



TrustINDiana

Local Government Investment Pool

February News from TrustINDiana

Why processing your TrustINDiana transactions online is your most secure option...

Public Trust Advisors is committed to ensuring a secure online transaction experience through MYACCESS. We have implemented and maintain strong security measures for MYACCESS because we understand the risks associated with accessing public financial information online.

What makes MYACCESS secure?

- 1) The "Safe Zone": MYACCESS is a service running on a web server that is not internet facing, but rather operates in a "safe zone" which stores the data in a secure environment. The server is monitored 24/7 by a live person who identifies any possible attempt at unauthorized access.
- 2) Multifactor Authentication: In order to access their information, TrustINDiana Participants are required to provide multifactor authentication. In other words, MYACCESS makes it extremely difficult for a non-authorized person to access your local governments account. It considers your username and password, then identifies your computer, as well as recognizes your geographic location should it be different from your initial login.
- 3) Masked Account Numbers: There are some critical pieces of information that if lost, could lead to fraudulent activity, most notably bank account numbers. While your passwords and security questions help ensure authorized online access, masking the account numbers is one further way to maintain the confidentiality of your accounts.

Why your email might not be as secure as you think

While your office email is almost certainly password protected, it might not necessarily be secure. The

inconvenient truth is that hackers and spyware grow more sophisticated every day.

Multifactor authentication does exist on some email systems; however, even with this added security, the fact remains that sending sensitive financial information via email leaves you vulnerable unless the messages are properly encrypted. Email in general, is susceptible to eavesdropping, identity theft, and unprotected backups where plain text copies of your emails could be replicated and stored without your knowledge. Knowing these pitfalls, online transactions overall are more secure.

Additional Benefits to Online Transactions:

- Provides a complete audit trail of transactions
 - Pending order screens
 - Transaction confirmations
 - Monthly statements
- Allows for appropriate internal checks and balances
 - Signatories having online transaction capabilities
 - Signatories with view only capabilities
 - Allows you to check and verify your own work
 - Eliminates periodic processing errors

The team at Public Trust is always striving to make your TrustINDiana experience as convenient as possible. Just think of us as an extension of your staff, should you have any questions establishing your MYACCESS account, contact us at 888-860-6242, clientservices@trustindiana.in.gov or via <https://www.trustindiana.in.gov/contact-us/client-services>.

Best regards,
TrustINDiana Staff



The **ECONOMY**

Happy New Year?

The financial markets welcomed the New Year with a resounding thud, as falling oil prices and global growth concerns once again dominated the price action in January. Global stock market indexes experienced heightened volatility and significant weakness, driven by softer economic data from China and oil prices hitting recent new lows during the month. While neither of these trends qualify as a new revelation, investors may be turning squeamish in light of the Federal Reserve (Fed) forecasting further rate increases this year.

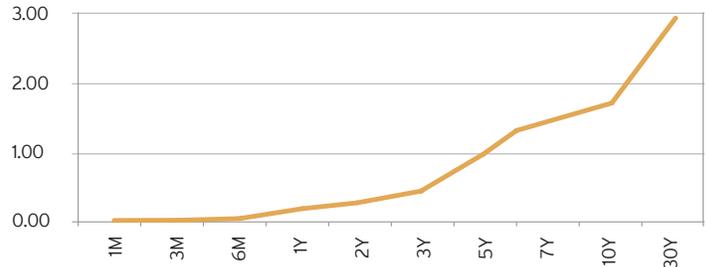
While acknowledging that it was “closely” monitoring global economic and financial developments, the Fed has not given any indication that a March move is off the table. At odds with this forecast, the yield curve is pricing in far less tightening than the Fed’s most recent projections would suggest. The U.S. economy’s lack of momentum, having grown at a tepid 0.7 percent annualized rate during the fourth quarter, has likely contributed to the market’s malaise. The Fed can only hope that the strengthening labor market has created a strong foundation that encourages overall consumption this year.

One bad month for stocks, while troubling, is unlikely to have a lasting impact on monetary policy. We have also witnessed the economy stumble out of the blocks the past few years only to recover in time. The “X” factor is the Fed now gently applying the breaks where additional stimulus may have been warranted in the past. This disconnect has many investors on edge, driving volatility higher. It has been said that the night is darkest just before dawn, but if January is any indication, the Fed would probably need to see some light soon or all bets may be off for 2016.

Portfolio Strategy

Short-term interest rates have shifted higher with the Fed’s first rate increase in over nine years. We will look for prudent opportunities to take advantage of the higher rates available, while maintaining flexibility as the Fed may gradually raise rates during the year.

US Treasury Curve



Source: Bloomberg

Treasury Yields

MATURITY	2/1/16	1/1/16	CHANGE
3 Month	0.300%	0.190%	0.110%
6 Month	0.400%	0.430%	-0.030%
1-Year	0.410%	0.470%	-0.060%

Source: Bloomberg

Agency Yields

MATURITY	2/1/16	1/1/16	CHANGE
3 Month	0.370%	0.280%	0.090%
6 Month	0.400%	0.450%	-0.050%
1-Year	0.580%	0.630%	-0.050%

Source: Bloomberg

Commercial Paper Yields (A-1/P-1)

MATURITY	2/1/16	1/1/16	CHANGE
1 Month	0.430%	0.430%	0.000%
3 Month	0.610%	0.600%	0.010%
6 Month	0.830%	0.780%	0.050%
9 Month	0.920%	0.980%	-0.060%

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q4 '15	0.70%
US Unemployment	Dec '15	5.00%
ISM Manufacturing	Jan '16	48.2
PPI YoY	Dec '15	-2.70%
CPI YoY	Dec '15	0.70%
Fed Funds Target	Jan 27 '16	0.25% - 0.50%

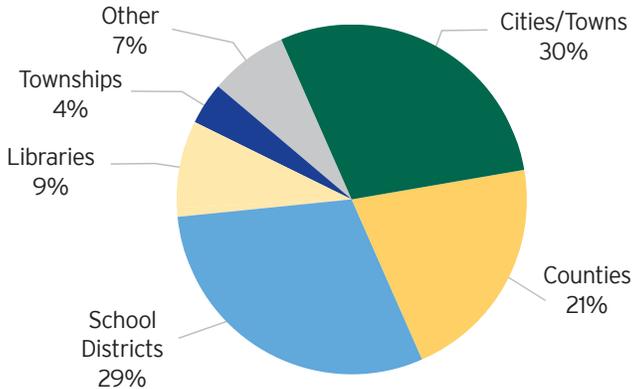
Source: Bloomberg



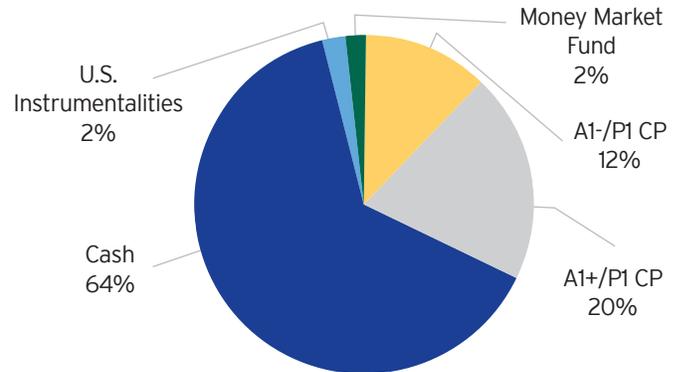
The FUND

Fund Highlights as of January 31, 2016 (Unaudited)

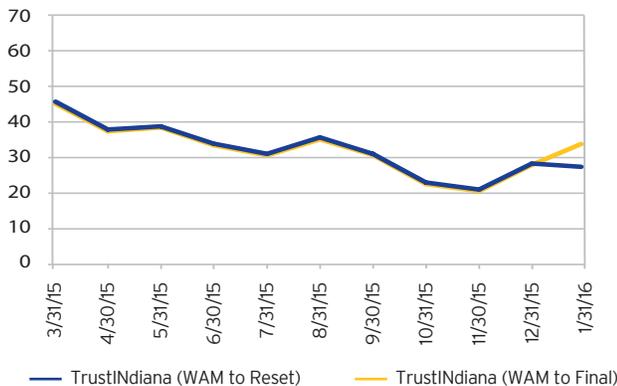
Participant Breakdown



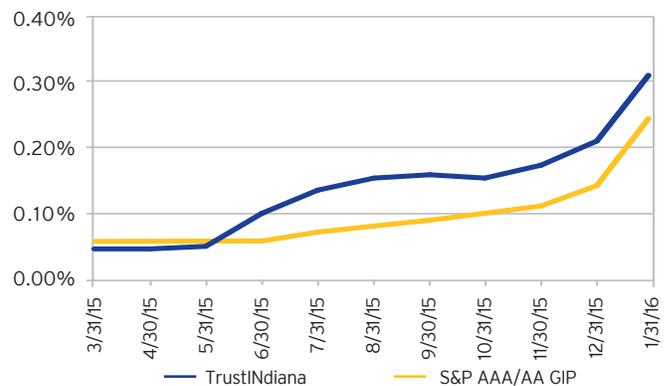
Portfolio Distribution



Weighted Average Maturity



TrustIndiana vs S&P AAA/AA GIP* (30 Day Avg Yields)



Month	Avg Daily Yields**	WAM (to Reset)***	NAV	Month Ending Net Assets
Nov-15	0.17%	21	1.00	\$517,567,019.08
Dec-15	0.21%	28	1.00	\$504,546,363.47
Jan-16	0.31%	27	1.00	\$503,044,945.85

** 30 day yield as of the last day of the month *** As of the end of the last day of the month

Public Trust Advisors, LLC took over the management and advisory services effective May 1, 2015. All data prior to this date is from the previous Investment Advisor. As both Investment Advisors adhered to the investment policy there may be variances in yield, weighted average maturities and portfolio composition due to differing investment style.

Data Unaudited. All comments and discussion presented are purely based on opinion and assumptions, not fact, and these assumptions may or may not be correct based on foreseen and unforeseen events. The information above is not a recommendation to buy, sell, implement or change any securities or investment strategy, function or process. Any financial and/or investment decision should be made only after considerable research, consideration and involvement with an experienced professional engaged for the specific purpose. Additionally, past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.

*The benchmark, the S&P US AAA & AA Rated GIP All 30 Day Net Yield (LGIP30D) is a performance indicator of rated GIPs that maintain a stable net asset value of \$1.00 per share and is an unmanaged market index representative of the LGIP universe. The S&P benchmark utilized in this comparison is a composite of all rated stable net asset value pools. GIPs in the index include only those rated based on Standard & Poor's money market criteria. Pools rated 'AAA' provide excellent safety and a superior capacity to maintain principal value while those rated 'AA' offer very good safety and a strong capacity to maintain principal value (Source: Standard & Poor's website.) The comparison between this index and the portfolio may differ in holdings, duration and percentage composition of each holding. Such differences may account for variances in yield.