

TheNEWS

Ten Things to Know About Managing Your TrustINDiana Account

At TrustINDiana we believe it is important to keep our Participants informed regarding our client services and how to most effectively manage your TrustINDiana account. Here are ten things to know about managing your TrustINDiana account.

1. What are the daily time cut-offs for transactions?

Withdrawals conducted by MYACCESS, telephone or fax, need to be concluded by 2:00 p.m. EST for same-day credit. Contributions conducted by MYACCESS, telephone or fax, need to be concluded by 2:00 p.m. EST for same-day credit.

2. How do I add or remove bank instructions on our TrustINDiana account? Please fill out the Bank Amendment Form which is available in the Document Center at www.trustindiana.in.gov as well as in the forms section within MYACCESS.

3. How do I update those individuals who are authorized on our TrustINDiana account? Please fill out the Authorized Signatory Amendment Form which is available in the Document Center at www.trustindiana.in.gov as well as in the forms section within MYACCESS.

4. How do I amend those individuals who receive account correspondence such as monthly statements or transaction confirmations? These changes can be made by contacting TrustINDiana Client Services at (888) 860-6242 or via email at clientservices@trustindiana.in.gov.

5. When are the TrustINDiana monthly statements delivered? TrustINDiana monthly statements are emailed to Participants on the first business day of the month.

6. What if I am missing a copy of a TrustINDiana monthly statement? TrustINDiana monthly statements are emailed to Participants. Sometimes email SPAM filters grab legitimate emails, so check your Junk email folder first, if it is not there back-up copies are available on MYACCESS.

7. Where can I get a report of the TrustINDiana monthly investment holdings? Monthly investment holdings reports are available on MYACCESS.

8. How does a TrustINDiana Participant receive a login for MYACCESS? In order to obtain a MYACCESS registration and instructions, TrustINDiana Participants should call Client Services at (888) 860-6242 or email us at clientservices@trustindiana.in.gov.

9. What functions can MYACCESS perform? TrustINDiana MYACCESS allows Participants to make contributions, withdrawals and transfers between subaccounts as well as to other approved TrustINDiana Participants. Users can pre-date important transactions, ensuring that they are handled reliably, and avoiding unfortunate timing issues or cash access emergencies. Reporting features available via MYACCESS include access to monthly statements, transaction confirmations and details highlighting past, present and future dated transactions.

10. How frequently do I need to change my MYACCESS password? MYACCESS offers a high-level of end user security. In order to keep your account details safe and secure, you will need to update your credentials once a year. At TrustINDiana, we value the safety of your account information.



The ECONOMY

A Familiar Pattern

The U.S. economy faltered in the first quarter, growing at an anemic 0.2% annualized rate. This follows the unfortunate recent pattern of the economy stumbling out of the gate to start the year. Since 2010 first quarter growth has averaged 0.6%, with all other quarters averaging 2.9%. Much like last year, severe winter weather may have temporarily restrained the economy. The Federal Reserve (Fed) appears to agree, attributing the lackluster growth “in part” to transitory factors. With many economists projecting 3.0% growth for the second quarter, the markets are optimistic that the data will rebound once again.

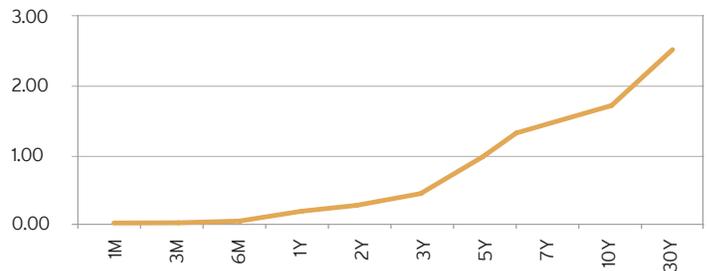
However, there are headwinds to the economy that may not abate anytime soon. The strengthening dollar has likely weakened net exports and collapsing oil prices may have impaired business investment for some time. The hope is that the labor market continues to mend and the consumer kicks into a higher gear, presumably spending a portion of the windfall that stems from lower gasoline prices. A tighter labor market may also fuel wage inflation, a critical component for the Fed to finally see inflation trend towards its 2.0% target.

The market is currently pricing in only one rate increase from the Fed this year. That certainly seems plausible despite the economy’s lackluster start to the year. While it is no secret that the global economy is stuck in a rut, the Fed maintains that a move in June is not out of the question. At this point, we would likely need to see an extraordinary rebound in activity in the coming months for the Fed to act in June. In any case, we can only hope that the stage is set for the Fed to tighten monetary policy at some point this year.

Portfolio Strategy

Short-term rates continued to be well anchored by the Fed’s zero interest target rate policy. However, we are preparing for the Fed to eventually lift rates in the second half of 2015. As always, we remain focused on safety, liquidity and then yield.

US Treasury Curve



Source: Bloomberg

Treasury Yields

MATURITY	5/4/15	4/1/15	CHANGE
3 Month	0.010%	0.020%	-0.010%
6 Month	0.050%	0.080%	-0.030%
1-Year	0.230%	0.220%	0.010%

Source: Bloomberg

Agency Yields

MATURITY	5/4/15	4/1/15	CHANGE
3 Month	0.060%	0.060%	0.000%
6 Month	0.090%	0.130%	-0.040%
1-Year	0.270%	0.280%	-0.010%

Source: Bloomberg

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

MATURITY	5/4/15	4/1/15	CHANGE
1 Month	0.140%	0.170%	-0.030%
3 Month	0.220%	0.240%	-0.020%
6 Month	0.360%	0.370%	-0.010%
9 Month	0.520%	0.500%	0.020%

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q1 '15	0.20%
US Unemployment	Mar '15	5.50%
ISM Manufacturing	Apr '15	51.5
PPI YoY	Mar '15	-3.20%
CPI YoY	Mar '15	-0.10%
Fed Funds Target	Apr 29 '15	0 - 0.25%

Source: Bloomberg