



**JOSH MANDEL**  
STATE TREASURER OF OHIO



# STAR Ohio Update

## November 19, 2013

**Conrad R. Metz, *Director of Investments***

**Ryan A. Bilsky, *Deputy Director of Investments***

**Jason Click, *Vice President Public Funds Administrators***

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# STAR Ohio Update



**Local Government Investment Pool  
Managed By The State 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**

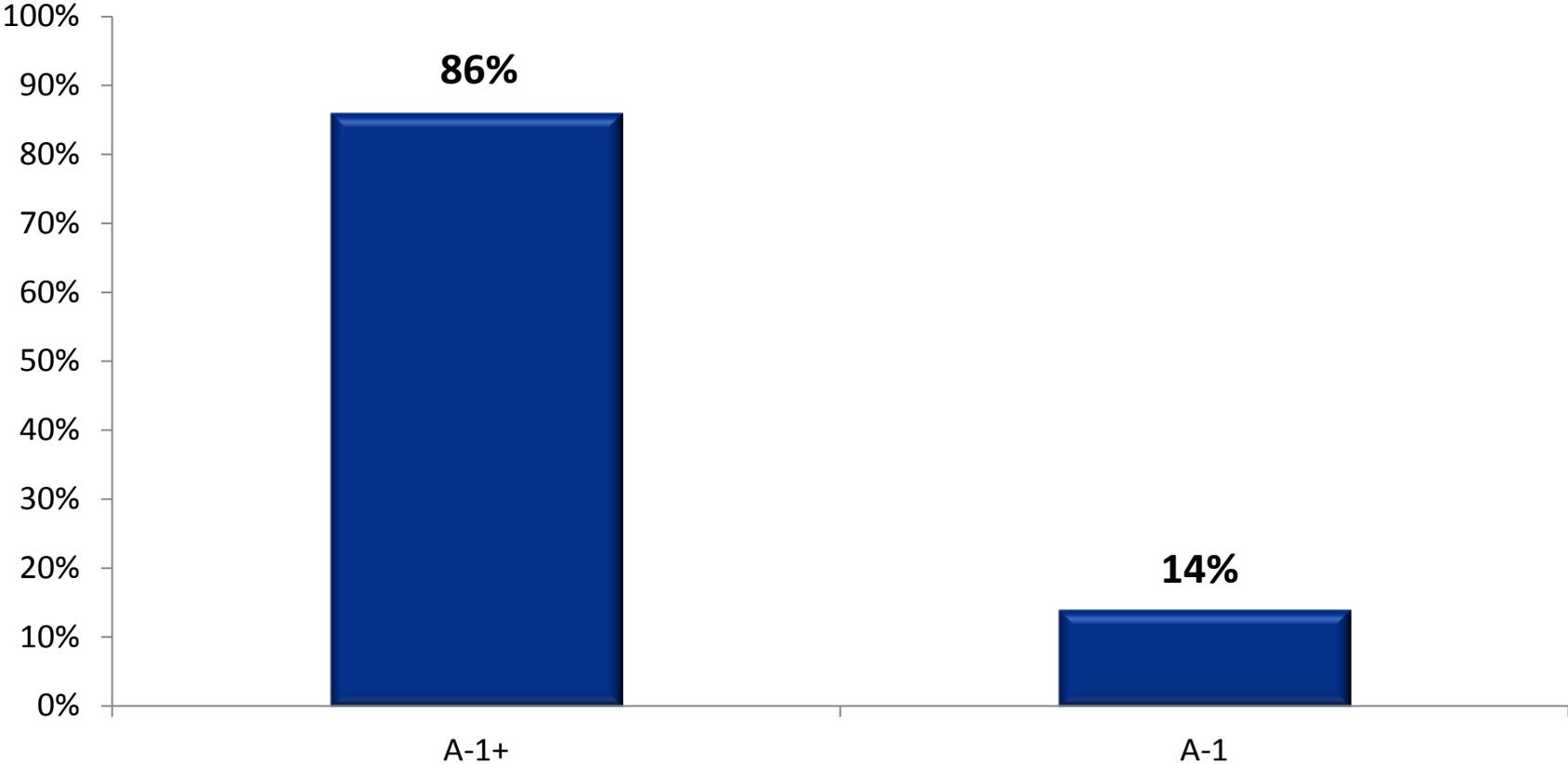


**Yield**



# Safety

### Portfolio Credit Quality



Data as of 10/31/13

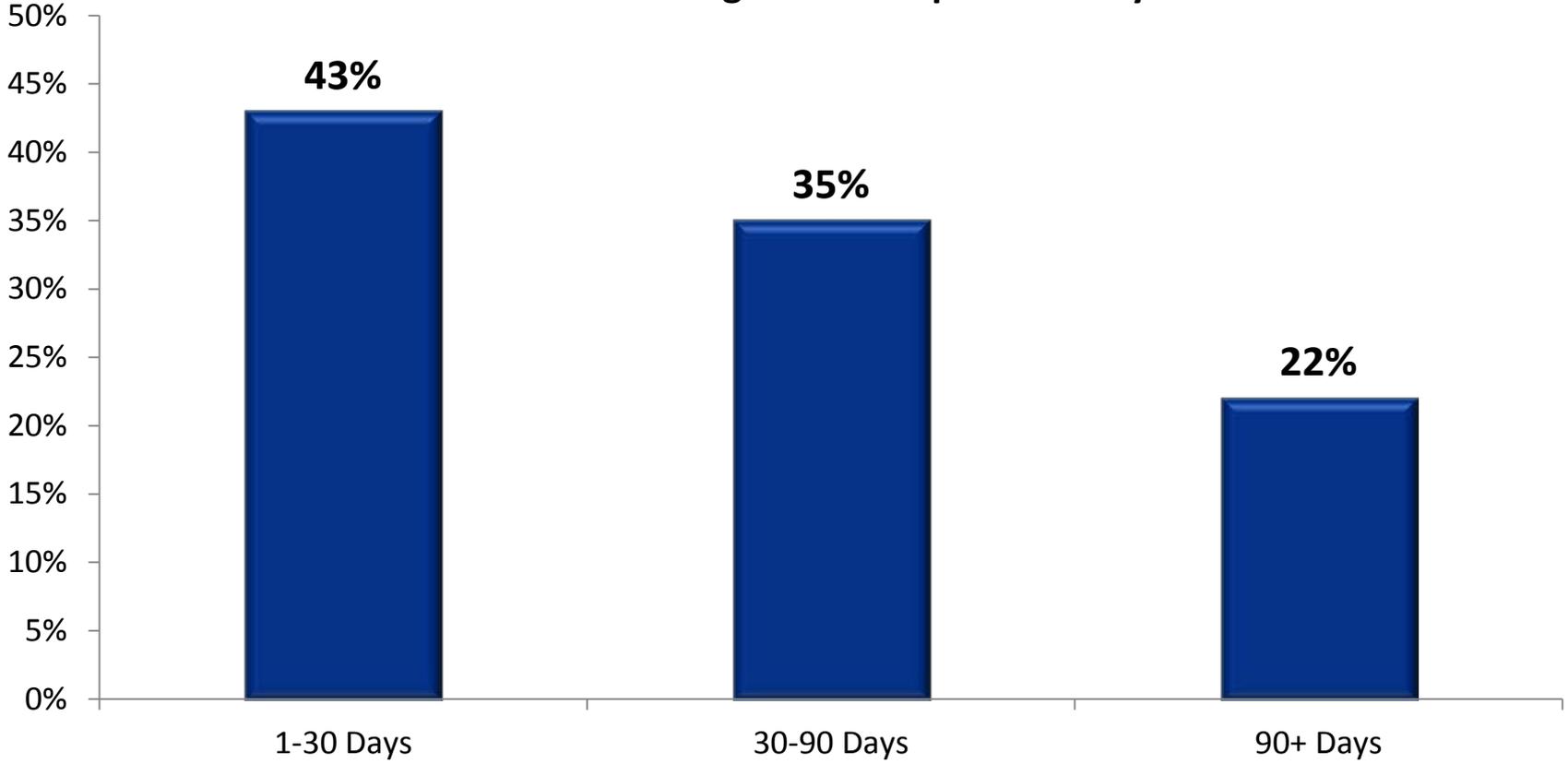


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# Liquidity

Percentage of assets per maturity



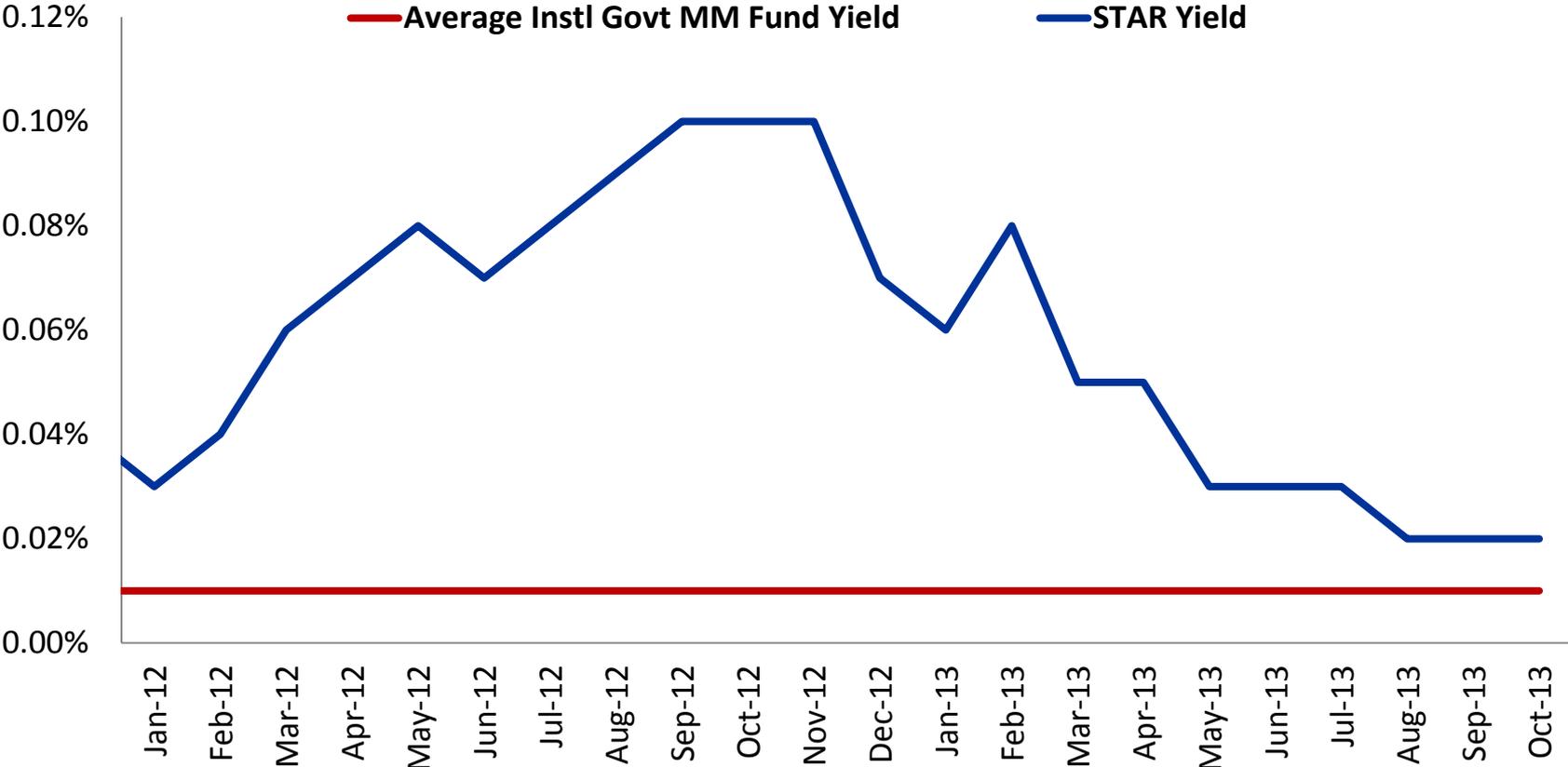
Data as of 10/31/13



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# Net Yield Comparison



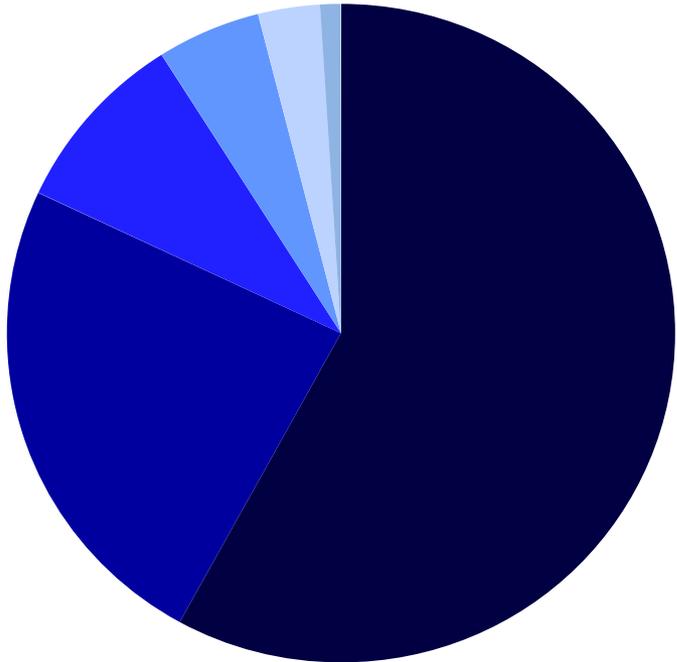
Data as of 10/31/13  
 Source: Standard and Poor's Rated Money Fund Report



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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%

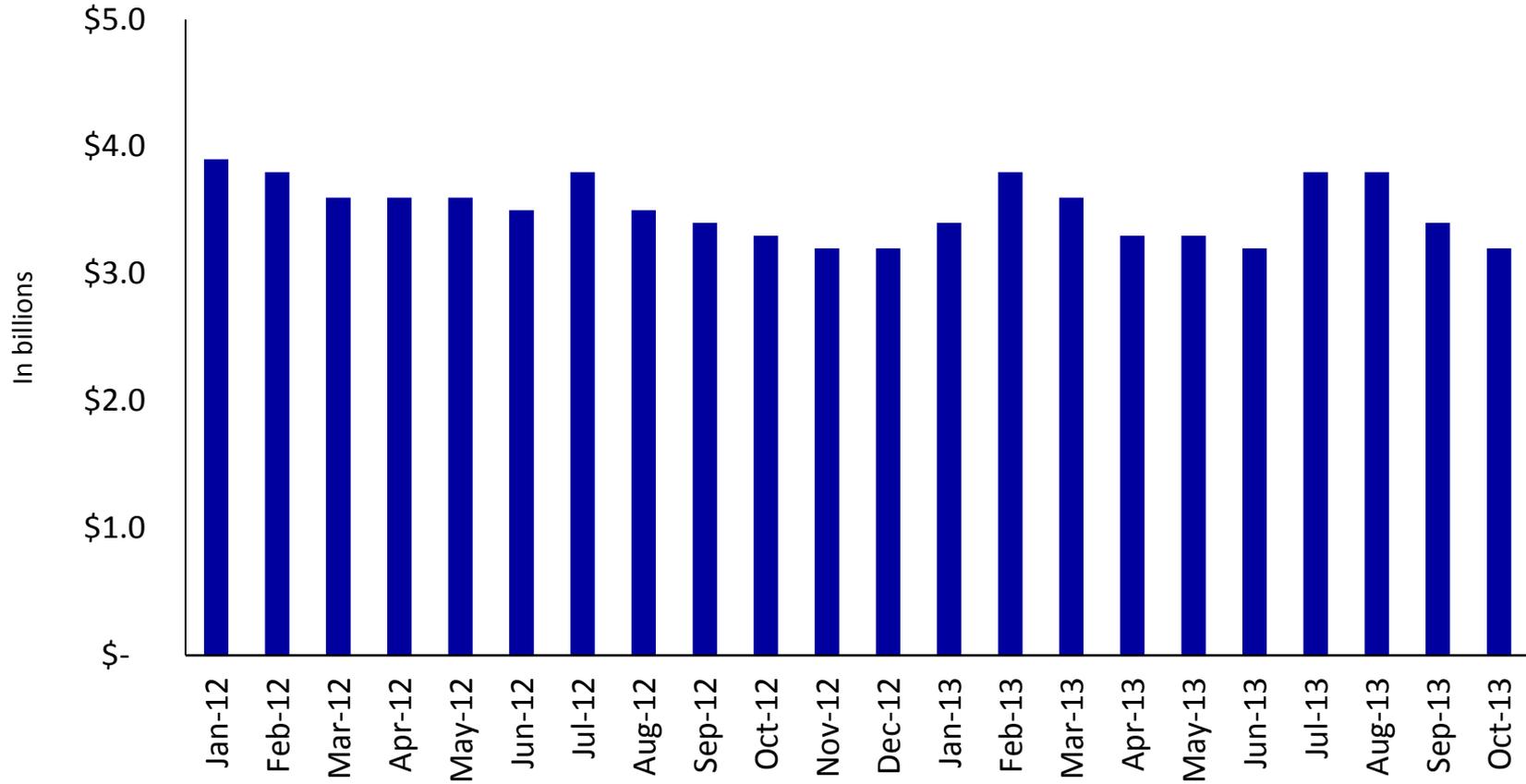
Data as of 10/31/13



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# Over \$3 Billion in Deposits



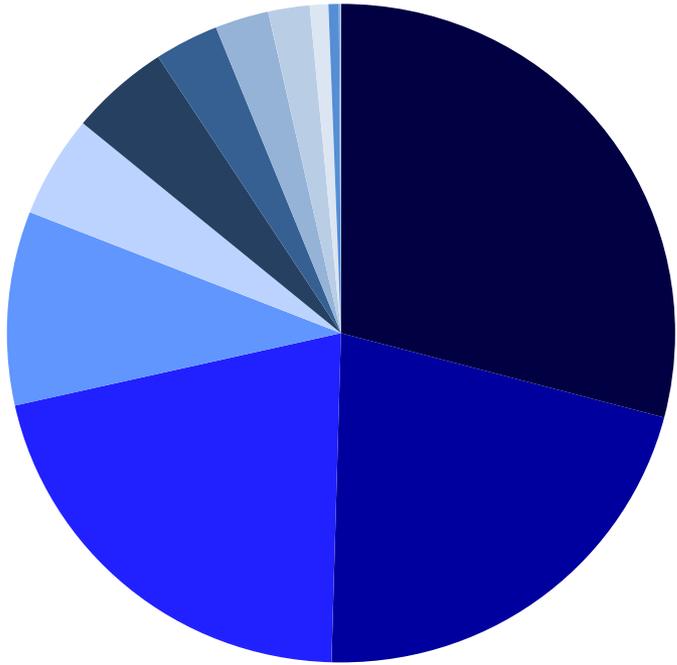
Data as of 10/31/13



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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



# 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.

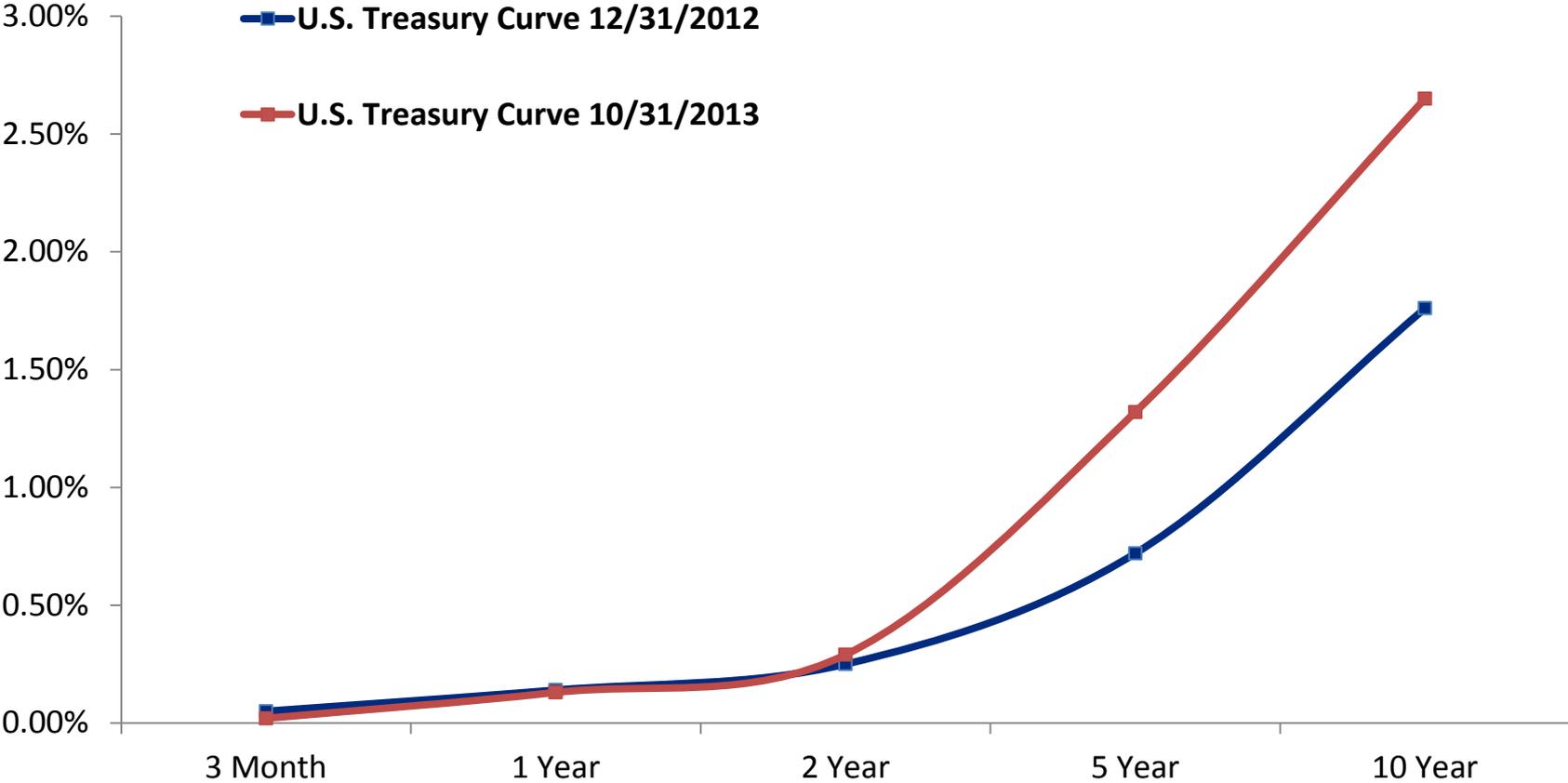


# Market Environment

- 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



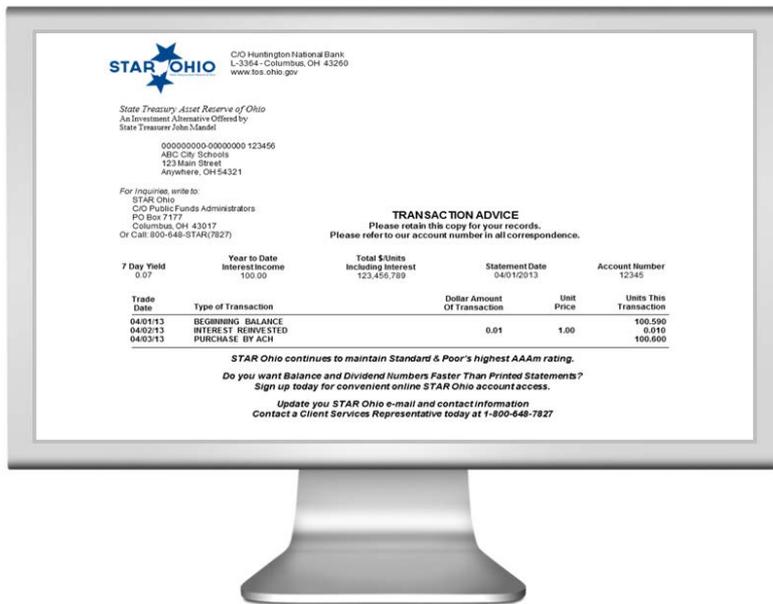
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# STAR Program Enhancements

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.



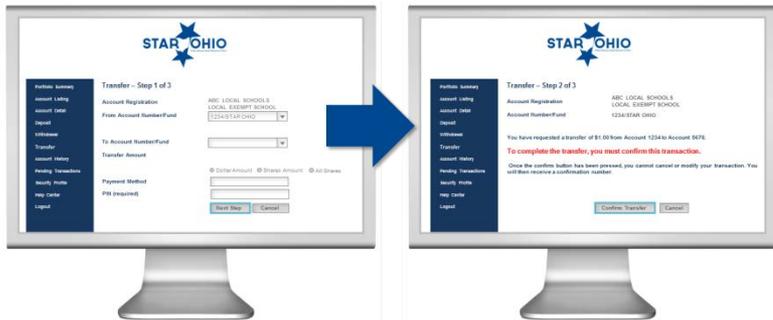
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# STAR Program Enhancements (Cont'd)

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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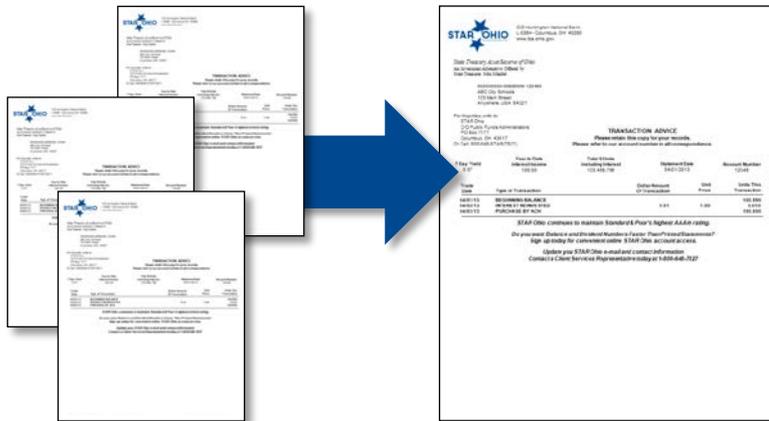
# STAR Program Enhancements (Cont'd)

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 homepage. At the top, it features the name 'JOSH MANDEL STATE TREASURER OF OHIO' and a search bar. Below the header is a navigation menu with links for ABOUT, NEWS & EVENTS, TRANSPARENCY, ECONOMIC DEVELOPMENT, PROGRAMS, FINANCIAL EDUCATION, INVESTORS, and PAYMENTS. The main content area is titled 'News' and features a headline: 'invests in STAR Plus program'. Below this, there are two main sections: 'STAR Ohio' and 'STAR Plus'. Each section has a logo and a button for 'INFO BOOKLET'. A 'Register Now for the STAR Ohio Update Webinar' link is also present. On the right side, there is an 'ASK JOSH' section with a question and answer format, and a 'STATE TREASURY FEED' section with a tweet about the FY 2013 Annual Report.

### 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](mailto:info@starohio.com)
  - Phone: (800) 648-7827
  - Fax: (614) 923-1149



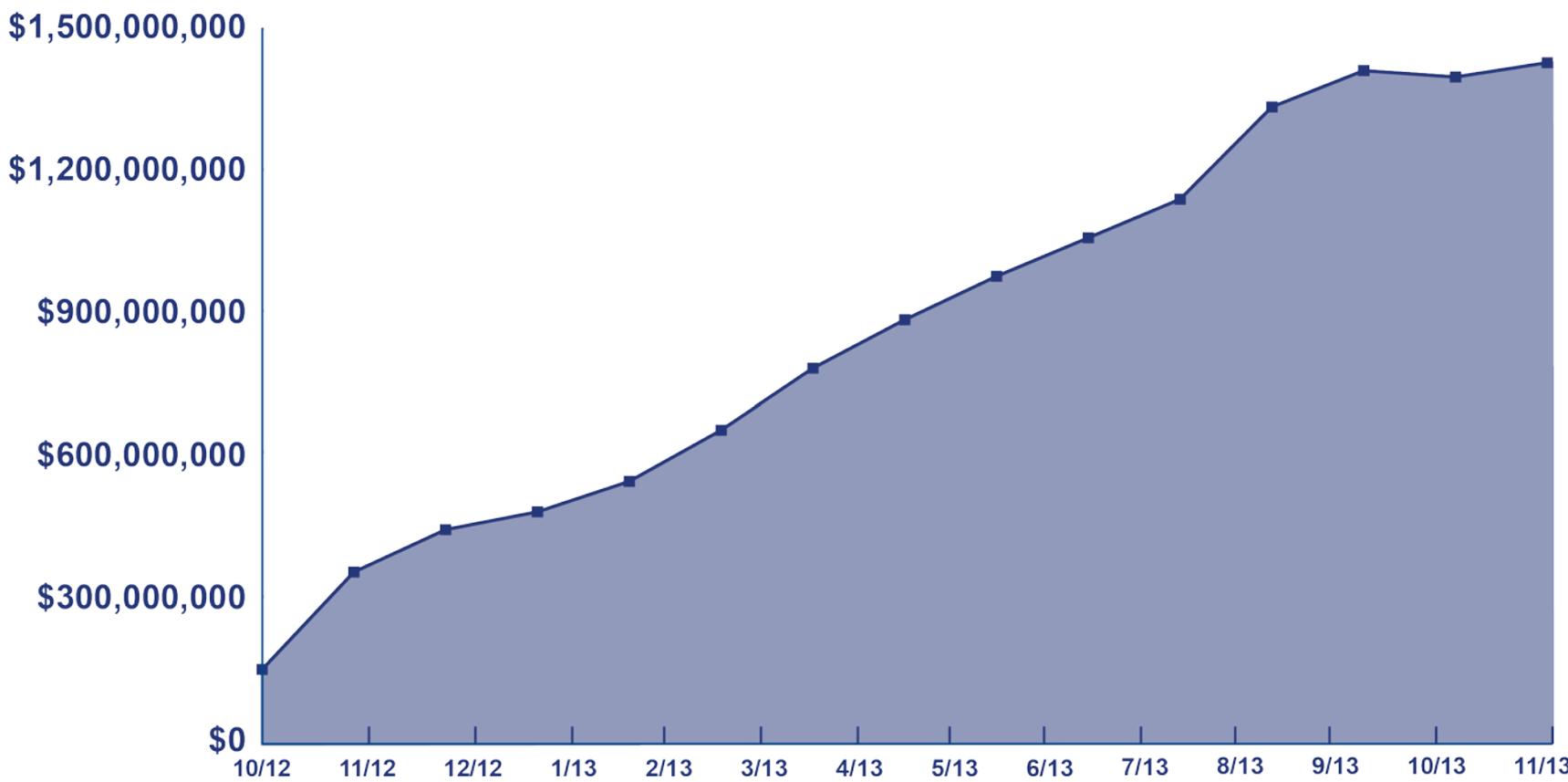
# STAR Plus Update



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# Nearly \$1.5 Billion in Deposits



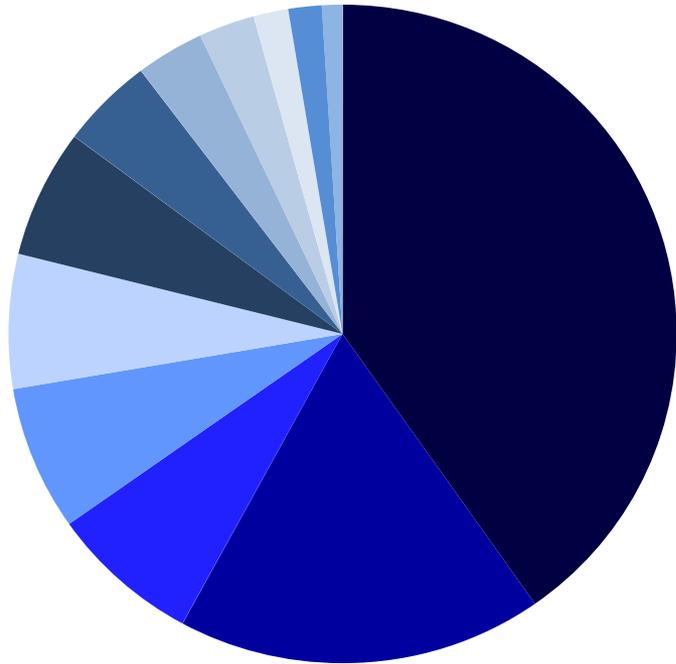
Data as of 10/31/13



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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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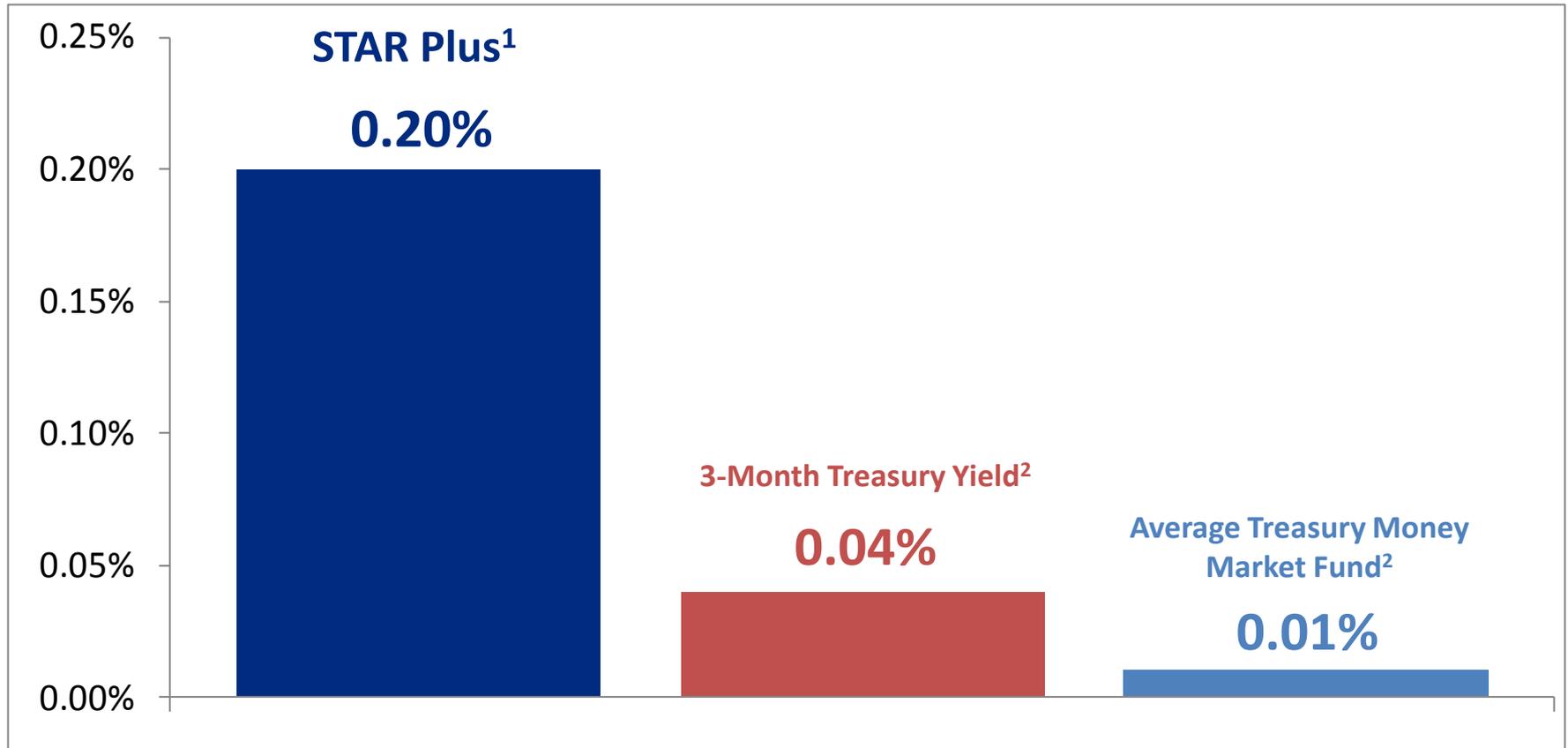
# STAR Plus Benefits Public Funds Managers

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

<sup>1</sup> 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).



# Yield Comparison



Data as of 10/31/13 <sup>1</sup> 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). <sup>2</sup> 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 BankLink

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 BankLink

Access STAR Plus through your local relationship bank



# 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