

## Client Management Team

### **Rick Phillips**

President & Chief Investment Officer  
702-575-6666  
rick.phillips@ftnmainstreet.com

### **Tonya Dazzio**

Chief Operating & Compliance Officer  
702-575-6592  
tonya.dazzio@ftnmainstreet.com

### **Greg Balls, CFA**

Portfolio Manager & Analyst  
702-575-6655  
greg.balls@ftnmainstreet.com

### **Christine Wilson**

Operations Analyst  
702-575-6640  
christine.wilson@ftnmainstreet.com

### **Dan Rusk**

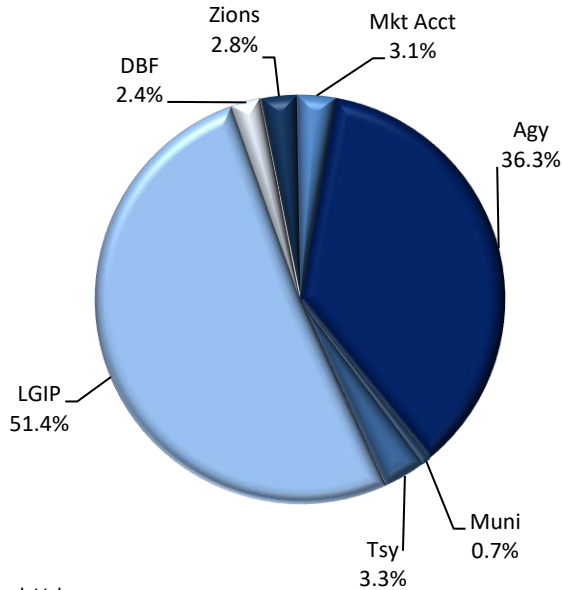
Portfolio Analyst  
702-575-6633  
daniel.rusk@ftnmainstreet.com

# Quarterly Investment Report

## Ada County

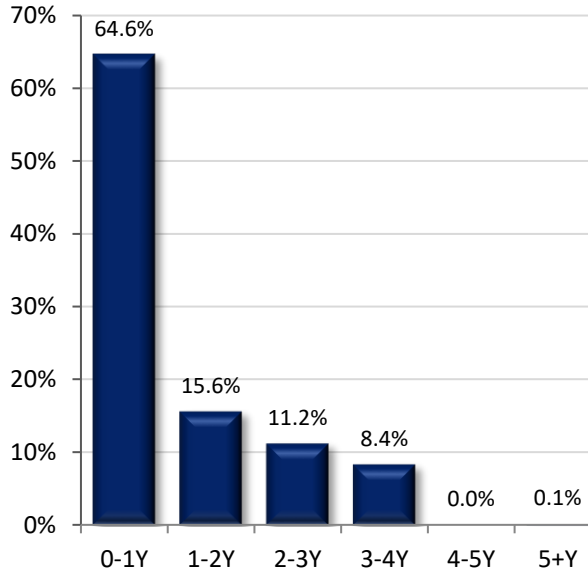
## June 2018

**SECTOR ALLOCATION#**



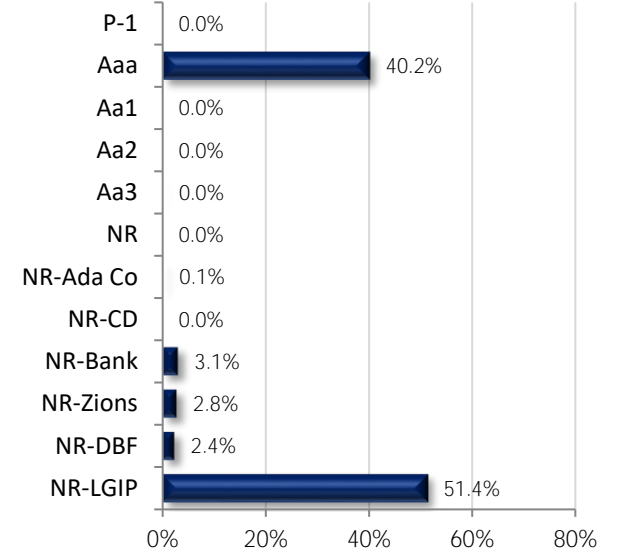
Per Book Value

**MATURITY DISTRIBUTION**



Per Book Value

**CREDIT QUALITY (MOODY'S)**



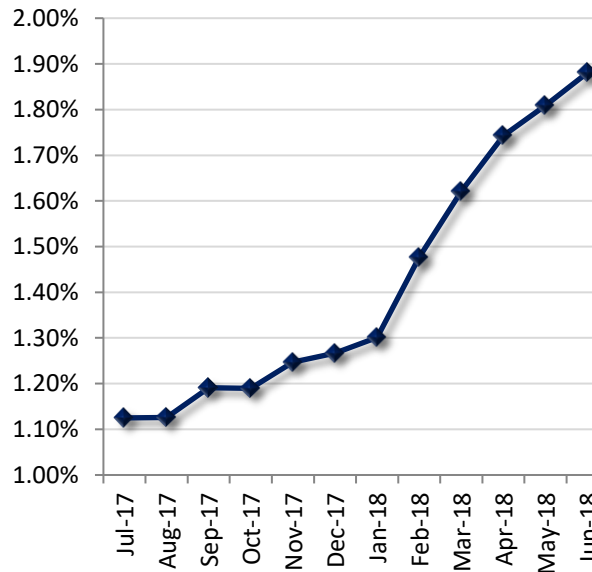
NR: Not Rated

**ACCOUNT SUMMARY**

	6/30/18	3/31/18
<b>Market Value</b>	\$177,164,698	\$195,758,848
<b>Book Value*</b>	\$177,910,940	\$196,209,003
<b>Variance</b>	-\$746,242	-\$450,154
<b>Par Value</b>	\$178,006,132	\$196,203,919
<b>Net Asset Value</b>	\$99.581	\$99.771
<b>Purchase Yield</b>	1.88%	1.62%
<b>Years to Maturity</b>	0.89	0.70
<b>Modified Duration</b>	0.83	0.66

\*Book Value is at Original Cost, Not Amortized

**PORTFOLIO PURCHASE YIELD HISTORY**



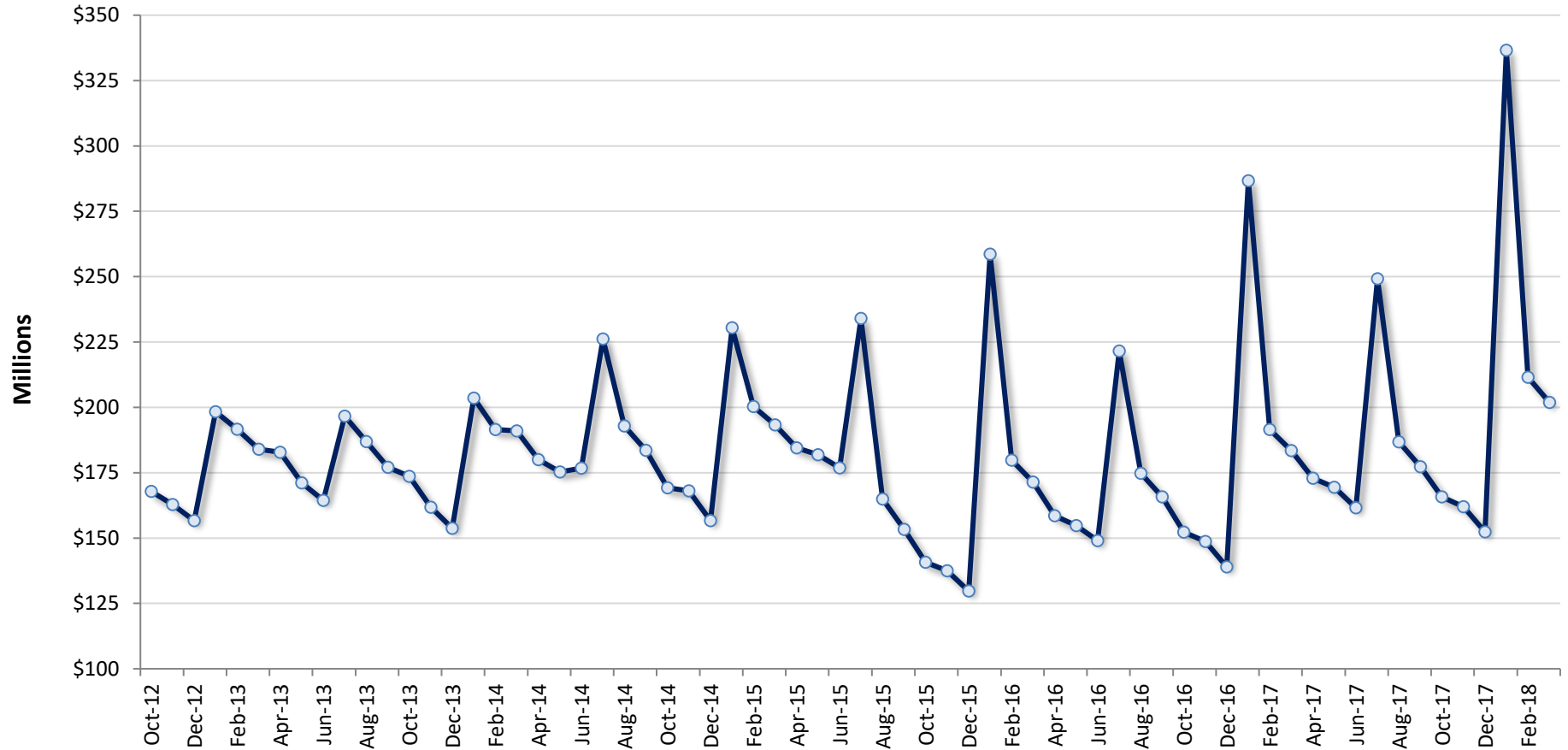
Per Book Value

**TOP ISSUERS**

Issuer	% Portfolio
State of Idaho LGIP	51.4%
Federal Home Loan Mtg Corp	13.2%
Federal Home Loan Bank	12.3%
Federal Farm Credit Bank	5.6%
Federal National Mtg Assn	5.2%
U.S. Treasury	3.3%
Sunwest Bank MMKT Checking	2.9%
Zions Bank	2.8%
State Of Idaho DBF TR	2.4%
Ada & Canyon School Districts	0.5%
Ada County	0.1%
Wells Fargo	0.1%

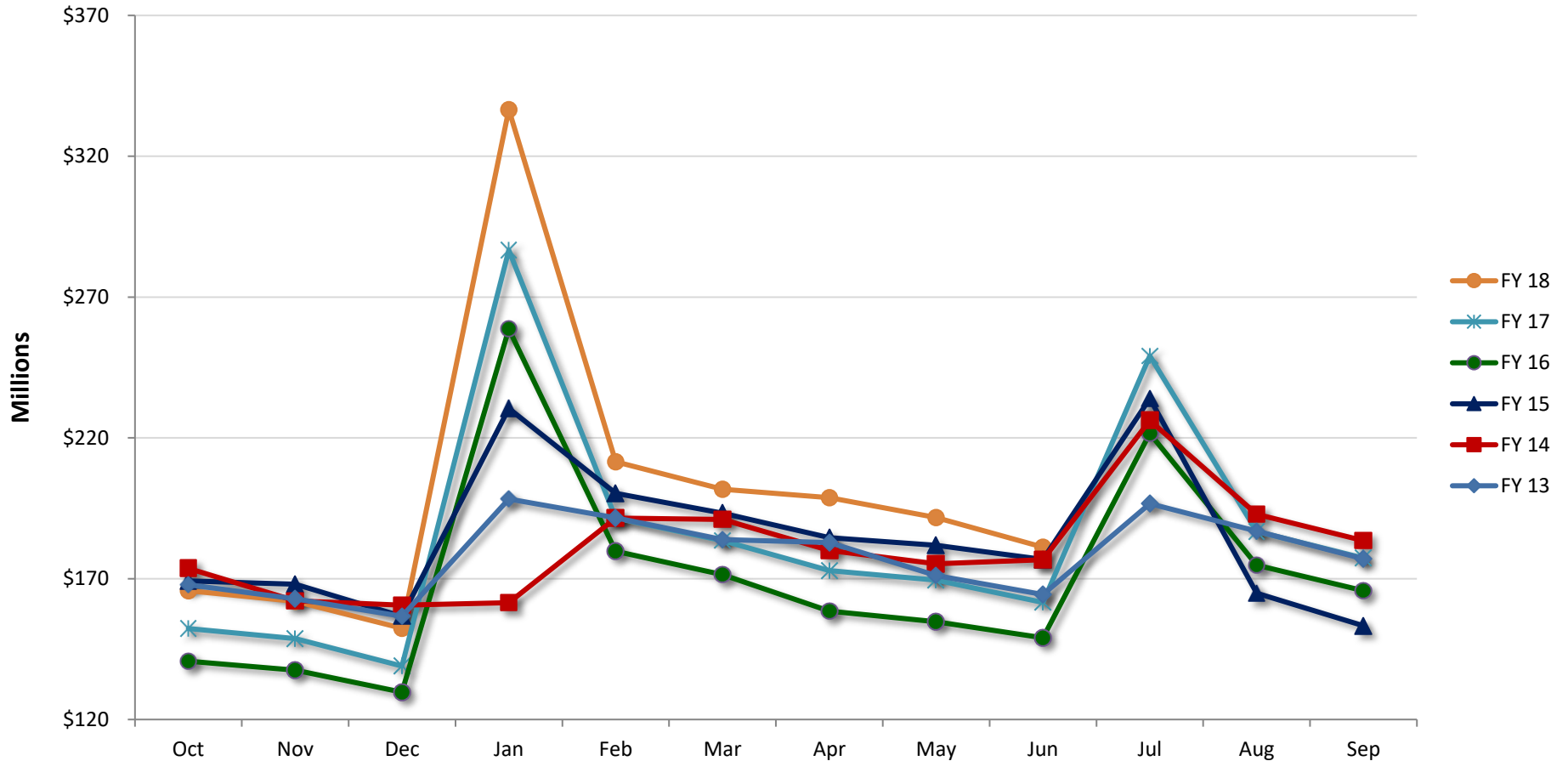
Item / Sector	Parameters	In Compliance
Maturity Limits	Maturities of investments must not exceed 5 years, unless unanimous consent of the Board of County Commissioners is given.	Yes
Weighted Average Maturity	Weighted Average Maturity (WAM) must be less than 3 years.	Yes: 0.89 Yrs
Investment Ratings	At 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: 3.3%
U.S. Federal Agencies	No limit, issuer limit 40%, maximum maturity 5 years.	Yes: 36.3%
Idaho Local Govt Investment Pool	70% limit.	Yes: 51.4%
Idaho Diversified Bond Fund (DBF)	30% limit.	Yes: 2.4%
Money Market Funds	30% limit, 10% issuer limit, rated AAA (S&P), Aaa (Moody's), or AAA (Fitch).	Yes: 0.0%
Municipal Securities	20% limit, 10% issuer limit for State of Idaho Bonds, 5% issuer limit Idaho Counties, Cities, and District Bonds.	Yes: 0.7%
Idaho Public Corporations	20% limit, 5% issuer limit.	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.	Yes: 0.0%
Collateralized Business Market Banking Accounts/Time Deposits-State Depositories	No limit, maximum maturity 5 years.	Yes: 3.1%
Deposit Accounts in State/Federal Credit Unions	No limit, maximum maturity 5 years.	Yes: 2.8%

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				

Figures in Millions, Average Daily Balance

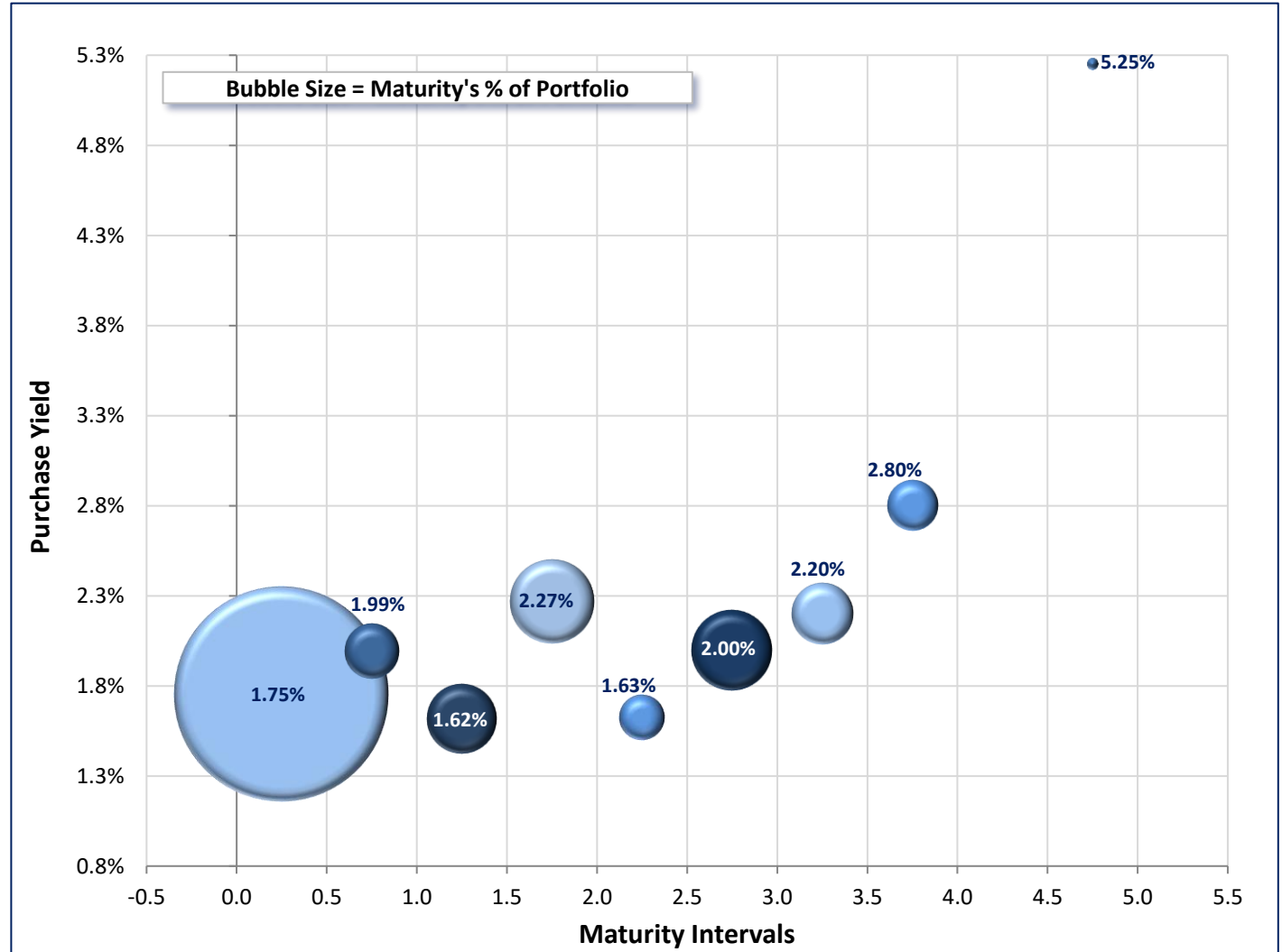


	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Avg
<b>FY 13</b>	\$167.8	\$162.8	\$156.6	\$198.3	\$191.6	\$183.9	\$182.8	\$171.1	\$164.4	\$196.7	\$186.9	\$177.0	\$178.3
<b>FY 14</b>	\$173.6	\$162.2	\$160.6	\$161.5	\$191.5	\$191.0	\$180.0	\$175.3	\$176.7	\$226.2	\$192.9	\$183.5	\$181.2
<b>FY 15</b>	\$169.2	\$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
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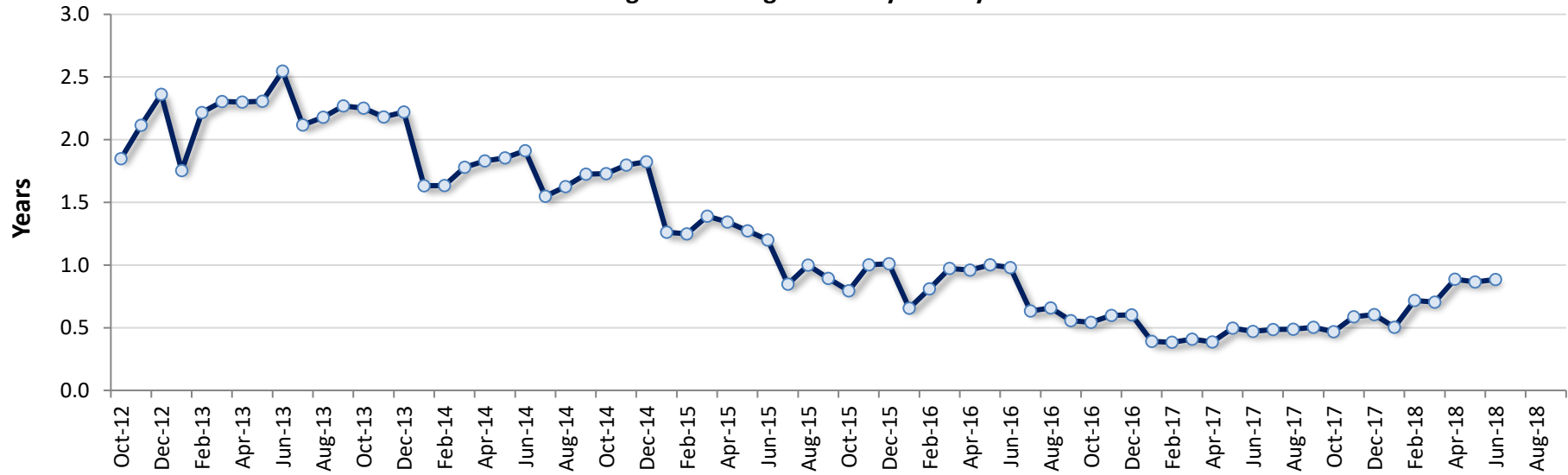
Figures in Millions, Average Daily Balance

Years	Purchase Yield	% of Portfolio*
0 to .5	1.75%	60.76%
.5 to 1.0	1.99%	3.89%
1.0 to 1.5	1.62%	6.42%
1.5 to 2.0	2.27%	9.21%
2.0 to 2.5	1.63%	2.68%
2.5 to 3.0	2.00%	8.54%
3.0 to 3.5	2.20%	4.97%
3.5 to 4.0	2.80%	3.39%
4.0 to 4.5	0.00%	0.00%
4.5 to 5.0+	5.25%	0.14%

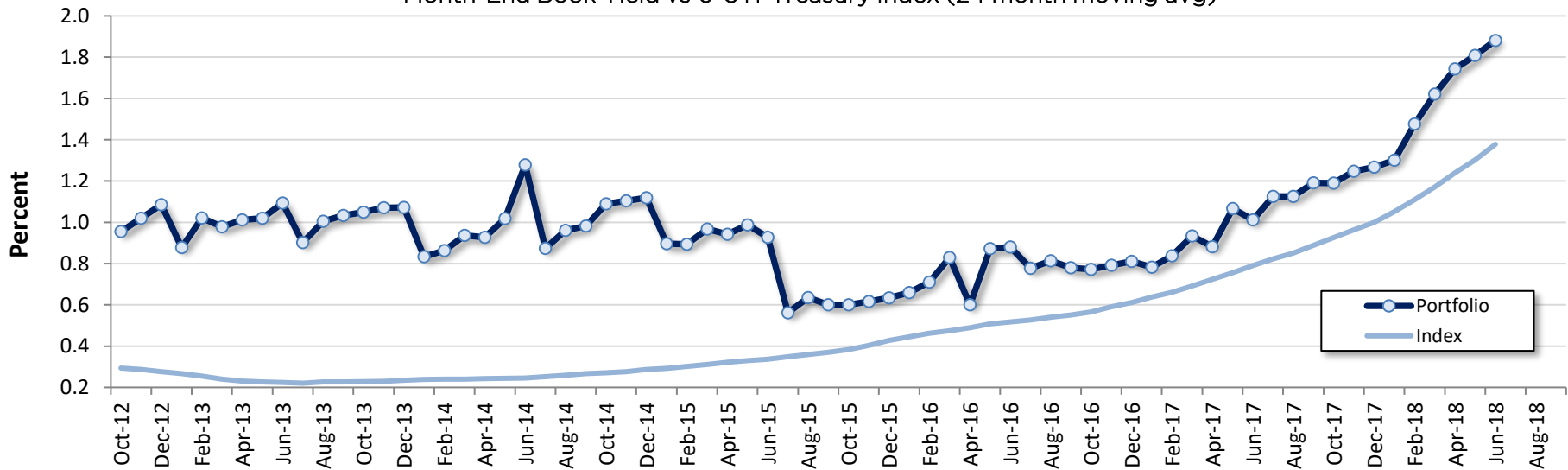
\*Based on Book value

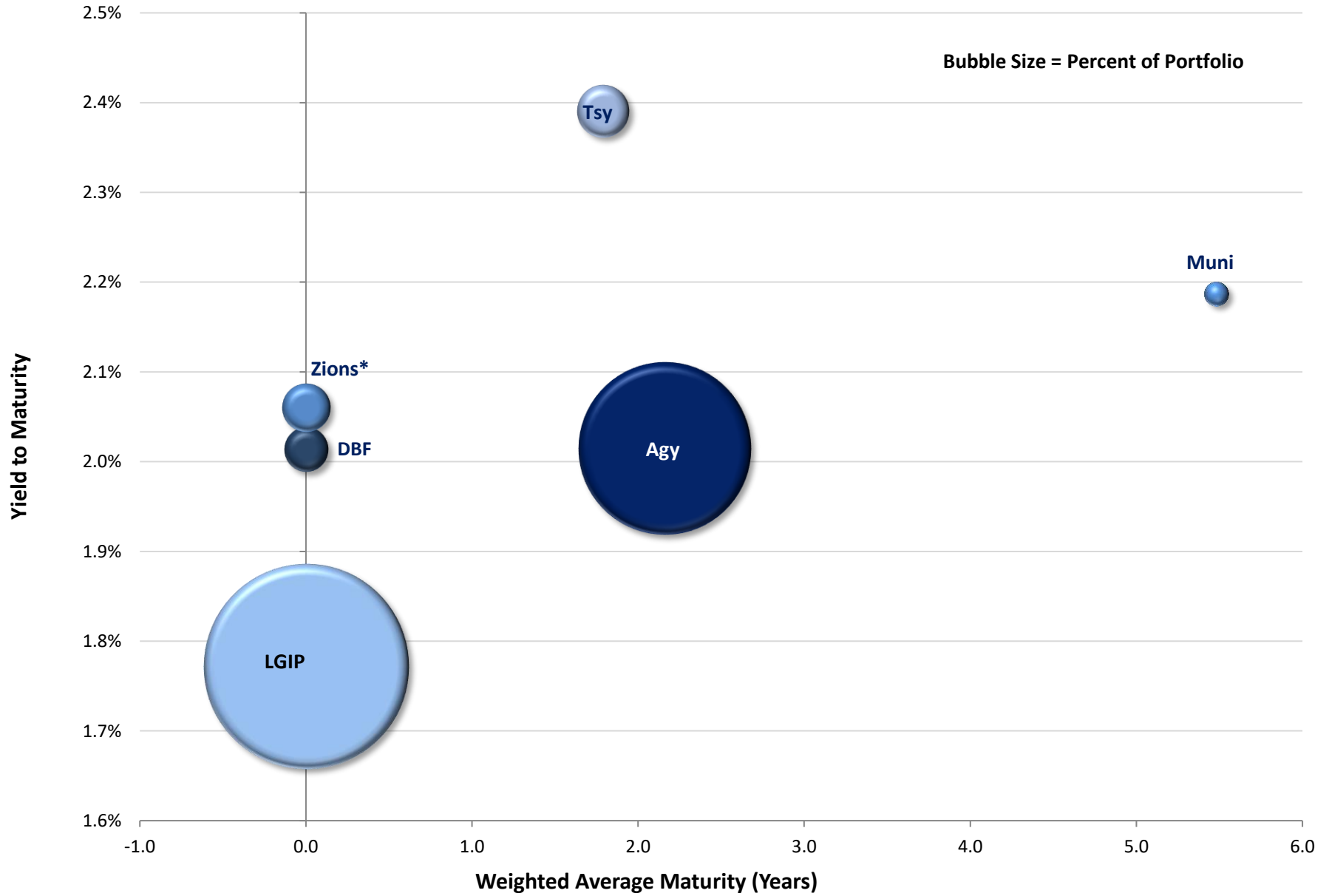


**Weighted Average Maturity History**



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

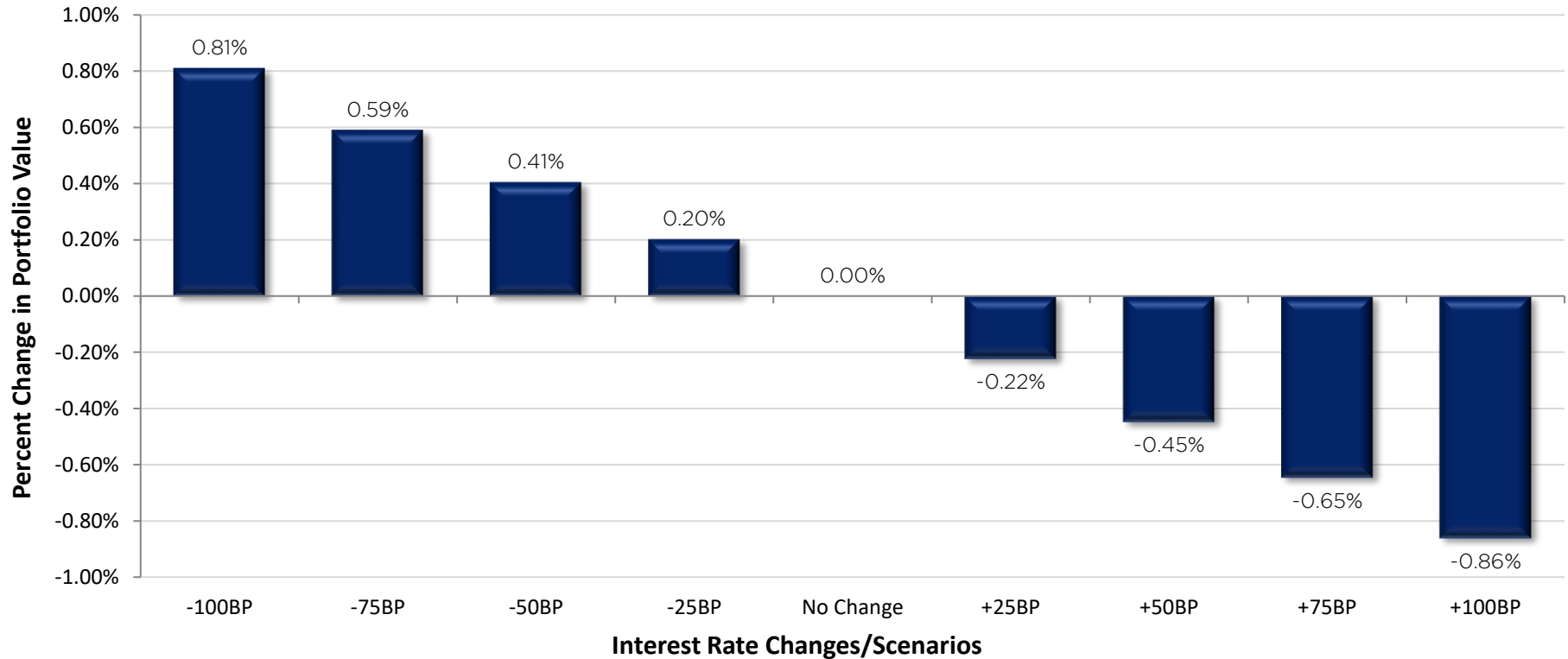




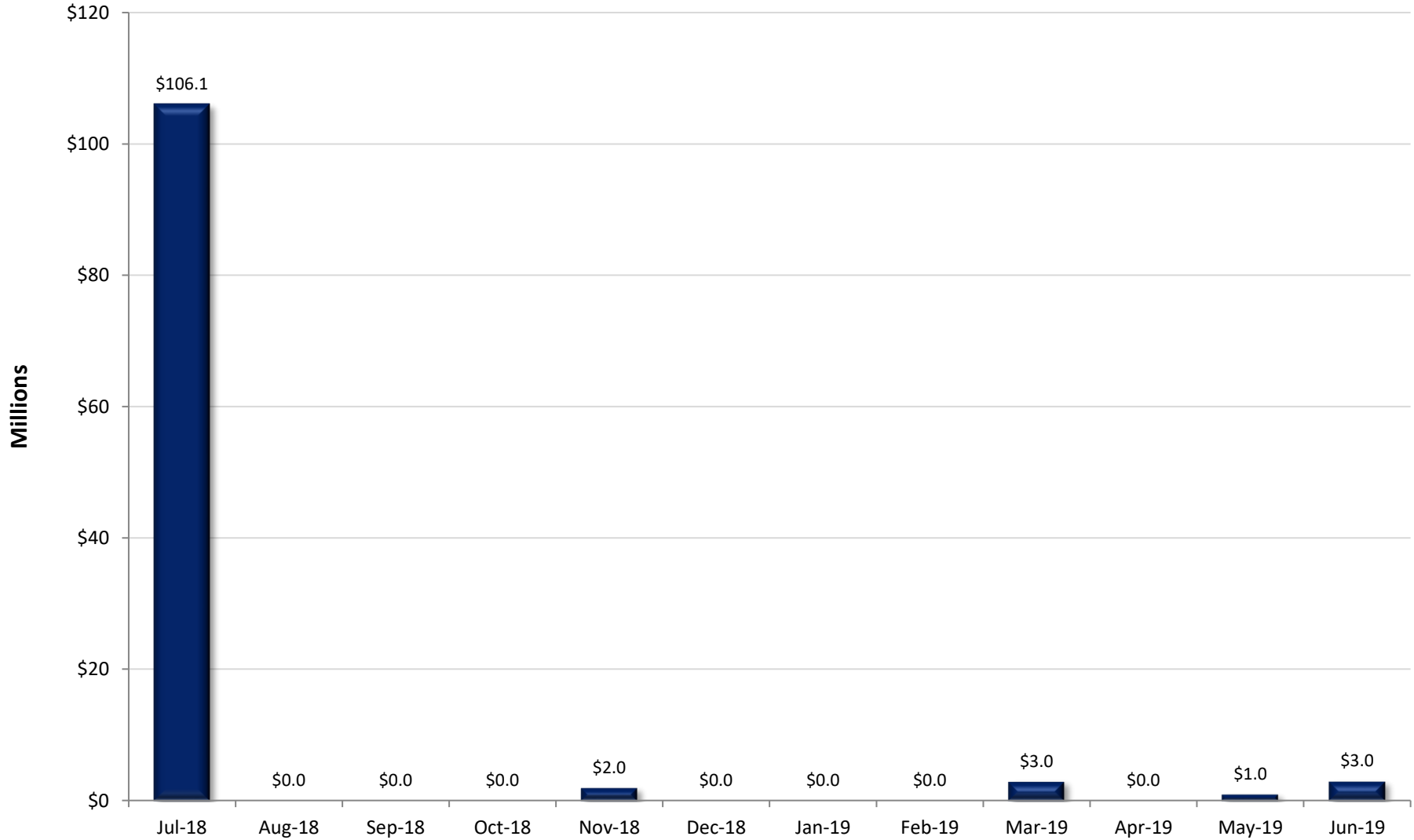
\*Seperately managed account at Zions Wealth Advisors. WAM will be greater than 1 day.



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

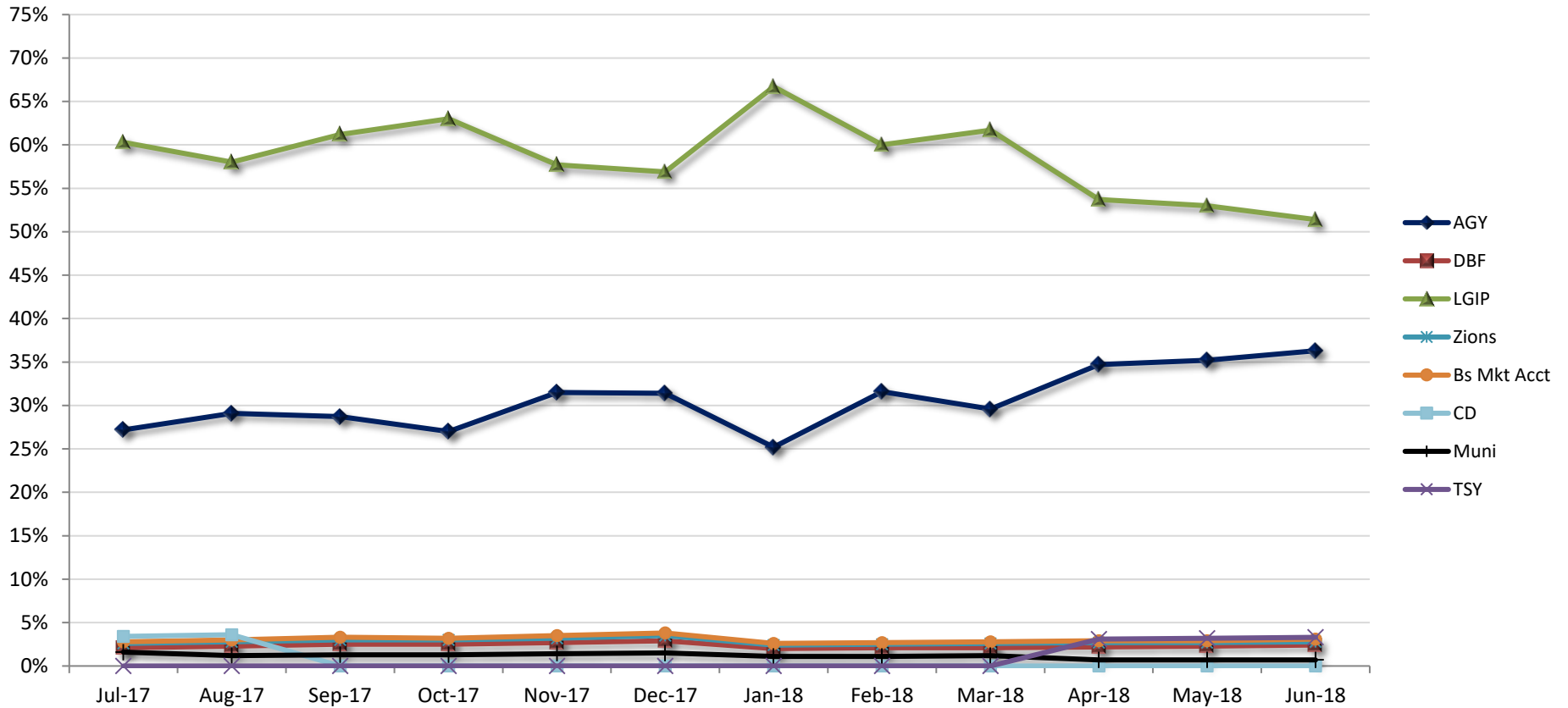


Interest Rate Change	Portfolio Value	Value Change	Percent Change
-100 Basis Points	\$173,903,331	\$1,397,299	0.81%
-75 Basis Points	\$173,526,060	\$1,020,028	0.59%
-50 Basis Points	\$173,204,681	\$698,649	0.41%
-25 Basis Points	\$172,855,357	\$349,325	0.20%
No Change	\$172,506,032	\$0	0.00%
+25 Basis Points	\$172,120,309	-\$385,723	-0.22%
+50 Basis Points	\$171,734,585	-\$771,447	-0.45%
+75 Basis Points	\$171,393,368	-\$1,112,664	-0.65%
+100 Basis Points	\$171,022,480	-\$1,483,552	-0.86%

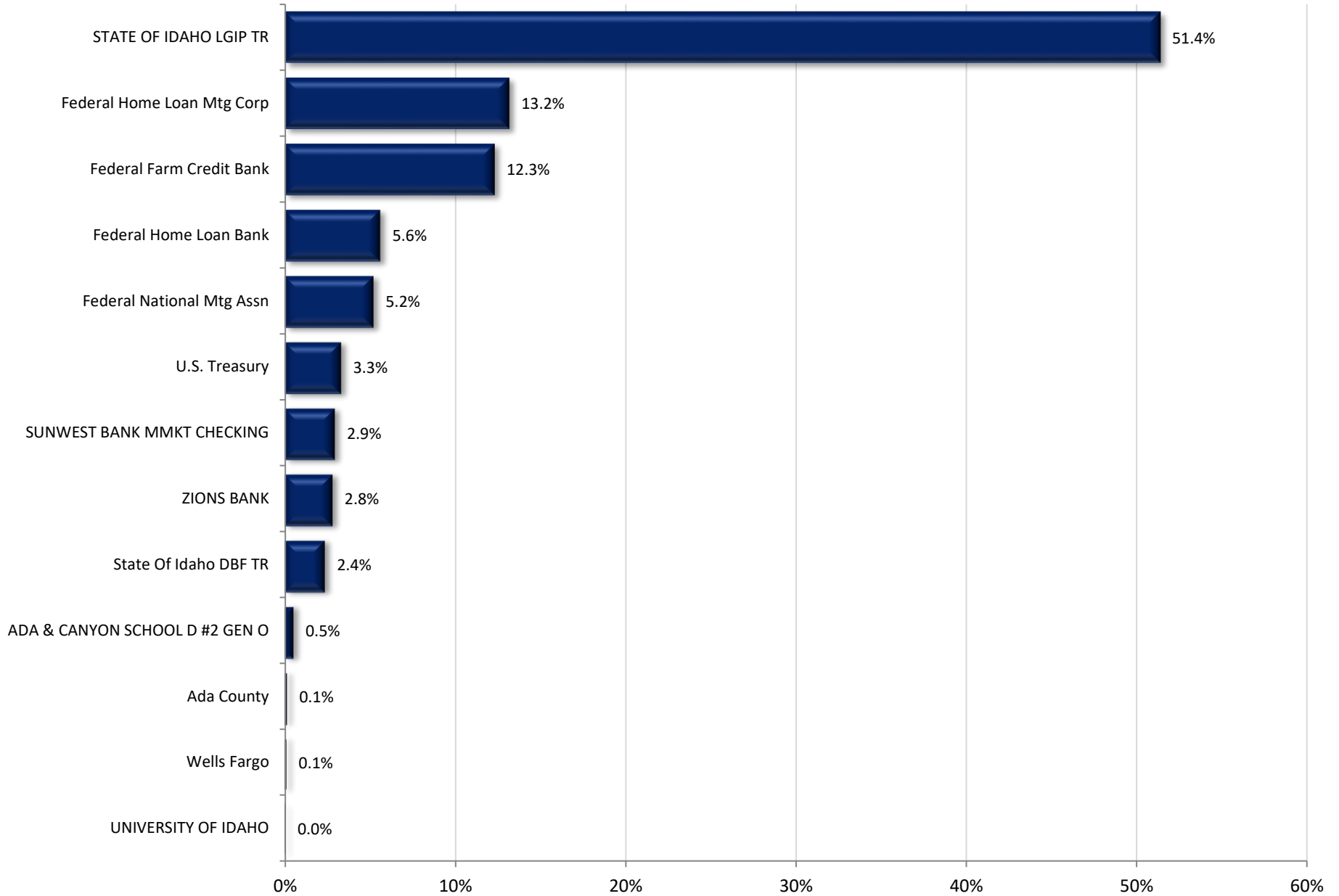


	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
<b>Maturities</b>	\$106.1	\$0.0	\$0.0	\$0.0	\$2.0	\$0.0	\$0.0	\$0.0	\$3.0	\$0.0	\$1.0	\$3.0

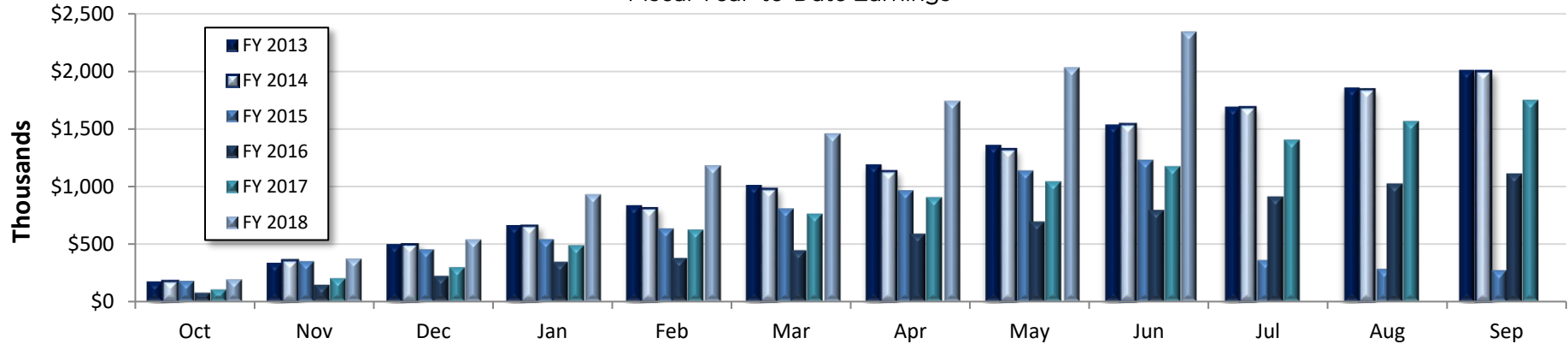
Par Value in Millions. The DBF investment is included in the closest month.



Sector	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
<b>Agency</b>	27.2%	29.1%	28.7%	27.0%	31.5%	31.4%	25.2%	31.6%	29.6%	34.7%	35.2%	36.3%
<b>Treasury</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	3.2%	3.3%
<b>State of Idaho DBF</b>	2.1%	2.3%	2.5%	2.5%	2.7%	2.9%	2.0%	2.1%	2.1%	2.2%	2.3%	2.4%
<b>State of Idaho LGIP</b>	60.3%	58.0%	61.2%	63.0%	57.7%	56.9%	66.7%	60.0%	61.7%	53.7%	53.0%	51.4%
<b>Municipals</b>	1.6%	1.2%	1.3%	1.3%	1.4%	1.5%	1.1%	1.1%	1.2%	0.7%	0.7%	0.7%
<b>Zions Account</b>	2.6%	2.8%	3.0%	3.0%	3.2%	3.5%	2.4%	2.5%	2.6%	2.7%	2.7%	2.8%
<b>Business Mkt Acct</b>	2.8%	3.0%	3.3%	3.2%	3.5%	3.8%	2.6%	2.7%	2.8%	2.9%	2.9%	3.1%
<b>Certificates of Deposit</b>	3.4%	3.6%	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%	100.0%	100.0%

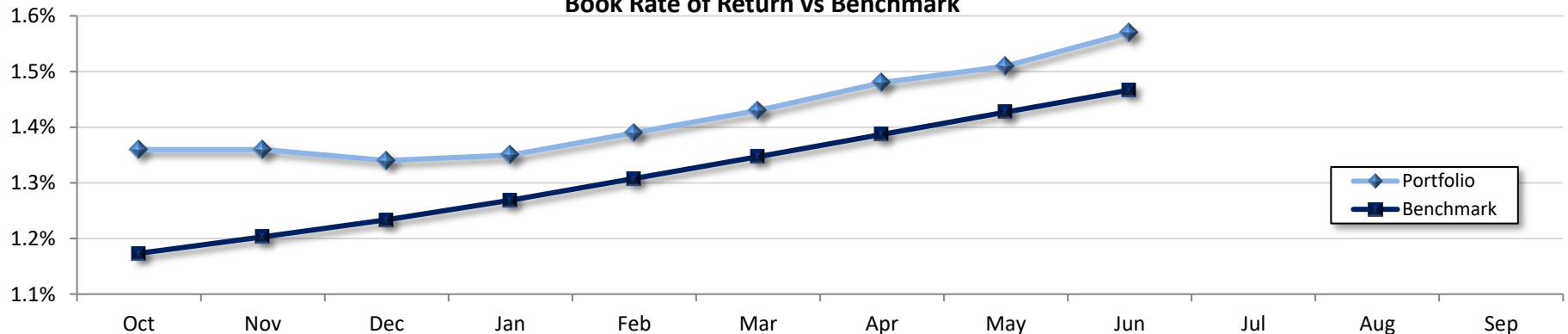


Fiscal Year-to-Date Earnings



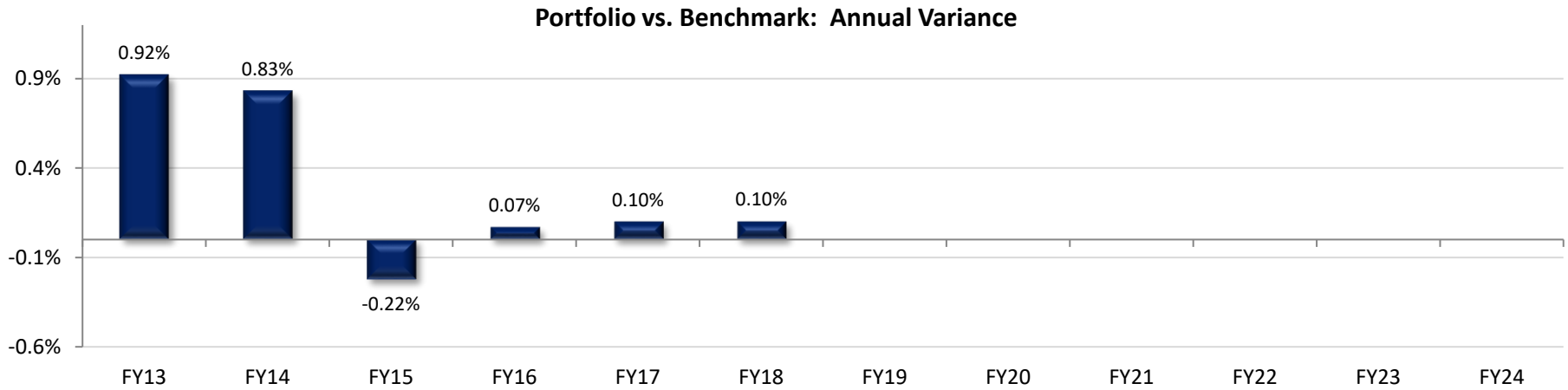
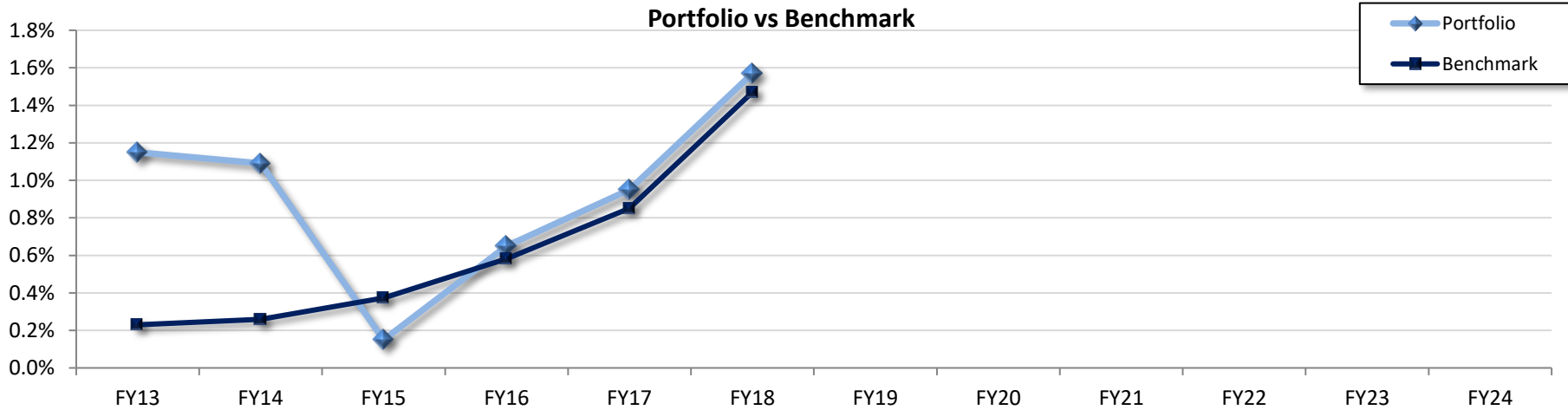
Fiscal YTD (\$000)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2013	\$173.7	\$334.8	\$498.5	\$662.6	\$832.7	\$1,009.8	\$1,187.5	\$1,357.5	\$1,531.6	\$1,688.2	\$1,853.4	\$2,005.5
FY 2014	\$178.2	\$360.4	\$496.4	\$659.7	\$812.5	\$979.6	\$1,133.8	\$1,322.4	\$1,540.0	\$1,685.4	\$1,839.0	\$1,997.5
FY 2015	\$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
FY 2016	\$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
FY 2017	\$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
FY 2018	\$191.8	\$373.9	\$539.4	\$933.0	\$1,184.6	\$1,460.3	\$1,742.6	\$2,031.9	\$2,340.3			

Book Rate of Return vs Benchmark



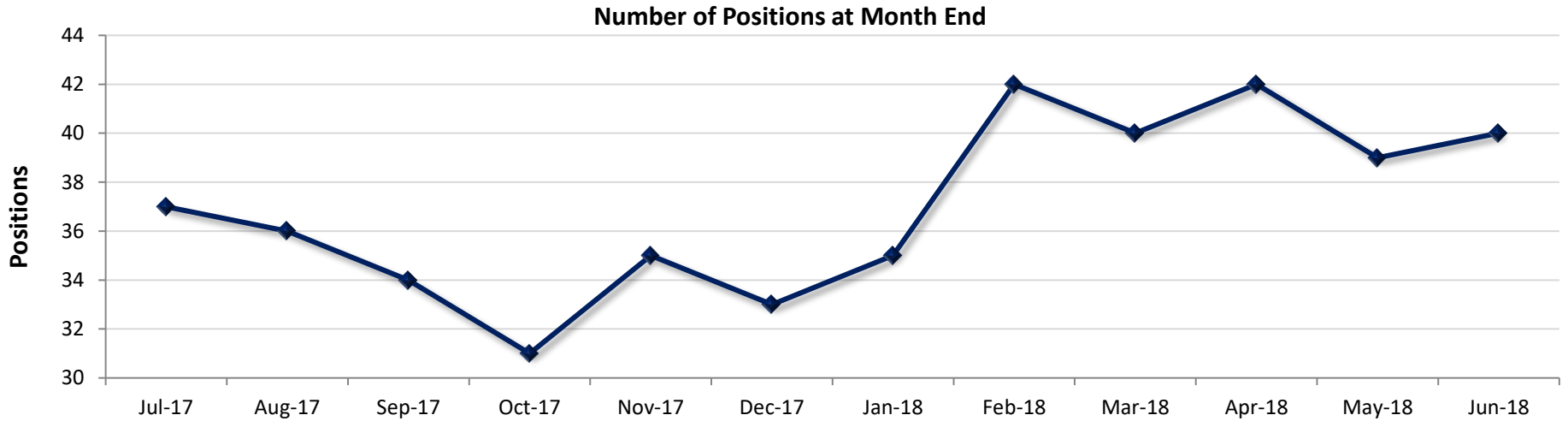
Fiscal YTD	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Book Rate of Rtn	1.36%	1.36%	1.34%	1.35%	1.39%	1.43%	1.48%	1.51%	1.57%			
Custom Benchmark*	1.17%	1.20%	1.23%	1.27%	1.31%	1.35%	1.39%	1.43%	1.47%			
Variance	0.19%	0.16%	0.11%	0.08%	0.08%	0.08%	0.09%	0.08%	0.10%			

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

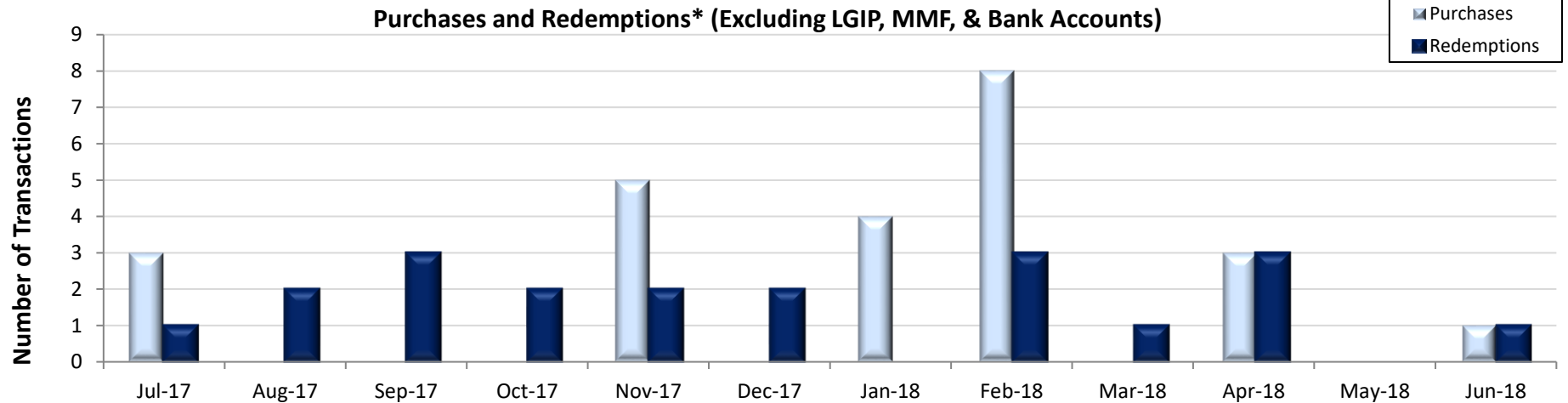


Fiscal YTD	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
<b>Portfolio</b>	1.15%	1.09%	0.15%	0.65%	0.95%	1.57%						
<b>Benchmark*</b>	0.23%	0.26%	0.37%	0.58%	0.85%	1.47%						
<b>Variance</b>	0.92%	0.83%	-0.22%	0.07%	0.10%	0.10%						

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



	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
<b>Positions</b>	37	36	34	31	35	33	35	42	40	42	39	40



\*Redemptions include maturities, calls, and sells

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
<b>Purchases</b>	3	0	0	0	5	0	4	8	0	3	0	1
<b>Redemptions</b>	1	2	3	2	2	2	0	3	1	3	0	1
<b>Total Transactions</b>	4	2	3	2	7	2	4	11	1	6	0	2



# Quarterly Economic and Market Update

**June 2018**

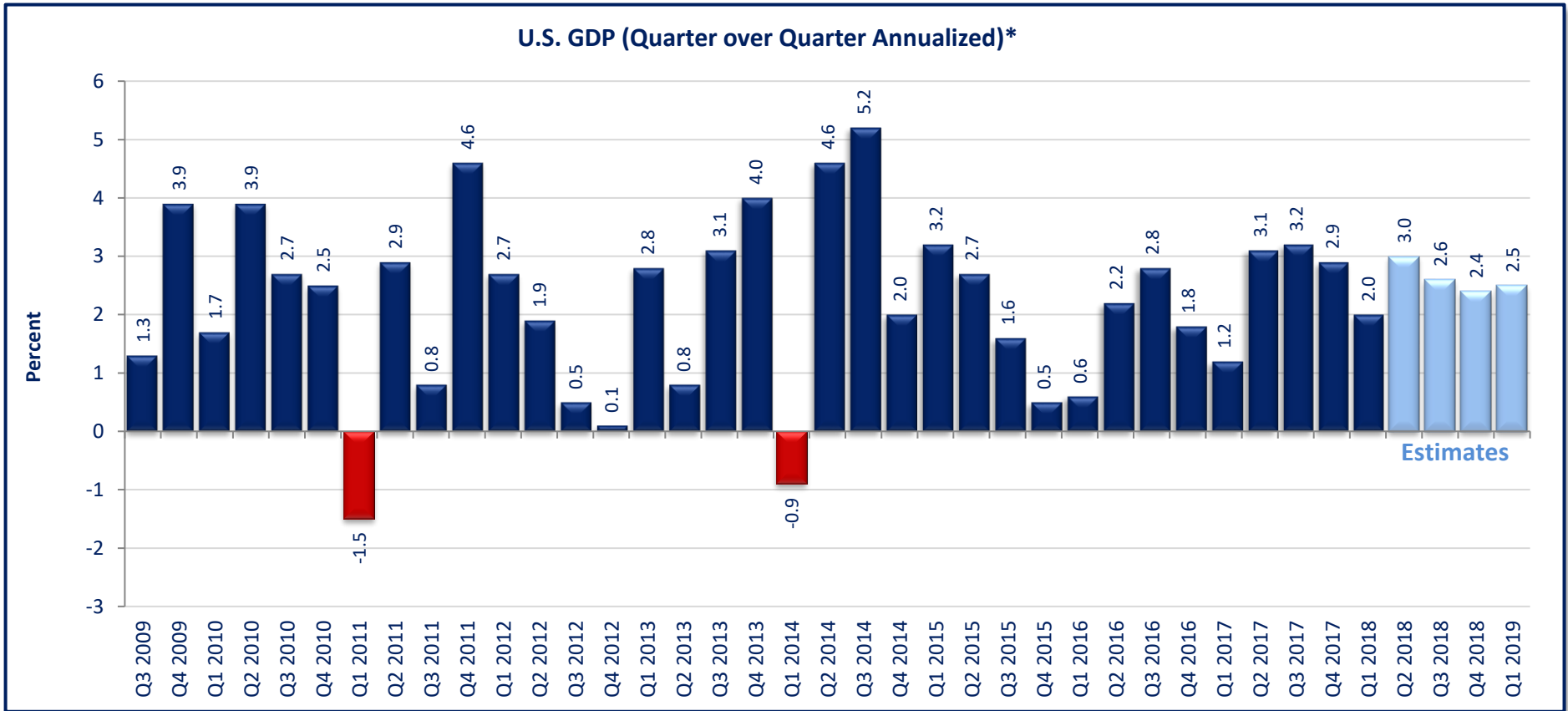


Item	6/30/2018	3/31/2018	Change
U.S. Payrolls Monthly Change	213,000	155,000	58,000
Unemployment Rate	4.0%	4.1%	-0.1%
Labor Force Participation	62.9%	62.9%	0.0%
Effective Fed Funds Rate	1.91%	1.68%	0.23%
Next Fed Funds Hike**	Dec 2018	Jan 2019	-1 Months
3 Month T-Bill	1.92%	1.71%	0.21%
2 Year T-Note	2.53%	2.27%	0.26%
3 Year T-Note	2.62%	2.38%	0.24%
5 Year T-Note	2.74%	2.56%	0.18%
10 Year T-Note	2.86%	2.74%	0.12%
U.S. Fed Debt Avg Yield*	2.21%	2.20%	0.02%
30 Year Mortgage Rate	4.40%	4.27%	0.13%
1-5 Yr Agency Spread	0.08%	0.07%	0.01%
1-5 Yr Corporate Spread	0.69%	0.69%	0.00%
Dow Jones	24,271	24,103	0.7%
S&P 500	2,718	2,641	2.9%
Consumer Price Index YOY*	2.9%	2.4%	0.5%
U.S. Avg Regular Unleaded	\$2.85	\$2.66	\$0.20
Retail Sales YOY*	5.5%	5.1%	0.4%
Case-Shiller Home Prices YOY*	6.6%	6.7%	-0.2%
Gold (per ounce)	\$1,252.60	\$1,325.50	-\$72.90
Dollar Index	94.47	90.15	4.32
Consumer Confidence	126.40	127.00	-0.60

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

Sources: FTN Main Street and Bloomberg

\*\*Next Projected Fed Funds Hike is first month Fed Funds Futures are 2.125% or higher

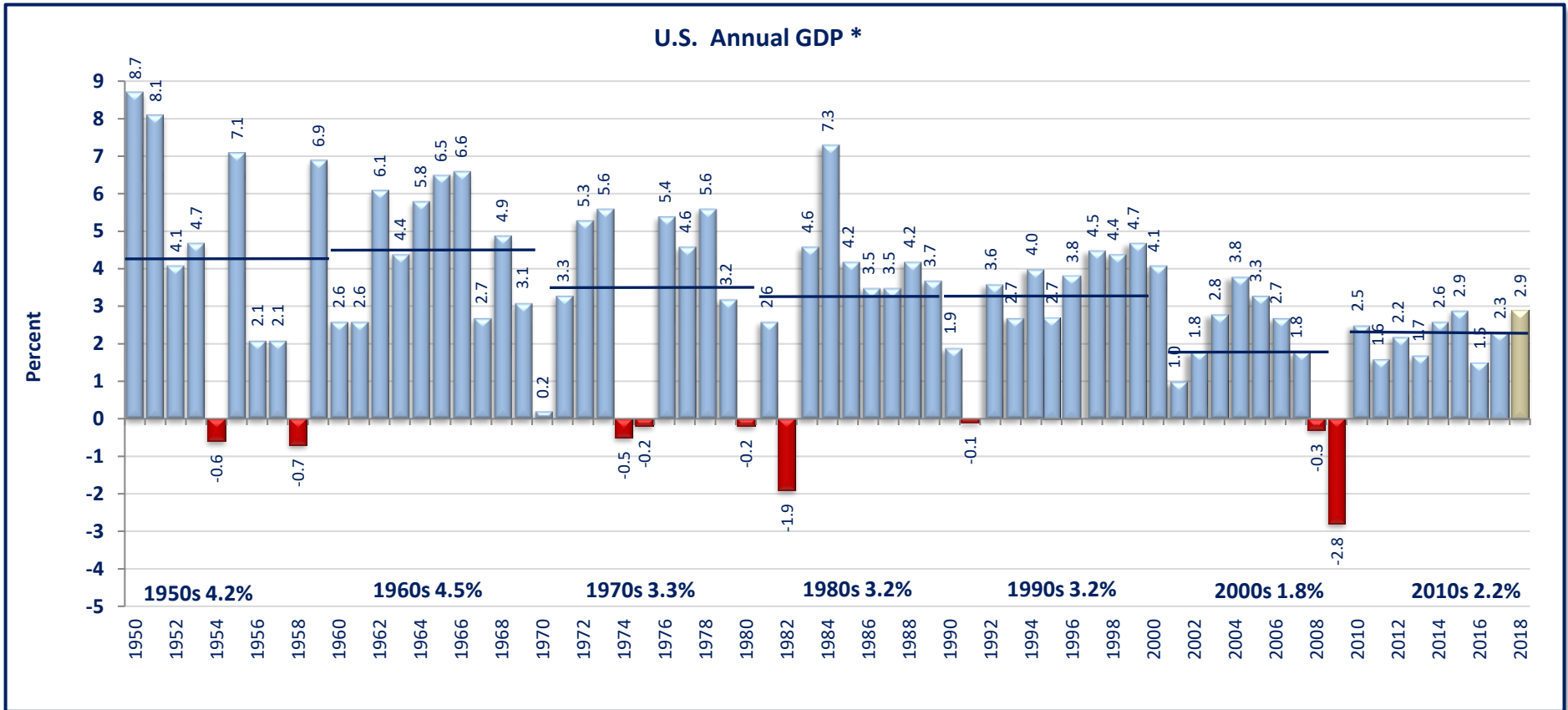


\* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 6/30/18

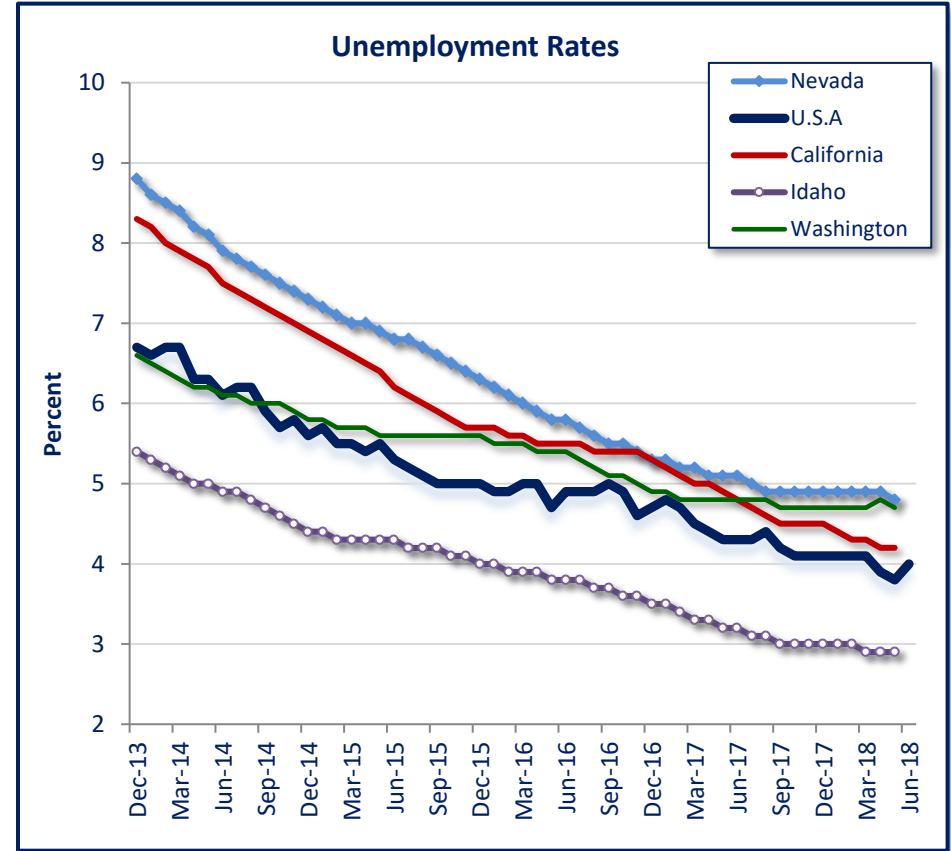
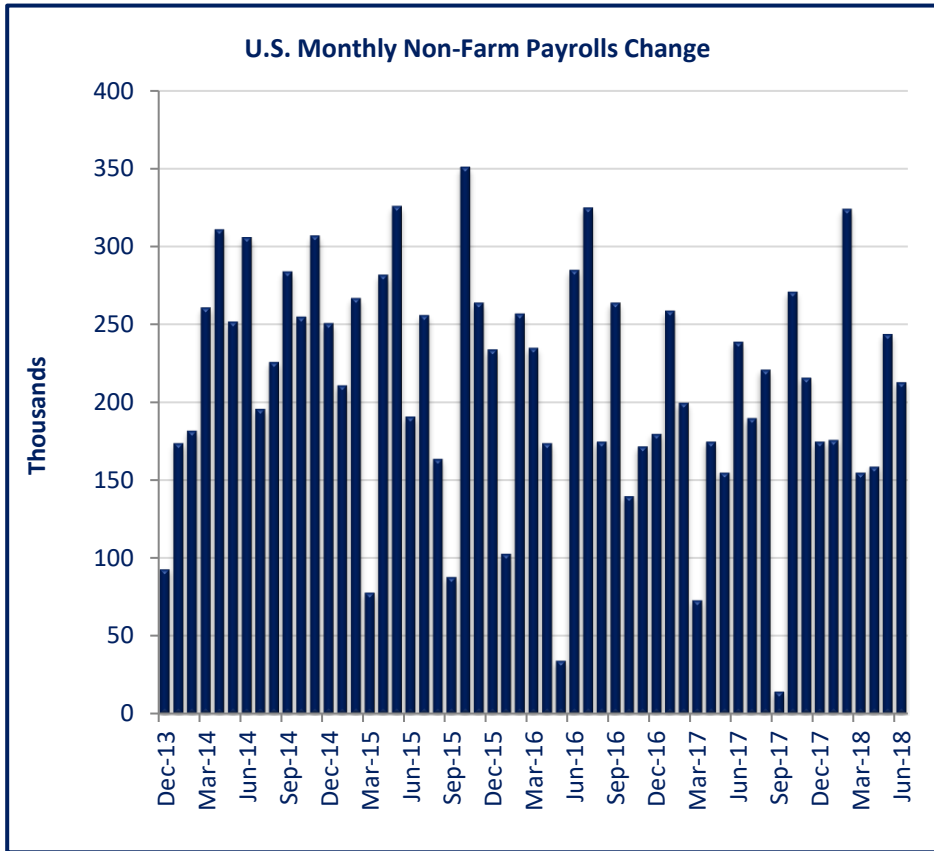


\* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

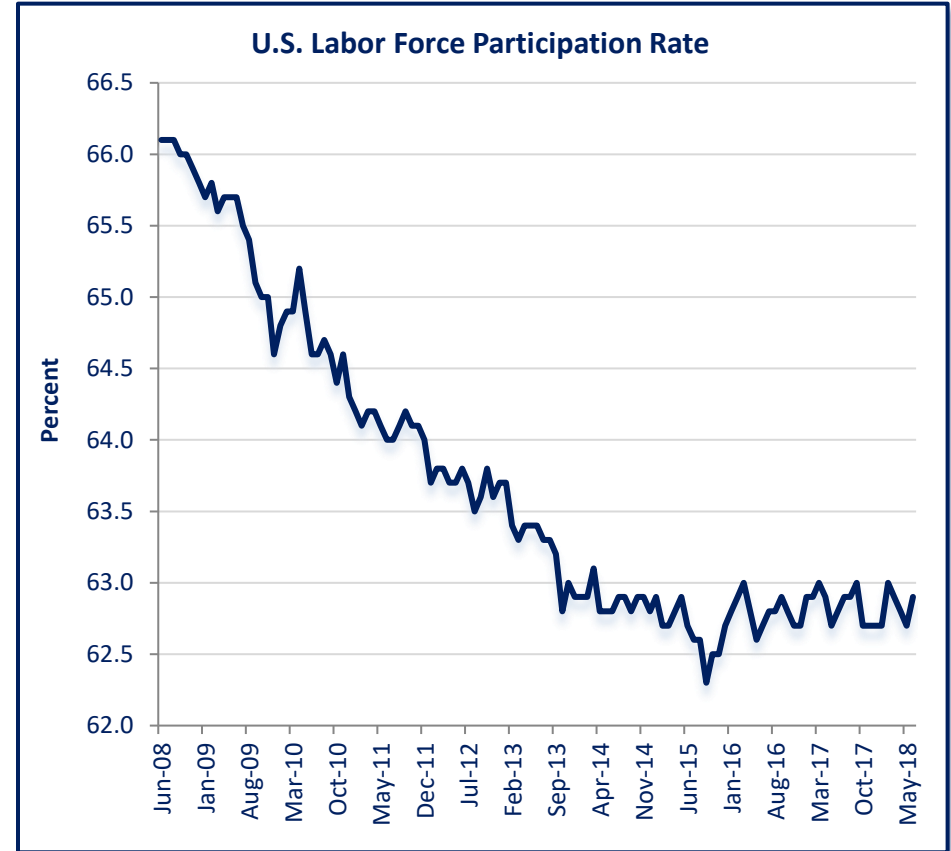
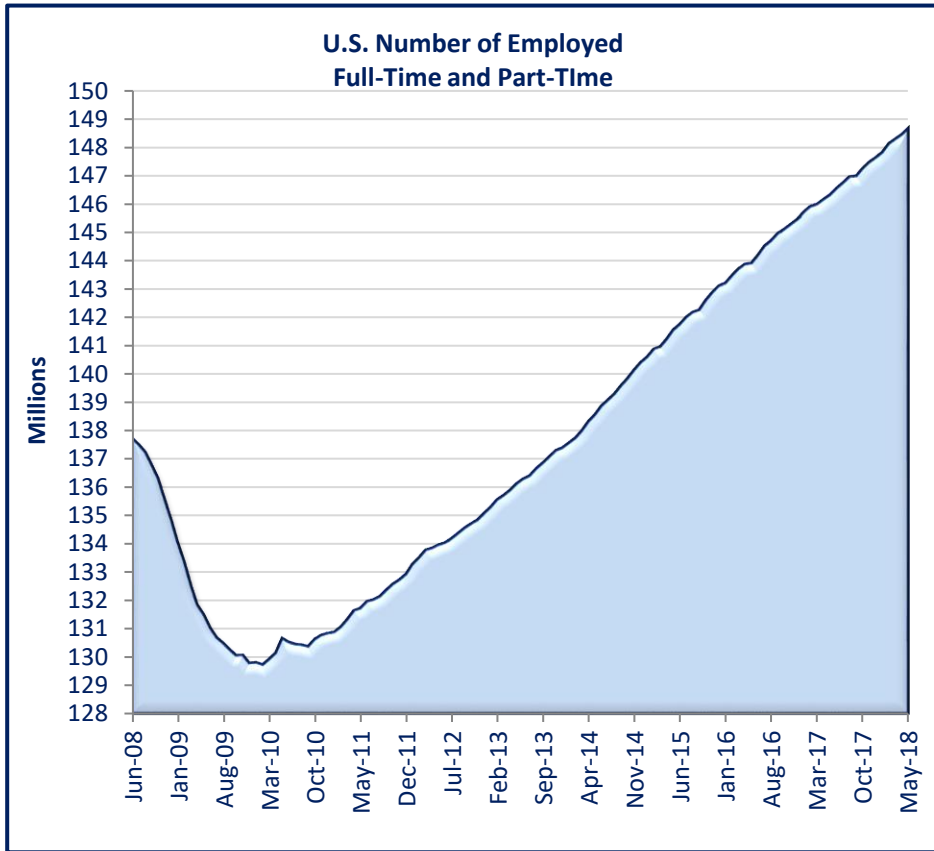
Estimate: Bloomberg's Survey of Economists

As of: 6/30/18

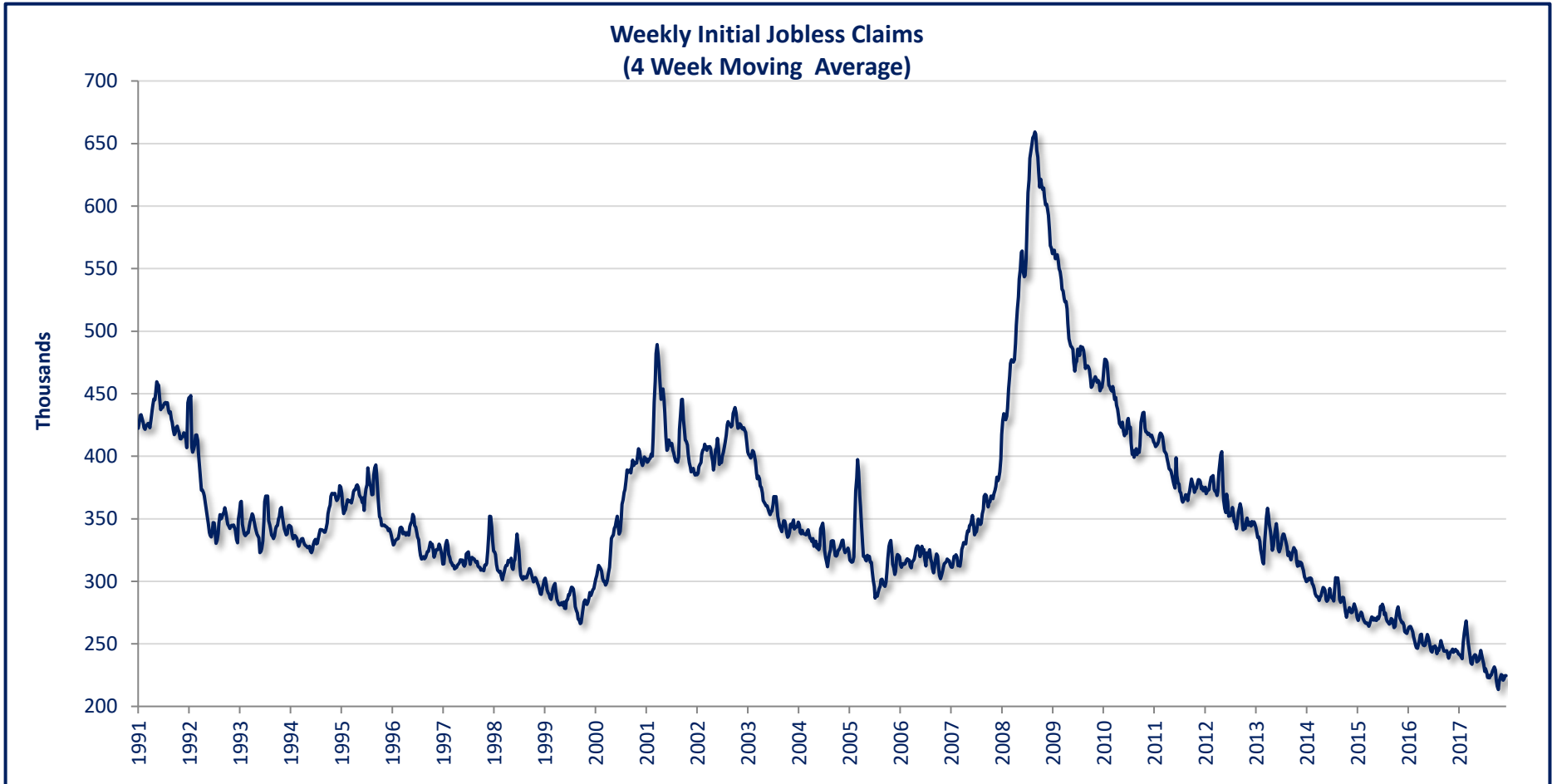


**12 Month Average Job Change**                      **196,500**

Source: Bureau of Labor Statistics

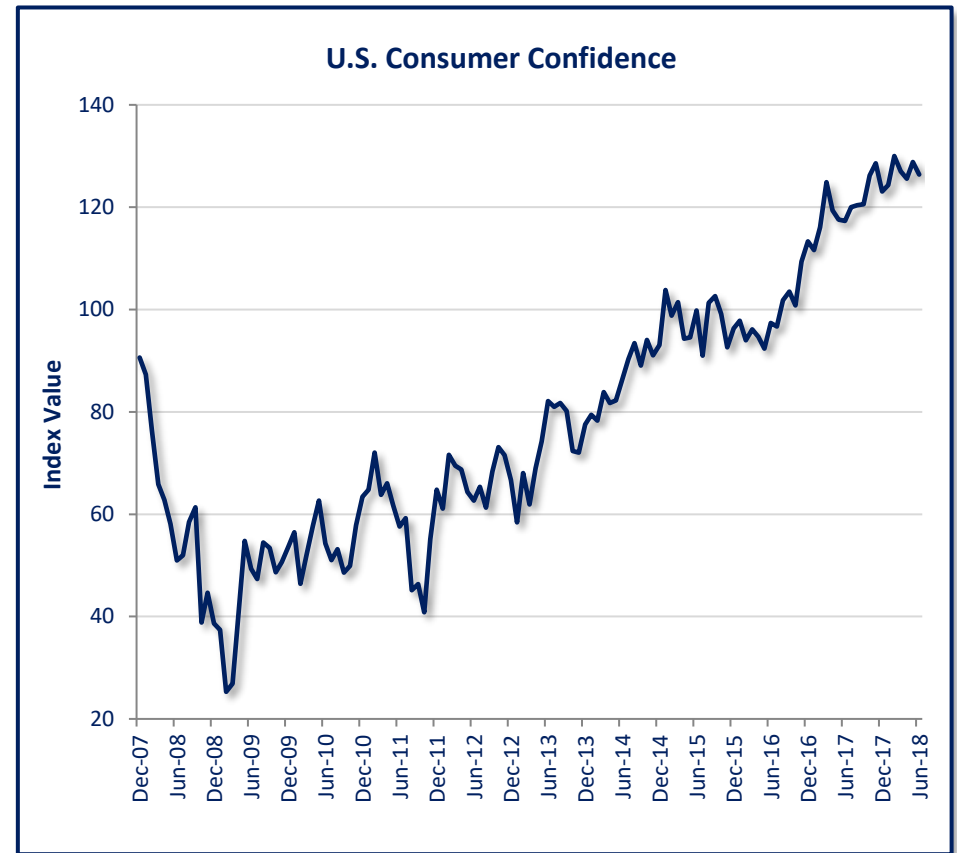
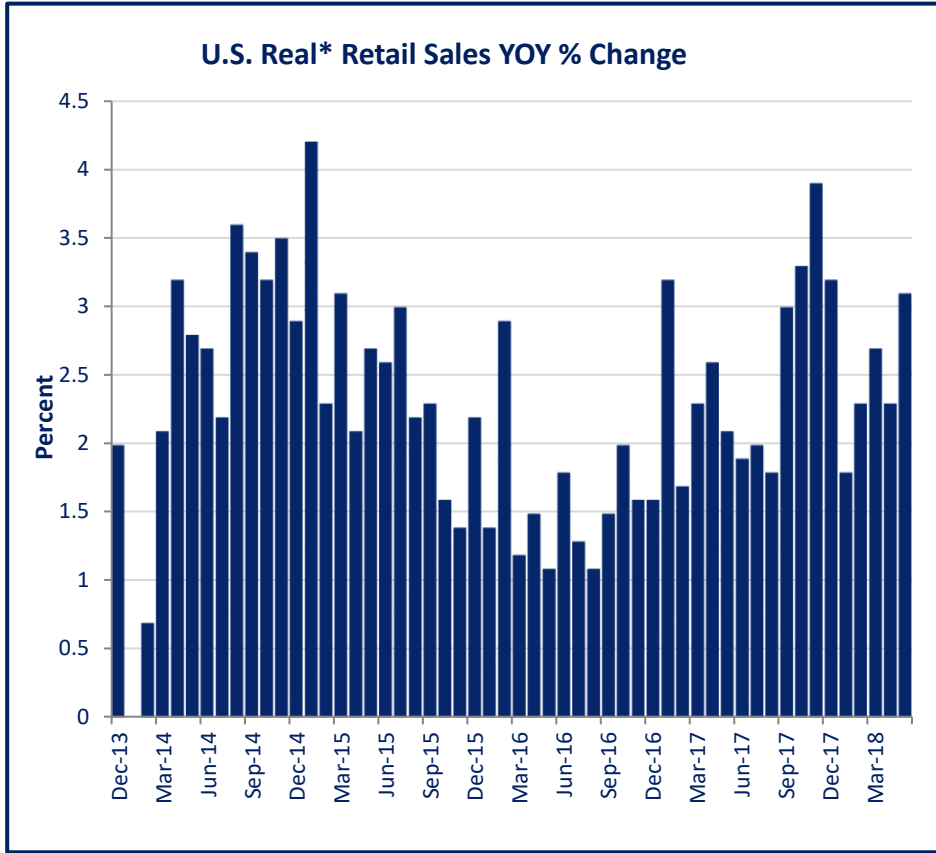


Source: Bureau of Labor Statistics



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.

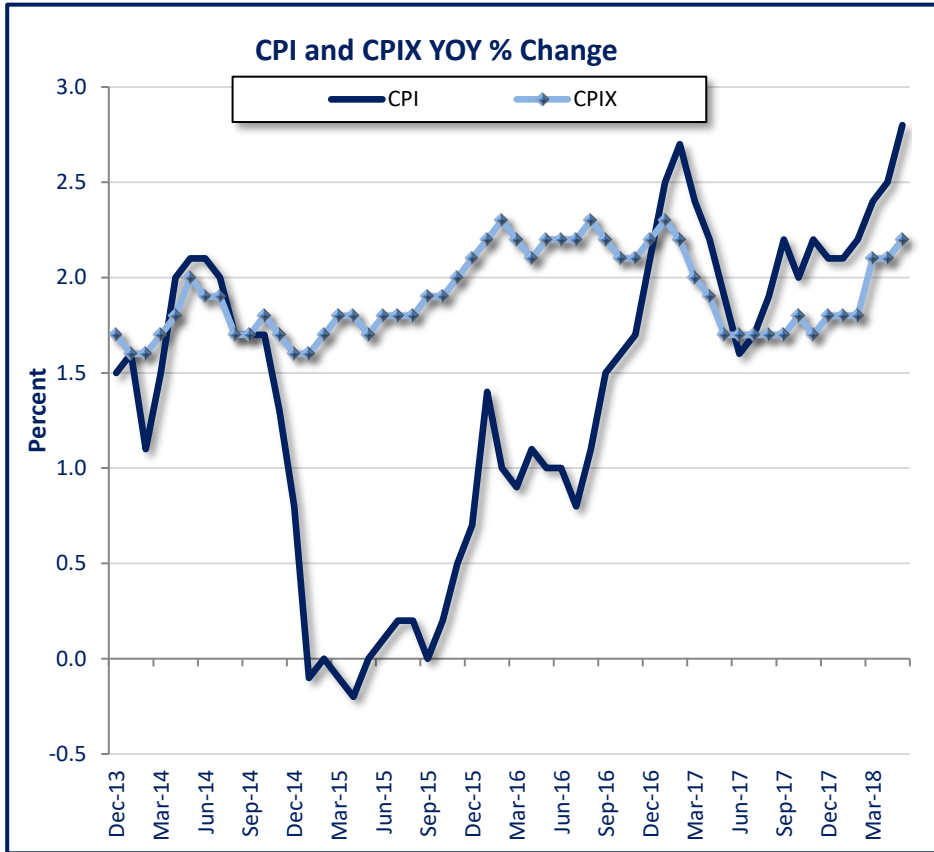
Source: Department of Labor and Bloomberg



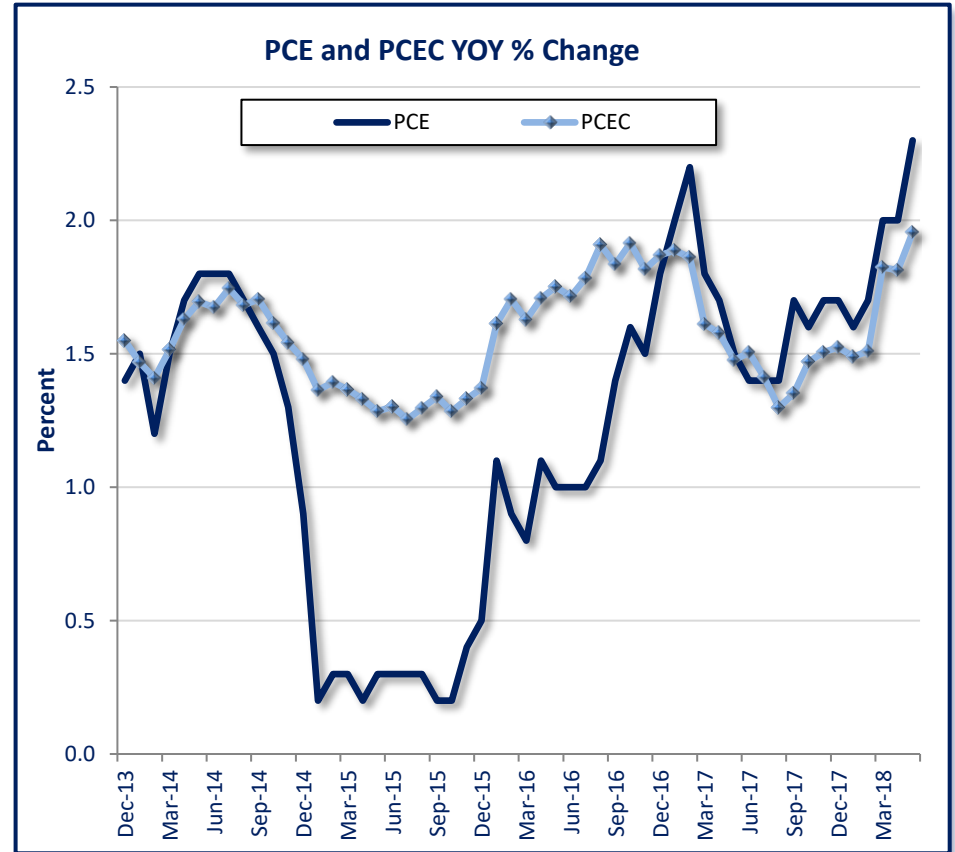
\*Real: Inflation Adjusted

Source: U.S. Census Bureau

Source: Conference Board



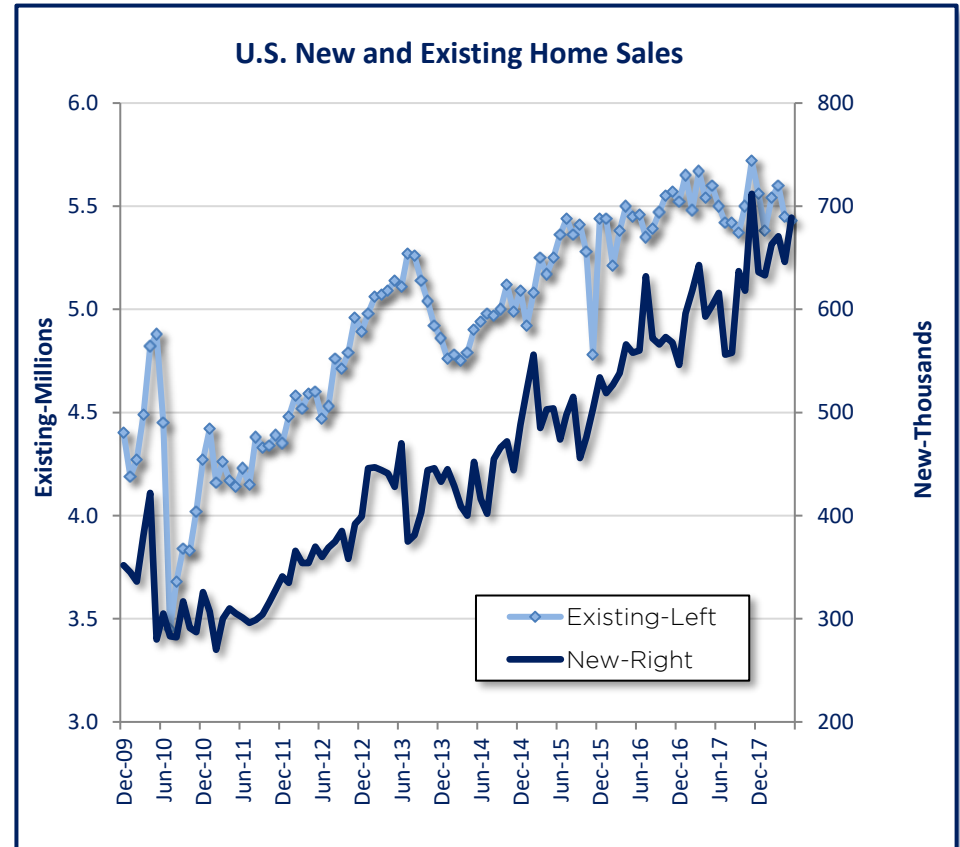
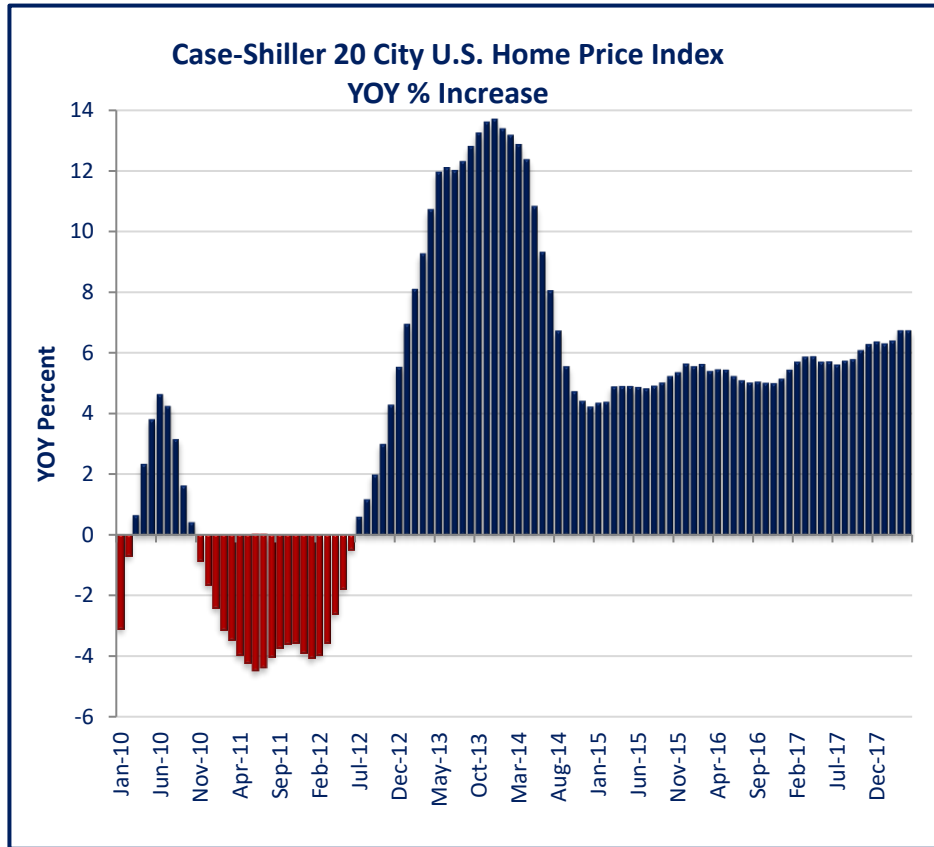
CPIX: Consumer Price Index, excluding food and energy



PCEC: Personal Consumption Expenditure Core

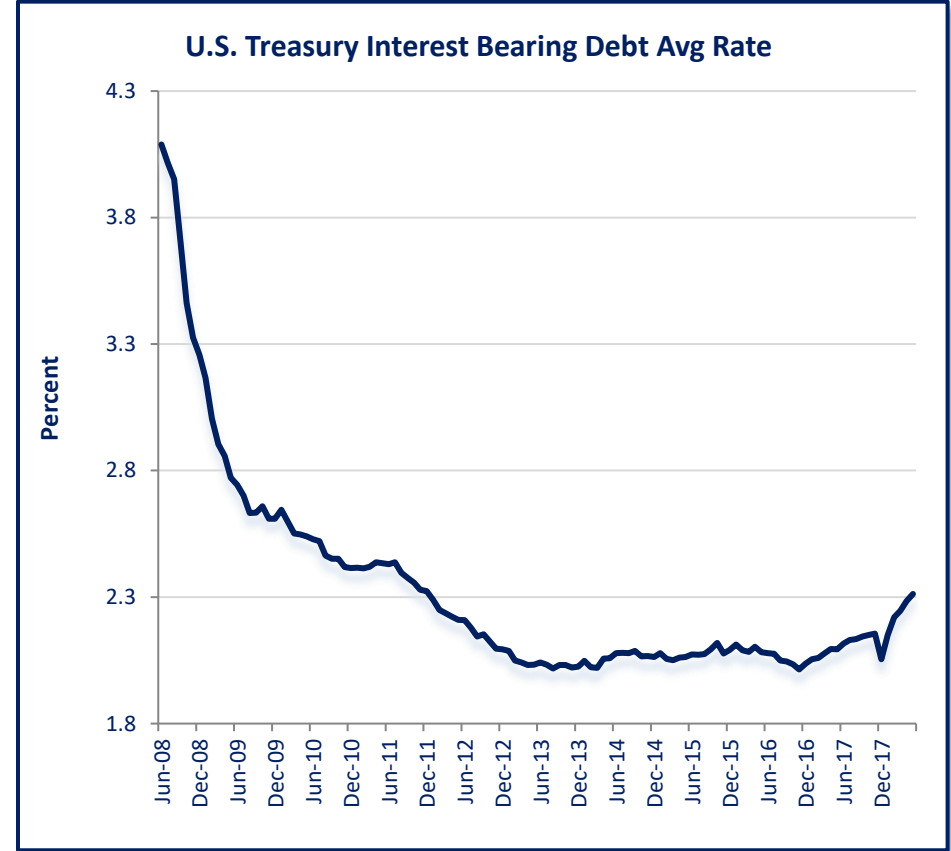
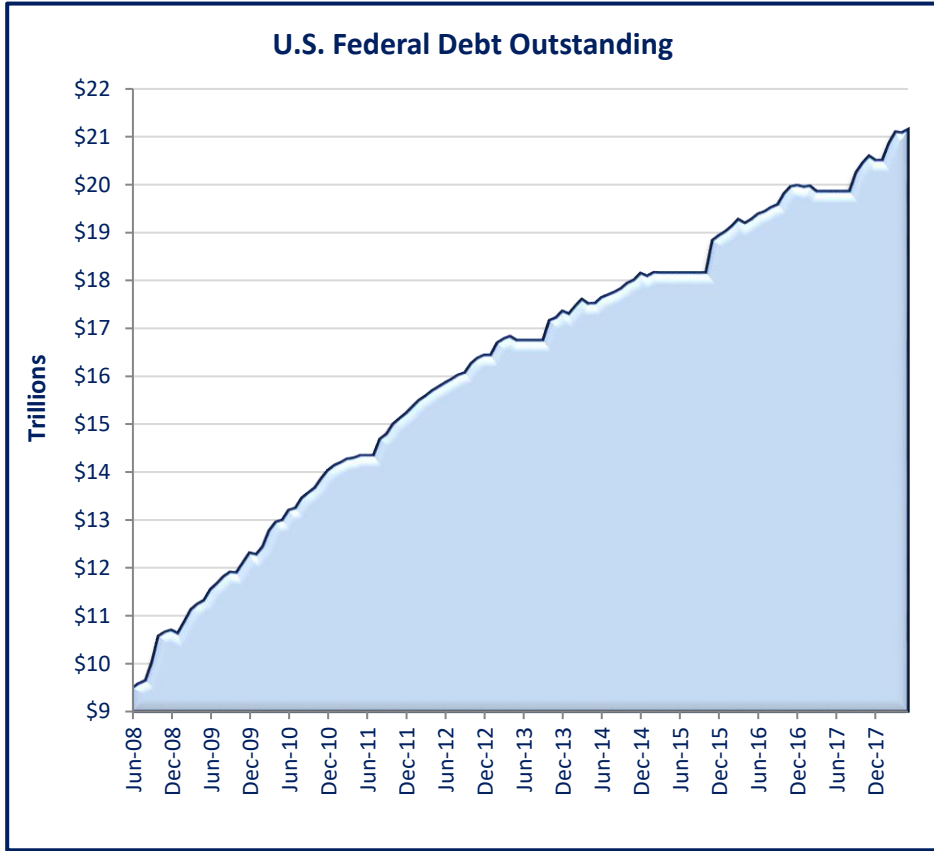
Source: Bureau of Labor Statistics and Bureau of Economic Analysis



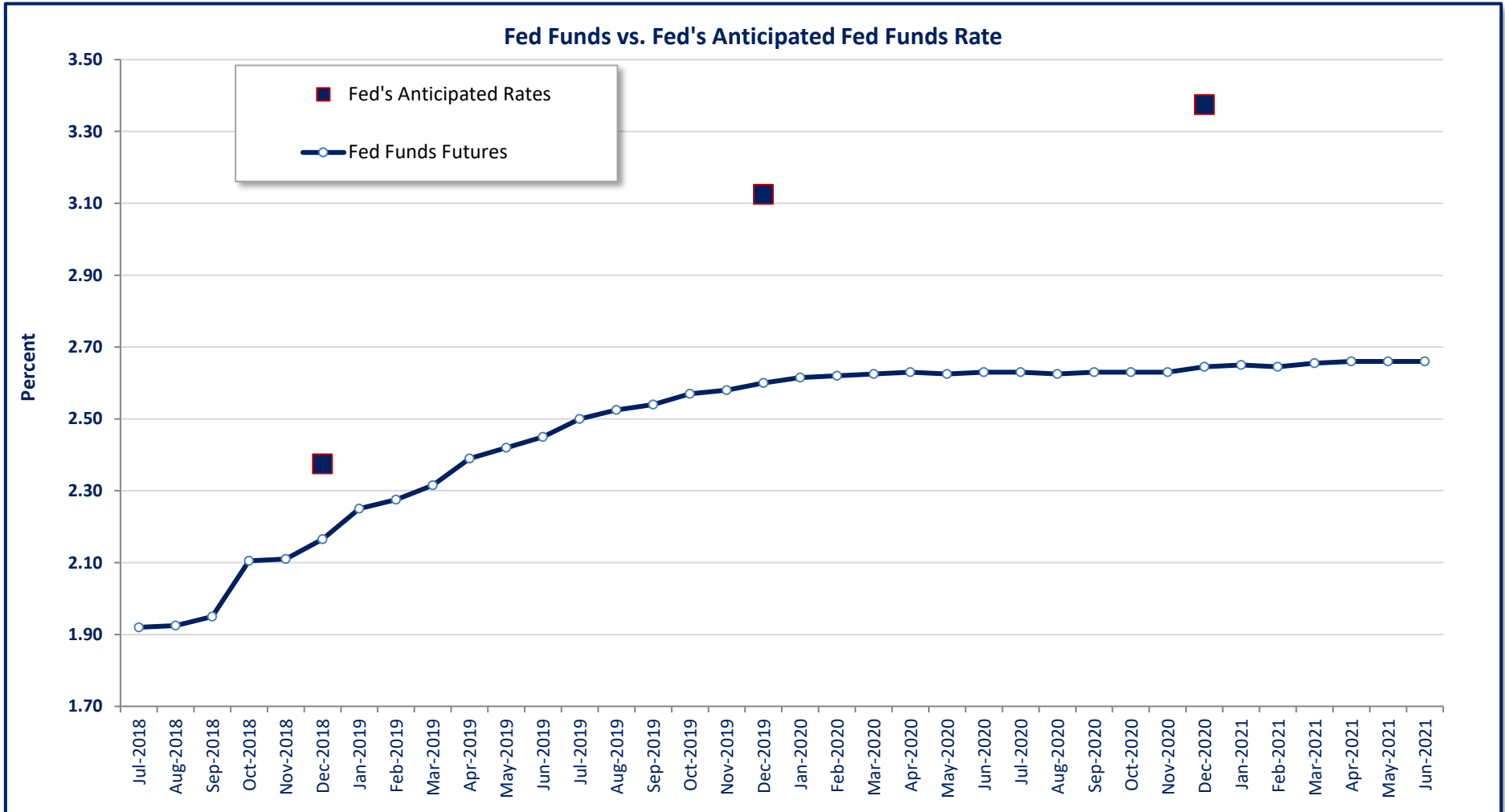


Source: Case-Shiller

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

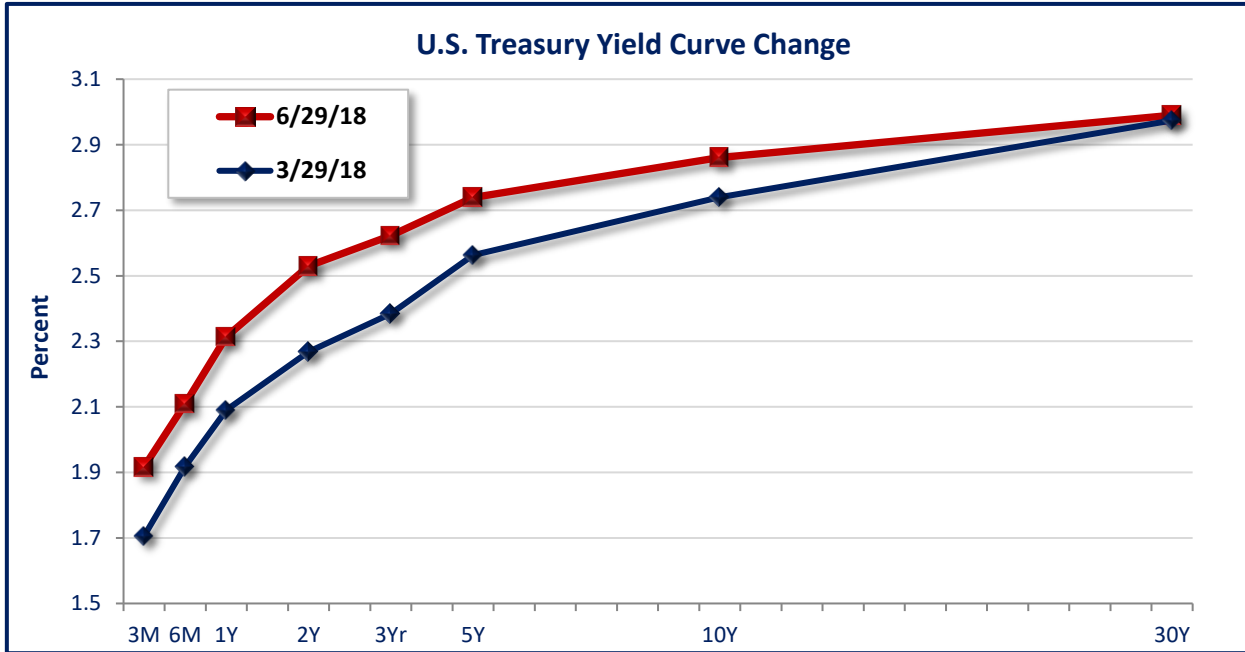


Source: U.S. Treasury

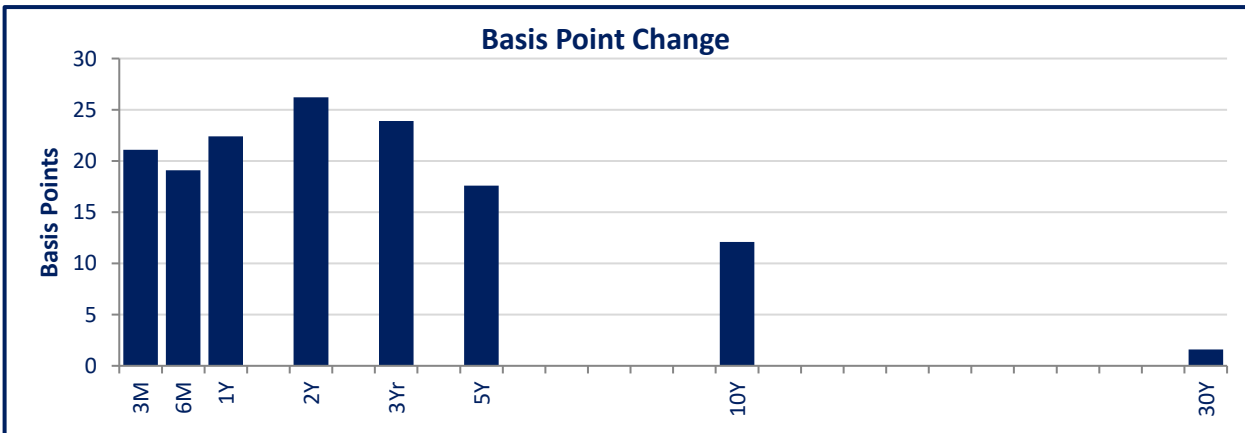


Fed Funds Anticipated Rate from the June 13, 2018 FOMC Meeting

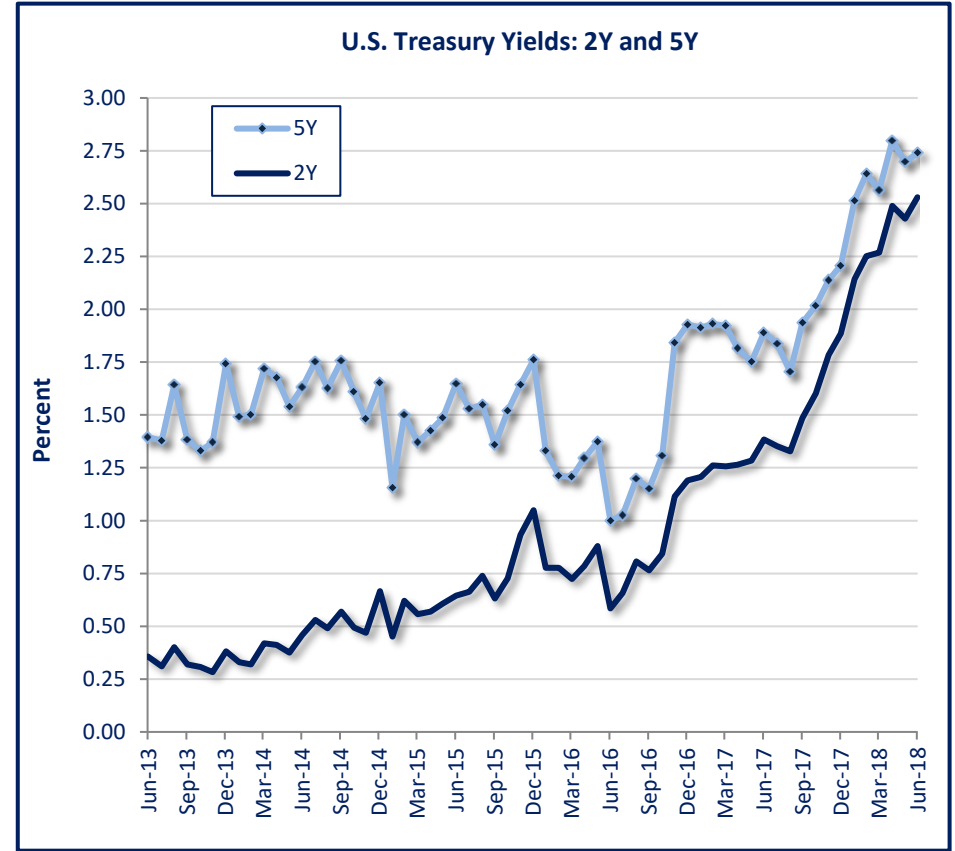
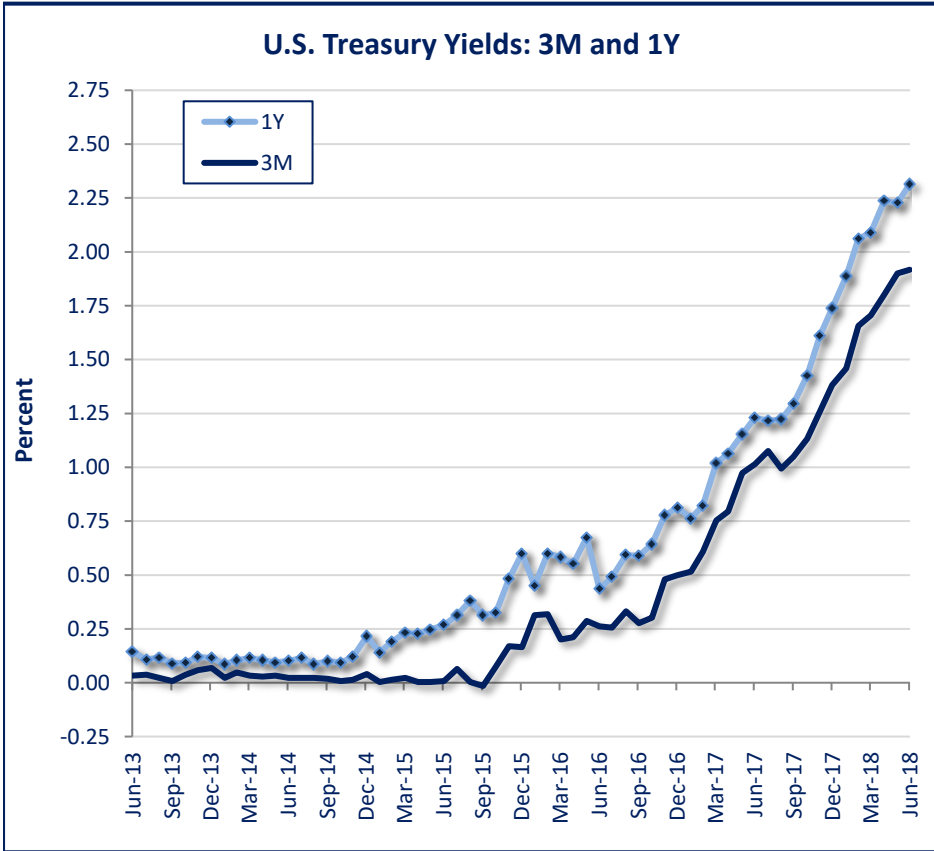
Source: Bloomberg



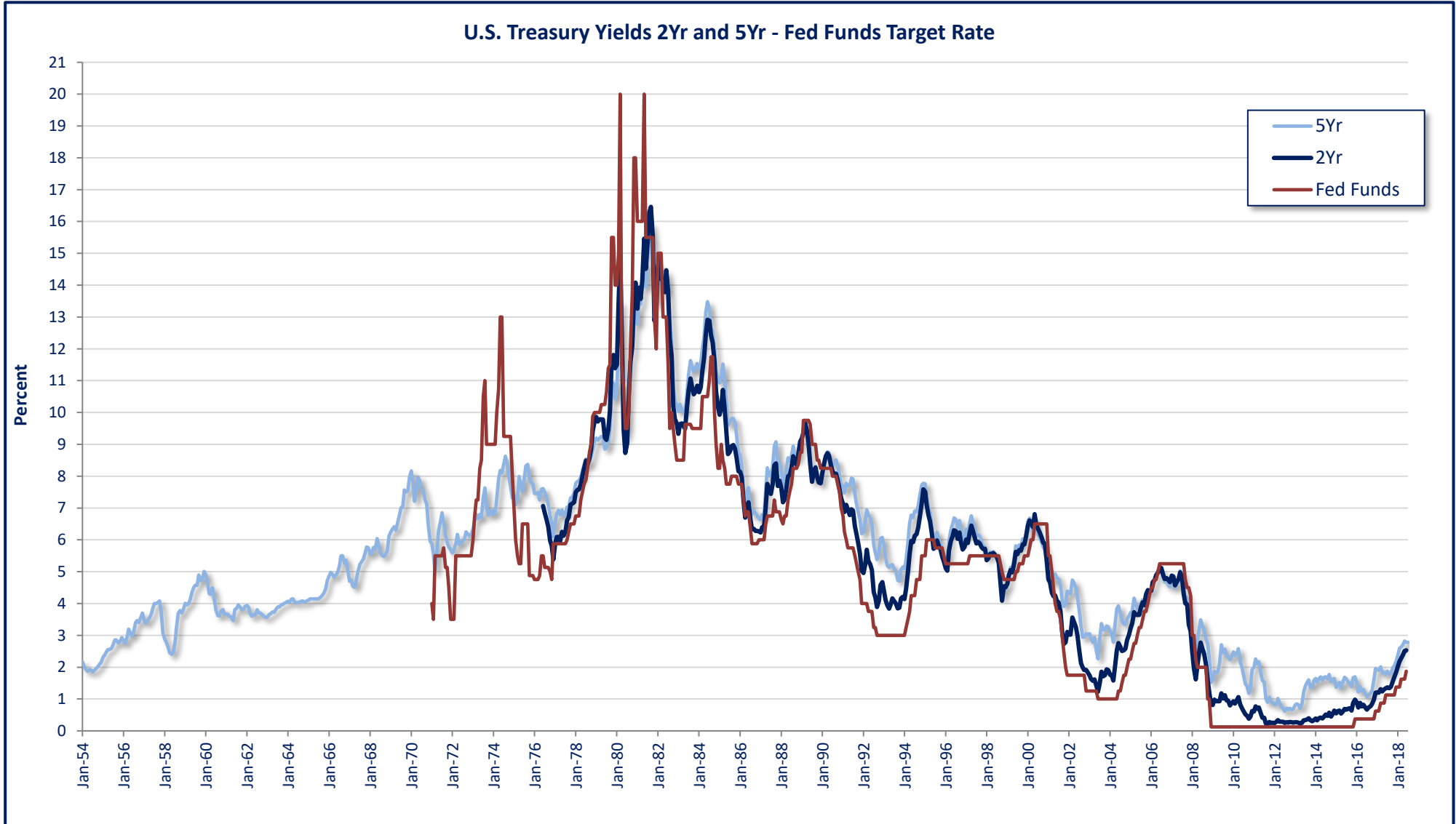
Maturity	3/29/18	6/29/18	Change
3M	1.71	1.92	0.21
6M	1.92	2.11	0.19
1Y	2.09	2.31	0.22
2Y	2.27	2.53	0.26
3Y	2.38	2.62	0.24
5Y	2.56	2.74	0.18
10Y	2.74	2.86	0.12
30Y	2.97	2.99	0.02



Source: Bloomberg  
 Figures may not total due to rounding



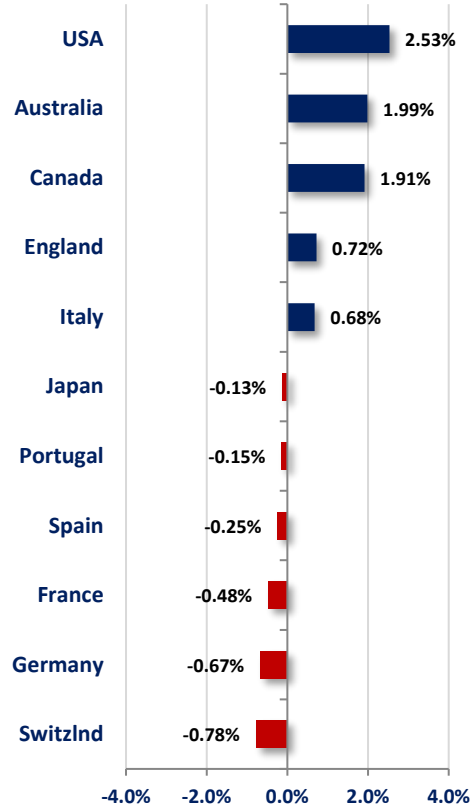
Source: Bloomberg



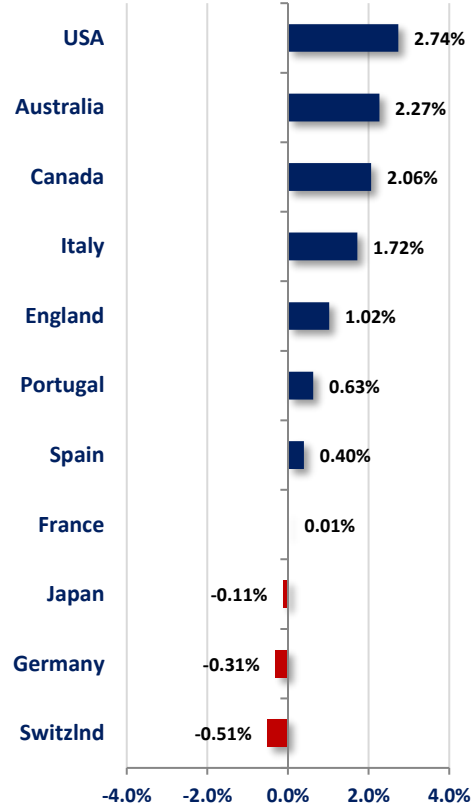
Source: Bloomberg

**Global Treasury Rates**

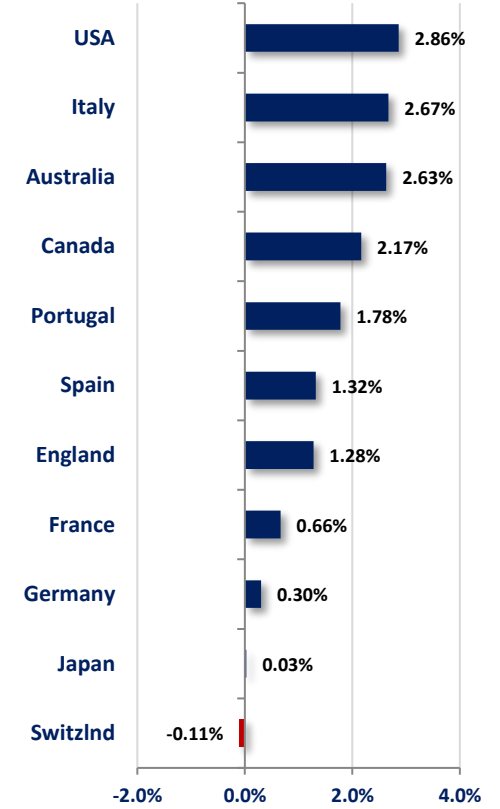
**2 Year Yields**



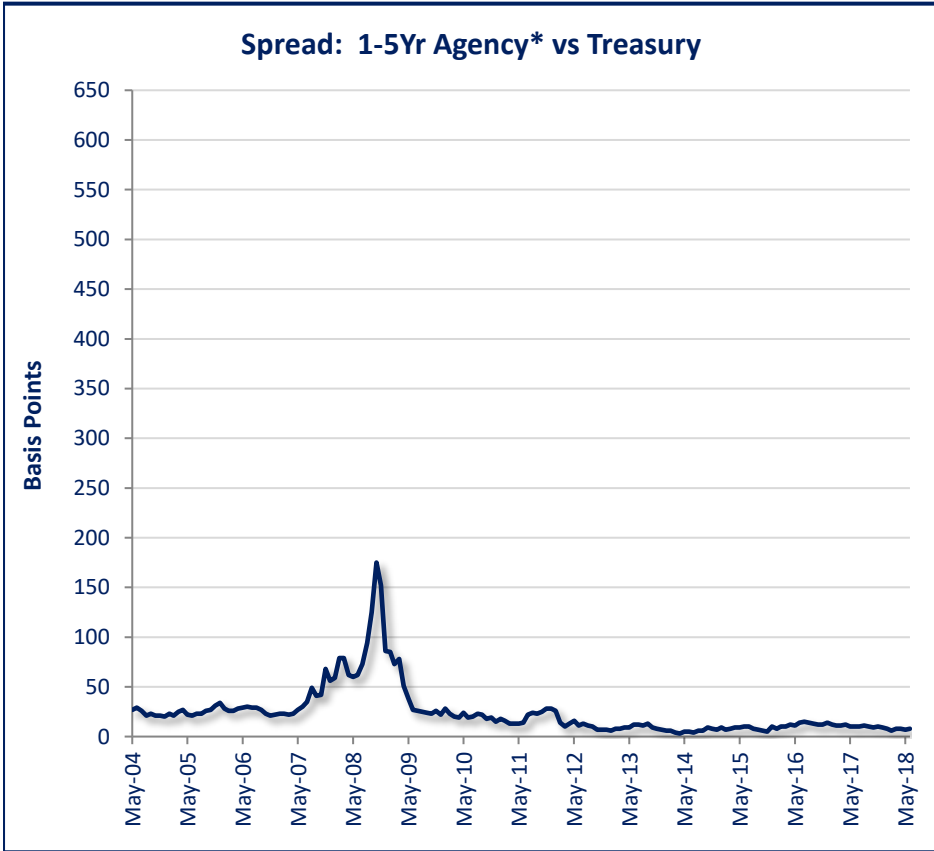
**5 Year Yields**



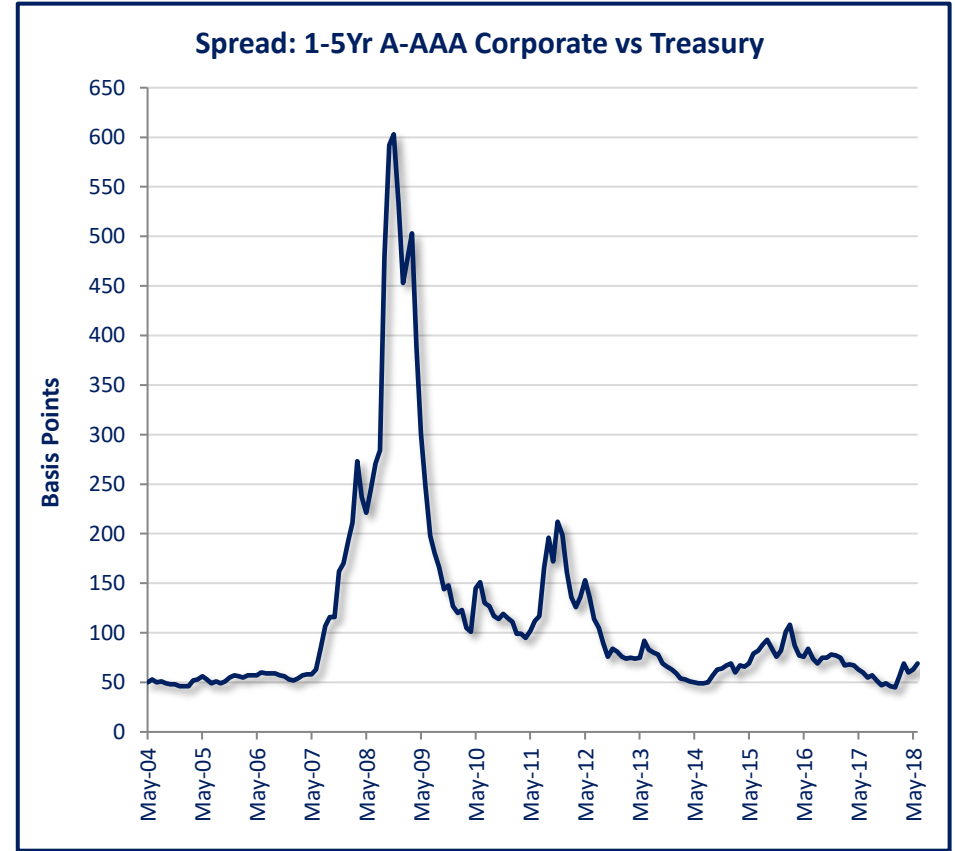
**10 Year Yields**



Source: Bloomberg



Current Spread is 8



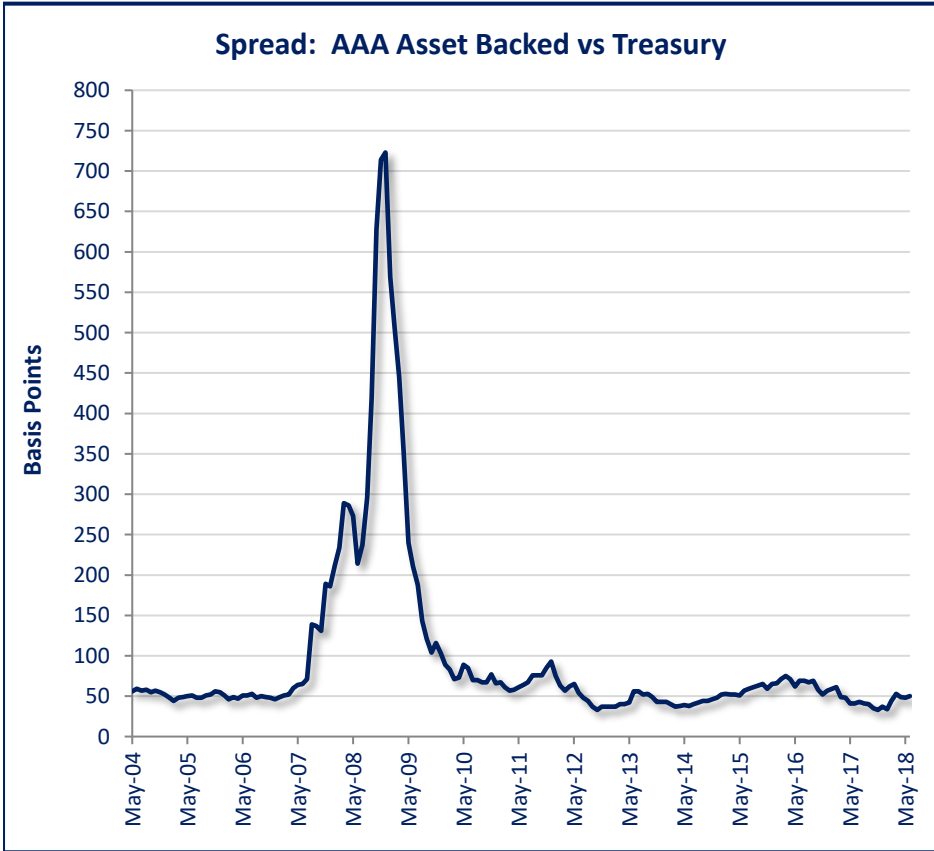
Current Spread is 69

\*BofA/Merrill Index (option adjusted spread vs. Treasury)  
 Agency (GVPO)

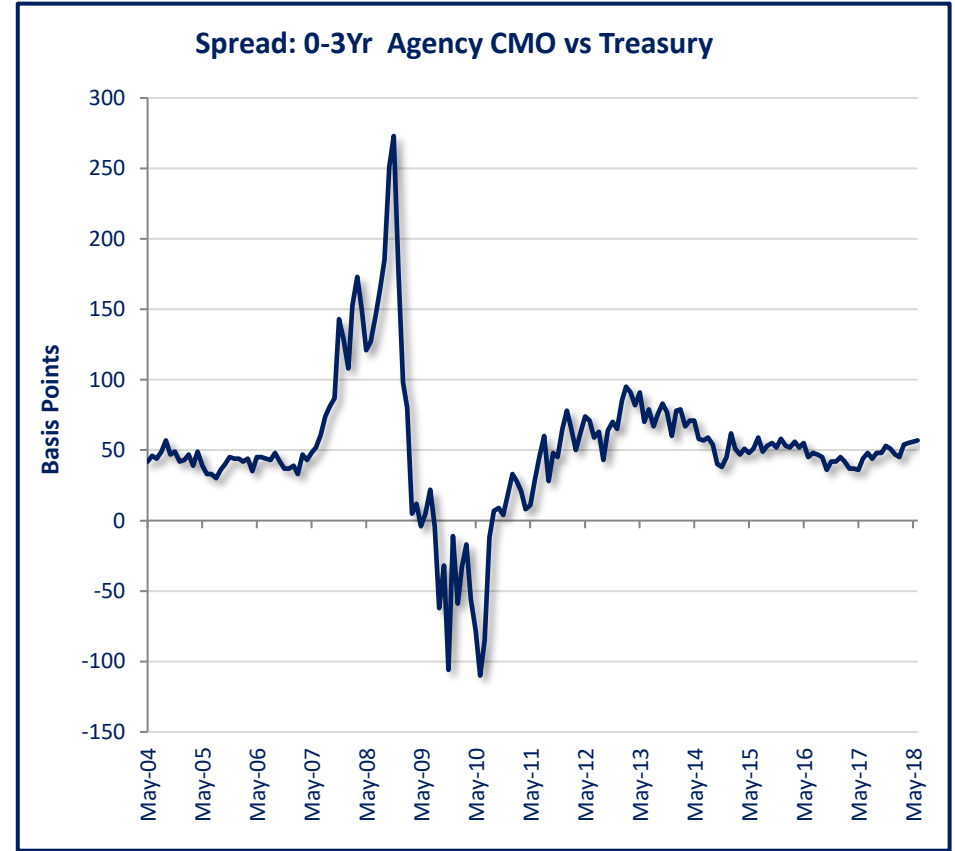
\*BofA/Merrill Index (option adjusted spread vs. Treasury)  
 Corporate A-AAA (CV10)

Source: Bank of America Merrill Lynch Indices





Current Spread is 50

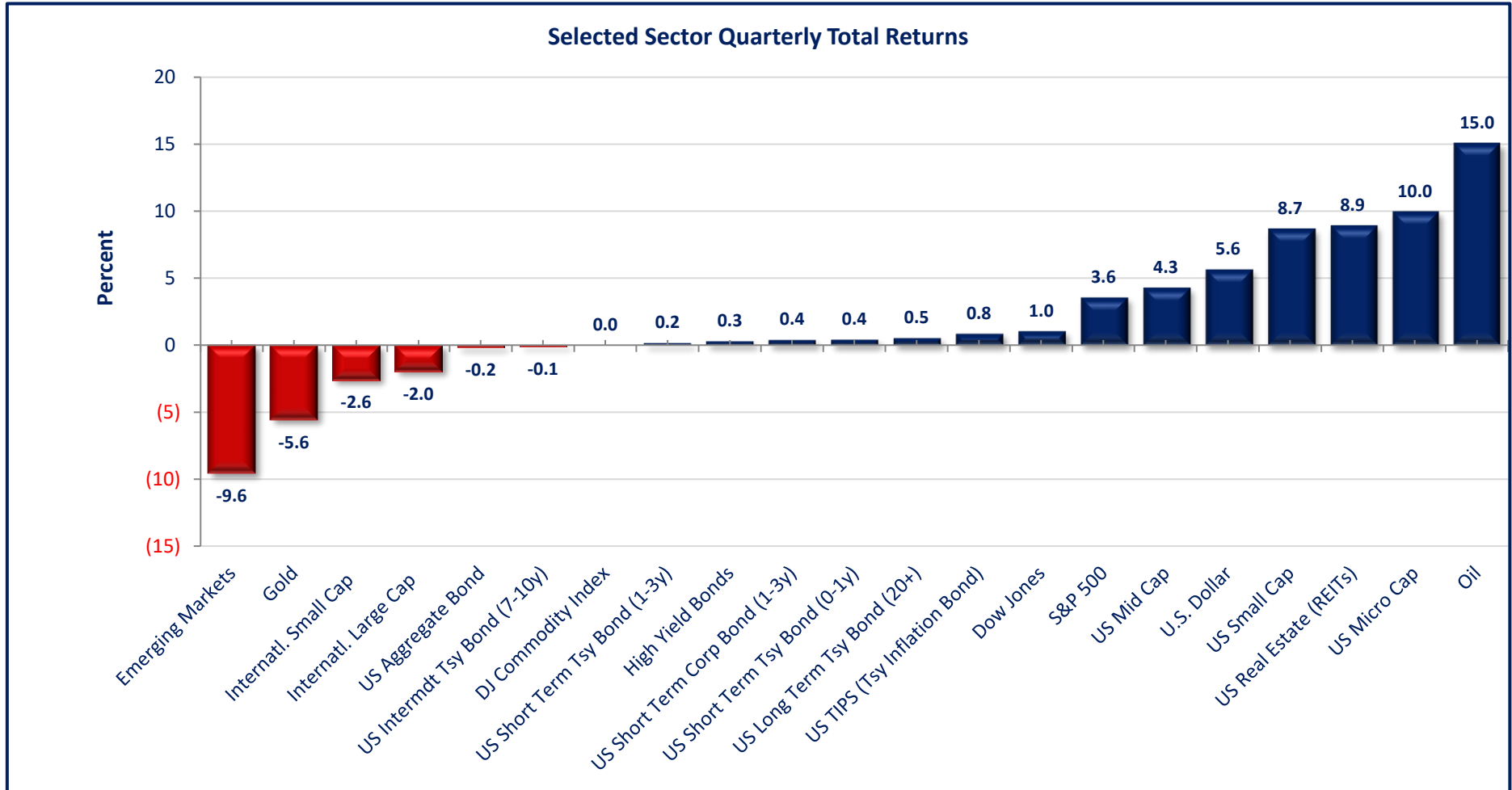


Current Spread is 57

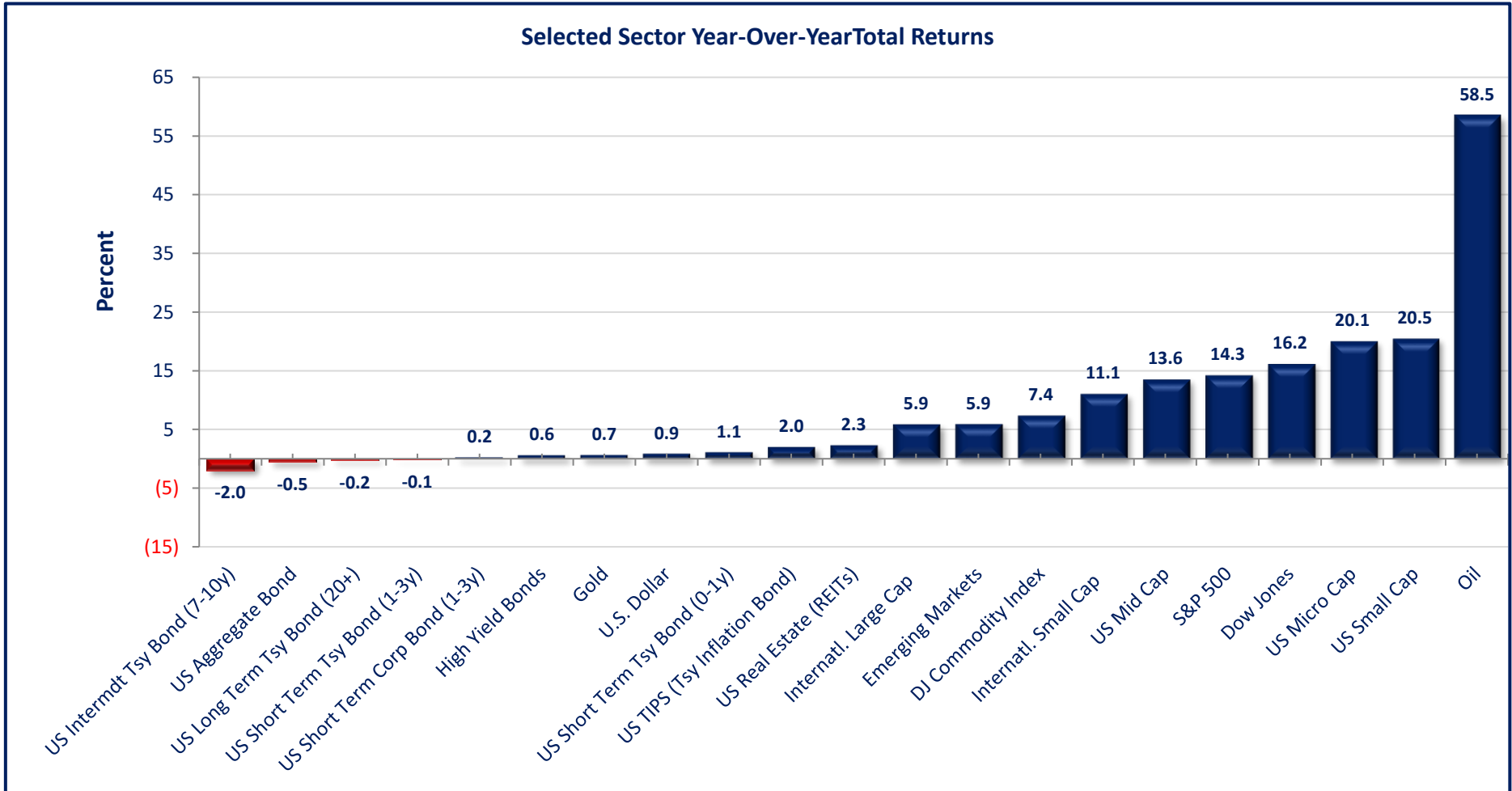
\*BofA/Merrill Index (option adjusted spread vs. Treasury)  
 AAA Rated ABS (ROA1)

\*BofA/Merrill Index (option adjusted spread vs. Treasury)  
 CMO Agency 0-3Yr PAC (CM1P)

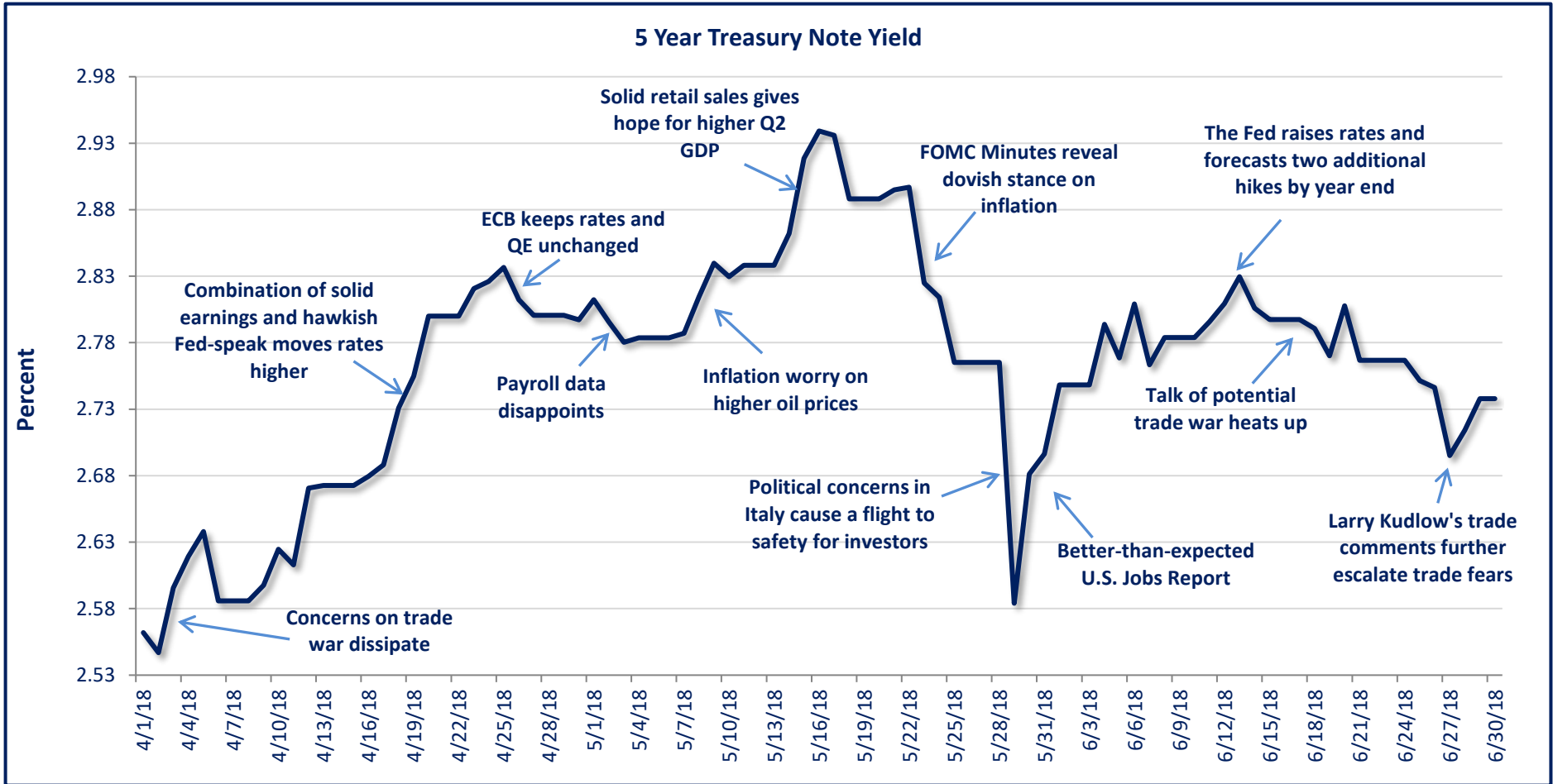
Source: Bank of America Merrill Lynch Indices



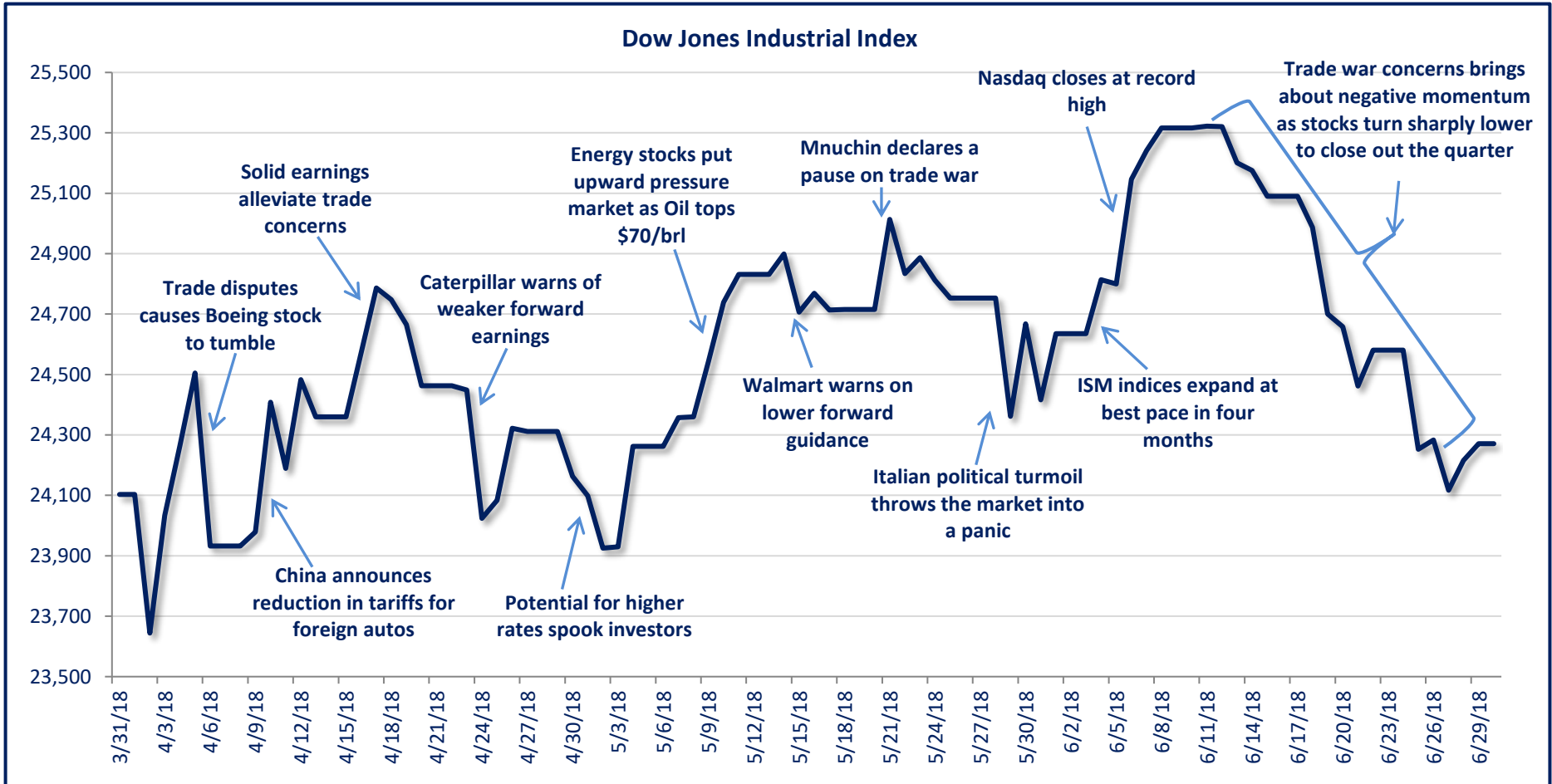
Source: Bloomberg



Source: Bloomberg



Sources: Bloomberg, FTN Main Street



Sources: Bloomberg, FTN Main Street

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