

## Client Management Team

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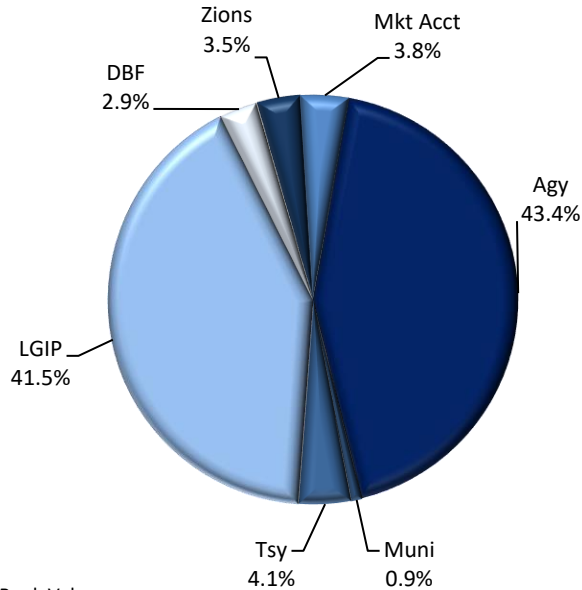
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# Quarterly Investment Report

## Ada County

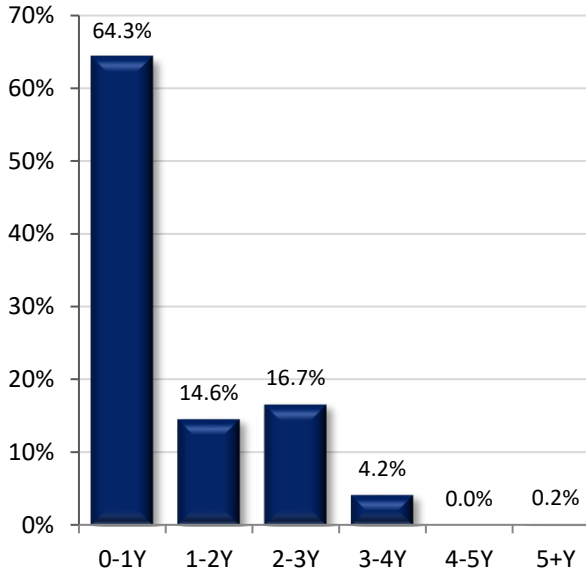
## December 2018

**SECTOR ALLOCATION#**



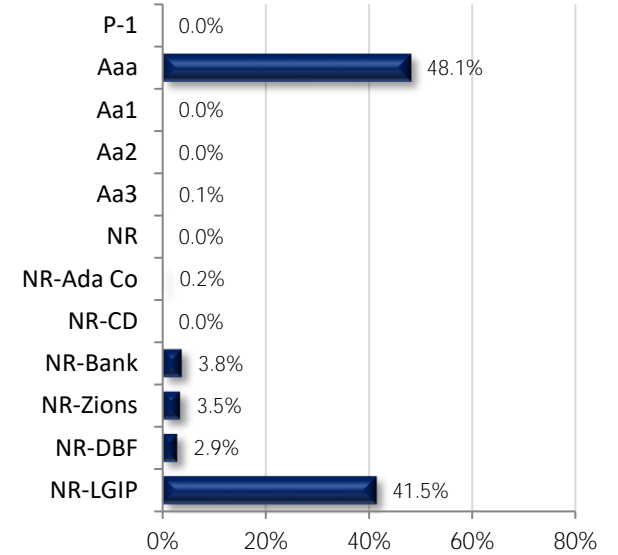
Per Book Value

**MATURITY DISTRIBUTION**



Per Book Value

**CREDIT QUALITY (MOODY'S)**



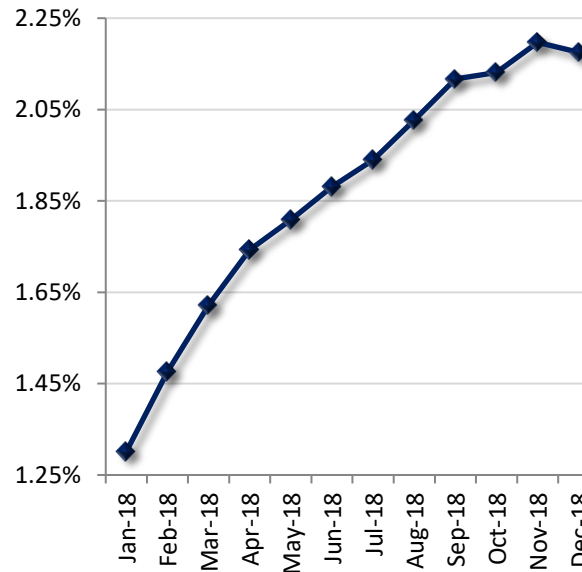
NR: Not Rated

**ACCOUNT SUMMARY**

	12/31/18	9/30/18
<b>Market Value</b>	\$143,924,723	\$194,580,101
<b>Book Value*</b>	\$144,327,115	\$195,494,744
<b>Variance</b>	-\$402,392	-\$914,643
<b>Par Value</b>	\$144,422,306	\$195,589,936
<b>Net Asset Value</b>	\$99.721	\$99.532
<b>Purchase Yield</b>	2.17%	2.12%
<b>Years to Maturity</b>	0.84	0.71
<b>Modified Duration</b>	0.83	0.70

\*Book Value is at Original Cost, Not Amortized

**PORTFOLIO PURCHASE YIELD HISTORY**



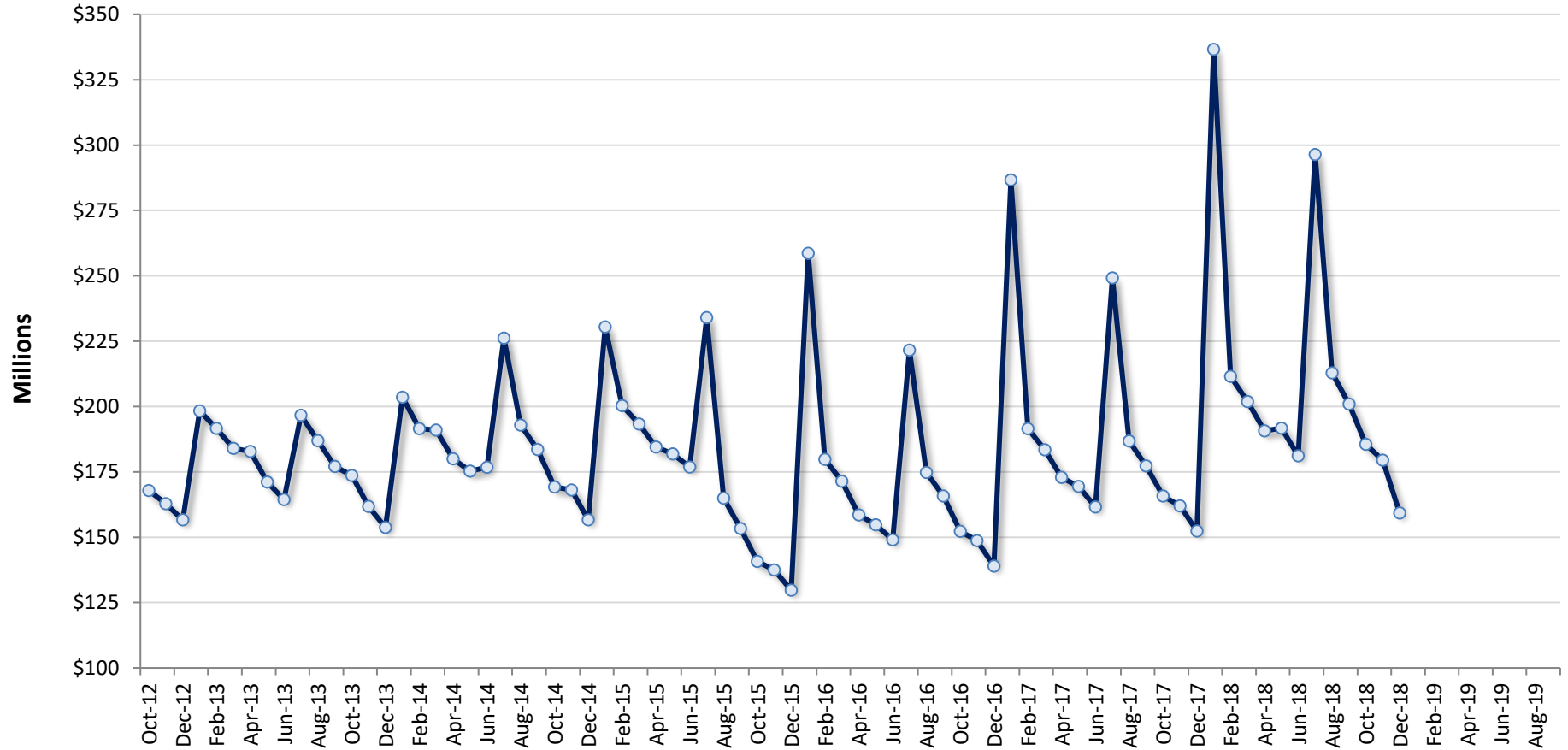
Per Book Value

**TOP ISSUERS**

Issuer	% Portfolio
State of Idaho LGIP	41.5%
Federal Home Loan Mtg Corp	16.3%
Federal Farm Credit Bank	13.8%
Federal Home Loan Bank	6.9%
Federal National Mtg Assn	6.4%
U.S. Treasury	4.1%
Sunwest Bank MMKT Checking	3.6%
Zions Bank	3.5%
State Of Idaho DBF TR	2.9%
Ada & Canyon School Districts	0.6%
Ada County	0.2%
Wells Fargo	0.1%
University of Idaho	0.1%

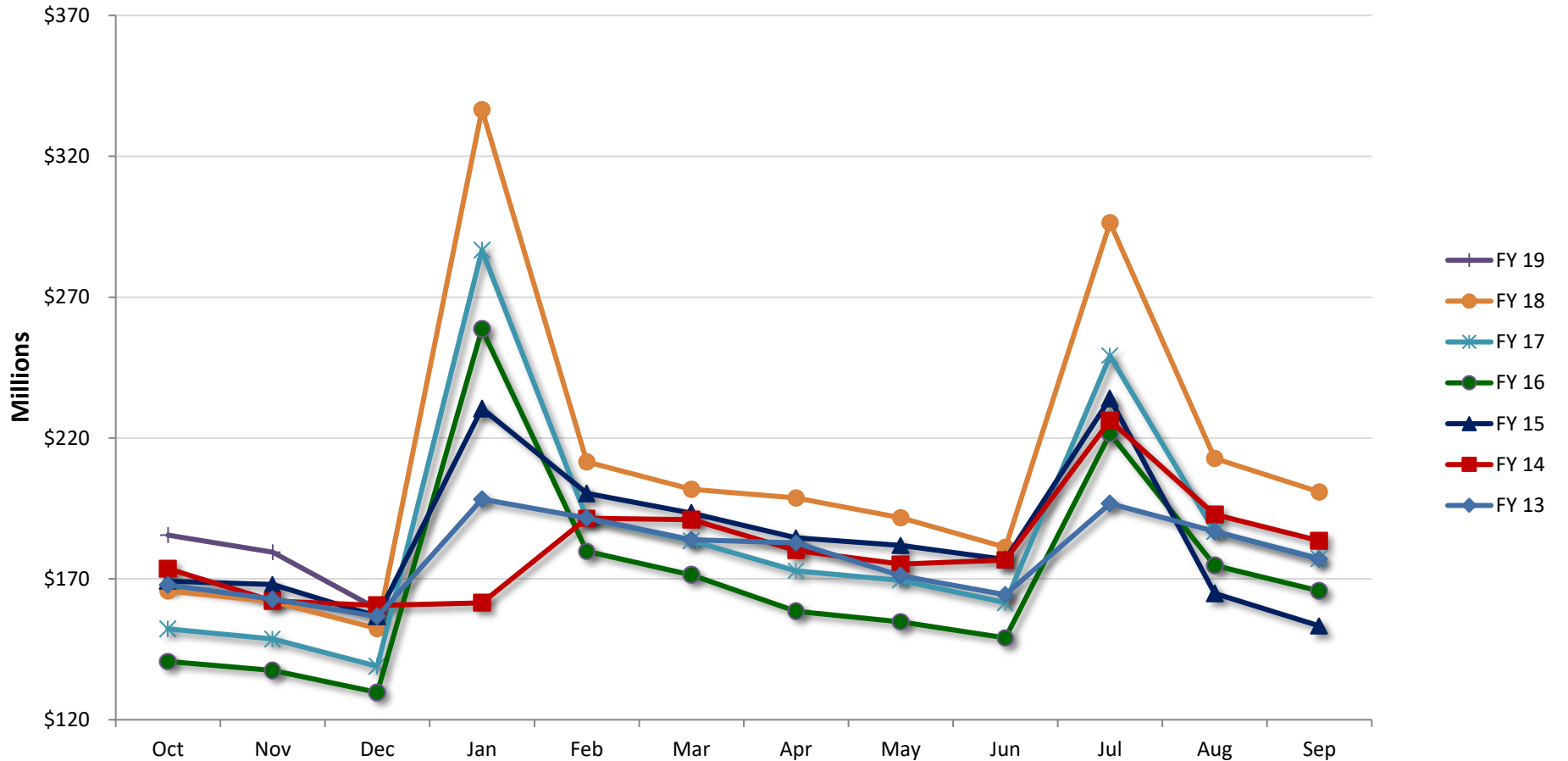
Item / Sector	Parameters	In Compliance
Maturity Limits	Maturities of investments must not exceed 5 years, unless unanimous consent of the Board of County Commissioners is given.	Yes
Weighted Average Maturity	Weighted Average Maturity (WAM) must be less than 3 years.	Yes: 0.84 Yrs
Investment Ratings	At time of purchase, all investments must have an A (S&P), A2 (Moody's), or A (Fitch) rating or better.	Yes
U.S. Treasuries	No limit, maximum maturity 5 years.	Yes: 4.1%
U.S. Federal Agencies	No limit, issuer limit 50%, maximum maturity 5 years.	Yes: 43.4%
Idaho Local Govt Investment Pool	70% limit.	Yes: 41.5%
Idaho Diversified Bond Fund (DBF)	30% limit.	Yes: 2.9%
Money Market Funds	70% limit, rated AAA (S&P), Aaa (Moody's), or AAA (Fitch).	Yes: 0.0%
Municipal Securities	50% Limit, 50% issuer limit for State of Idaho Bonds. 20% limit, 10% issuer limit for Idaho Counties, Cities, Districts, and Education bonds.	Yes: 0.9%
Idaho Public Corporations	20% limit, 5% issuer limit, rated A or better by 2 of 3 rating agencies (S&P, Moody's, or Fitch).	Yes: 0.0%
Repurchase Agreements	30% limit, 15% issuer limit, maximum maturity 90 days, allowable collateral at 102% of investment, transacted with Federal Reserve Primary Dealers with rating of A-1, P-1, or F1	Yes: 0.0%
Collateralized Business Market Banking Accounts/Time Deposits-State Depositories	No limit, maximum maturity 5 years.	Yes: 3.8%
Deposit Accounts in State/Federal Credit Unions	50% limit, maximum maturity 5 years. Domiced in the United State, must fall withing FDIC limit.	Yes: 3.5%

FTN Financial Main Street Advisors relies on the accuracy of the data provided by Ada County to compile this report.



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Avg
<b>FY 13</b>	\$167.8	\$162.8	\$156.6	\$198.3	\$191.6	\$183.9	\$182.8	\$171.1	\$164.4	\$196.7	\$186.9	\$177.0	\$178.3
<b>FY 14</b>	\$173.6	\$162.2	\$160.6	\$161.5	\$191.5	\$191.0	\$180.0	\$175.3	\$176.7	\$226.2	\$192.9	\$183.5	\$181.2
<b>FY 15</b>	\$169.2	\$168.1	\$156.7	\$230.5	\$200.3	\$193.3	\$184.5	\$181.9	\$176.8	\$234.0	\$164.9	\$153.3	\$184.5
<b>FY 16</b>	\$140.7	\$137.5	\$129.7	\$258.6	\$179.7	\$171.4	\$158.5	\$154.7	\$149.0	\$221.6	\$174.8	\$165.7	\$170.2
<b>FY 17</b>	\$152.2	\$148.7	\$139.0	\$286.6	\$191.5	\$183.5	\$172.8	\$169.5	\$161.6	\$249.1	\$186.8	\$177.3	\$184.9
<b>FY 18</b>	\$165.8	\$162.0	\$152.4	\$336.6	\$211.6	\$201.8	\$198.7	\$191.7	\$181.2	\$296.4	\$212.8	\$200.9	\$209.3
<b>FY 19</b>	\$185.5	\$179.5	\$159.3										

Figures in Millions, Average Daily Balance

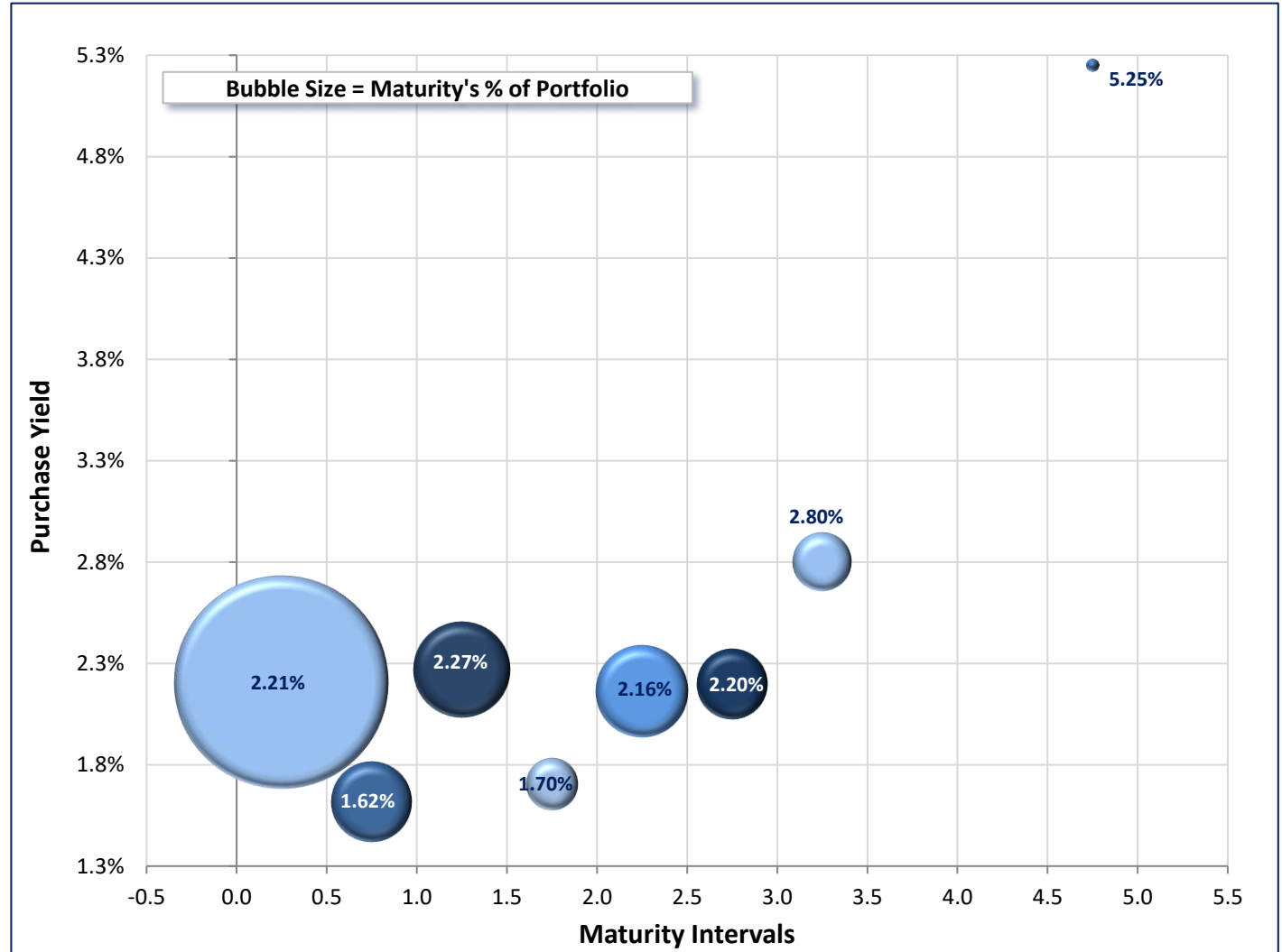


	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Avg
<b>FY 13</b>	\$167.8	\$162.8	\$156.6	\$198.3	\$191.6	\$183.9	\$182.8	\$171.1	\$164.4	\$196.7	\$186.9	\$177.0	\$178.3
<b>FY 14</b>	\$173.6	\$162.2	\$160.6	\$161.5	\$191.5	\$191.0	\$180.0	\$175.3	\$176.7	\$226.2	\$192.9	\$183.5	\$181.2
<b>FY 15</b>	\$169.2	\$168.1	\$156.7	\$230.5	\$200.3	\$193.3	\$184.5	\$181.9	\$176.8	\$234.0	\$164.9	\$153.3	\$184.5
<b>FY 16</b>	\$140.7	\$137.5	\$129.7	\$258.6	\$179.7	\$171.4	\$158.5	\$154.7	\$149.0	\$221.6	\$174.8	\$165.7	\$170.2
<b>FY 17</b>	\$152.2	\$148.7	\$139.0	\$286.6	\$191.5	\$183.5	\$172.8	\$169.5	\$161.6	\$249.1	\$186.8	\$177.3	\$184.9
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<b>FY 19</b>	\$185.5	\$179.5	\$159.3										\$174.8

Figures in Millions, Average Daily Balance

Years	Purchase Yield	% of Portfolio*
0 to .5	2.21%	56.43%
.5 to 1.0	1.62%	7.92%
1.0 to 1.5	2.27%	11.35%
1.5 to 2.0	1.70%	3.30%
2.0 to 2.5	2.16%	10.53%
2.5 to 3.0	2.20%	6.13%
3.0 to 3.5	2.80%	4.18%
3.5 to 4.0	0.00%	0.00%
4.0 to 4.5	0.00%	0.00%
4.5 to 5.0+	5.25%	0.17%

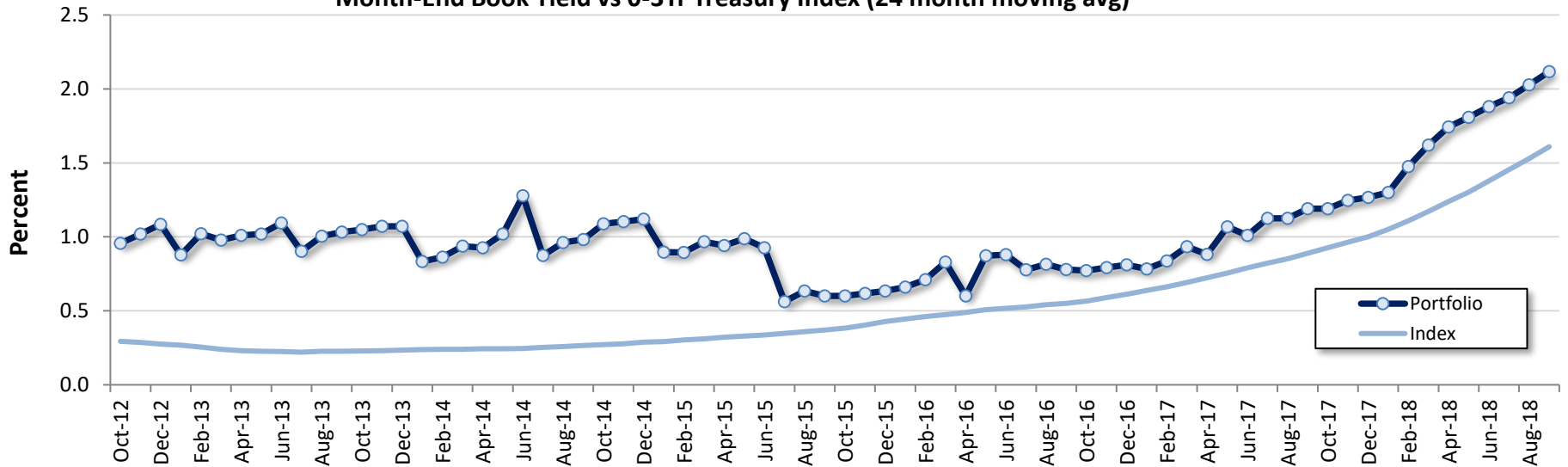
\*Based on Book value

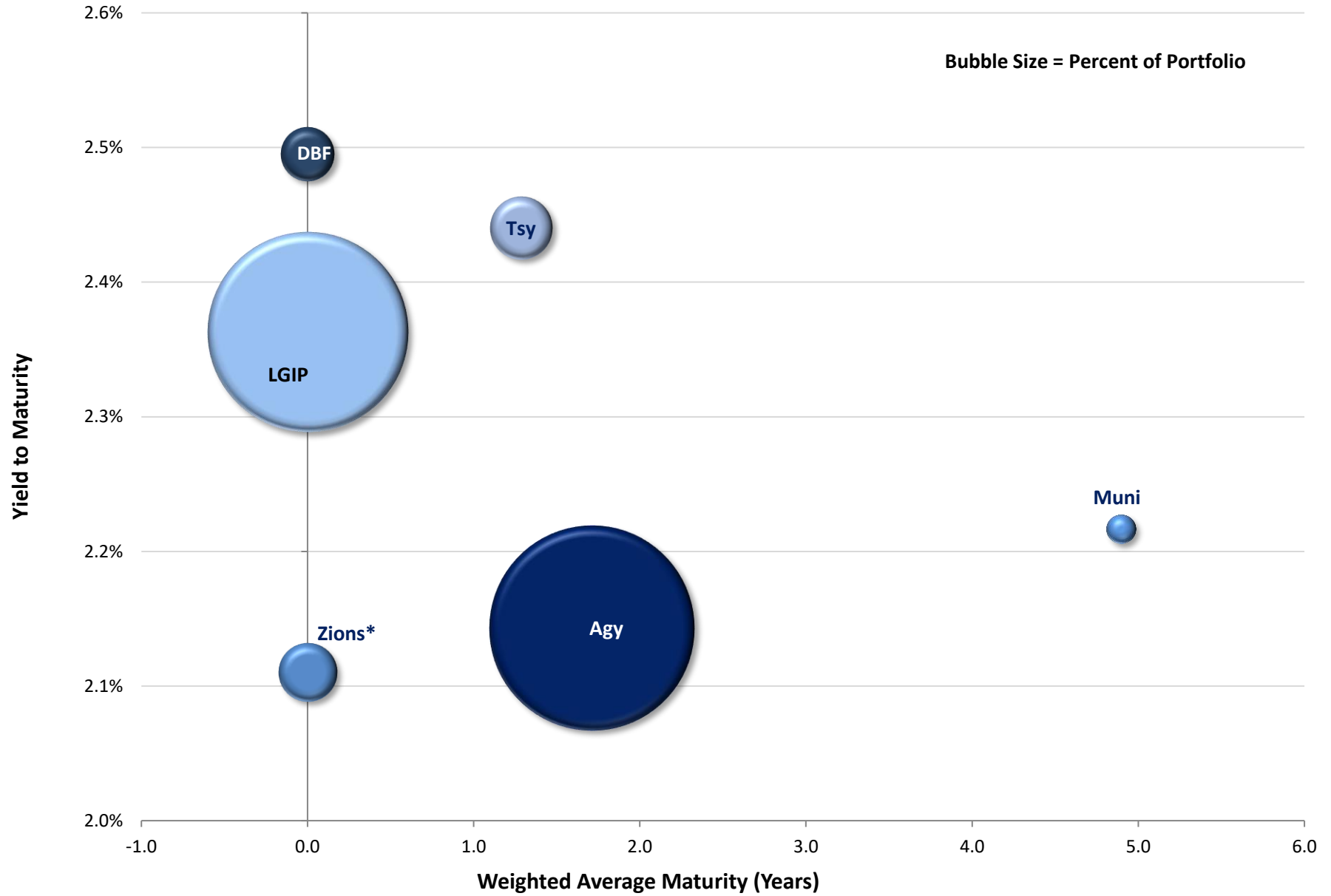


**Weighted Average Maturity History**



**Month-End Book Yield vs 0-3Yr Treasury Index (24 month moving avg)\***

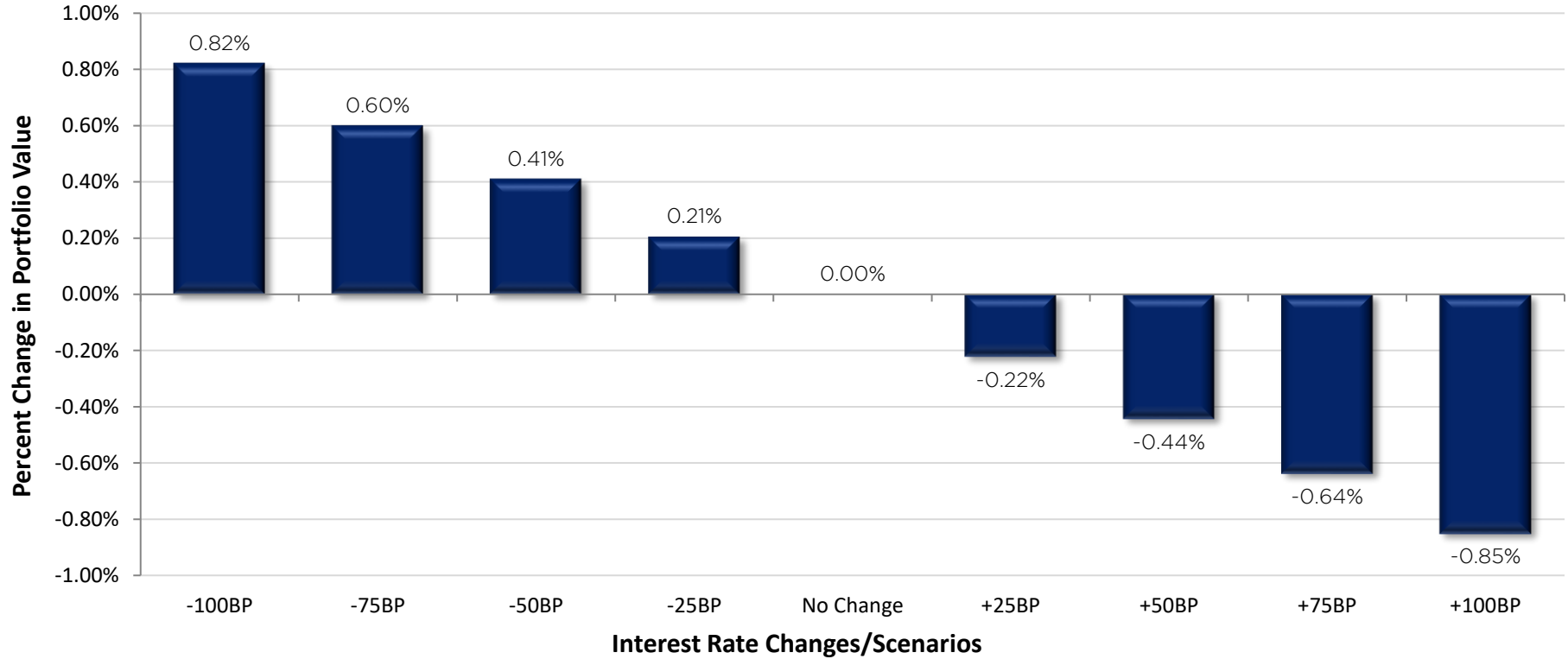




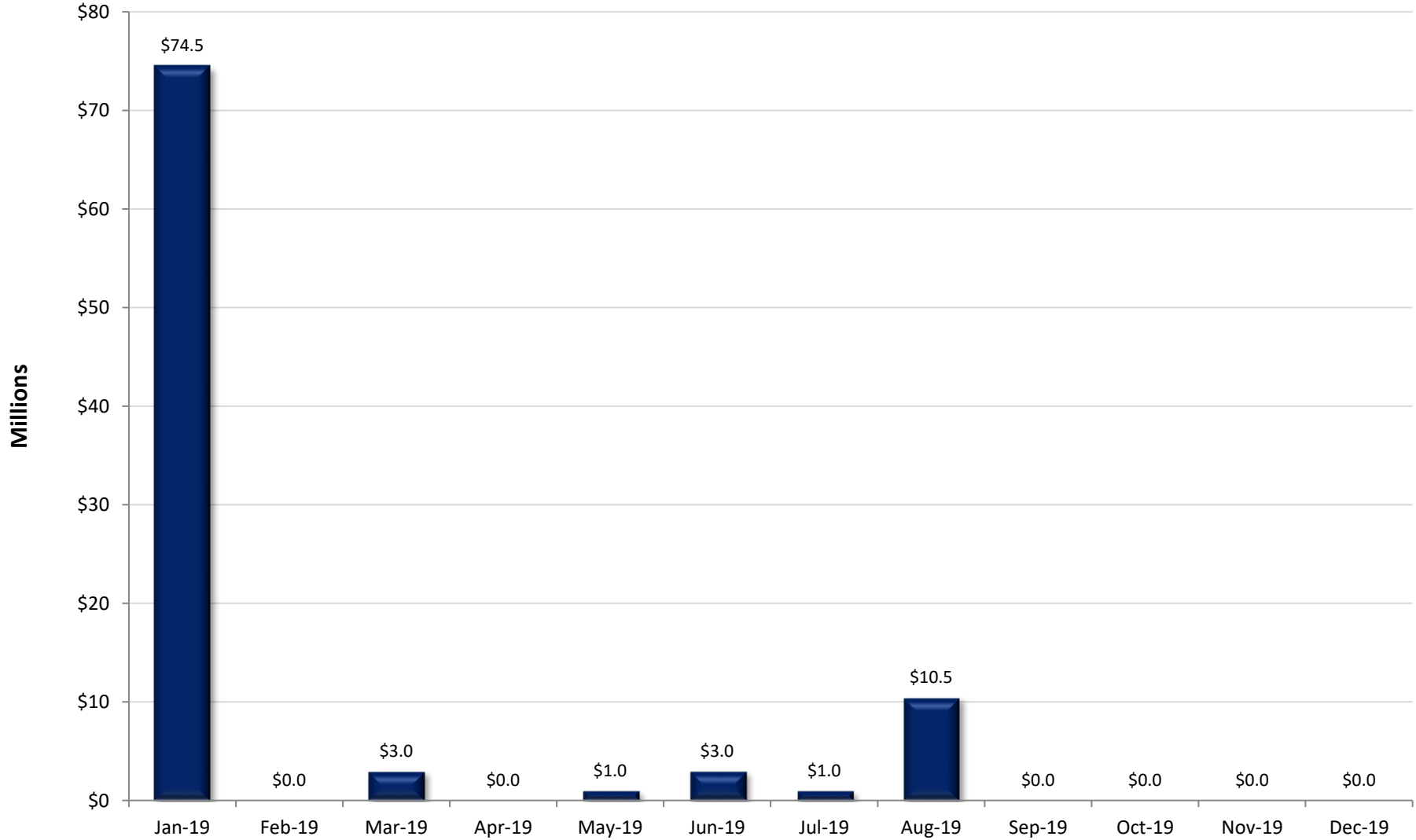
\*Seperately managed account at Zions Wealth Advisors. WAM will be greater than 1 day.



**Instantaneous Interest Rate Changes and Estimated Changes in Portfolio's Market Value**

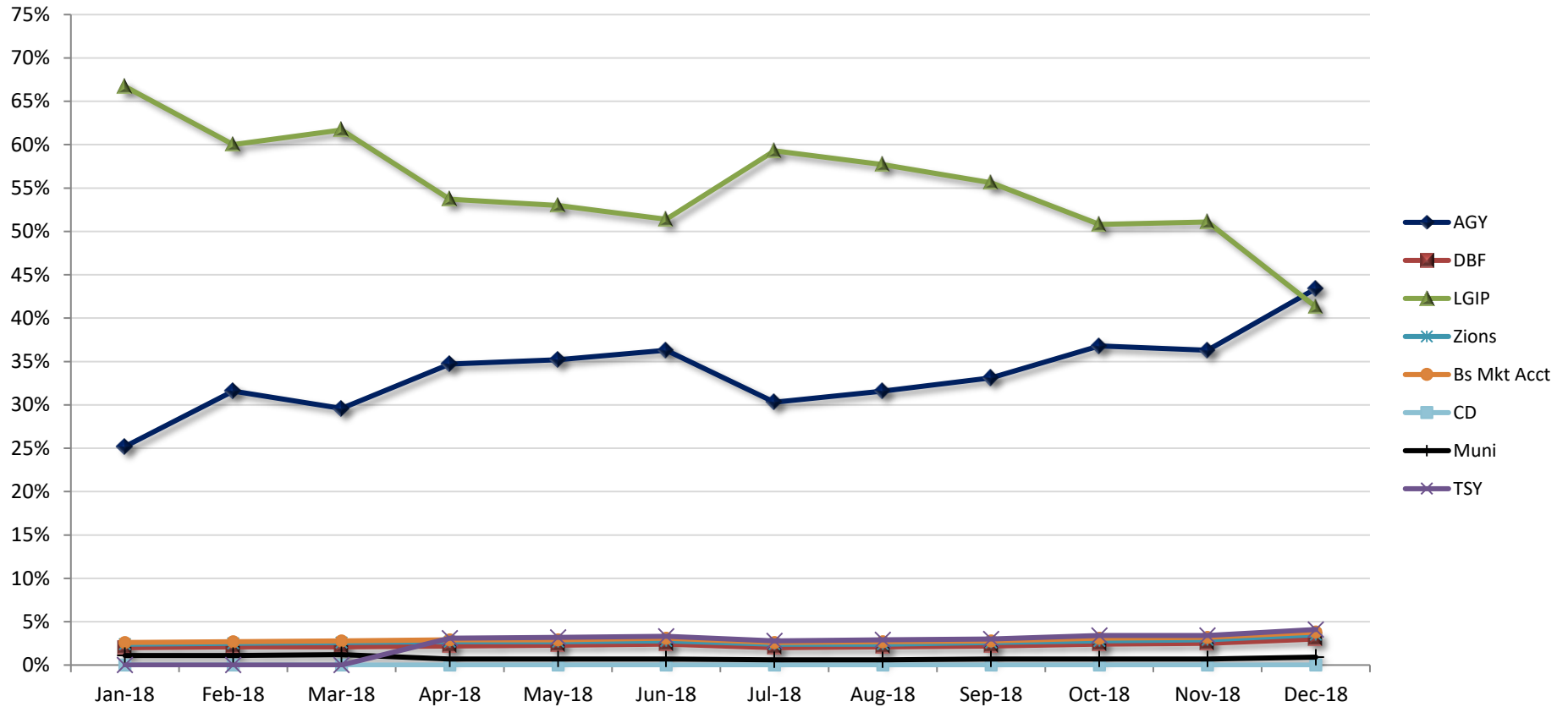


Interest Rate Change	Portfolio Value	Value Change	Percent Change
-100 Basis Points	\$173,920,582	\$1,414,549	0.82%
-75 Basis Points	\$173,538,653	\$1,032,621	0.60%
-50 Basis Points	\$173,213,307	\$707,275	0.41%
-25 Basis Points	\$172,859,669	\$353,637	0.21%
No Change	\$172,506,032	\$0	0.00%
+25 Basis Points	\$172,124,794	-\$381,238	-0.22%
+50 Basis Points	\$171,743,555	-\$762,477	-0.44%
+75 Basis Points	\$171,406,306	-\$1,099,726	-0.64%
+100 Basis Points	\$171,039,731	-\$1,466,301	-0.85%

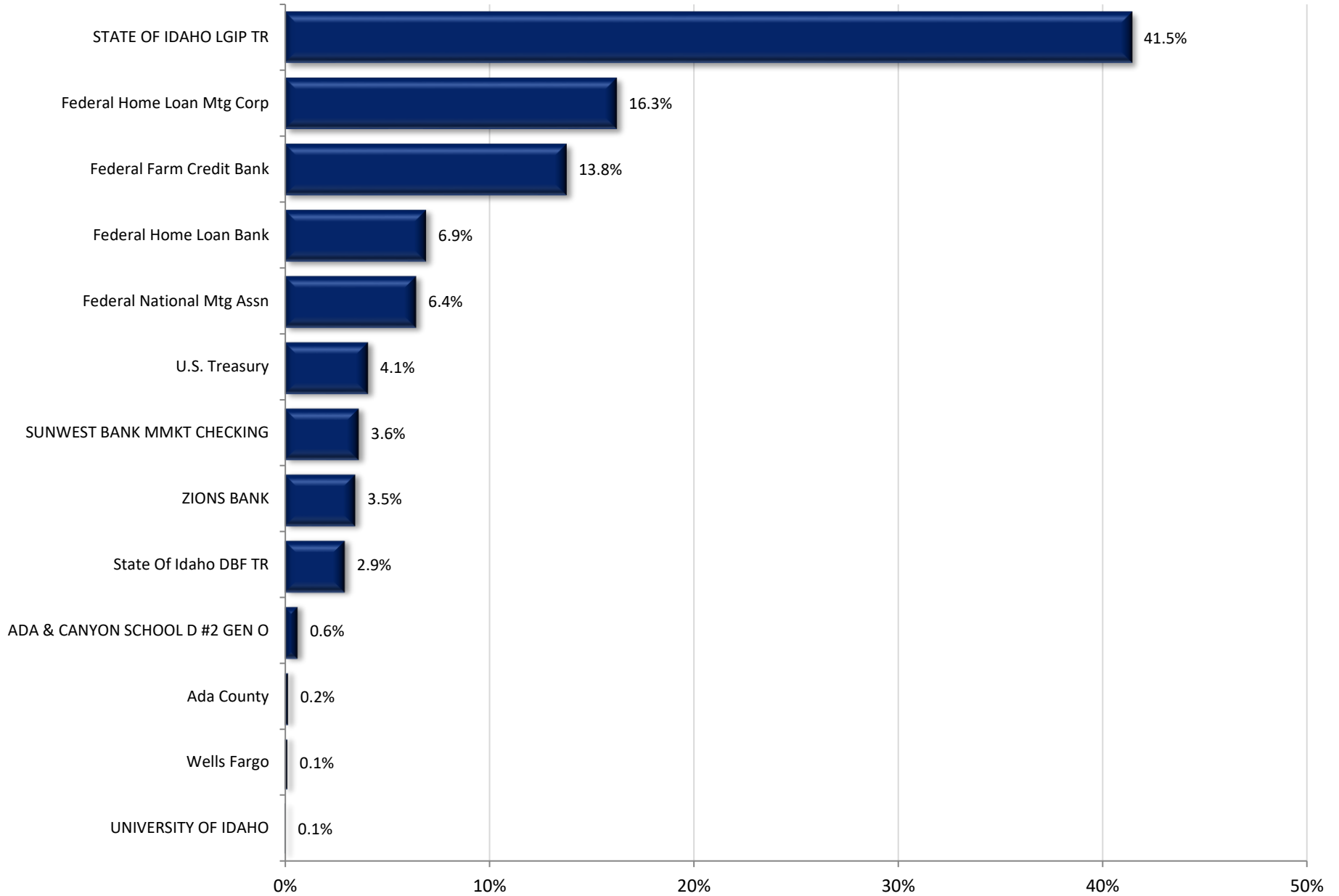


	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
<b>Maturities</b>	\$74.5	\$0.0	\$3.0	\$0.0	\$1.0	\$3.0	\$1.0	\$10.5	\$0.0	\$0.0	\$0.0	\$0.0

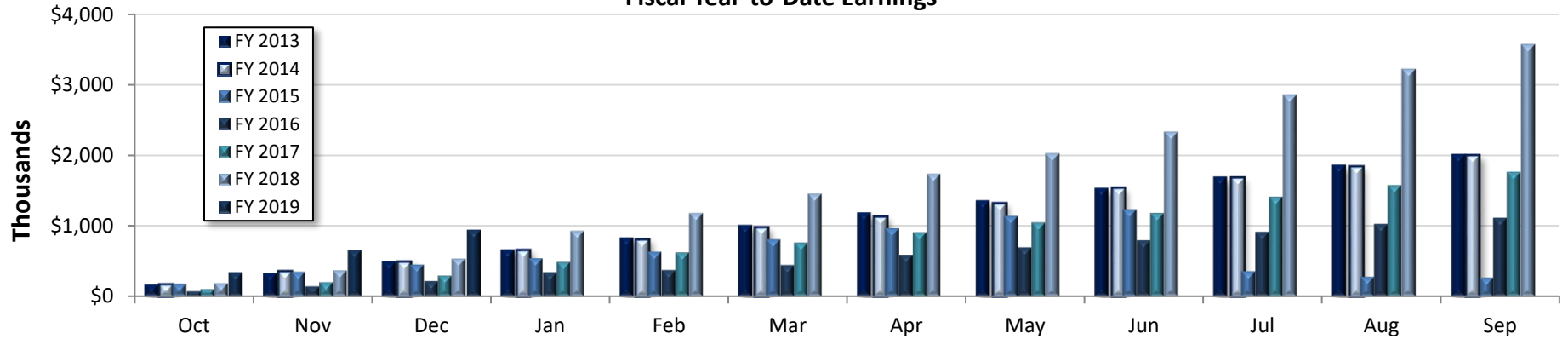
Par Value in Millions. The DBF investment is included in the closest month.



Sector	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
<b>Agency</b>	25.2%	31.6%	29.6%	34.7%	35.2%	36.3%	30.3%	31.6%	33.1%	36.8%	36.3%	43.4%
<b>Treasury</b>	0.0%	0.0%	0.0%	3.1%	3.2%	3.3%	2.8%	2.9%	3.0%	3.4%	3.4%	4.1%
<b>State of Idaho DBF</b>	2.0%	2.1%	2.1%	2.2%	2.3%	2.4%	2.0%	2.1%	2.2%	2.4%	2.5%	3.0%
<b>State of Idaho LGIP</b>	66.7%	60.0%	61.7%	53.7%	53.0%	51.4%	59.3%	57.7%	55.6%	50.8%	51.1%	41.3%
<b>Municipals</b>	1.1%	1.1%	1.2%	0.7%	0.7%	0.7%	0.6%	0.6%	0.7%	0.7%	0.7%	0.9%
<b>Zions Account</b>	2.4%	2.5%	2.6%	2.7%	2.7%	2.8%	2.4%	2.4%	2.6%	2.8%	2.9%	3.5%
<b>Business Mkt Acct</b>	2.6%	2.7%	2.8%	2.9%	2.9%	3.1%	2.6%	2.7%	2.8%	3.1%	3.2%	3.8%
<b>Certificates of Deposit</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.1%	100.0%

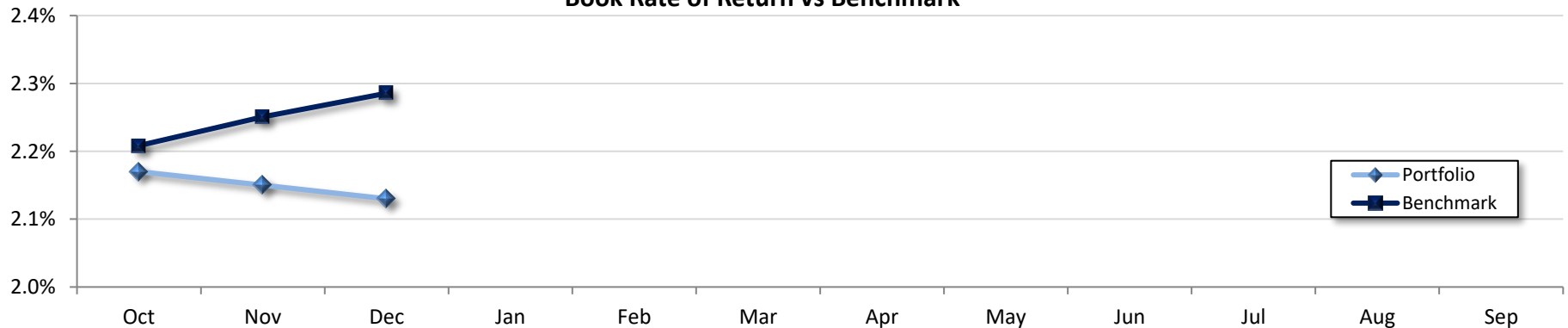


**Fiscal Year-to-Date Earnings**



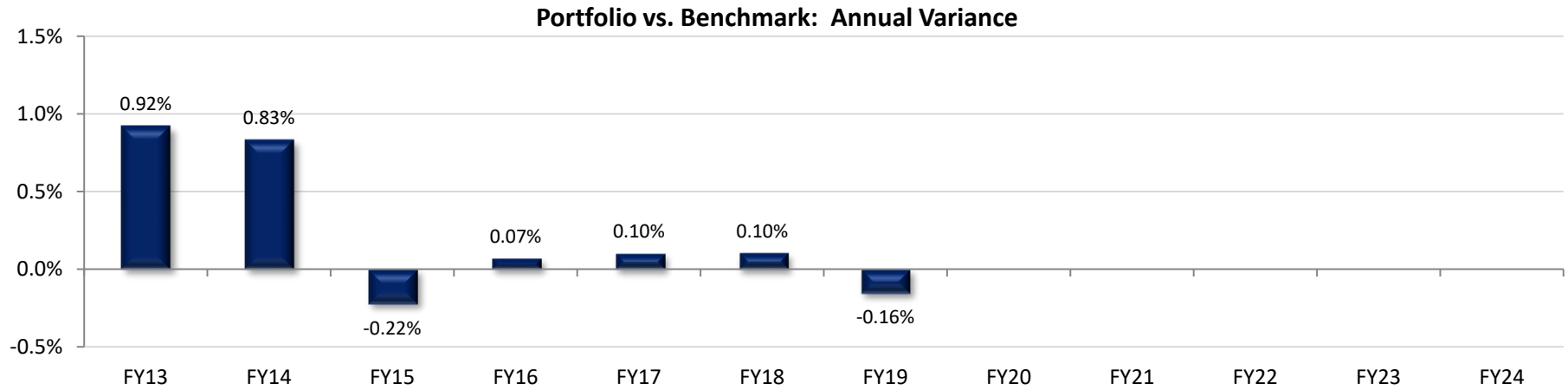
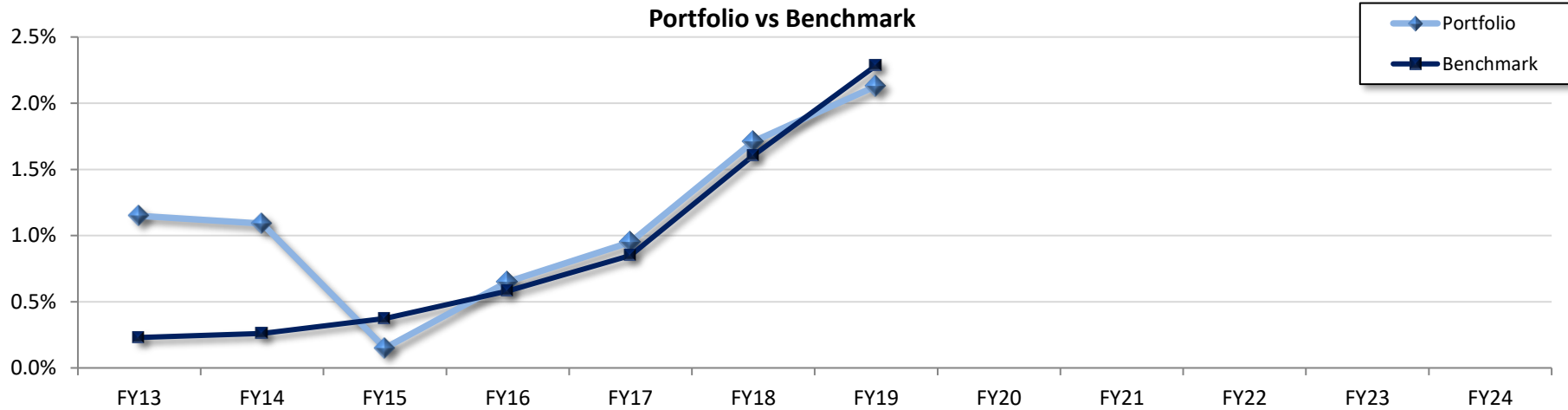
Fiscal YTD (\$000)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>FY 2013</b>	\$173.7	\$334.8	\$498.5	\$662.6	\$832.7	\$1,009.8	\$1,187.5	\$1,357.5	\$1,531.6	\$1,688.2	\$1,853.4	\$2,005.5
<b>FY 2014</b>	\$178.2	\$360.4	\$496.4	\$659.7	\$812.5	\$979.6	\$1,133.8	\$1,322.4	\$1,540.0	\$1,685.4	\$1,839.0	\$1,997.5
<b>FY 2015</b>	\$178.6	\$349.5	\$451.2	\$539.4	\$633.2	\$806.4	\$963.4	\$1,134.5	\$1,228.6	\$358.4	\$282.8	\$270.4
<b>FY 2016</b>	\$75.9	\$146.6	\$220.6	\$342.3	\$375.0	\$443.7	\$585.9	\$691.0	\$790.5	\$907.3	\$1,018.2	\$1,104.1
<b>FY 2017</b>	\$105.0	\$202.6	\$296.7	\$489.1	\$623.2	\$760.6	\$905.5	\$1,043.1	\$1,172.7	\$1,404.4	\$1,565.0	\$1,749.5
<b>FY 2018</b>	\$191.8	\$373.9	\$539.4	\$933.0	\$1,184.6	\$1,460.3	\$1,742.6	\$2,031.9	\$2,340.3	\$2,859.5	\$3,224.5	\$3,571.1
<b>FY 2019</b>	\$341.4	\$655.2	\$940.0									

**Book Rate of Return vs Benchmark**



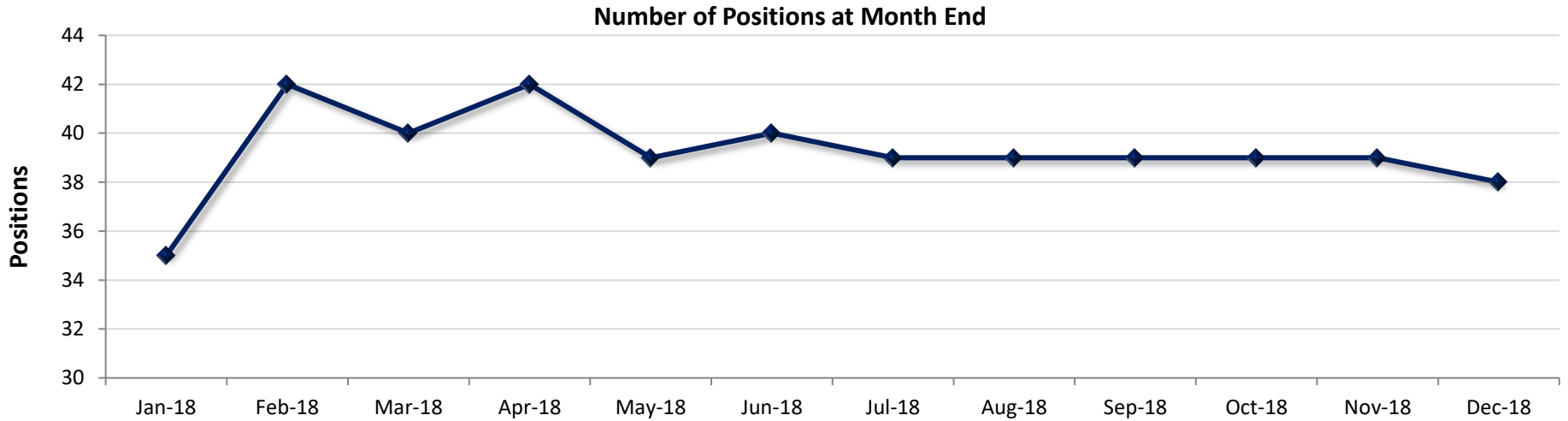
Fiscal YTD	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Book Rate of Rtn</b>	2.17%	2.15%	2.13%									
<b>Custom Benchmark*</b>	2.21%	2.25%	2.29%									
<b>Variance</b>	-0.04%	-0.10%	-0.16%									

\*Benchmark: 12 Month Moving Avg of the 0-3 Year Treasury ICE BofAML Index (G1QA)--Average Builds Over the Fiscal Year Period

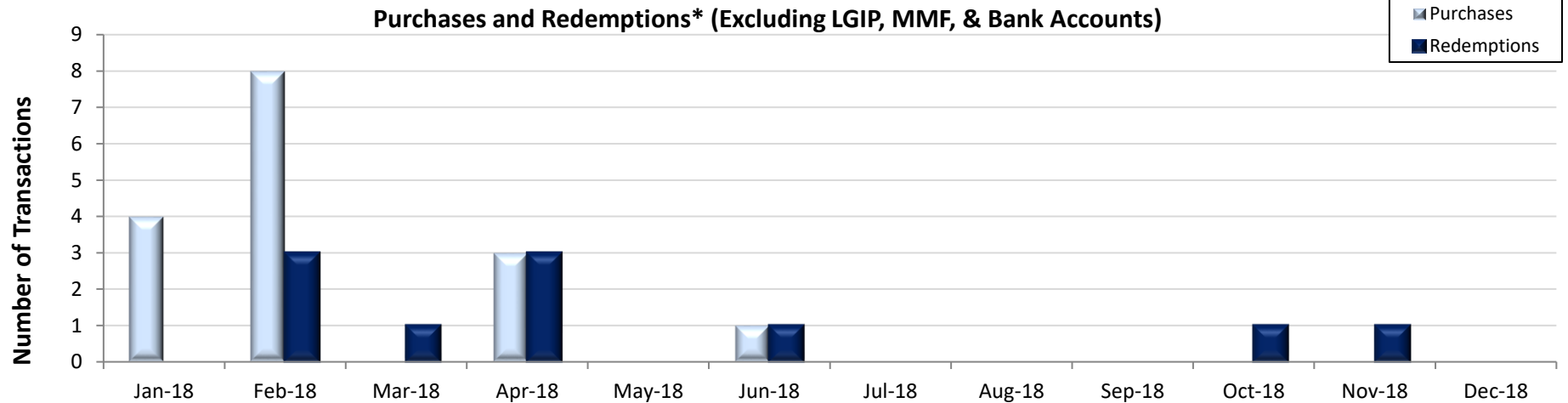


Fiscal YTD	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
<b>Portfolio</b>	1.15%	1.09%	0.15%	0.65%	0.95%	1.71%	2.13%					
<b>Benchmark*</b>	0.23%	0.26%	0.37%	0.58%	0.85%	1.61%	2.29%					
<b>Variance</b>	0.92%	0.83%	-0.22%	0.07%	0.10%	0.10%	-0.16%					

\*Benchmark: 12 Month Moving Avg of the 0-3 Year Treasury ICE BofAML Index (G1QA)--Average Builds Over the Fiscal Year Period



	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
<b>Positions</b>	35	42	40	42	39	40	39	39	39	39	39	38



\*Redemptions include maturities, calls, and sells

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
<b>Purchases</b>	4	8	0	3	0	1	0	0	0	0	0	0
<b>Redemptions</b>	0	3	1	3	0	1	0	0	0	1	1	0
<b>Total Transactions</b>	4	11	1	6	0	2	0	0	0	1	1	0



# Quarterly Economic and Market Update

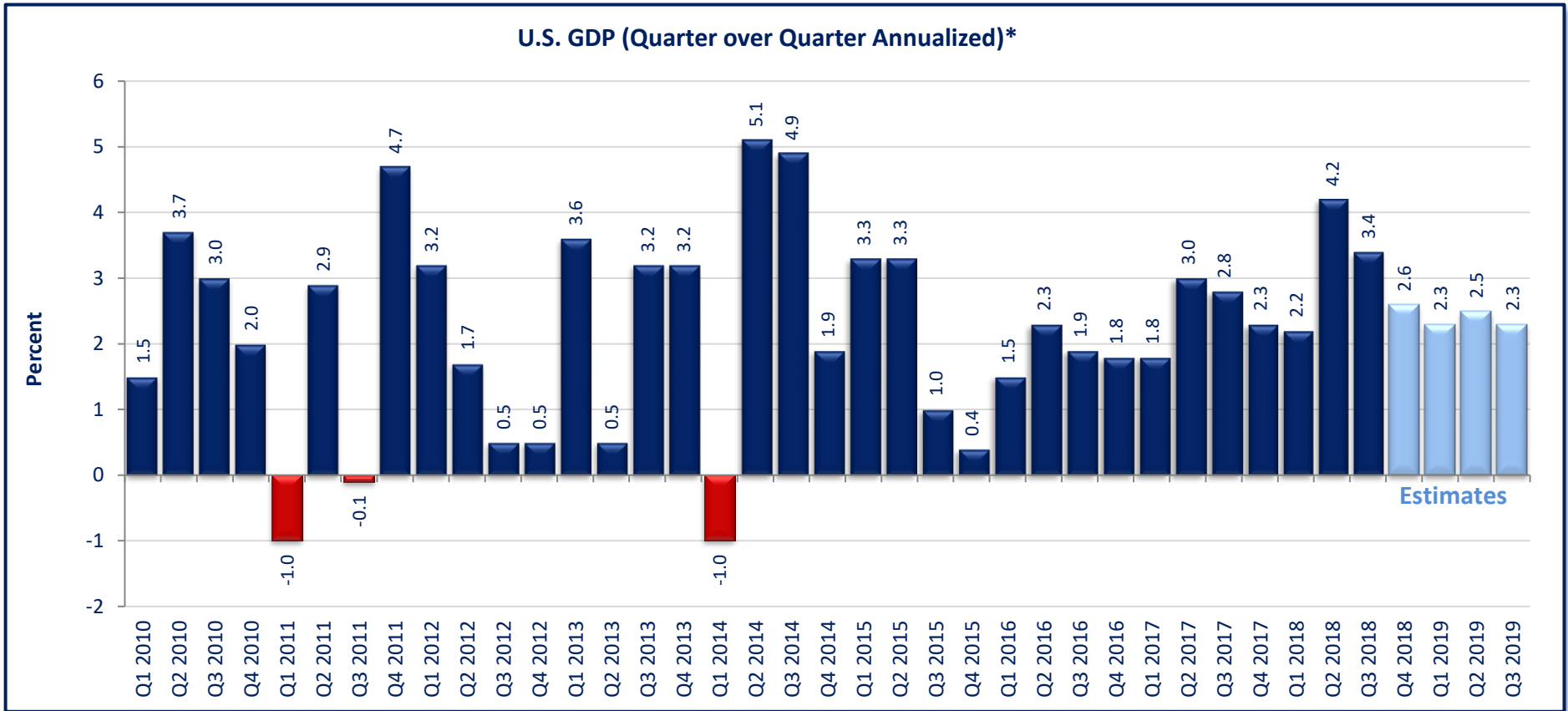
## December 2018



Item	12/31/18	9/30/18	Change
U.S. Payrolls Monthly Change	312,000	119,000	193,000
Unemployment Rate	3.9%	3.7%	0.2%
Labor Force Participation	63.1%	62.7%	0.4%
Effective Fed Funds Rate	2.40%	2.18%	0.22%
3 Month T-Bill	2.36%	2.20%	0.16%
2 Year T-Note	2.49%	2.82%	-0.33%
3 Year T-Note	2.46%	2.88%	-0.43%
5 Year T-Note	2.51%	2.95%	-0.44%
10 Year T-Note	2.69%	3.06%	-0.38%
U.S. Fed Debt Avg Yield*	2.42%	2.37%	0.05%
30 Year Mortgage Rate	4.51%	4.57%	-0.06%
1-5 Yr Agency Spread	0.05%	0.06%	-0.01%
1-5 Yr A-AAA Corporate Spread	0.75%	0.45%	0.30%
Dow Jones	23,327	26,458	-11.8%
S&P 500	2,507	2,914	-14.0%
Consumer Price Index YOY*	2.1%	2.3%	-0.2%
U.S. Avg Regular Unleaded	\$2.26	\$2.88	-\$0.62
Retail Sales YOY*	4.2%	4.0%	0.2%
Case-Shiller Home Prices YOY*	5.0%	5.6%	-0.5%
Gold (per ounce)	\$1,282.49	\$1,190.88	\$91.61
Dollar Index	96.17	95.13	1.04
Consumer Confidence	1.28	135.30	-134.02

\*Estimates for the current quarter/month, some data are lagged

Sources: FTN Main Street and Bloomberg

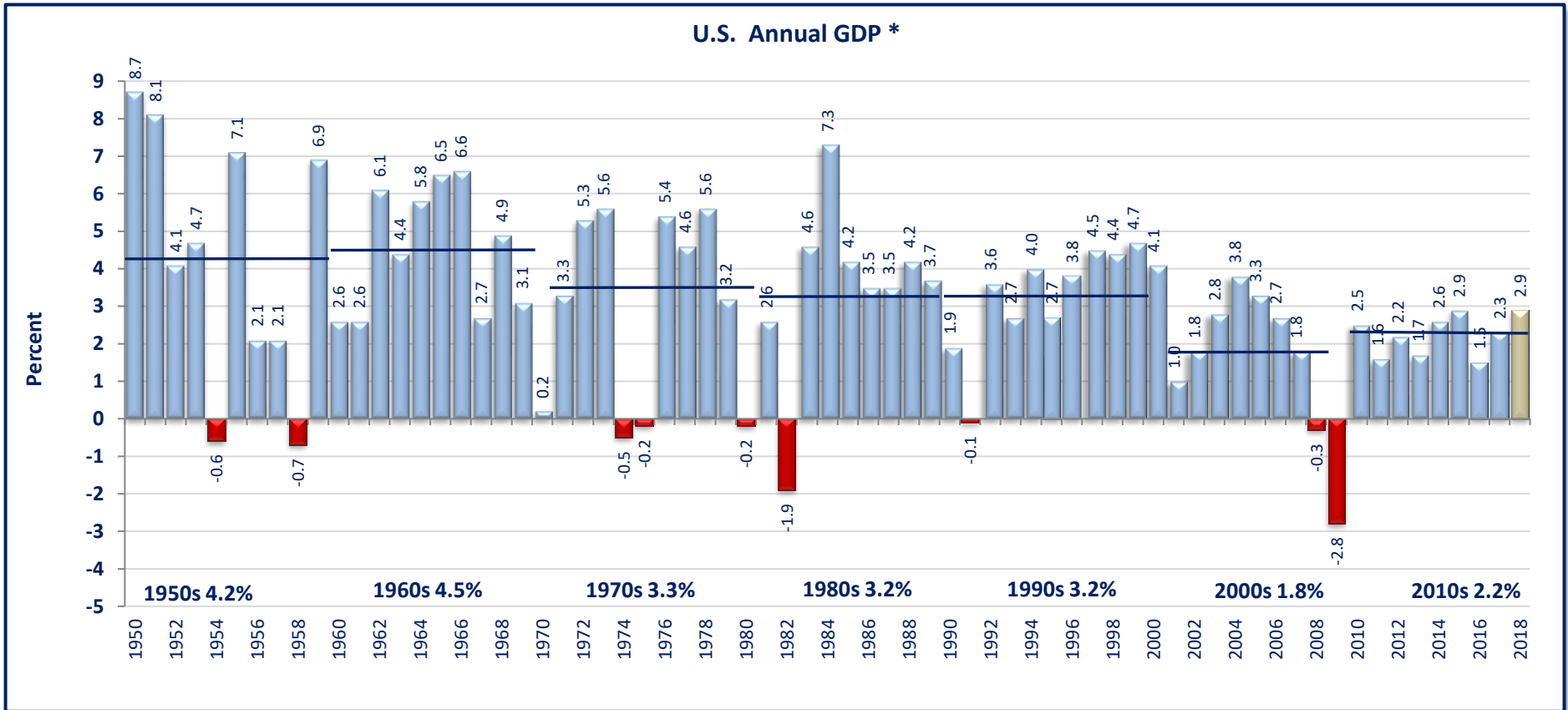


\* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 12/31/18

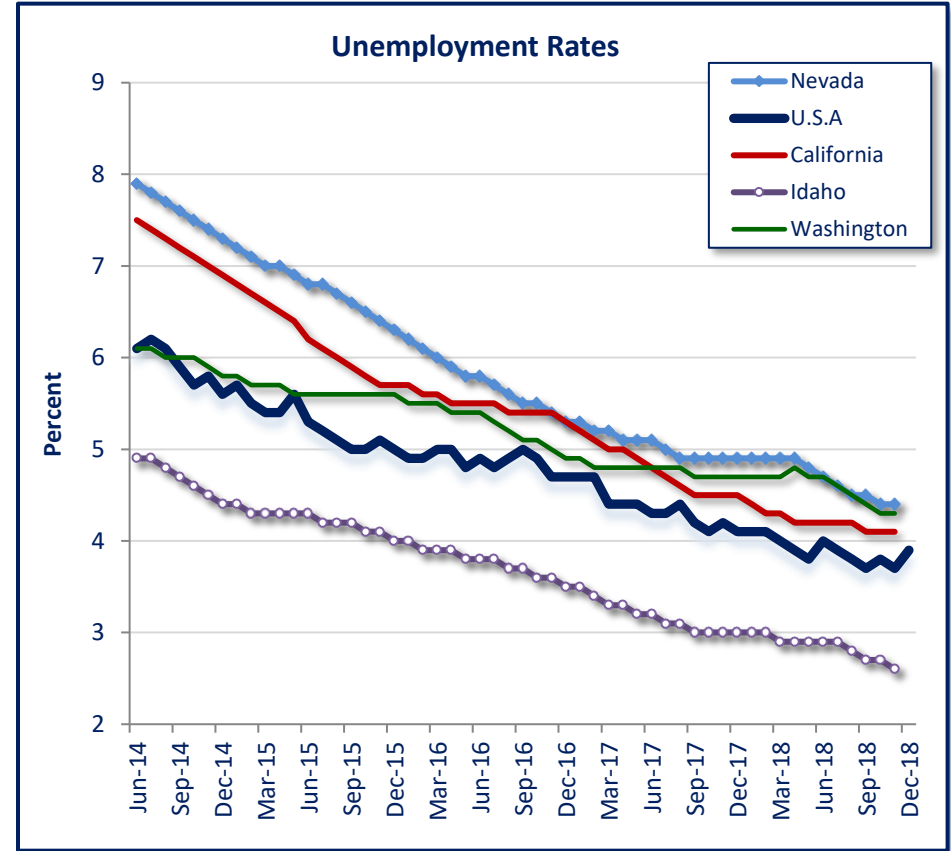
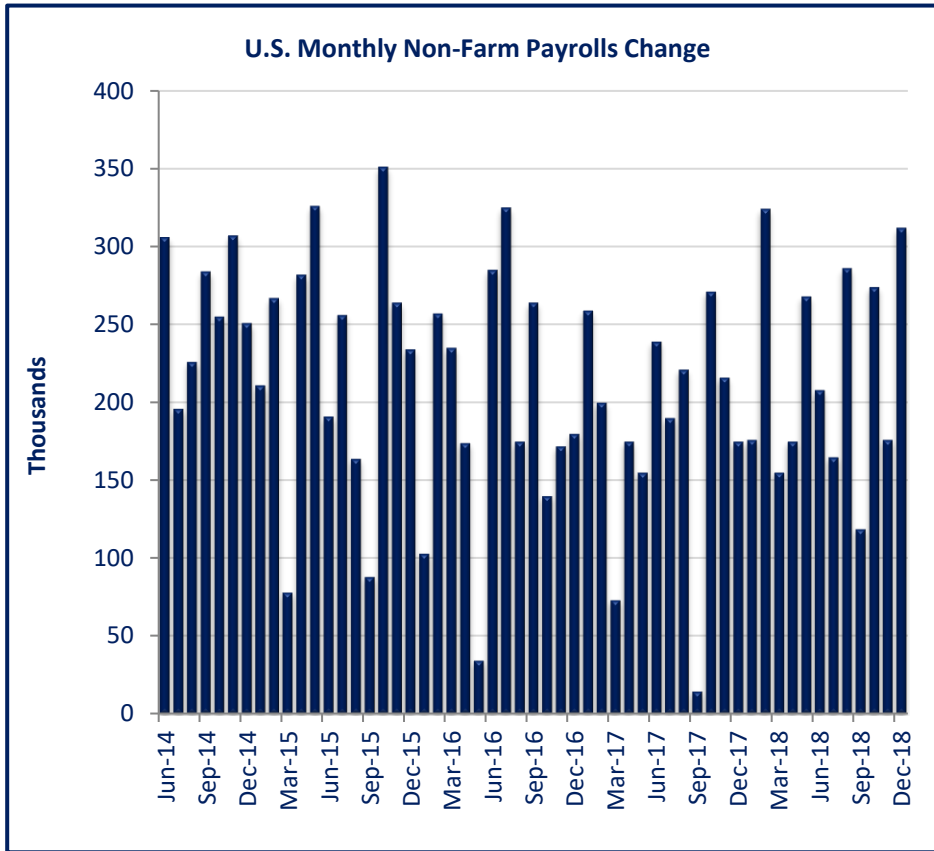


\* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

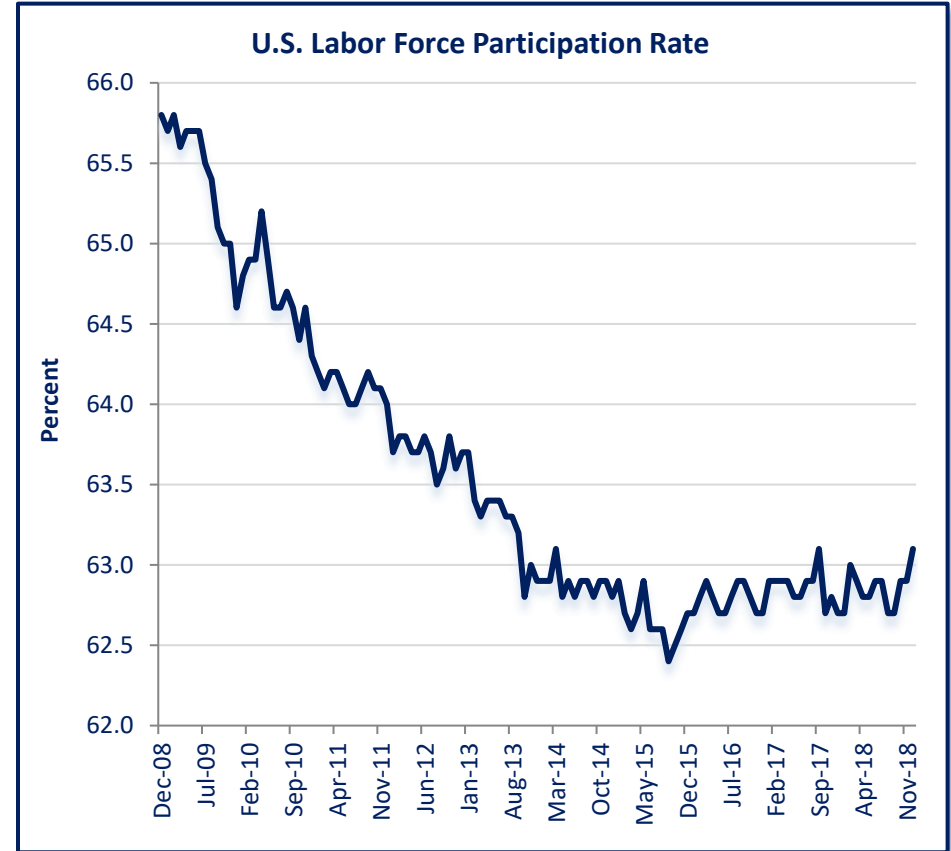
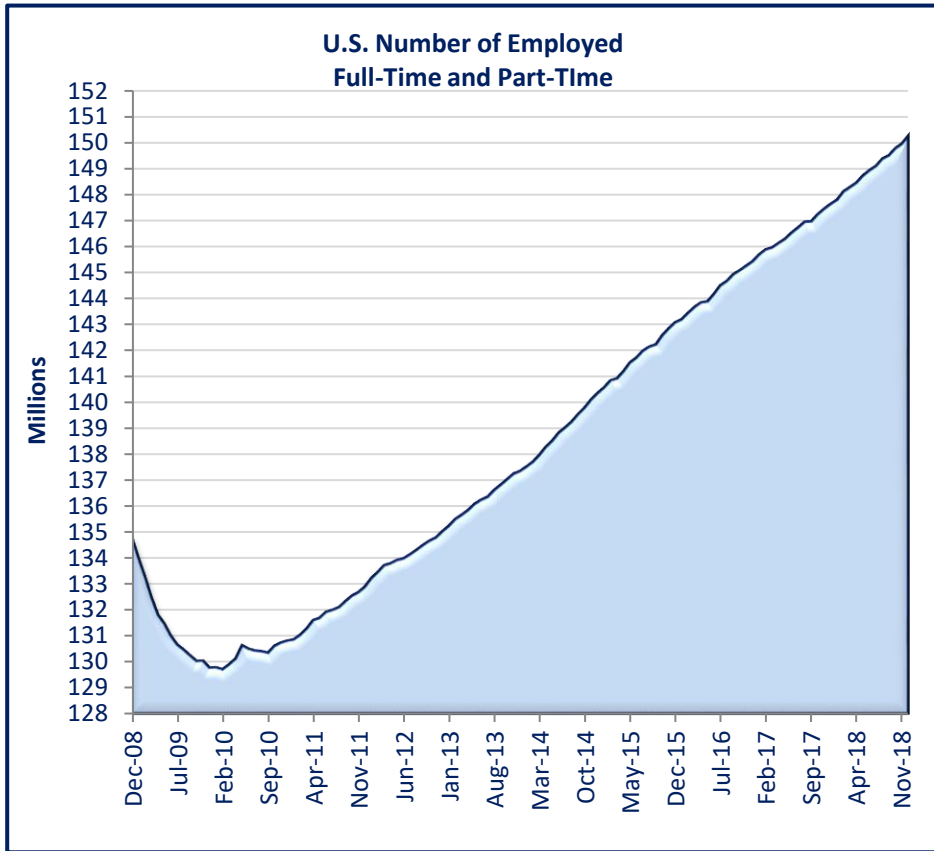
Estimate: Bloomberg's Survey of Economists

As of: 12/31/18

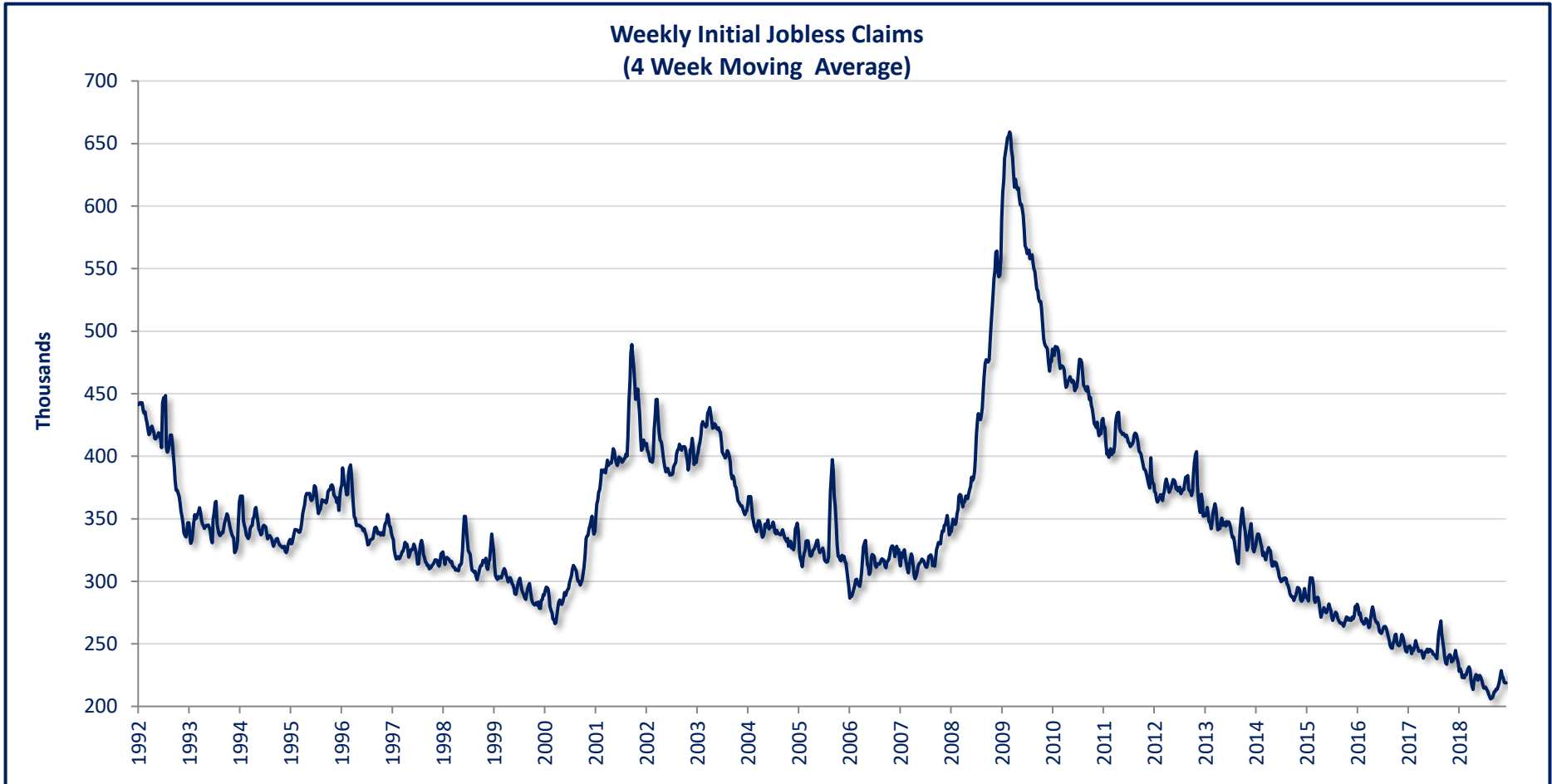


**12 Month Average Job Change** **219,833**

Source: Bureau of Labor Statistics

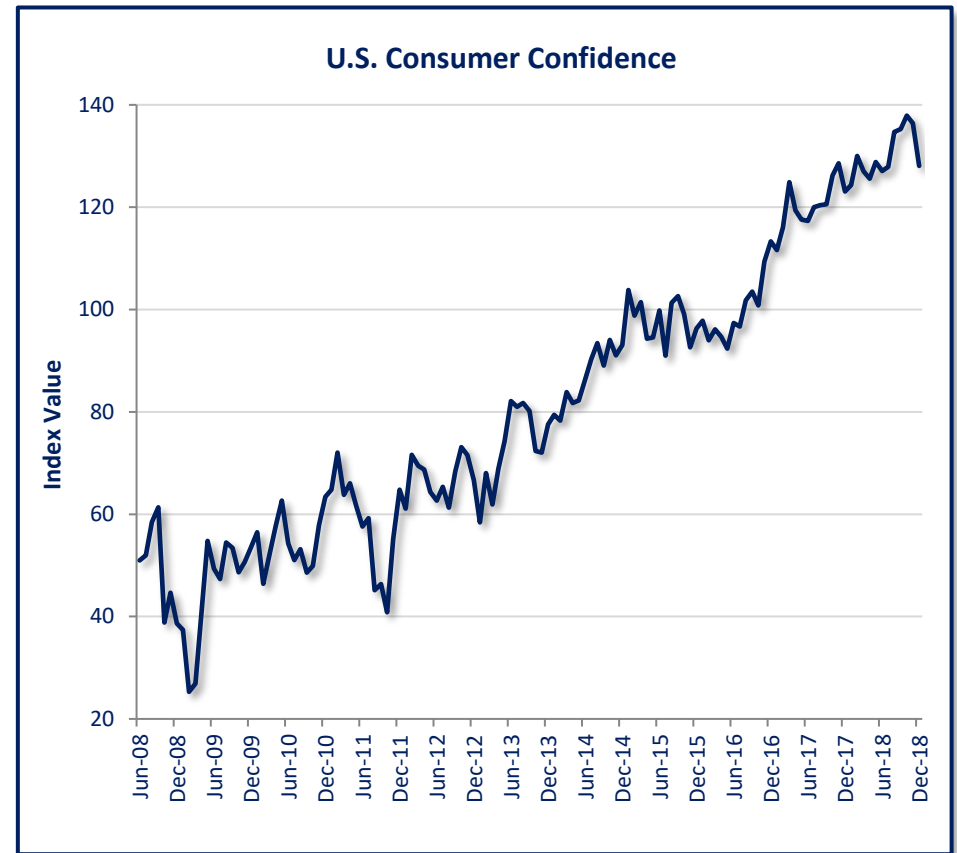
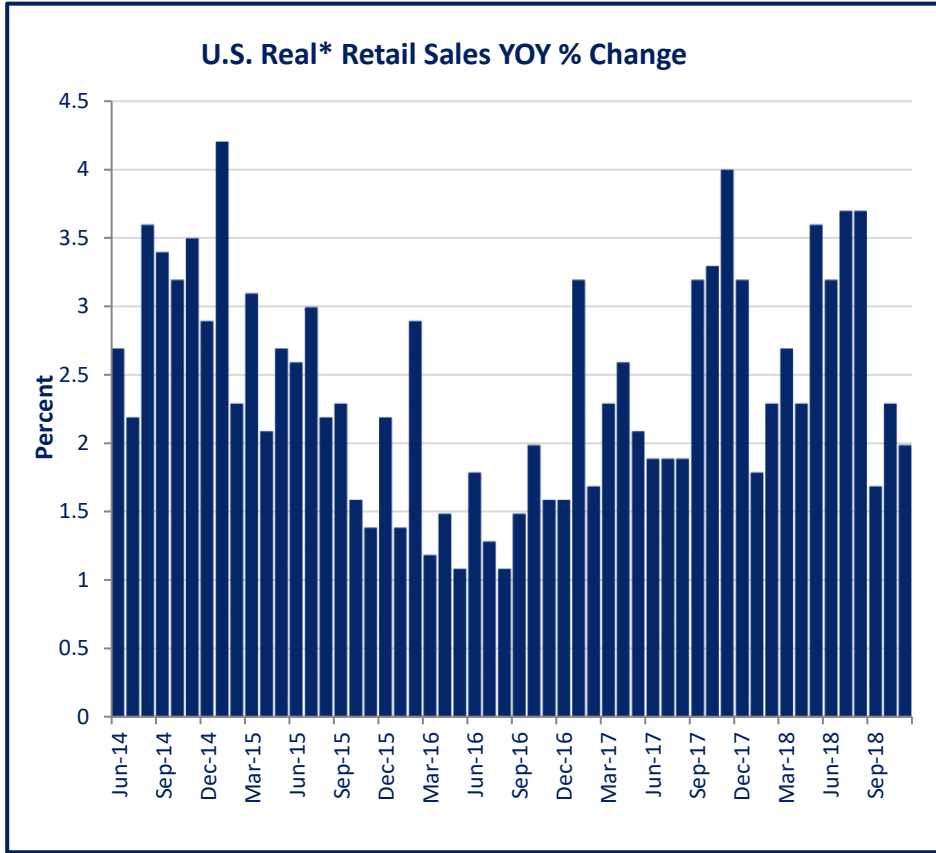


Source: Bureau of Labor Statistics



Weekly Initial Jobless Claims is the actual number of people who have filed for Unemployment benefits for the first time. The following five eligibility criteria must be met in order to file for unemployment benefits: 1. Meet the requirements of time worked during a 1 year period (full time or not). 2. Become unemployed through no fault of your own (cannot be fired). 3. Must be able to work; no physical or mental holdbacks. 4. Must be available for work. 5. Must be actively seeking work.

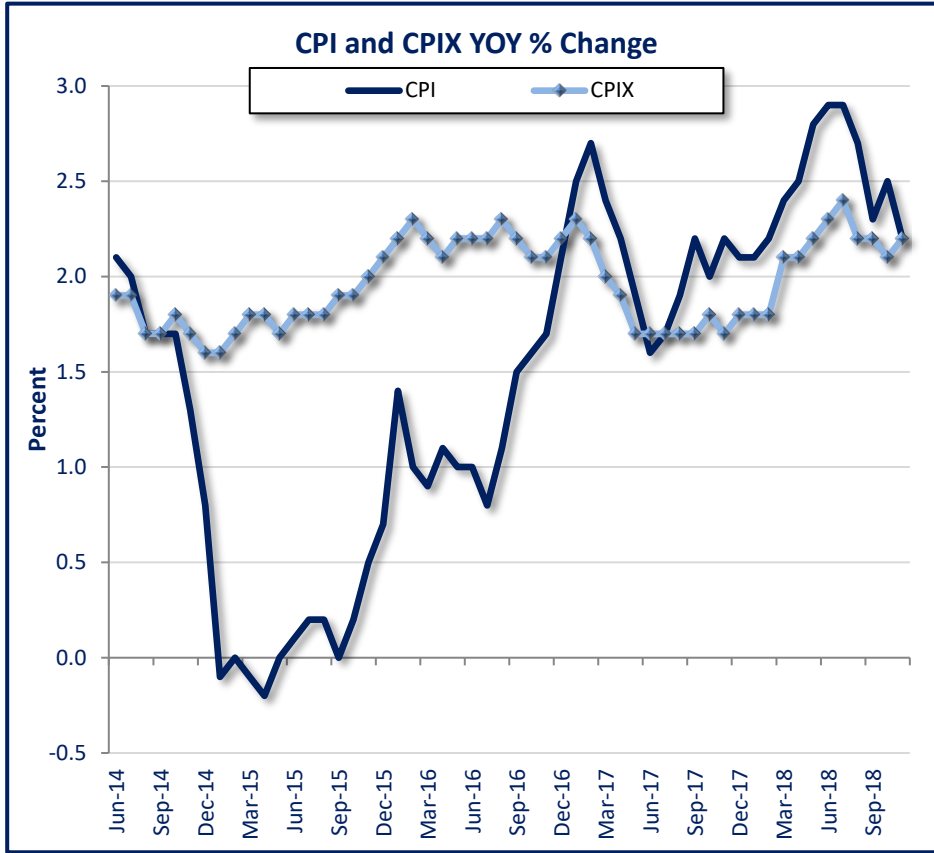
Source: Department of Labor and Bloomberg



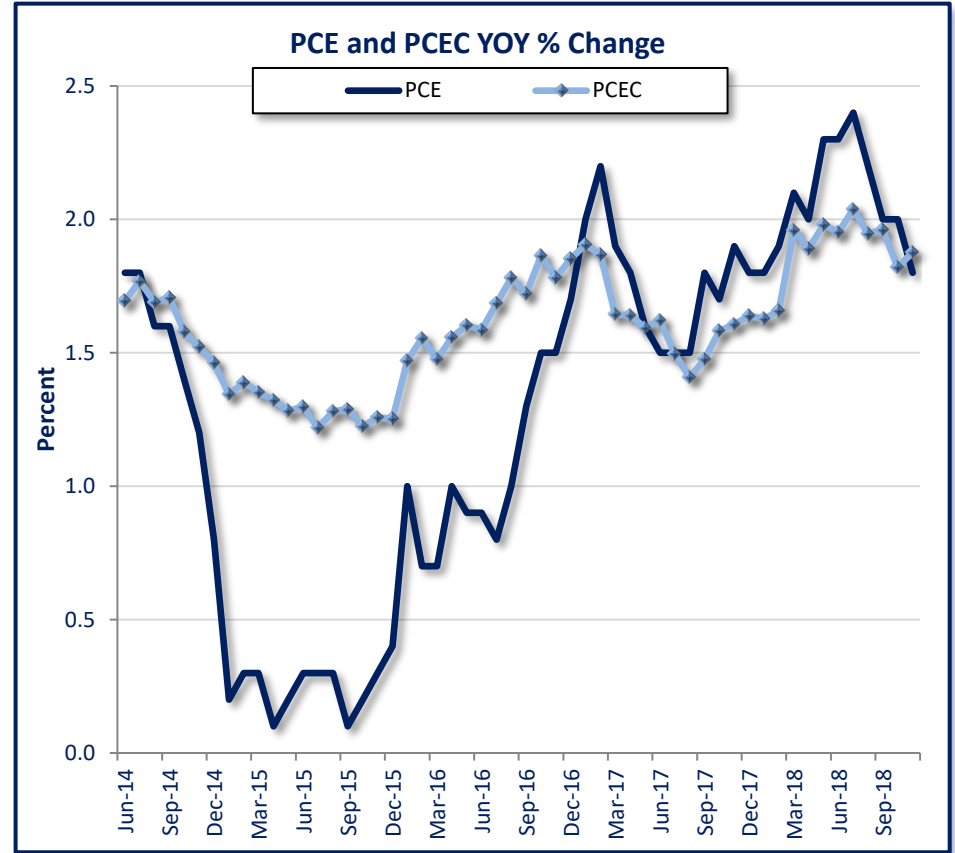
\*Real: Inflation Adjusted

Source: U.S. Census Bureau

Source: Conference Board



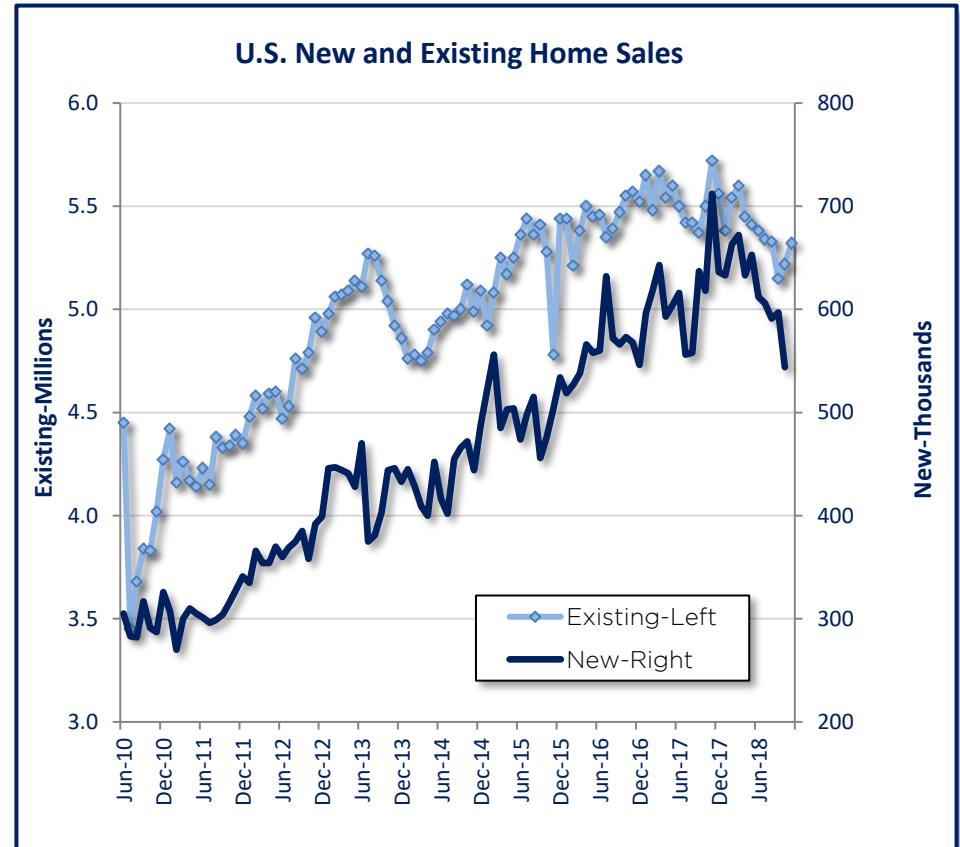
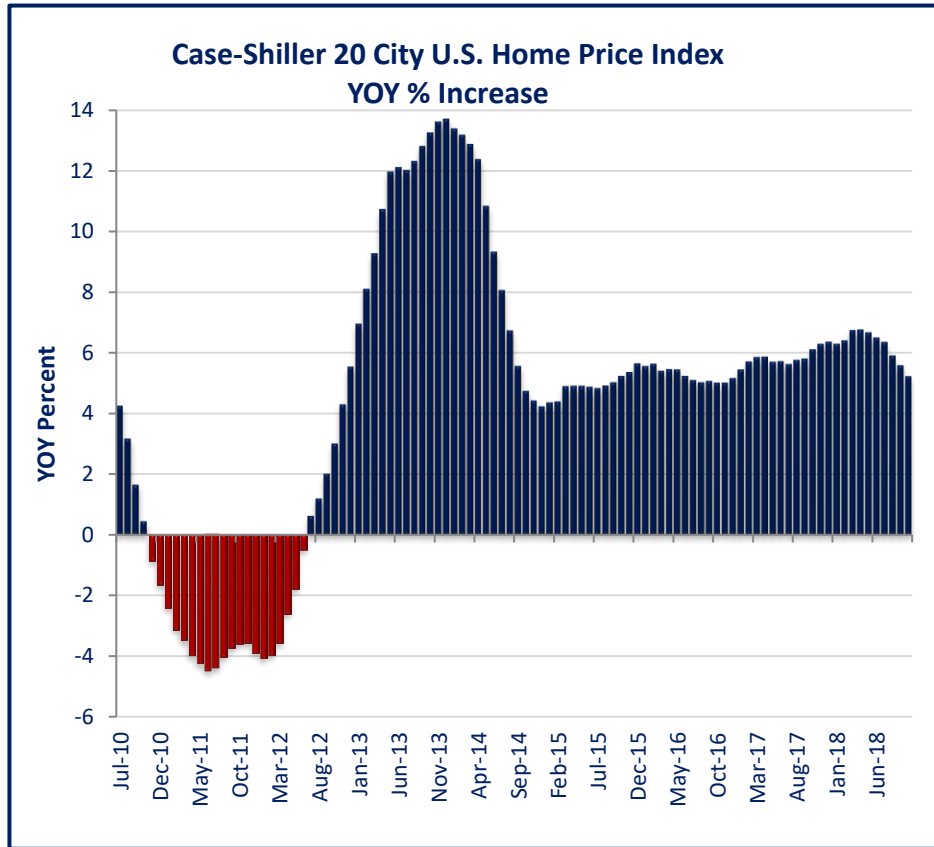
CPIX: Consumer Price Index, excluding food and energy



PCEC: Personal Consumption Expenditure Core

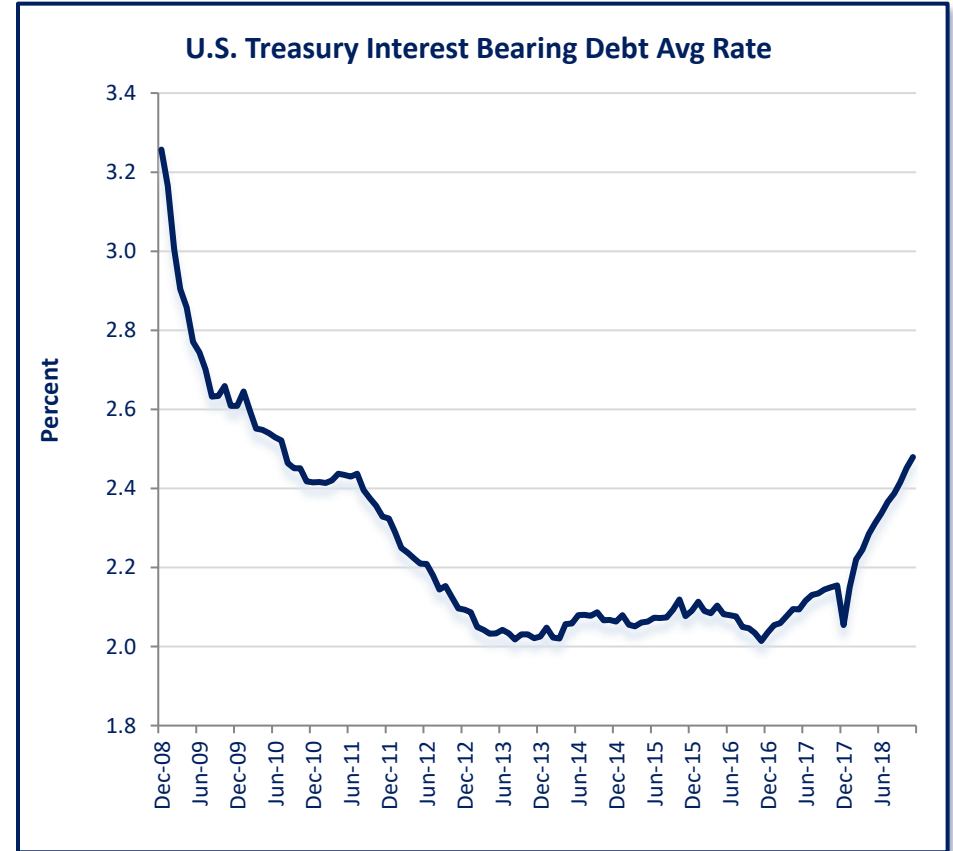
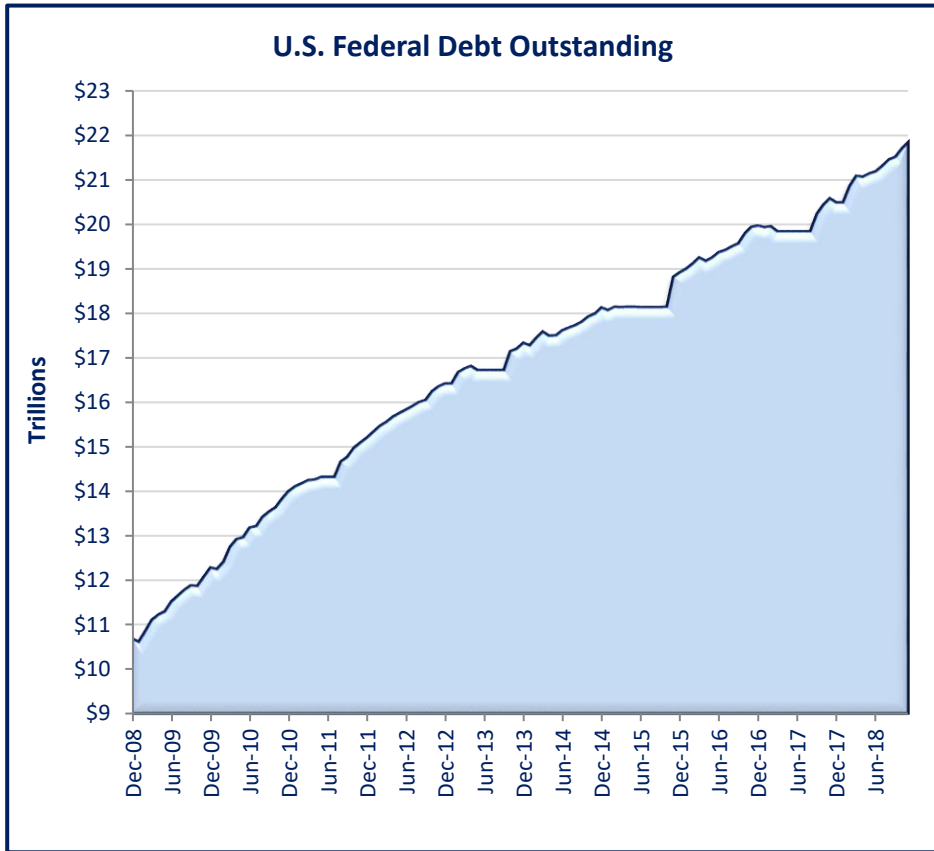
Source: Bureau of Labor Statistics and Bureau of Economic Analysis



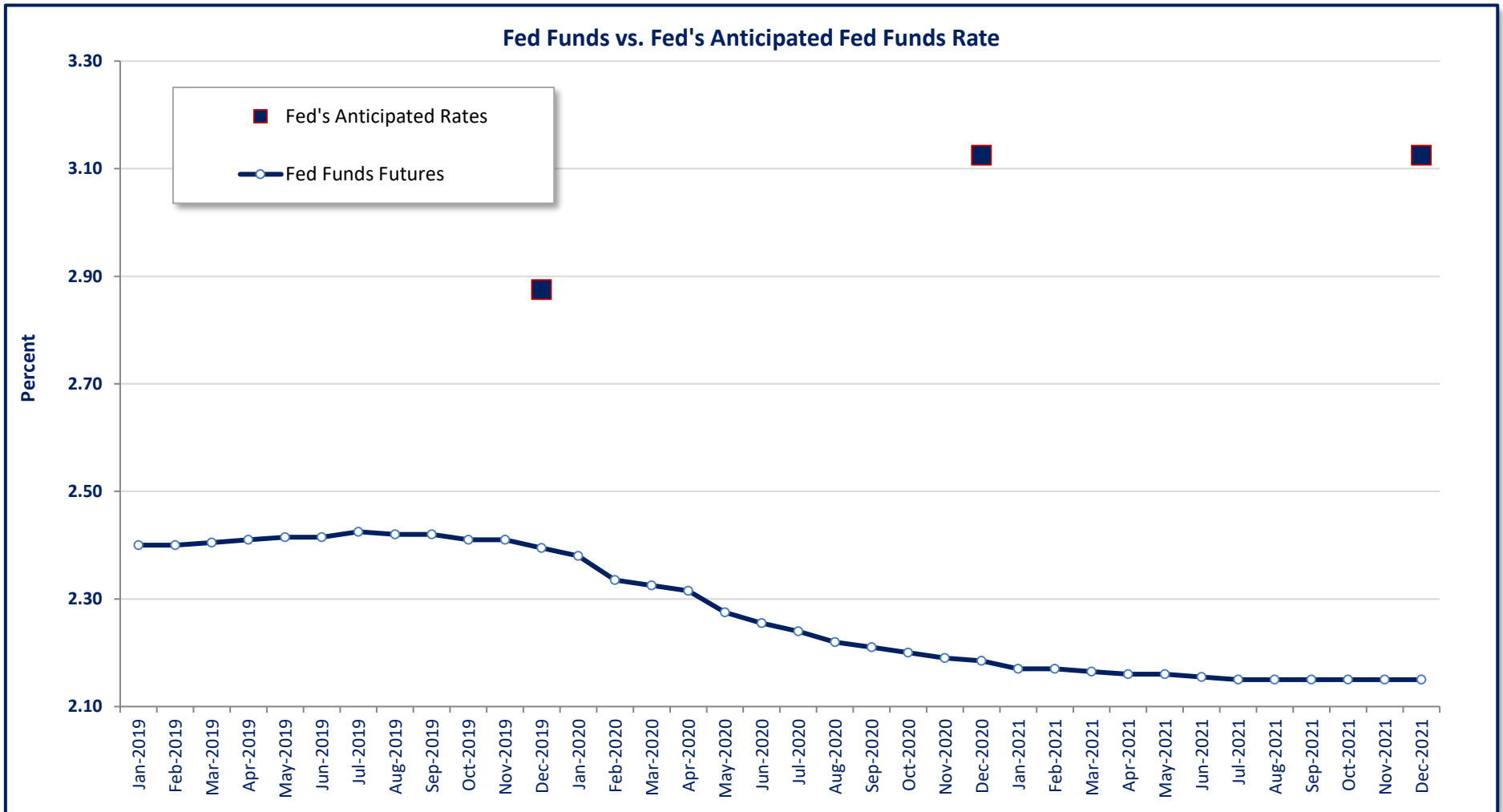


Source: Case-Shiller

Sources: New (U.S. Census Bureau), Existing (National Assoc. of Realtors)  
 Seasonally Adjusted Annual Rate

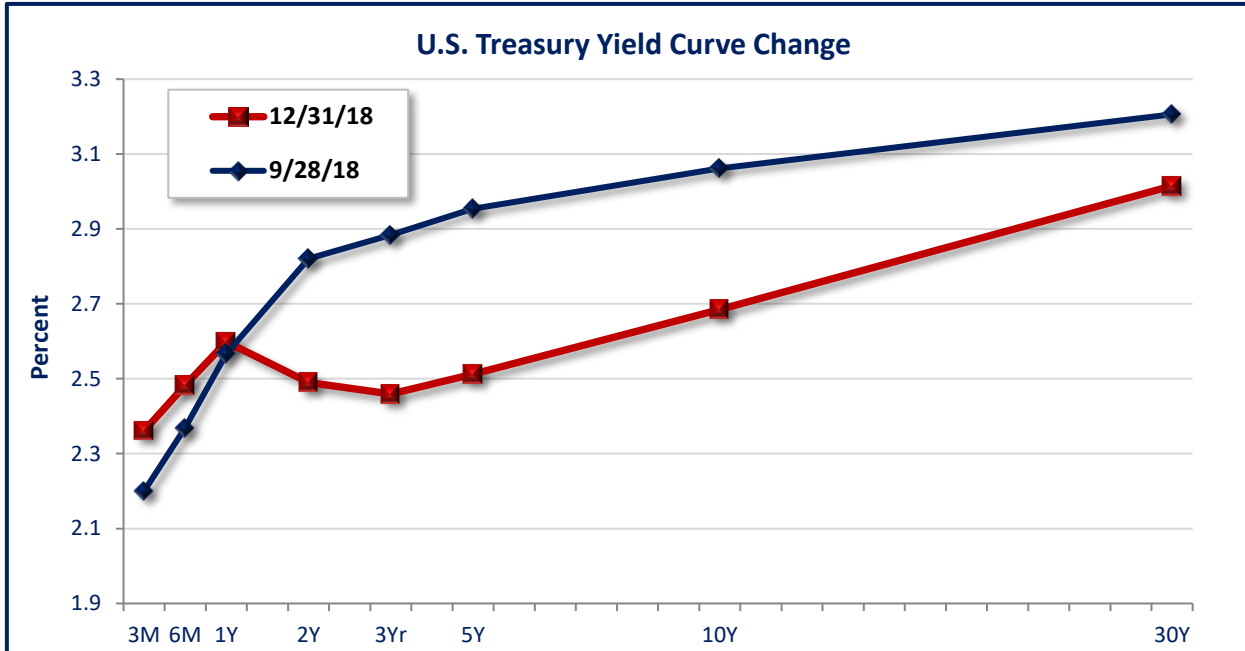


Source: U.S. Treasury

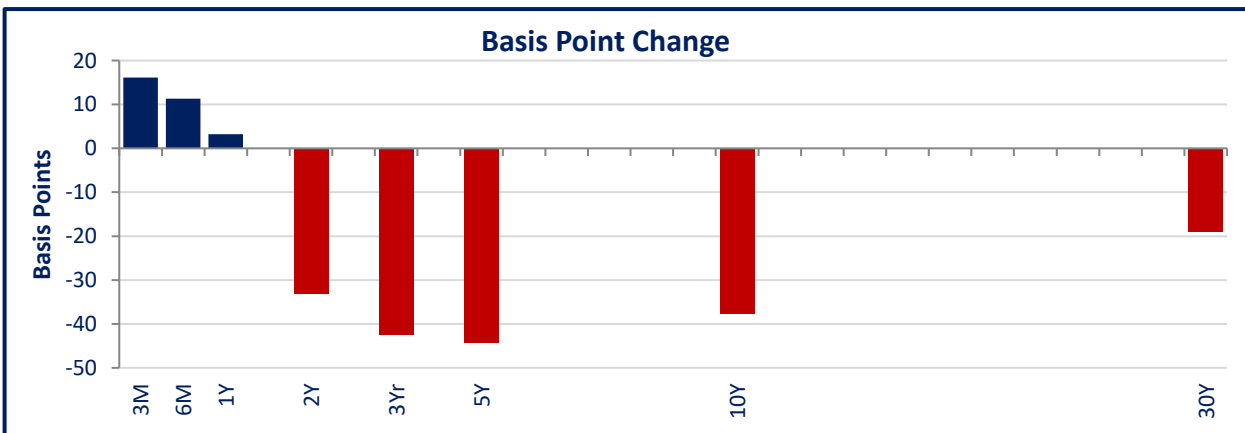


Fed Funds Anticipated Rate from the December 19, 2018 FOMC Meeting

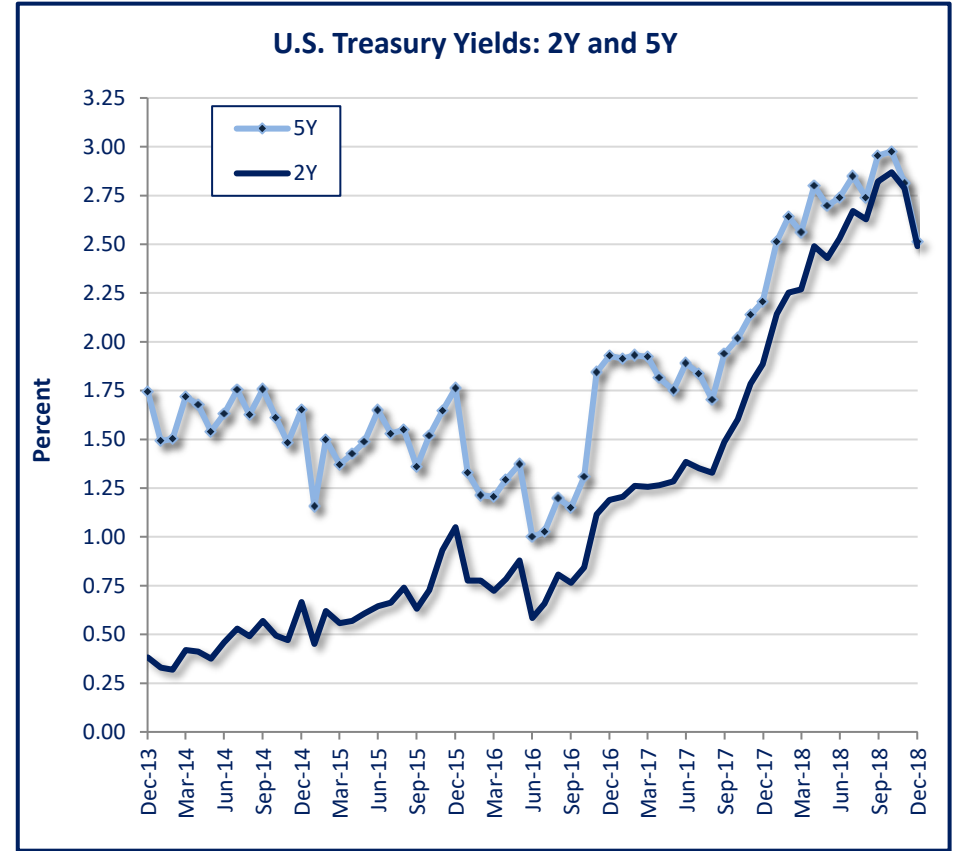
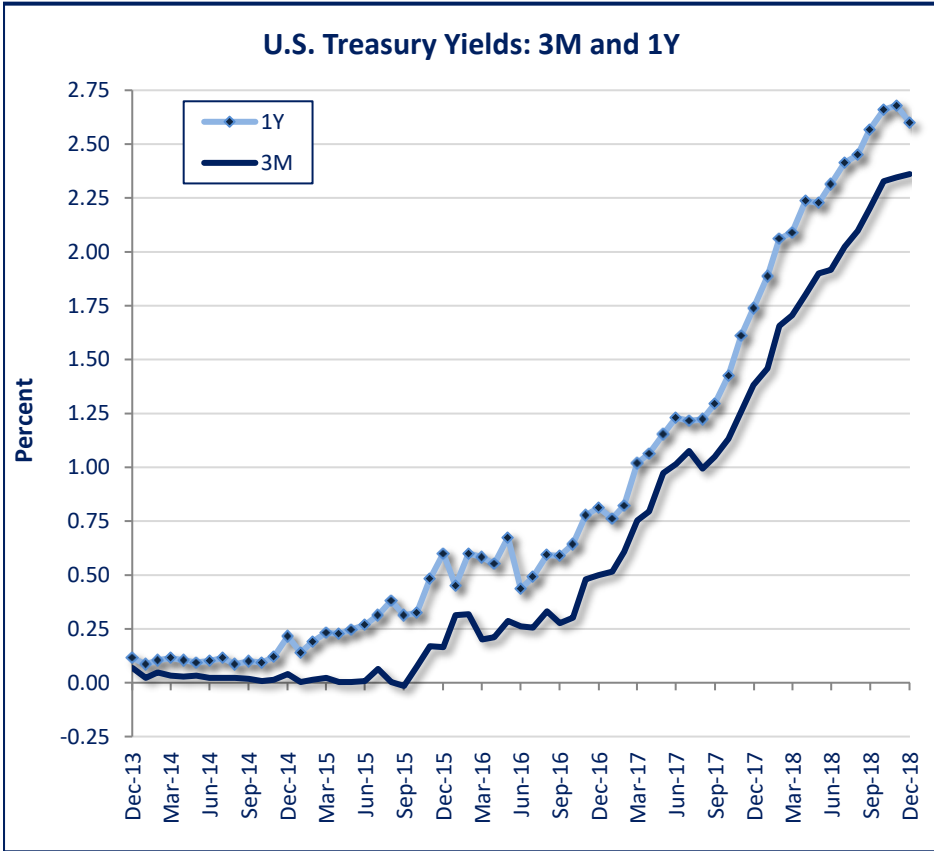
Source: Bloomberg



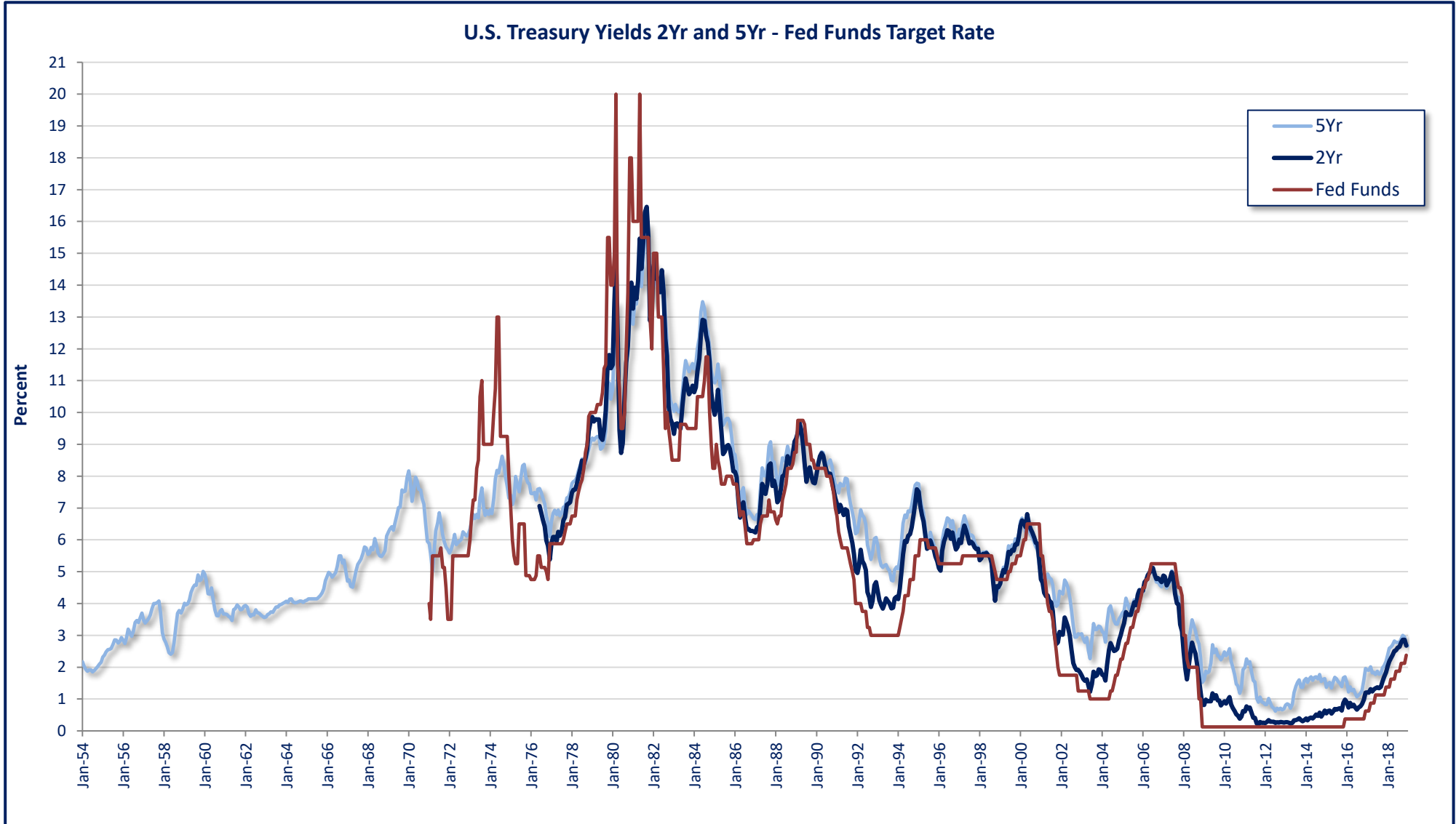
Maturity	9/28/18	12/31/18	Change
3M	2.20	2.36	0.16
6M	2.37	2.48	0.11
1Y	2.57	2.60	0.03
2Y	2.82	2.49	-0.33
3Y	2.88	2.46	-0.43
5Y	2.95	2.51	-0.44
10Y	3.06	2.69	-0.38
30Y	3.21	3.02	-0.19



Source: Bloomberg  
 Figures may not total due to rounding



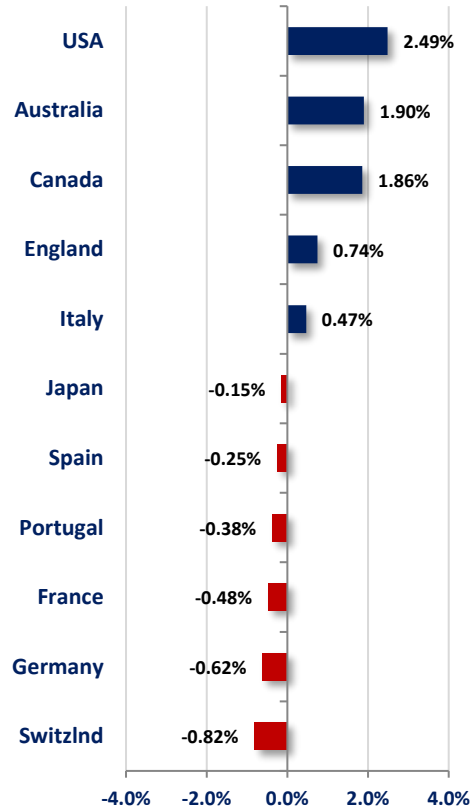
Source: Bloomberg



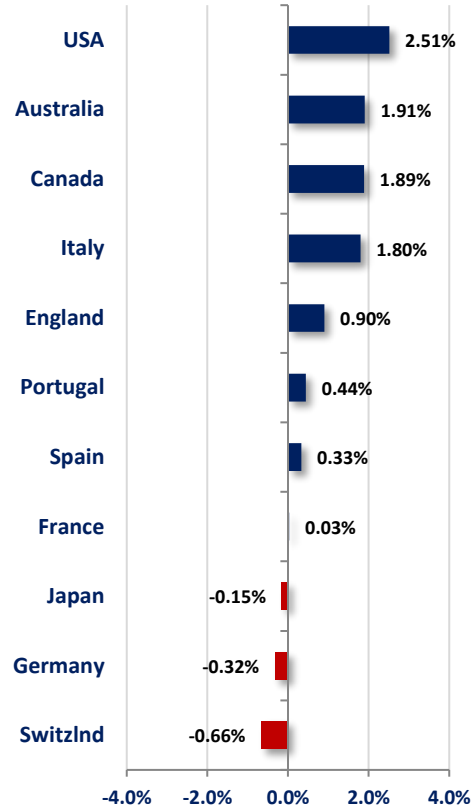
Source: Bloomberg

**Global Treasury Rates**

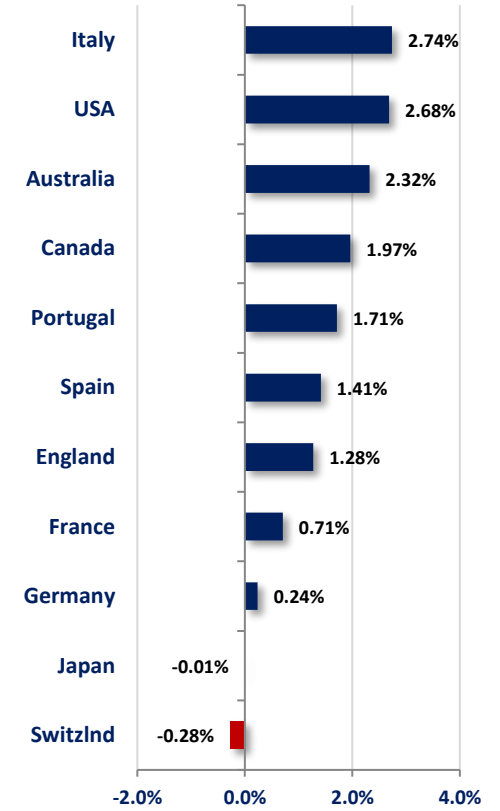
**2 Year Yields**



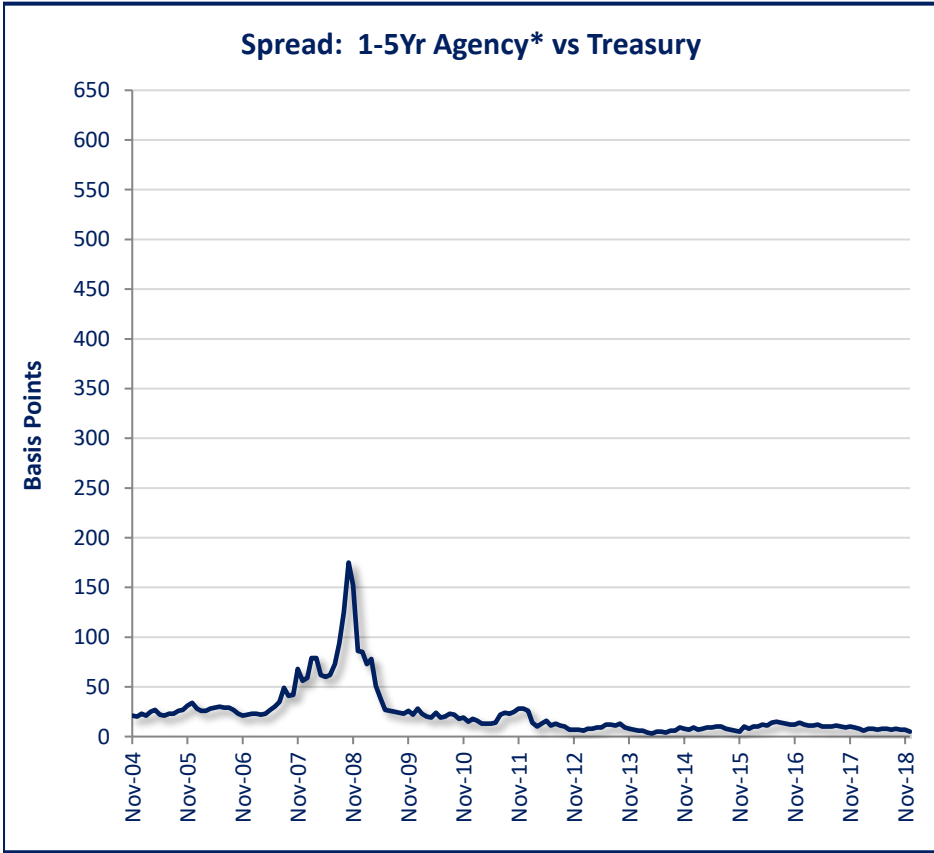
**5 Year Yields**



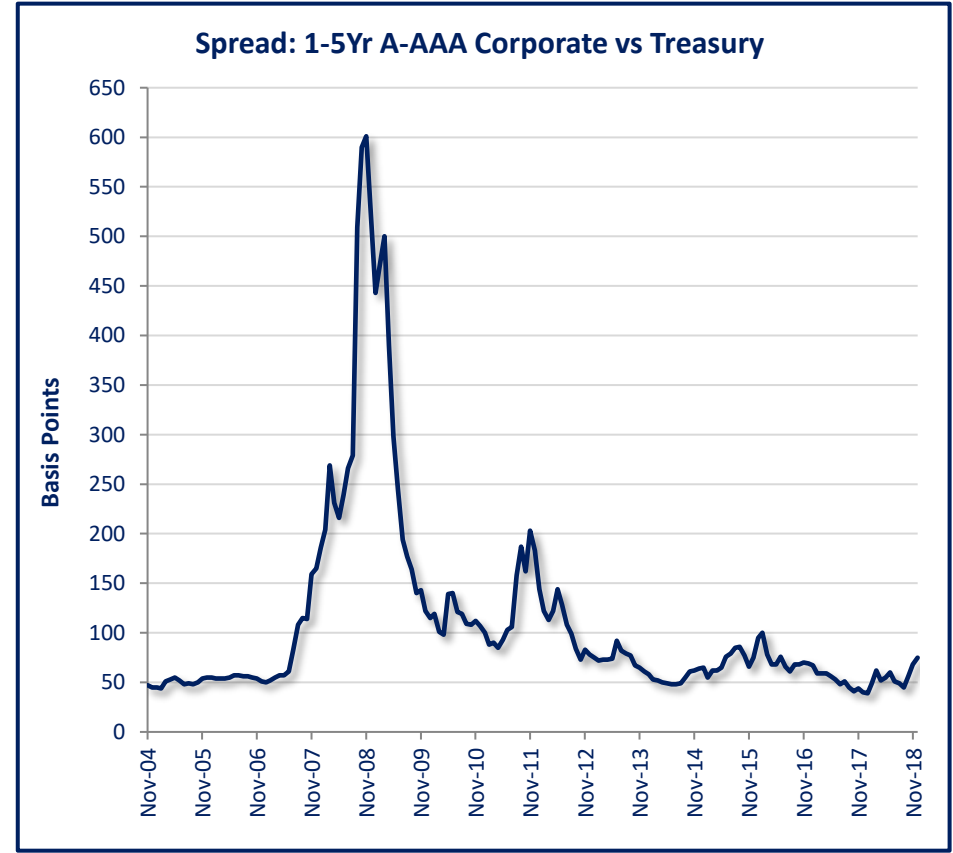
**10 Year Yields**



Source: Bloomberg



Current Spread is 5



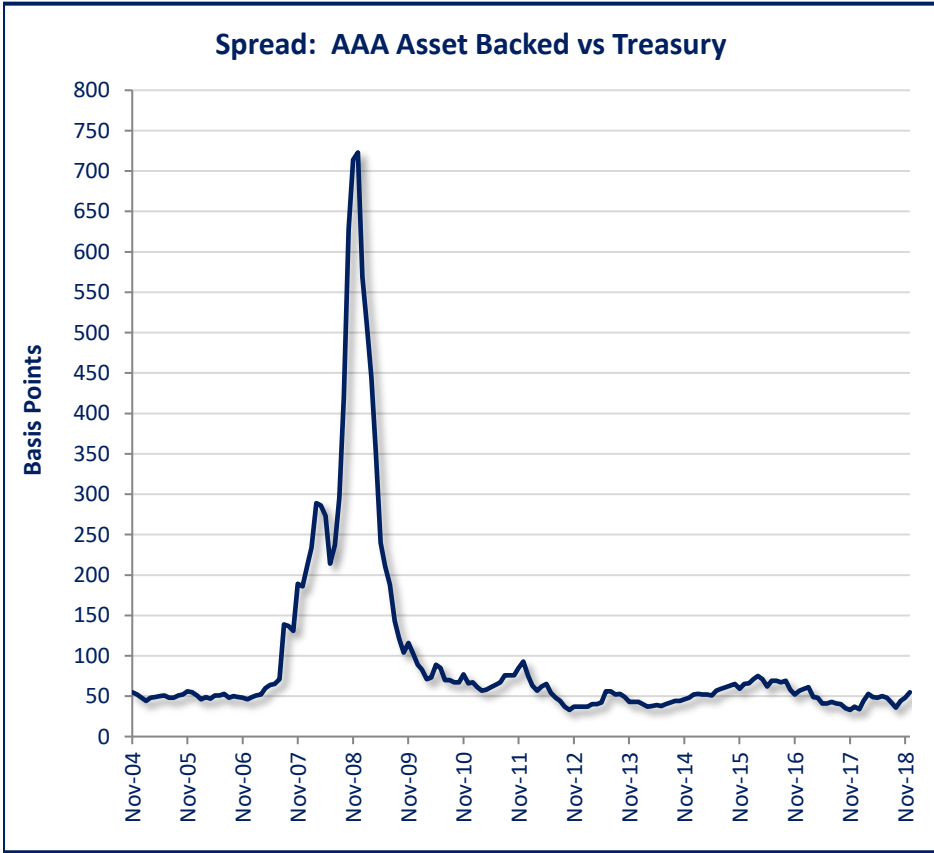
Current Spread is 75

\*ICE BofAML Index (option adjusted spread vs. Treasury)  
 Agency (GVPO)

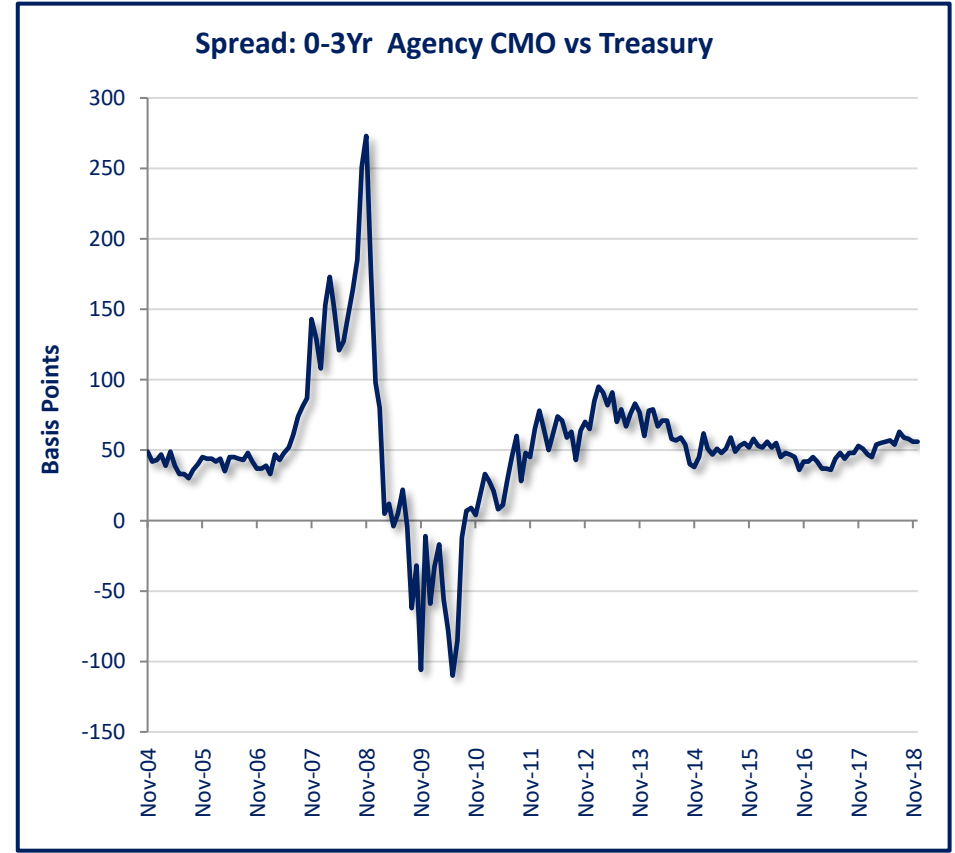
\*ICE BofAML Index (option adjusted spread vs. Treasury)  
 Corporate A-AAA Excluding Yankee (CVAC)

Source: ICE BofAML Indices





Current Spread is 55

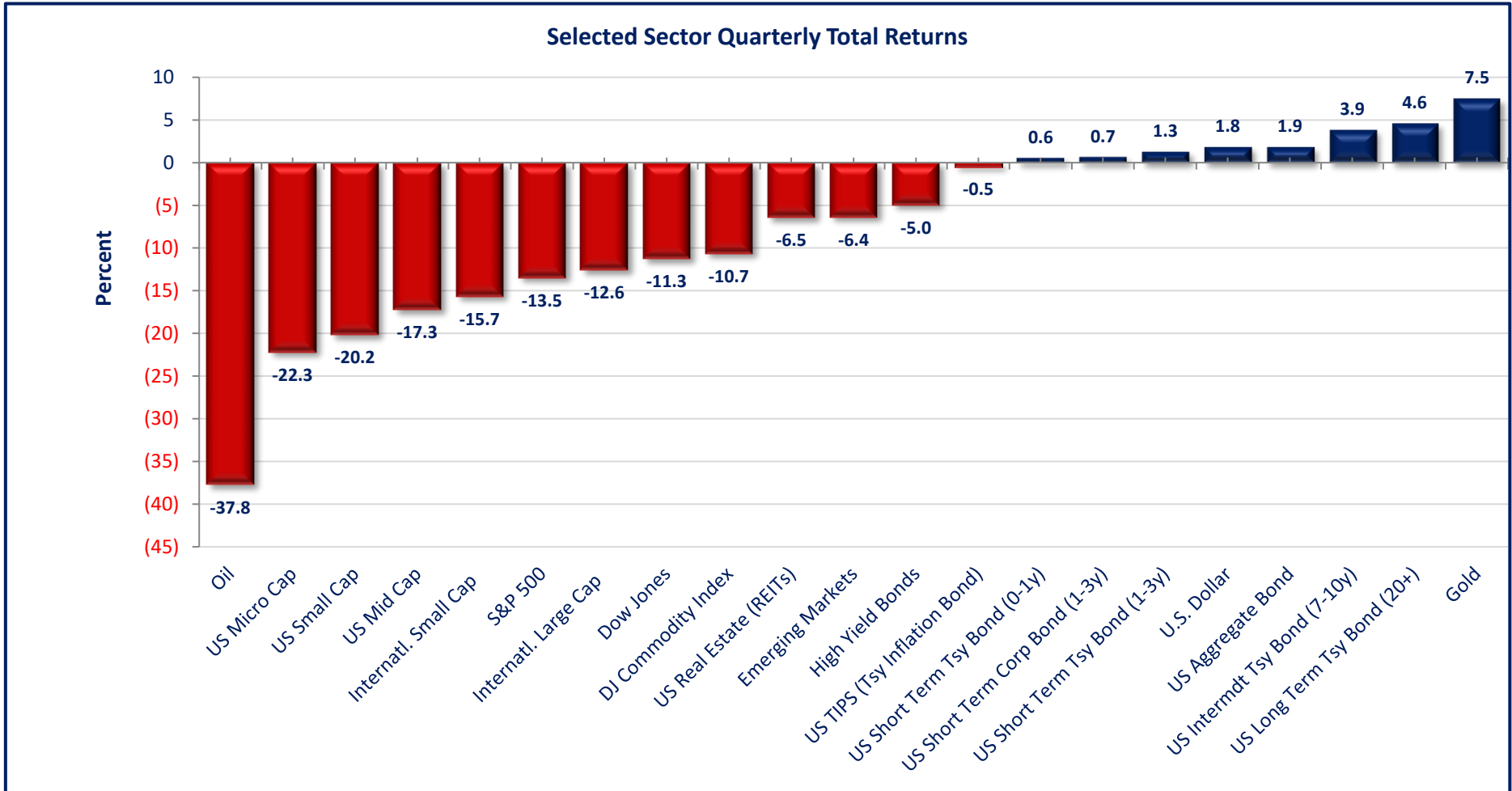


Current Spread is 56

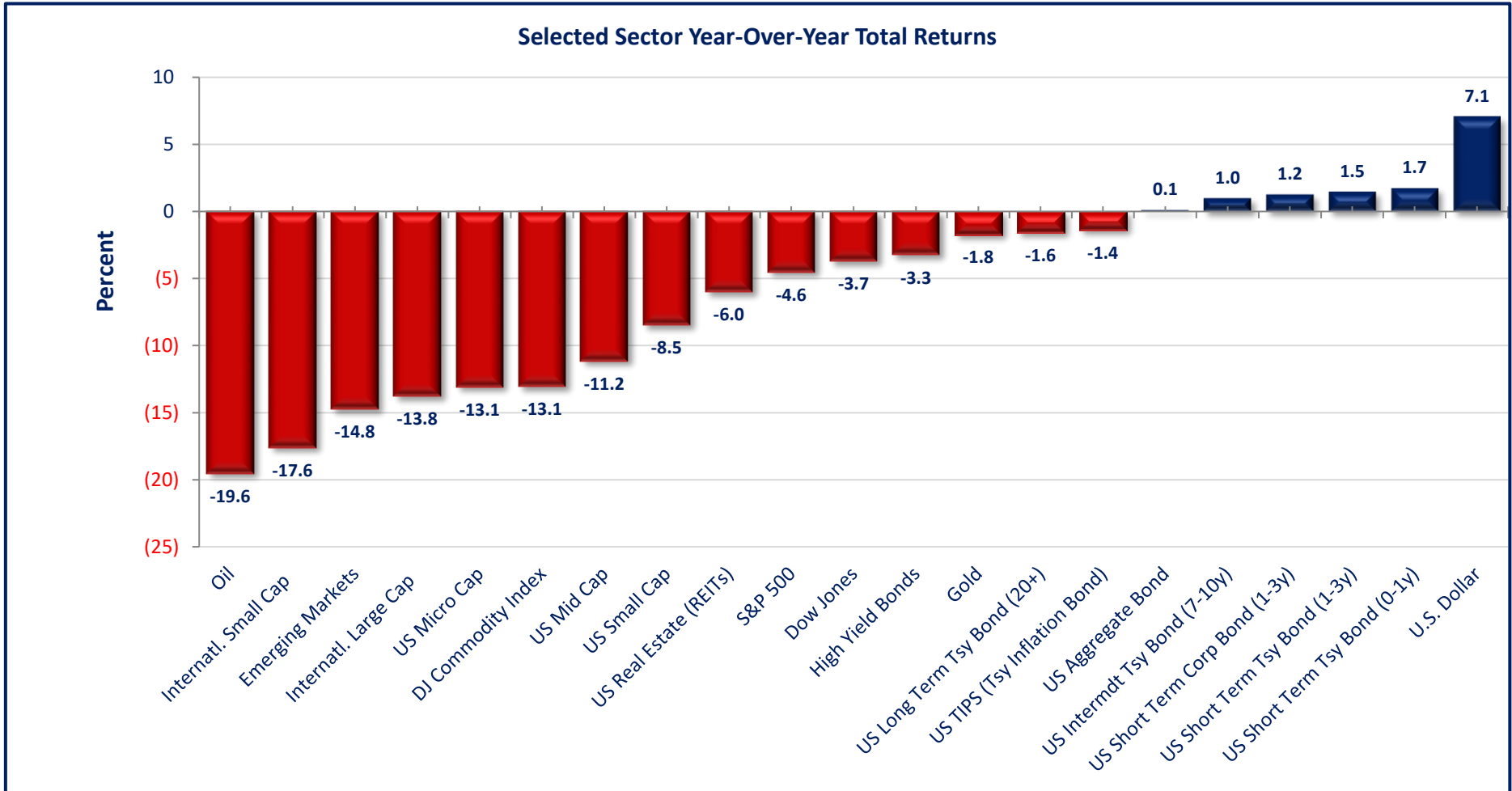
\*ICE BofAML Index (option adjusted spread vs. Treasury)  
 AAA Rated ABS (ROA1)

\*ICE BofAML Index (option adjusted spread vs. Treasury)  
 CMO Agency 0-3Yr PAC (CM1P)

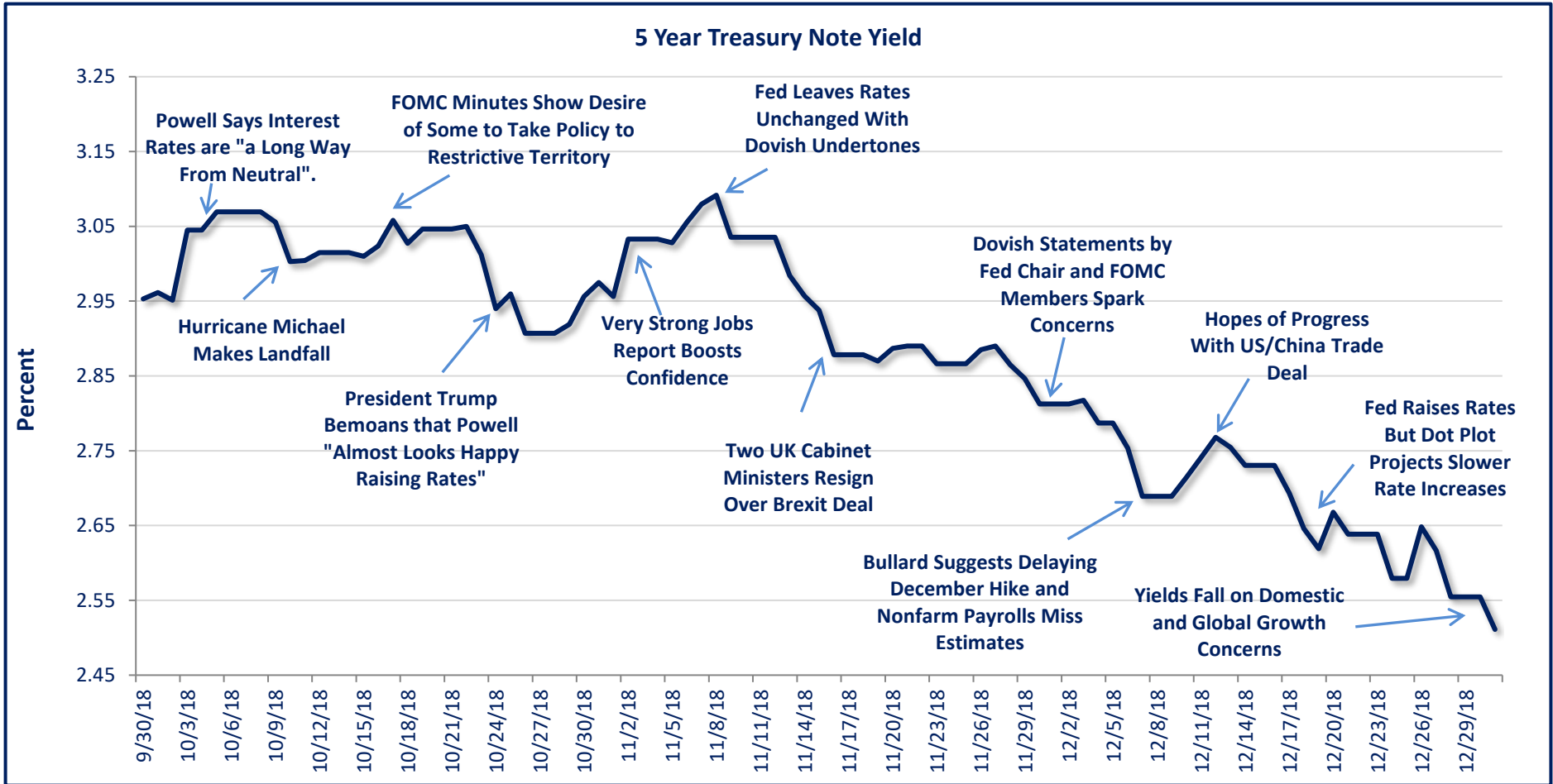
Source: ICE BofAML Indices



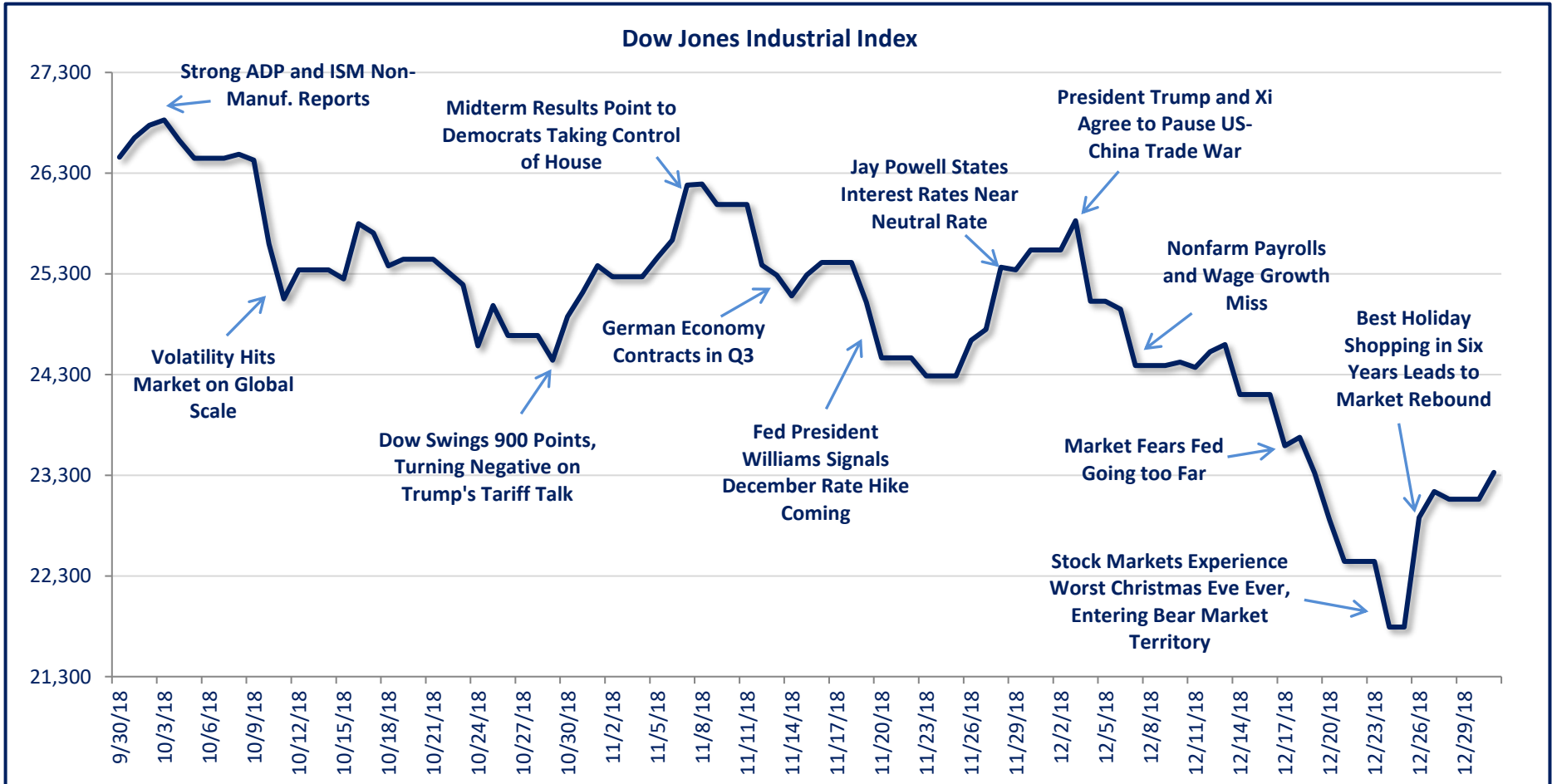
Source: Bloomberg



Source: Bloomberg



Sources: Bloomberg, FTN Main Street



Sources: Bloomberg, FTN Main Street

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