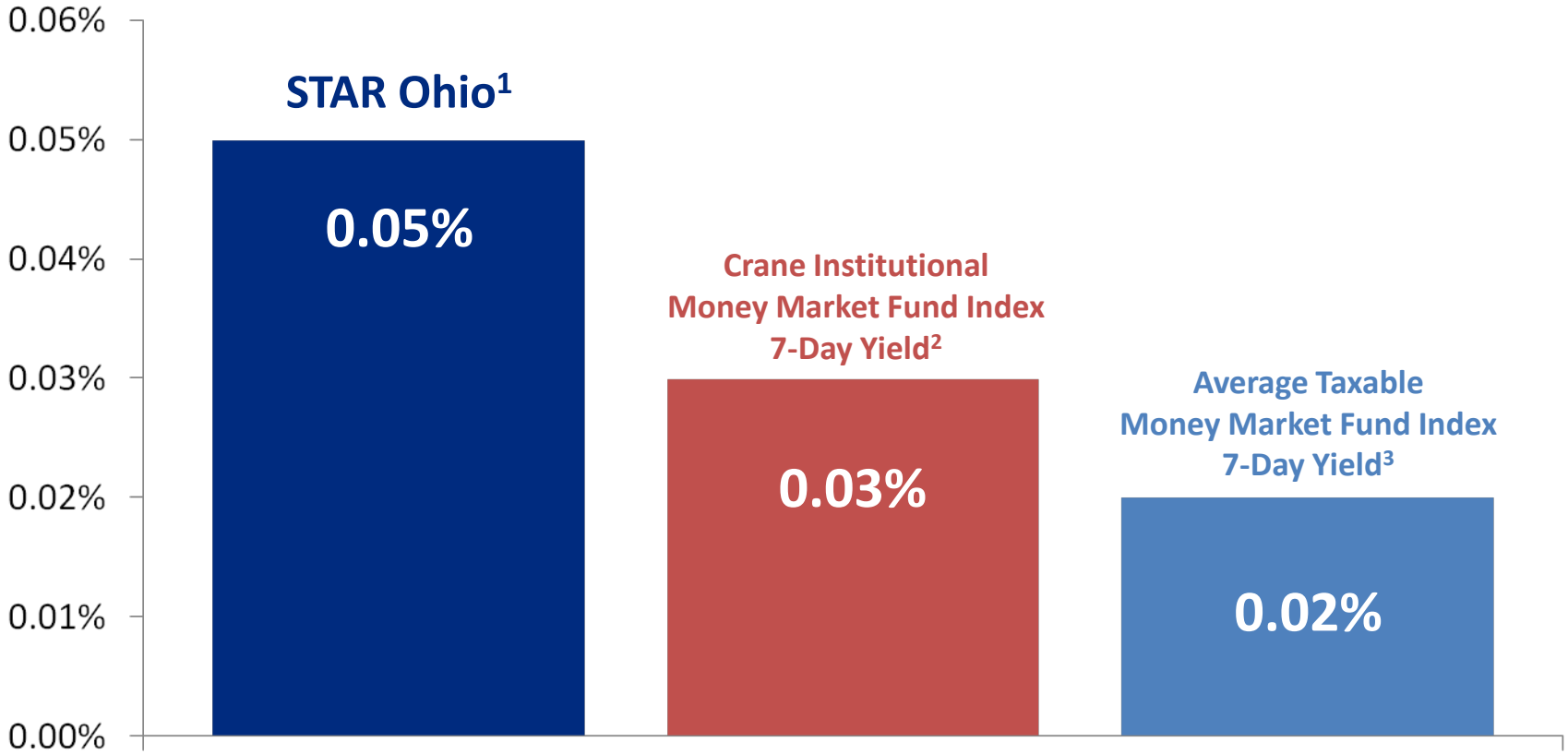
Local & Exempt School	27.24%
Custodial/Pension:	23.61%
Cities:	17.73%
Counties:	12.17%
Higher Education:	5.20%
Townships:	4.19%
Miscellaneous:	3.69%
Library:	2.96%
Villages:	1.73%
Joint Vocational School:	0.83%
SWCD:	0.44%
Fire District:	0.20%

Current STAR Ohio Portfolio



U.S. Government Securities	63.96%
Commercial Paper	25.57%
Corporate Bonds	4.55%
Bank Deposits	3.60%
Money Market Funds	2.31%

Yield Comparison



[1] Source: www.STAROhio.com [2] Source: www.bloomberg.com [3] Source: imoneynet.com

Enhancements

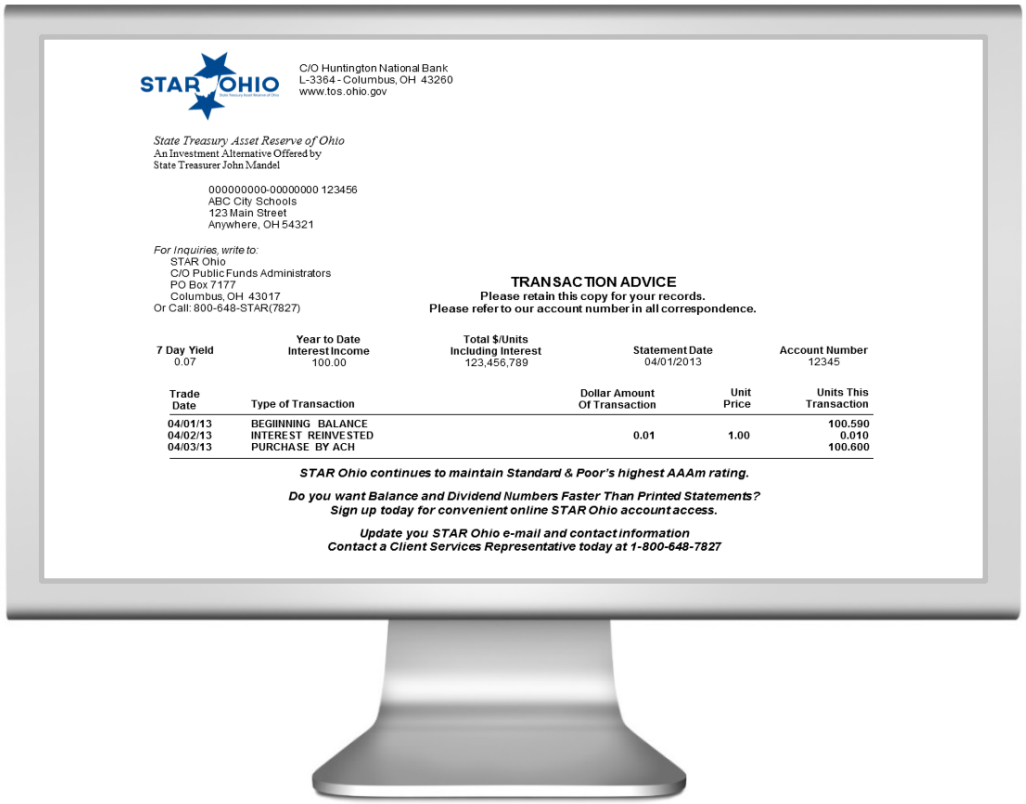
STAR Ohio Enhancements

1. Electronic Statements
2. Electronic Confirmations
3. Wire Redemption Capabilities
4. Online Transfers between STAR Ohio Accounts
5. Combining of Statements

Electronic Statements

All participant account statements are available online.

You can now choose to eliminate paper statements.



STAR OHIO

C/O Huntington National Bank
L-3364 - Columbus, OH 43260
www.tos.ohio.gov

State Treasury Asset Reserve of Ohio
An Investment Alternative Offered by
State Treasurer John Mandel

000000000-00000000 123456
ABC City Schools
123 Main Street
Anywhere, OH 54321

For Inquiries, write to:
STAR Ohio
C/O Public Funds Administrators
PO Box 7177
Columbus, OH 43017
Or Call: 800-648-STAR(7827)

TRANSACTION ADVICE
Please retain this copy for your records.
Please refer to our account number in all correspondence.

7 Day Yield	Year to Date Interest Income	Total $/Units Including Interest	Statement Date	Account Number
0.07	100.00	123,456,789	04/01/2013	12345

Trade Date	Type of Transaction	Dollar Amount Of Transaction	Unit Price	Units This Transaction
04/01/13	BEGINNING BALANCE			100.590
04/02/13	INTEREST REINVESTED	0.01	1.00	0.010
04/03/13	PURCHASE BY ACH			100.600

STAR Ohio continues to maintain Standard & Poor's highest AAAm rating.

Do you want Balance and Dividend Numbers Faster Than Printed Statements?
Sign up today for convenient online STAR Ohio account access.

Update you STAR Ohio e-mail and contact information
Contact a Client Services Representative today at 1-800-648-7827

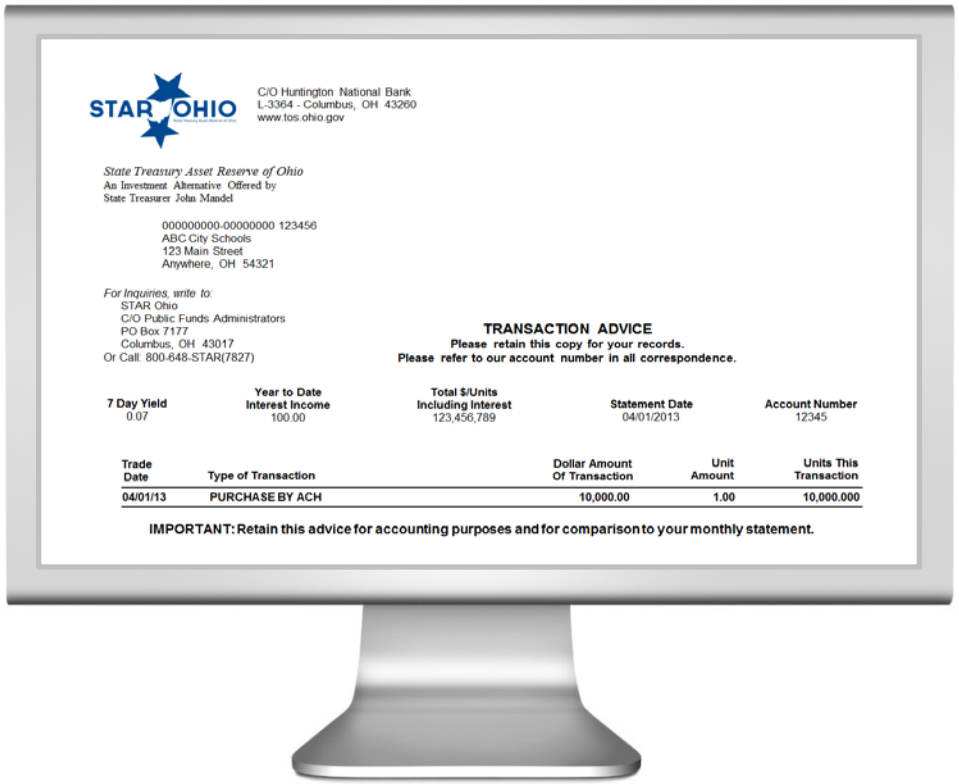
Benefits of Electronic Statements

- Available first business day of the month
- Printable PDF
- 24/7 Access
- Save to your computer for easy, paper free record keeping
- Easy, Convenient, Green!

Electronic Confirmations

All transaction confirmations are available online.

Effective July 1, 2013, transaction confirmations will no longer be mailed.



STAR OHIO

C/O Huntington National Bank
L-3364 - Columbus, OH 43260
www.tos.ohio.gov

State Treasury Asset Reserve of Ohio
An Investment Alternative Offered by
State Treasurer John Mandel

000000000-00000000 123456
ABC City Schools
123 Main Street
Anywhere, OH 54321

For Inquiries, write to:
STAR Ohio
C/O Public Funds Administrators
PO Box 7177
Columbus, OH 43017
Or Call: 800-648-STAR(7827)

TRANSACTION ADVICE
Please retain this copy for your records.
Please refer to our account number in all correspondence.

7 Day Yield	Year to Date Interest Income	Total $/Units Including Interest	Statement Date	Account Number
0.07	100.00	123,456,789	04/01/2013	12345

Trade Date	Type of Transaction	Dollar Amount Of Transaction	Unit Amount	Units This Transaction
04/01/13	PURCHASE BY ACH	10,000.00	1.00	10,000.000

IMPORTANT: Retain this advice for accounting purposes and for comparison to your monthly statement.

Benefits of Electronic Confirmations

- Daily transaction confirmations
- Printable PDF
- All transaction activity will also be included on the monthly statement
- Save to your computer for easy, paper free record keeping

Wire Redemption Capabilities

Redeem funds from your STAR Ohio account online via wire.

Benefits of Wire Capabilities

- 24/7 Access
- No phone call is necessary
- Ability to schedule redemptions up to 14 calendar days in advance
- ACH redemptions are currently available

Online Transfers between STAR Ohio Accounts

Transfer funds between STAR Ohio accounts

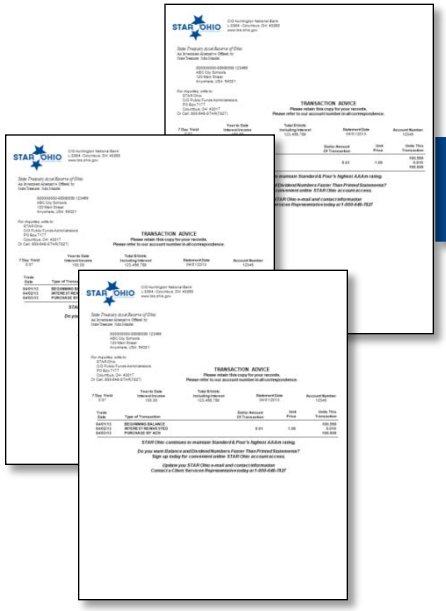
Online Transfer Benefits

- 24/7 Access
- Convenient
- No phone call is necessary

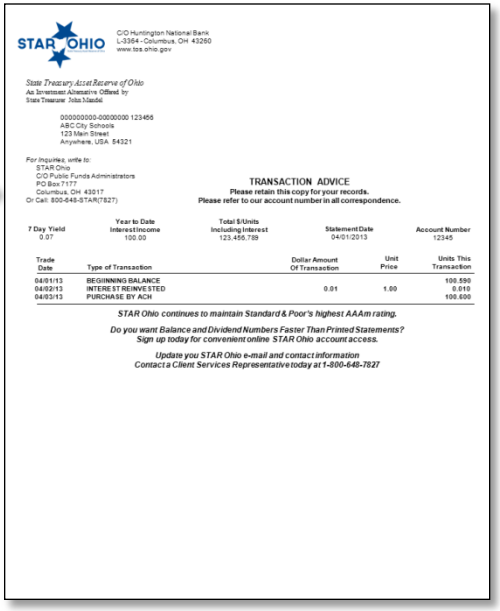
Combining of Statements

Upon request, this function will combine statements for participants with multiple STAR Ohio accounts

Multiple STAR accounts



One Statement



STAR OHIO

C/O Huntington National Bank
L-3364 - Columbus, OH 43260
www.tos.ohio.gov

State Treasury Asset Reserve of Ohio
An Investment Alternative Offered by
State Treasurer John Mandel

000000000-00000000 123456
ABC City Schools
123 Main Street
Anywhere, USA 54321

For Inquiries, write to:
STAR Ohio
C/O Public Funds Administrators
PO Box 7177
Columbus, OH 43017
Or Call: 800-648-STAR(7827)

TRANSACTION ADVICE
Please retain this copy for your records.
Please refer to our account number in all correspondence.

7 Day Yield	Year to Date Interest Income	Total $/Units Including Interest	Statement Date	Account Number
0.07	100.00	123,456.789	04/01/2013	12345

Trade Date	Type of Transaction	Dollar Amount Of Transaction	Unit Price	Units This Transaction
04/01/13	BEGINNING BALANCE			100.590
04/02/13	INTEREST REINVESTED	0.01	1.00	0.010
04/03/13	PURCHASE BY ACH			100.600

STAR Ohio continues to maintain Standard & Poor's highest AAAm rating.

Do you want Balance and Dividend Numbers Faster Than Printed Statements?
Sign up today for convenient online STAR Ohio account access.

Update you STAR Ohio e-mail and contact information
Contact a Client Services Representative today at 1-800-648-7827

Benefits to Combining of Statements

- Ease of use when reviewing activity across multiple accounts
- More efficient to print and mail
- Easy, Convenient, Green!

Implementation

- Instructions to implement new enhancements are available on the STAR Ohio website
- To ensure you are receiving all account notifications, please communicate your email address to STAR Ohio Client Services
  - info@starohio.com
  - (800) 648-7827 (STAR)

STAR Plus Update

STAR Plus Benefits Public Funds Managers

- **$996** million in Local Government Deposits
- Benefited over **316** government subdivisions
- **100%** FDIC-Insured Deposits
- Yielding **21** Basis Points[1]

[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 2/28/13. For Current Net Yield call 1(800) 648-STAR (7827).

STAR Plus Basics

- Convenience of one account and one statement
- All deposits are demand deposits and are 100% FDIC-insured
- Up to $15 million in deposits per legal entity
- Seamless integration with STAR Ohio account
- Weekly withdrawal and daily deposit capability
- Powered by Federally Insured Cash Account™ (FICA®)
- Daily transparency with 24/7 online access to account information

Questions?

Please submit questions through the question panel.

JOSH MANDEL
STATE TREASURER OF OHIO

Thank You

If you have any questions regarding the presentation, please feel free to contact us or the STAR Ohio Co-Administrator Public Funds Administrators (PFA):

Conrad R. Metz
Ryan A. Bilsky
Investment Department
Office of Ohio Treasurer, Josh Mandel (614)
466-3511

Public Funds Administrators
Client Services
1-800-648-7827

In an effort to continually enhance the STAR Ohio Program,
please complete this brief survey to provide your feedback on the webinar.

BEGIN SURVEY