

# NOTICE OF PUBLIC MEETING

## AGENDA

### CLARK COUNTY OPEB BOARD OF TRUSTEES

**WEDNESDAY, February 14, 2017, 2:00 PM**  
**PINYON ROOM, GOVERNMENT CENTER, 6th FLOOR**  
**500 SOUTH GRAND CENTRAL PARKWAY, LAS VEGAS, NEVADA**

<b>This meeting has been properly noticed and posted in the following locations:</b>		<b>Agenda Also Available At:</b>	
CC Government Center 500 S. Grand Central Pkwy Las Vegas, NV (Principal Office)	Regional Justice Center 200 Lewis Ave, 1 <sup>st</sup> Fl. Las Vegas, NV	City of Las Vegas 400 E. Stewart Ave Las Vegas, NV	City of No. Las Vegas 2200 Civic Center Dr. No. Las Vegas, NV
Third Street Building 309 S. Third St. Las Vegas, NV	Paradise Park Pool & Center 4775 McLeod Dr. Las Vegas, NV	City of Henderson 240 Water St. Henderson, NV	City of Boulder City 400 California Ave. Boulder City, NV
Winchester Park & Center 3130 S. McLeod Dr Las Vegas, NV	Desert Breeze Park & Community Ctr. 8275 Spring Mtn. Rd Las Vegas, NV	City of Mesquite 10 E. Mesquite Blvd. Mesquite, NV	Clark County Regional Govt. Ctr. 101 Civic Way Laughlin, NV

- Items on the agenda may be taken out of order.
- The OPEB Board of Trustees may combine two or more agenda items for consideration.
- The OPEB Board of Trustees may remove an item from the agenda or delay discussion relating to an item at any time.

The main agenda is available on Clark County's website, <http://www.ClarkCountyNV.gov>. For copies of agenda items and supporting backup materials, please contact Carrie Delatorre at (702) 455-3895.

## CALL TO ORDER

### Comments by the General Public

This is a period devoted to comments by the general public about items on this agenda. If you wish to speak to the OPEB Board of Trustees about items within its jurisdiction but not appearing on this agenda, you must wait until the "Comments by the General Public" period listed at the end of this agenda. Comments will be limited to three minutes. Speakers must clearly state their name (last name spelled for the record) and address. No action may be taken on a matter not listed on the posted agenda. If any member of the OPEB Board of Trustees wishes to extend the length of a presentation, this will be done by the Chair or the Board by majority vote.

1. Approval of agenda. (For possible action)
2. Approval of the minutes of the Clark County, Nevada OPEB Trustee meeting on November 29, 2016. (For possible action)
3. Approval of the engagement letter from Eide Bailly for audit services for the year ended June 30, 2016. (For possible action)
4. Receive a report on financial statements as of and for the year ending December 31, 2016. (For possible action)

5. Discussion of the Quarterly Investment Report from FTN Financial Main Street Advisors. (For possible action)
6. Trustee's/Staff announcements, requests for information, and topics for future agendas, Statements relating to items not on the agenda and any ideas and suggestions for greater efficiency, cost effectiveness and innovation in providing for the benefits of Clark County, Nevada OPEB Trust participants in accordance with the benefit plans. (No discussion on this item will take place among Trustees.)

#### **Comments by the General Public**

A period devoted to comments by the general public about matters relevant to the OPEB Board of Trustees' jurisdiction will be held. No action may be taken on a matter not listed on the posted agenda. Comments will be limited to three minutes. Speakers must clearly state their name (last name spelled for the record) and address. If any member of the OPEB Board of Trustees wishes to extend the length of a presentation, this will be done by the Chair or the Board by majority vote.

# OPEB Board of Trustees

CLARK COUNTY, NEVADA

Jessica Colvin  
*Chair*  
Laura Fitzpatrick  
*Vice-Chair*  
George Stevens  
Trustee

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## CALL TO ORDER

The public meeting of the Clark County OPEB Board of Trustees meeting was called to order by Jessica Colvin, Comptroller on Wednesday, November 29, 2016 at 3:05 P.M. in the Pinyon Room, Clark County Government Center, 6<sup>th</sup> floor, 500 South Grand Central Parkway, Las Vegas, Nevada. This public meeting was properly noticed and posted.

### **ATTENDEES:**

Jessica Colvin, Chair - phone in  
Laura Fitzpatrick, Vice Chair  
Joseph Piurkowski, Department of Aviation – phone in  
George Stevens, Trustee – phone in  
Rick Phillips, FTN Financial, Chief Investment Officer  
Drew Solomon, Clark County Treasurer's Office  
Anna Danchik, Clark County, Manager of Accounting Services  
Elizabeth Vorce, Clark County, Principle Accountant  
Kristen Chinvarasopak, CPA, Eide Bailly

There were no comments from the general public, as no public present.

### **1. Approval of Agenda (For possible action)**

- Ms. Colvin asked that item number 7 be removed from the agenda, due to it being a duplicate to item number 3. Motion made by Ms. Fitzpatrick to approve the Agenda for November 29, 2016, striking duplicate item number 7 from the agenda, – motion passed unanimously.

### **2. Approval of the minutes of the Clark County, Nevada OPEB Trustee meeting from May 26, 2016. (For possible action)**

- A motion was made by Ms. Fitzpatrick to approve the minutes from the May 25, 2016 meeting, seconded by Mr. Stevens - motion passed unanimously.

### **3. Receive a report on the audited financial statements as of and for the year ending June 30, 2015. (For possible action)**

- Ms. Chinvarasopak, with Eide Bailly, summarized the Independent Auditor's Report for the year ending June 30, 2015, dated July 27, 2016.

4. **Receive a report on financial statements as of and for the year ending June 30, 2016. (For possible action)**
  - Ms. Colvin summarized the financial statements for the year ending June 30, 2016.
5. **Approval of the FY17 budget. (For possible action)**
  - Ms. Colvin summarized the FY17 budget. Mr. Stevens made a motion to approve the FY17 budget and the transfer of funds from the investment pool to the RBIF effective December of 2016 – motion passed unanimously.
6. **Discussion of the Quarterly Investment Report from FTN Financial Main Street Advisors. (For possible action)**
  - Mr. Phillips summarized the Quarterly Investment Report dated September 2016 and the Economic/Market update.
7. **Receive a report on the audit of the OPEB Trust (For possible action)**
  - Item number 7 was stricken from the agenda.
8. **Trustee's/Staff announcements, requests for information, and topics for future agendas, Statements relating to items not on the agenda and any ideas and suggestions for greater efficiency, cost effectiveness and innovation in providing for the benefits of Clark County, Nevada OPEB Trust participants in accordance with the benefit plans. (No discussion on this item will take place among Trustees.**

#### **Comments by the General Public**

There were no comments from the general public.

There being no further business, the meeting was adjourned at 3:35 P.M.



CPAs & BUSINESS ADVISORS

December 30, 2016

Ms. Jessica Colvin, Trustee  
Clark County, Nevada OPEB Trust Fund  
Clark County Comptroller's Office  
500 S. Grand Central Pkwy 5<sup>th</sup> Floor  
Las Vegas, NV 89106

We are pleased to confirm our understanding of the services we are to provide the Clark County, Nevada OPEB Trust Fund for the year ended June 30, 2016.

We will audit the statement of net position and the statement of changes in net position, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Clark County, Nevada OPEB Trust Fund (Trust) as of and for the year ended June 30, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI) to supplement the Trust's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Trust's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis

#### **Audit Objective**

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Trust's financial statements. Our report will be addressed to the Board of Trustees of the Clark County, Nevada OPEB Trust Fund. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter

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or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express opinions or to issue a report as a result of this engagement.

### **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You agree to assume all management responsibilities for any nonattest services we provide (specifically our assistance with the preparation of the Trust's basic financial statements); oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Trust or to acts by management or employees acting on behalf of the Trust.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the Trust and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Trust's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

#### **Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Eide Bailly LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to federal and/or state regulators. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Eide Bailly LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to such federal and/or state regulators. These regulators may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit in January 2017 and to issue our report no later than March 31, 2016. This timing is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. Kristen Chinvarasopak is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services are based on the actual time spent at our standard hourly rates, including out-of-pocket costs (such as report reproduction, word processing, postage, travel, etc.), except that we agree that our gross fee, including expenses, will not exceed \$13,000. The fee quote is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our audit is completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

As part of the audit we will prepare a draft of your financial statements and related notes (which is a nonattest service). You will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

#### **ASSIGNMENTS PROHIBITED**

You agree that you will not and may not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly, its partners, affiliates, officers and employees, to any other person or party, or to any trustee, receiver or other third party.

We appreciate the opportunity to be of service to Clark County, Nevada OPEB Trust Fund and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

**EIDE BAILLY LLP**



*Kristen Chinvarasopak*, Partner

ACCEPTED BY *CLARK COUNTY, NEVADA OPEB TRUST FUND*

\_\_\_\_\_  
Jessica Colvin, Trustee

\_\_\_\_\_  
Date

Clark County, Nevada  
 OPEB Trust Fund  
 Statement of Plan Net Assets  
 December 31, 2016

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	<u>Clark County</u>	<u>Department of Aviation</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments			
Cash	\$ 60,639	\$ 13,322	\$ 73,961
State of Nevada RBIF	71,988,040	15,815,750	87,803,790
Clark County Investment Pool	225,829	49,615	275,444
Interest receivable	-	-	-
Total assets	<u>72,274,508</u>	<u>15,878,687</u>	<u>88,153,195</u>
<b>Liabilities</b>			
Accrued expenses	<u>2,132</u>	<u>468</u>	<u>2,600</u>
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>	<u>\$ 72,272,376</u>	<u>\$ 15,878,219</u>	<u>\$ 88,150,595</u>

Clark County, Nevada  
 OPEB Trust Fund  
 Statement of Changes in Plan Net Assets  
 For the Period July 1, 2016 through December 31, 2016 - Budget to Actual

	Clark County	Department of Aviation	Total	YTD Budget	Favorable (Unfavorable) Variance
<b>Additions</b>					
Contributions					
Employer - Clark County	\$ -	\$ -	\$ -	\$ -	\$ -
Employer - Department of Aviation	-	-	-	-	-
Total contributions	-	-	-	-	-
Investment income (loss)					
Interest	763,284	167,693	930,977	15,000	915,977
Net increase (decrease) in fair value of investments	1,830,854	402,238	2,233,092	-	2,233,092
Total investment income (loss)	2,594,138	569,931	3,164,069	15,000	3,149,069
Less investment expense	(14,593)	(3,206)	(17,799)	(15,000)	(2,799)
Net investment income (loss)	2,579,545	566,725	3,146,270	-	3,146,270
Total additions	2,579,545	566,725	3,146,270	-	3,146,270
<b>Deductions</b>					
Administrative expenses					
Accounting services	-	-	-	375	375
Audit fees	-	-	-	8,250	8,250
Continuing education	-	-	-	1,200	1,200
Bank fees	-	-	-	550	550
Insurance	-	-	-	5,000	5,000
Trustee fees	66	14	80	240	160
Other	-	-	-	2,750	2,750
Total administrative expenses	66	14	80	18,365	18,285
Change in plan net assets	2,579,479	566,711	3,146,190	(18,365)	3,164,555
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	69,692,897	15,311,508	85,004,405	85,004,405	-
End of year	\$ 72,272,376	\$ 15,878,219	\$ 88,150,595	\$ 84,986,040	\$ 3,164,555

Client Management Team

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

**Tonya Dazzio**  
Chief Operating & Compliance Officer  
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**Christine Wilson**  
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**Dan Rusk**  
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# Quarterly Investment Report

## Clark County OPEB Trust

December 2016

Sector	Current Market Value	Prior Qtr Market Value	Period Change
Clark County Inv Pool (Fixed Income)	275,444.14	2,285,355.33	(2,009,911.19)
Cash Equivalents - RBIF	362,600.41	579,924.62	(217,324.21)
U.S. Bonds - RBIF	23,718,684.90	24,171,685.73	(453,000.83)
U.S. Stocks - RBIF	46,441,451.00	43,512,832.84	2,928,618.16
International Stocks - RBIF	17,281,053.43	16,935,581.99	345,471.44
<b>Total</b>	<b>88,079,233.87</b>	<b>87,485,380.50</b>	<b>593,853.37</b>

**Cost vs Market Value**

Market Value	88,079,233.87
Book Value	83,156,391.65
<b>Variance</b>	<b>4,922,842.22</b>

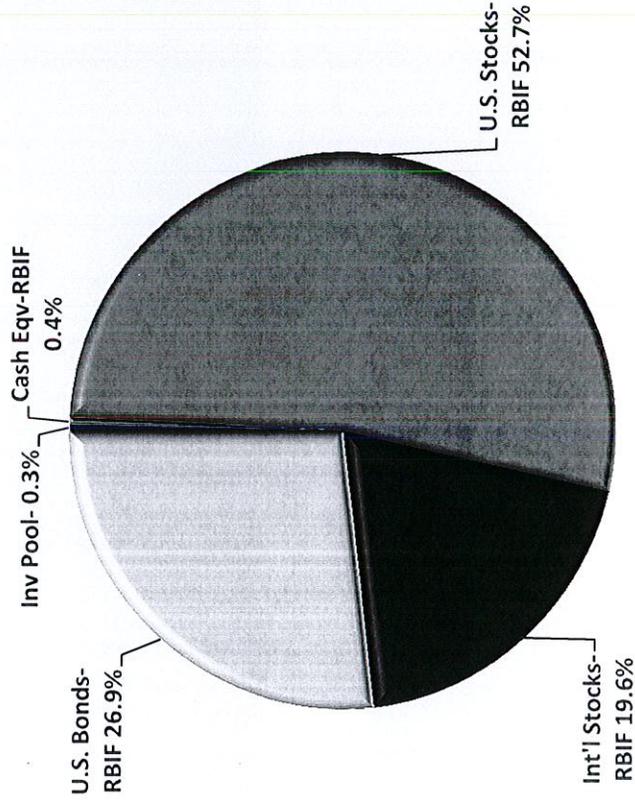
**Total Gain/Loss % Since Inception**      **5.92%**

RBIF Allocations	Target	Range
U.S. Equity	49%	46.5%-54.0%
International Equity	21%	19.0%-23.5%
U.S. Bonds	30%	25%*

\*Rebalance minimum

Note: First deposit into RBIF was 1/30/15

**Total Asset Allocation**

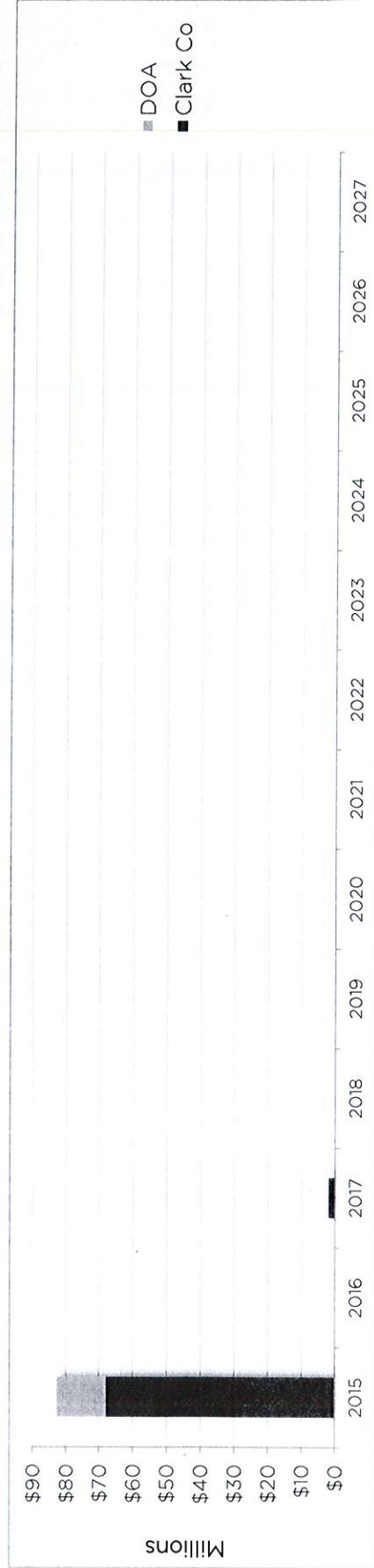


**Current Fiscal Year Contributions**

Date	Clark County Contribution	DOA Contribution	Total Contribution
July-2016			
August-2016			
September-2016			
October-2016			
November-2016			
December-2016	2,000,000.00		2,000,000.00
January-2017			
February-2017			
March-2017			
April-2017			
May-2017			
June-2017			
<b>Total</b>	<b>2,000,000.00</b>	<b>0.00</b>	<b>2,000,000.00</b>

**Fiscal Year Contributions - Millions**

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
82.9	0.0	2.0											84.9

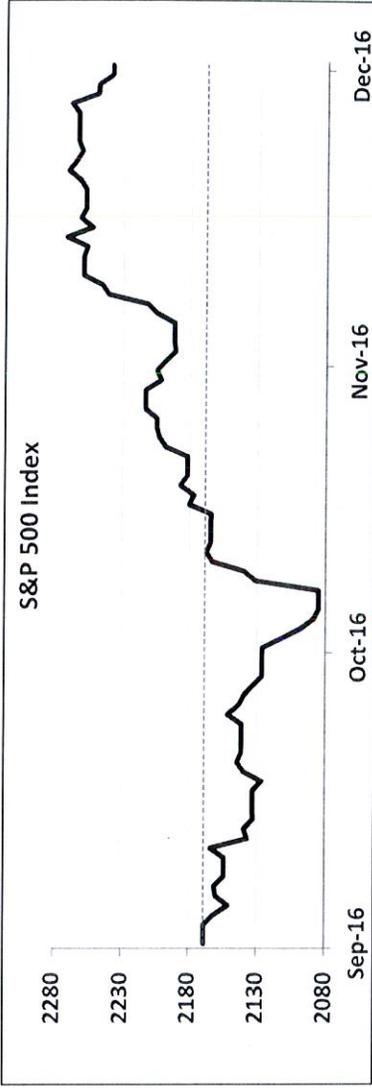


**S&P 500 (Domestic Stocks)**

**Quarterly Return: 3.81%**

**Key Points**

- Week earnings early in the quarter
- Election jitters in early November
- Business confidence bump due to election

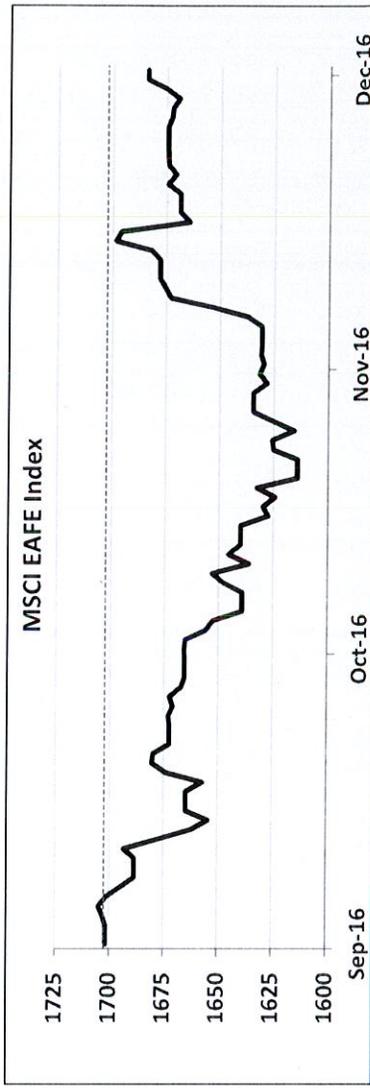


**MSCI EAFE (International Stocks)**

**Quarterly Return: (1.04%)**

**Key Points**

- Strong manufacturing data
- Election surprise
- Fed December rate hike

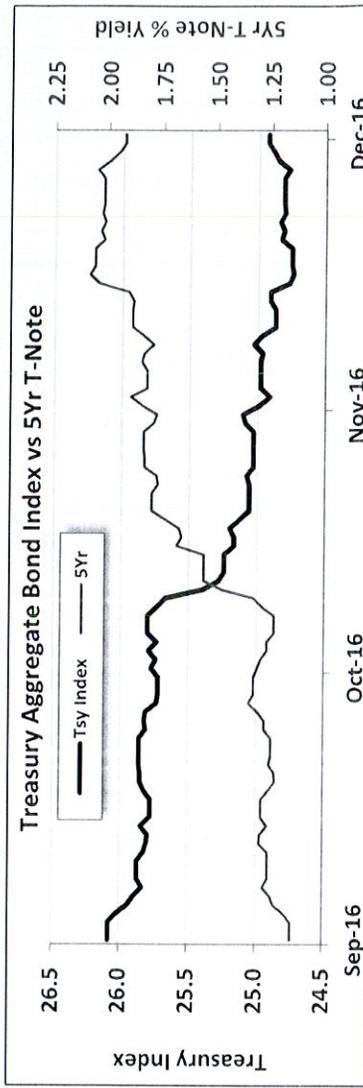


**BAML US Treasury Bond Index (Domestic Fixed-Income)**

**Quarterly Return: (3.99%)**

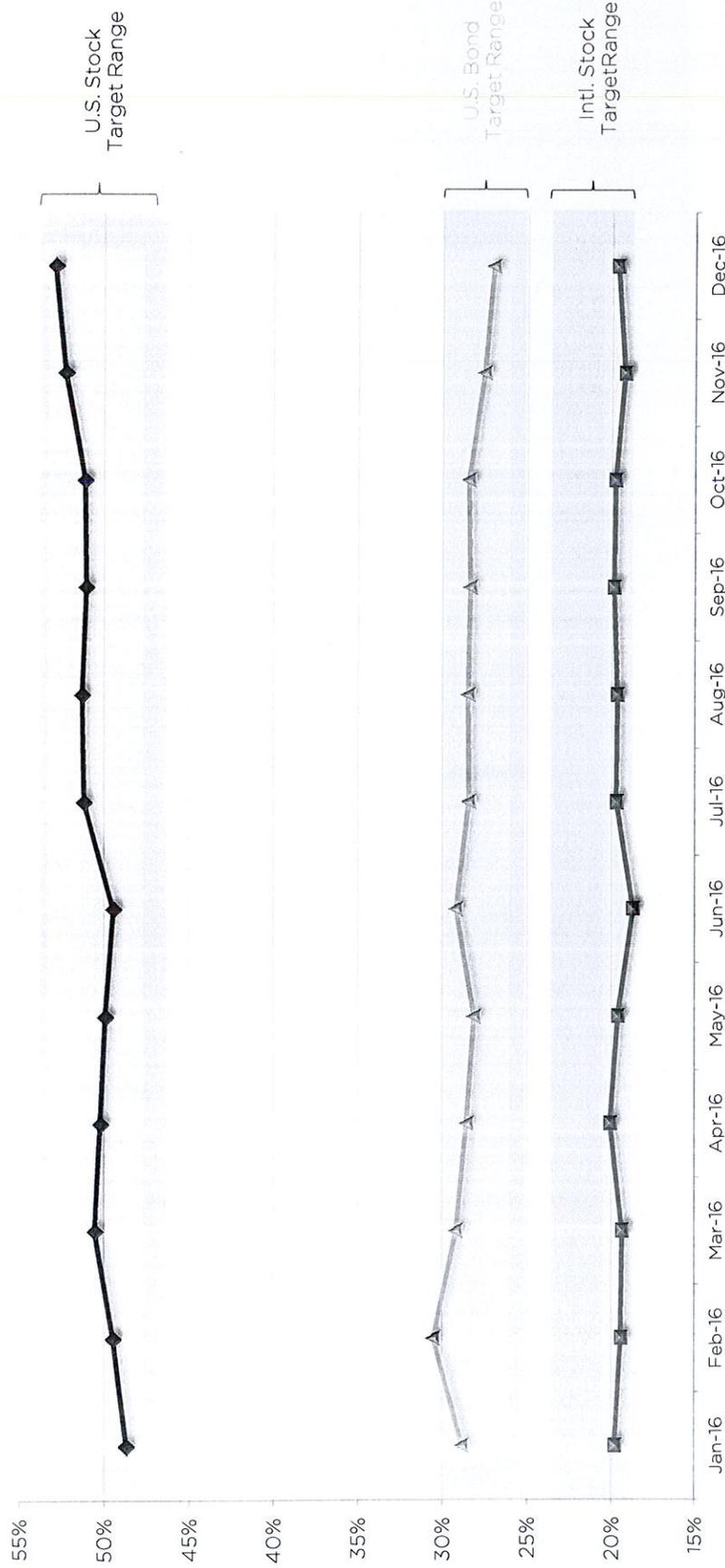
**Key Points**

- Future inflation worries
- Trump protectionist policies
- Fed December rate hike



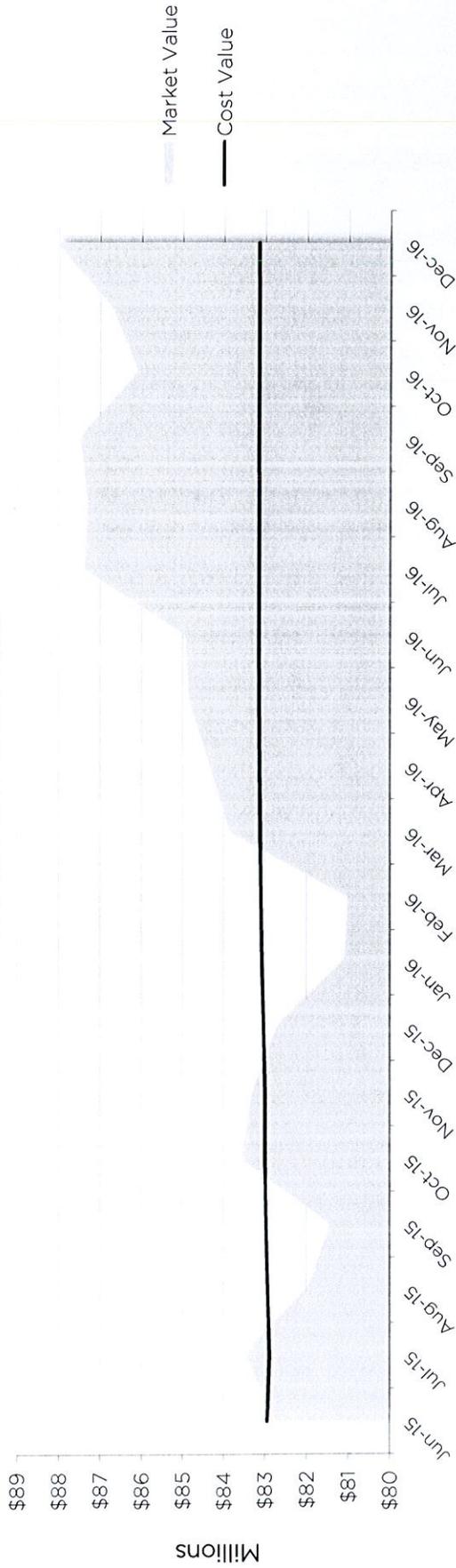


Sector	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
CC Inv Pool	30.6%	25.1%	18.9%	13.4%	8.0%	2.7%	2.6%	2.6%	2.6%	2.7%	2.6%	0.3%
U.S. Stocks - RBIF	33.8%	37.1%	41.0%	43.5%	45.9%	48.1%	49.9%	50.0%	49.7%	49.8%	50.9%	52.7%
U.S. Bonds - RBIF	20.0%	22.9%	23.7%	24.7%	25.9%	28.4%	27.7%	27.7%	27.6%	27.7%	26.8%	26.9%
Int'l Stocks - RBIF	13.8%	14.6%	15.7%	17.4%	18.1%	18.2%	19.2%	19.2%	19.4%	19.3%	18.7%	19.6%
Cash Equiv - RBIF	1.8%	0.4%	0.7%	1.0%	2.1%	2.6%	0.6%	0.5%	0.7%	0.5%	0.9%	0.4%
<b>Total</b>	<b>100.0%</b>											

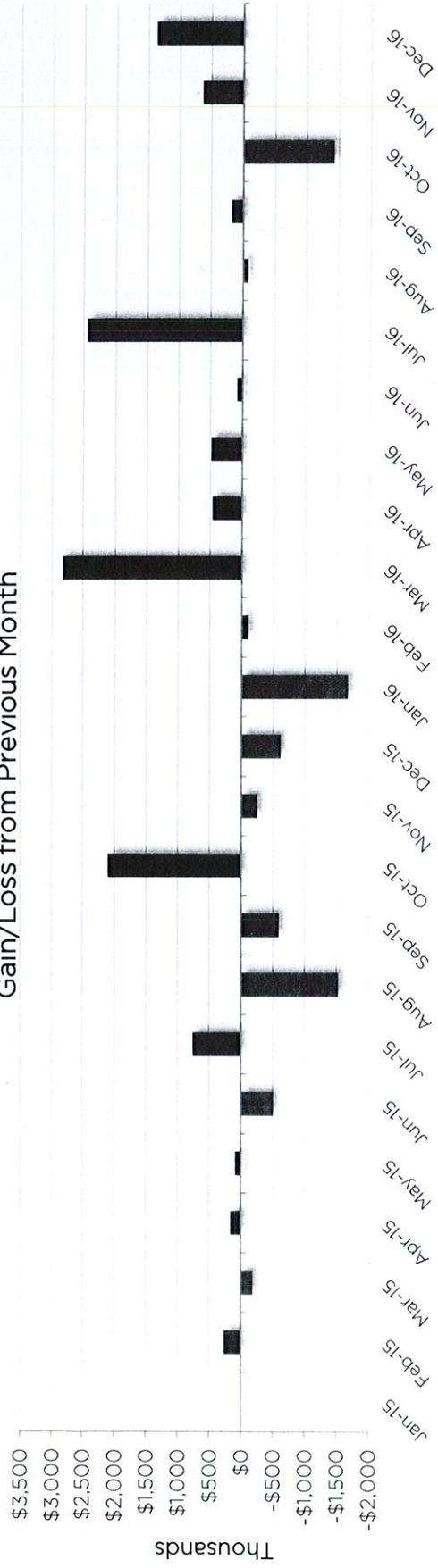


RBIF Sector	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
U.S. Stocks - RBIF	48.7%	49.5%	50.6%	50.2%	49.9%	49.4%	51.2%	49.4%	51.2%	51.3%	51.1%	51.2%
U.S. Bonds - RBIF	28.8%	30.5%	29.2%	28.6%	28.1%	29.2%	28.4%	29.2%	28.4%	28.5%	28.4%	27.5%
Intl. Stock - RBIF	2.7%	0.5%	0.9%	1.1%	2.3%	2.6%	0.6%	2.6%	0.7%	0.5%	0.9%	0.4%
<b>Total</b>	<b>100.0%</b>											

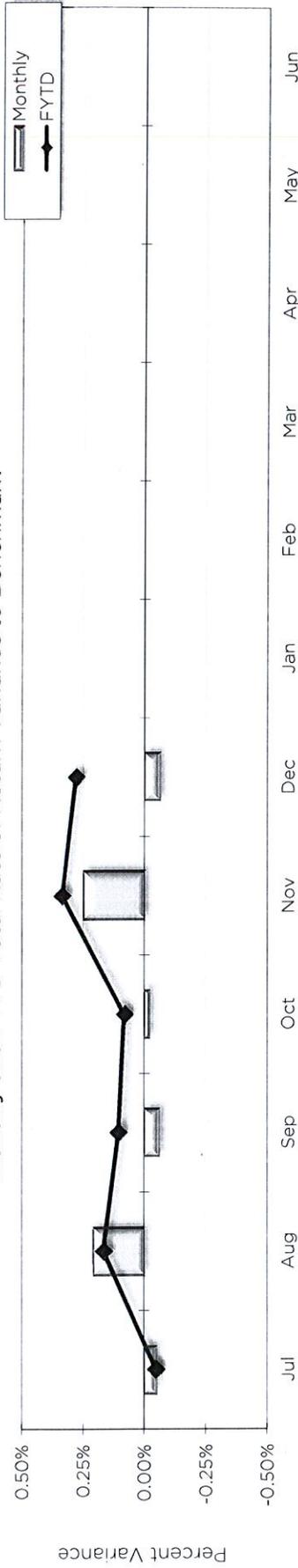
Cost Value vs. Market Value



Gain/Loss from Previous Month

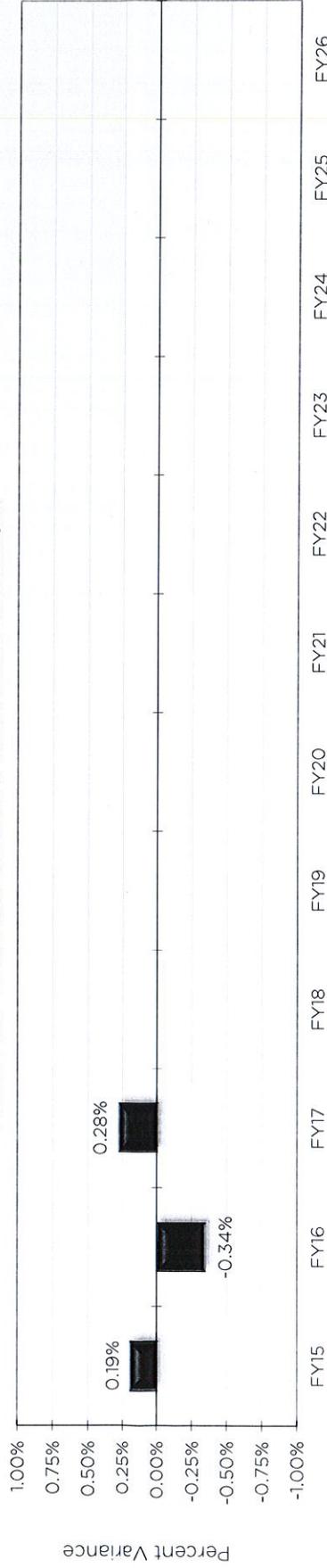


Monthly and FYTD Total Rate of Return Variance to Benchmark



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>RBIF Portfolio</b>	2.959%	0.084%	0.218%	-1.663%	0.781%	1.618%						
<b>RBIF Benchmark</b>	3.007%	-0.125%	0.277%	-1.642%	0.532%	1.679%						
<b>Monthly Variance</b>	-0.048%	0.209%	-0.060%	0.083%	0.249%	-0.061%						
<b>FYTD Variance</b>	-0.048%	0.167%	0.106%	0.083%	0.336%	0.280%						

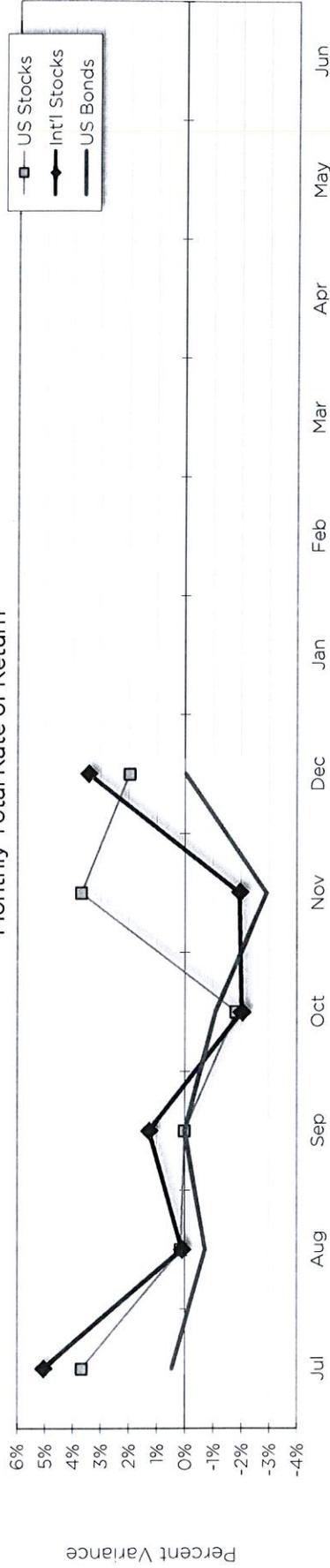
Fiscal Year Total Rate of Return Variance to Benchmark



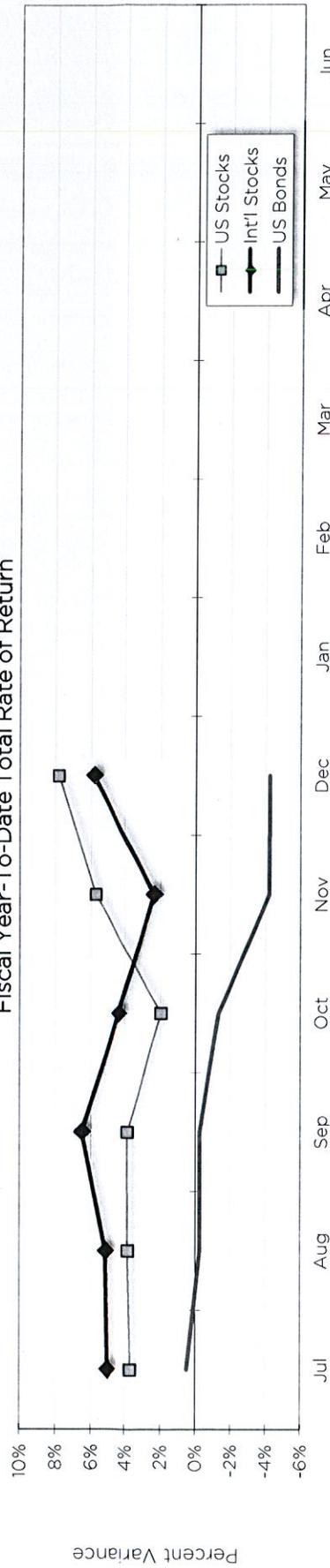
FYTD	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
<b>RBIF Portfolio</b>	2.61%	1.59%	4.00%									
<b>Benchmark</b>	2.42%	1.93%	3.72%									
<b>Yearly Variance</b>	0.19%	-0.34%	0.28%									

Benchmark: 49% S&P 500, 30% Barclays Aggregate Bond, 21% MSCI EAFE -- RBIF Returns are net of fees  
 FY 2015 Started for the month ending February 2015

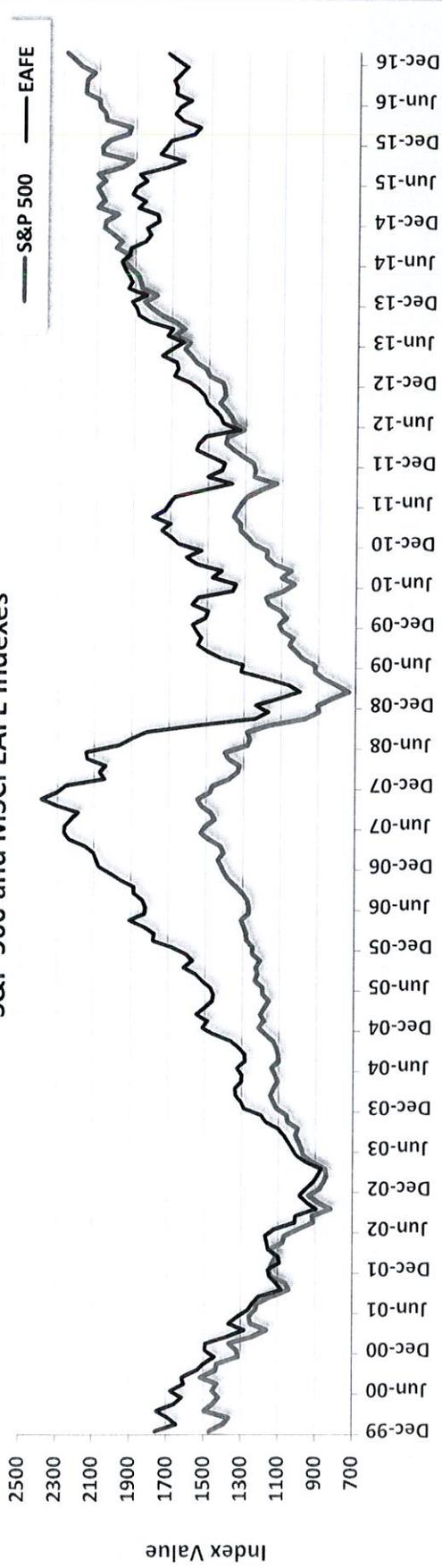
Monthly Total Rate of Return



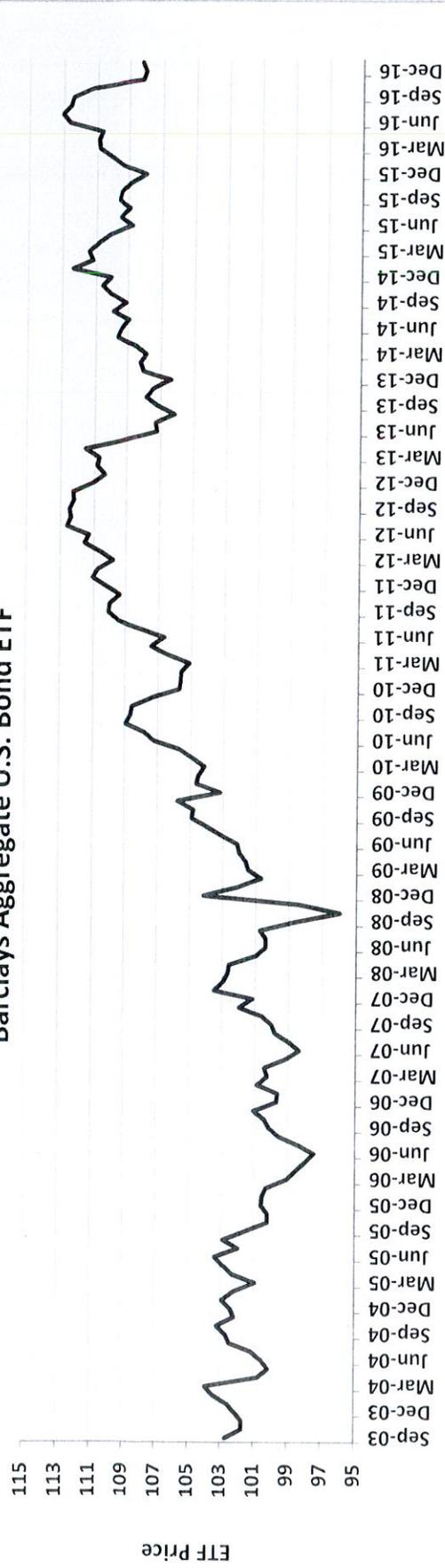
Fiscal Year-To-Date Total Rate of Return



**S&P 500 and MSCI EAFE Indexes**



**Barclays Aggregate U.S. Bond ETF**



Data Source: Bloomberg

**Report Source Data:**

RBIF: Bank of New York Mellon  
Benchmark: Bloomberg  
Clark County Investment Pool: FTN Main Street

**RBIF Information:**

RBIF investments are overseen by Nevada PERS personnel  
Investment object is to generate an 8% long-term return, exceeding CPI by 4.5%  
Asset classes will be rebalanced according to range triggers shown on page 2  
Rebalancing funding source/destination shall be those asset classes furthest away from their targets

**Glossary:**

S&P 500: S&P index capturing large-cap U.S. based companies  
MSCI EAFE: MSCI index capturing large and mid-cap equities across developed markets in EAFE (Europe, Australasia, and the Far East), excluding the U.S. and Canada  
Barclays Aggregate Treasury Index: ETF which seeks to track the investment results of an index composed of U.S. Treasury bonds and notes  
Barclays Aggregate Bond: Barclays index which tracks an index of U.S. investment-grade government (including mortgage-backed) and corporate bonds  
ETF: Exchange traded fund, is a marketable security that tracks an index, such as the Barclays Aggregate Bond Index  
Investment Pool: Short-term, high quality fixed income pool overseen by the Clark County Treasurer

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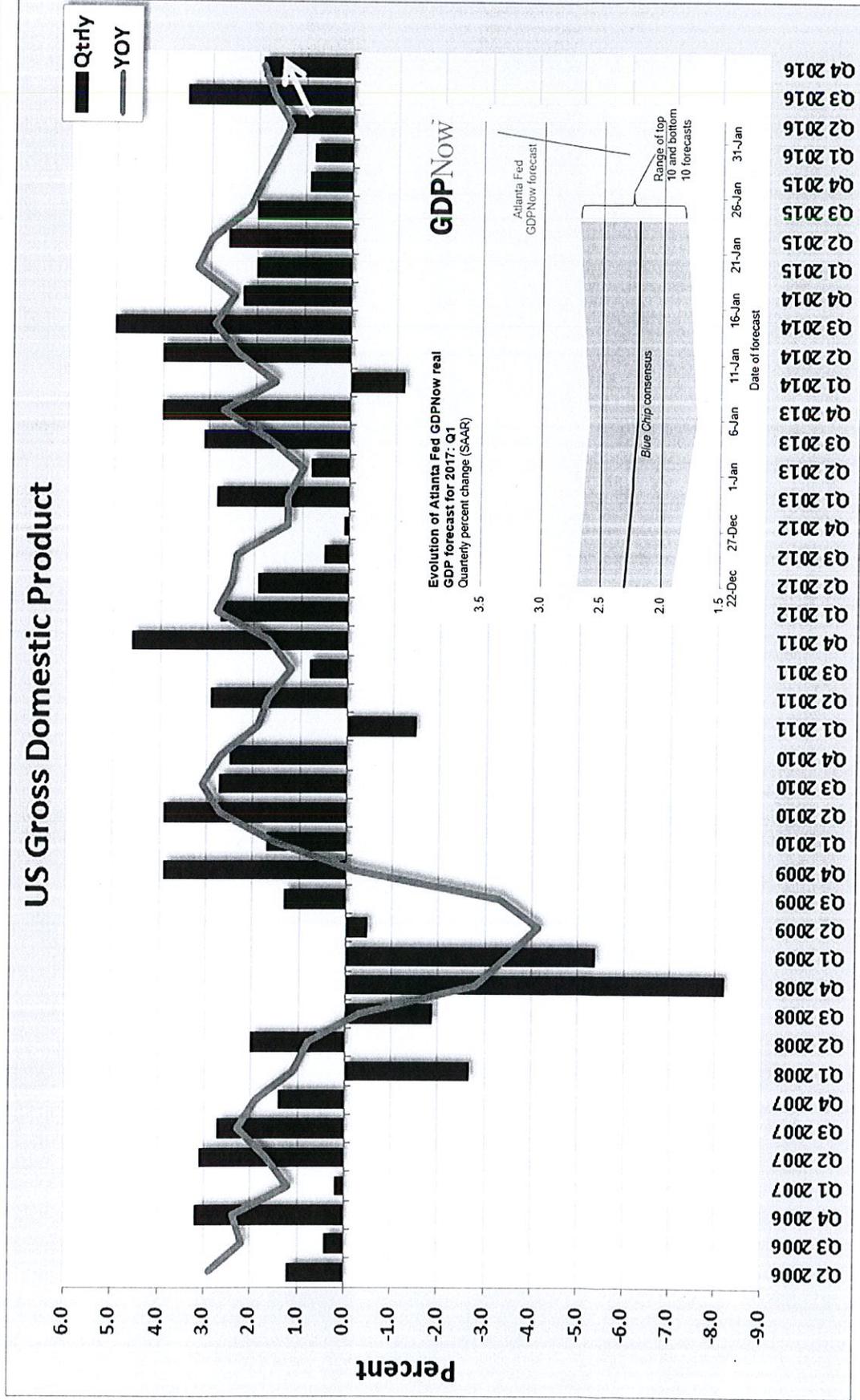
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# **Clark County OPEB Board of Trustees Economic/Market Update**

**February 14, 2017**

# U.S. Gross Domestic Product Trending Higher



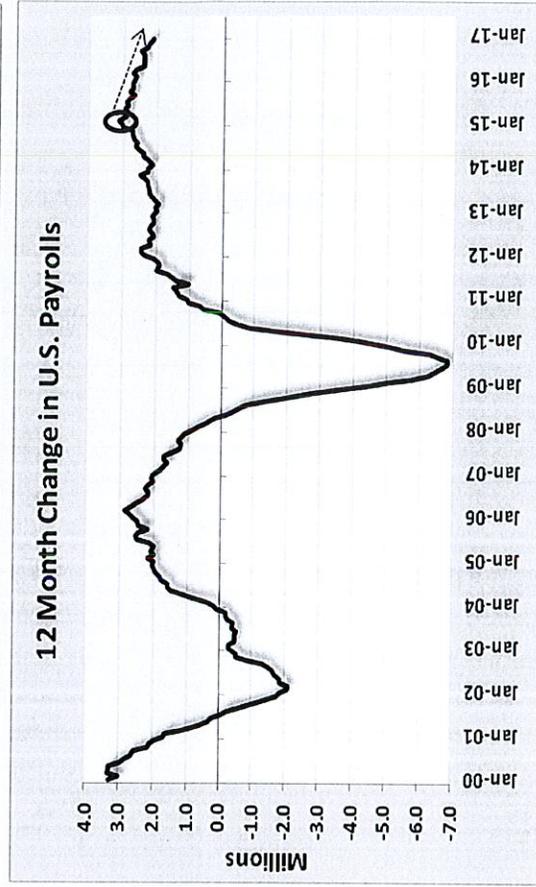
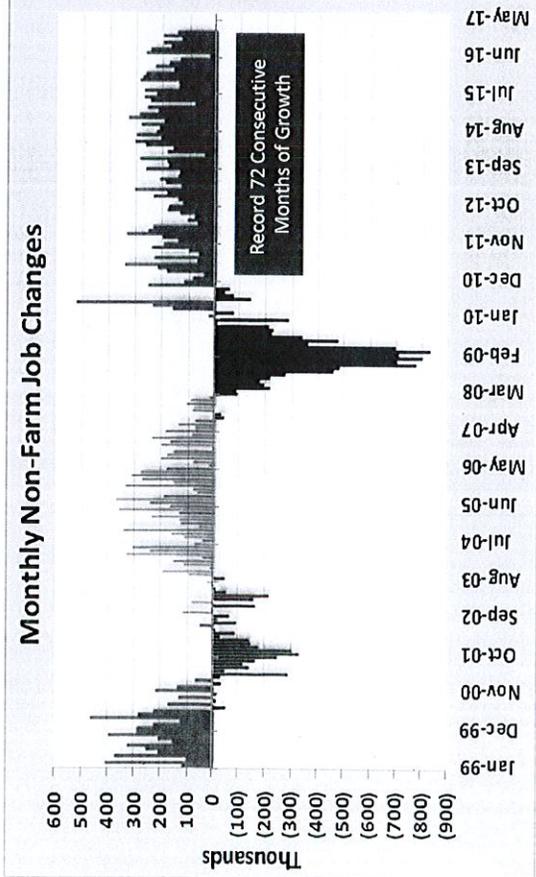
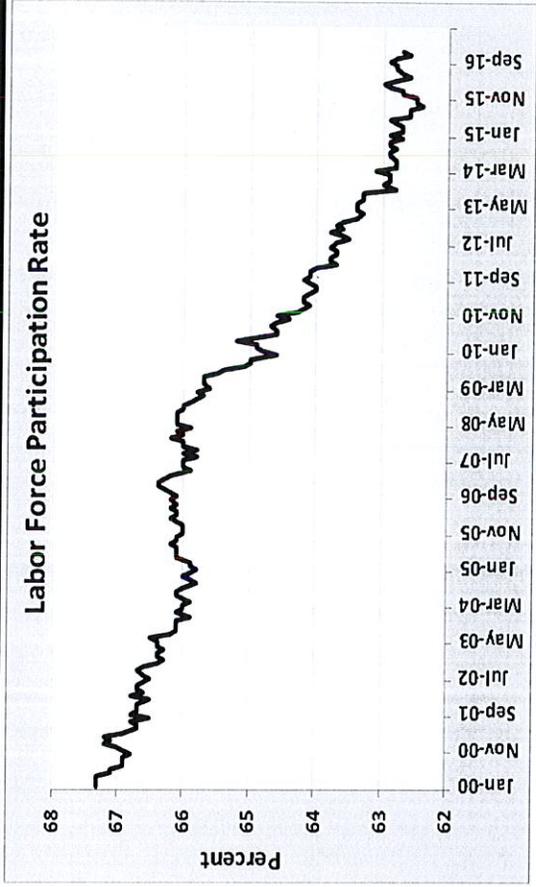
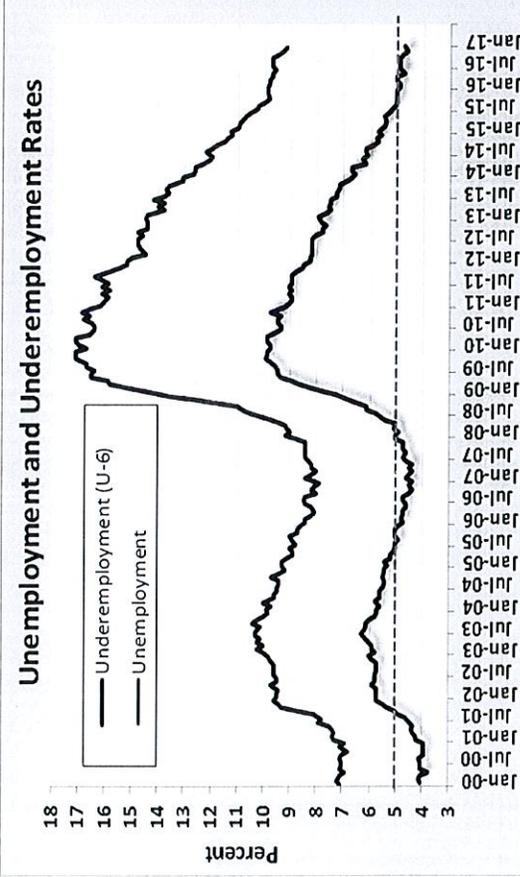
Source: Bloomberg

# World Bond Yields as of 2/7/17

Global Yield Curves % (sorted by 10-Year Yields)										
Country	1-Year	2-Year	3-Year	5-Year	7-Year	10-Year	15-Year	30-Year		
Switzerland	-0.99	-0.96	-0.84	-0.59	-0.36	-0.10	0.12	0.36		
Japan	-0.32	-0.25	-0.17	-0.10	0.01	0.08	0.33	0.83		
Denmark		-0.65		-0.20		0.45				
Germany	-0.74	-0.73	-0.64	-0.30	-0.03	0.46	0.68	1.20		
Netherlands	-0.82	-0.71	-0.63	-0.19	0.05	0.61	0.97	1.31		
Finland	-0.82	-0.72	-0.60	-0.30	0.17	0.64	1.07	1.33		
Austria	-0.72	-0.67	-0.57	-0.26	0.11	0.71	1.16	1.58		
Sweden	-0.81	-0.54		0.09	0.32	0.74	1.35			
Belgium	-0.61	-0.48	-0.34	0.02	0.43	0.99	1.34	1.95		
France	-0.57	-0.51	-0.29	0.16	0.37	1.08	1.50	2.06		
Ireland	-0.63	-0.52	-0.32	0.13	0.72	1.19	1.62	2.24		
United Kingdom	0.04	0.13	0.26	0.63	0.99	1.45	1.82	2.08		
Spain	-0.31	-0.30	-0.12	0.36	0.99	1.66	2.13	2.97		
Norway	0.44		0.68	1.05	1.37	1.70				
Canada	0.59	0.77	0.82	1.11	1.40	1.76		2.41		
Hong Kong	0.79	0.94	1.14	1.44	1.58	1.78	1.82			
South Korea	1.50	1.67	1.67	1.86		2.16		2.23		
Singapore	0.96	1.24		1.70		2.27	2.56	2.66		
Italy	-0.27	0.02	0.27	0.93	1.56	2.30	2.63	3.35		
Israel	0.08	0.45	0.62	1.02	1.71	2.36		3.32		
United States	0.83	1.21	1.47	1.92	2.26	2.47	2.56	3.08		
Australia	1.73	1.79	1.92	2.23	2.50	2.73	3.17	3.78		
China	2.50	2.54	2.66	2.90	3.05	3.25	3.40	3.55		
New Zealand	1.87	2.28		2.68	2.96	3.33	3.67			
Portugal	-0.11	-0.06	0.65	2.04	3.41	4.15	4.65	5.09		
Iceland		4.77	5.18			5.19	5.17			
Greece		8.05				7.45	7.82			

Source: Bloomberg

# Fed Mandate #1: Full Employment

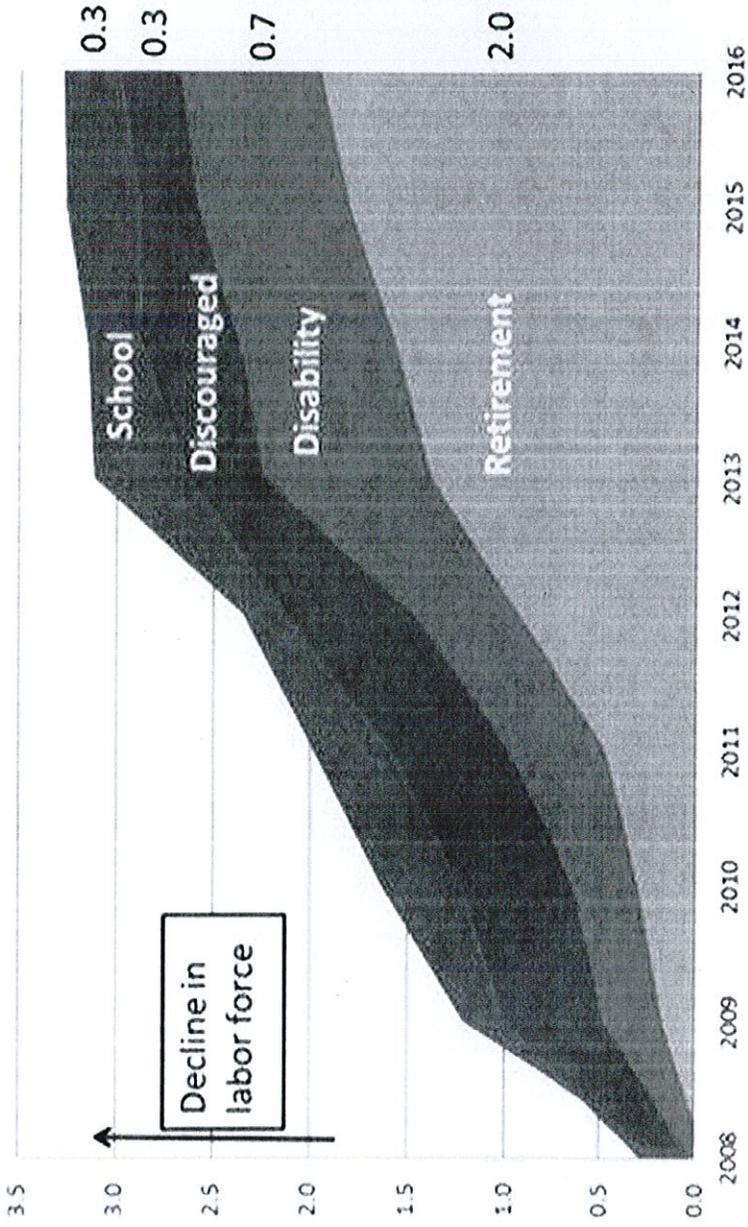


Source: Bloomberg

# Labor Force Participation Rate Drop Reasons

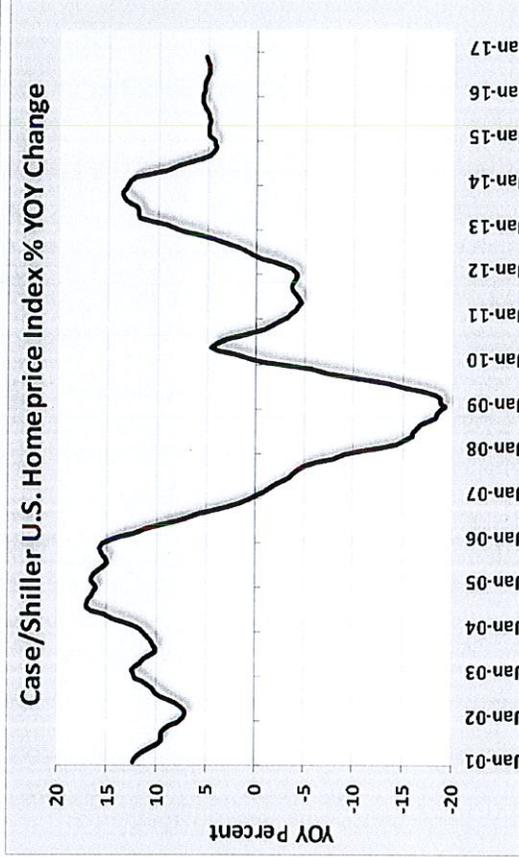
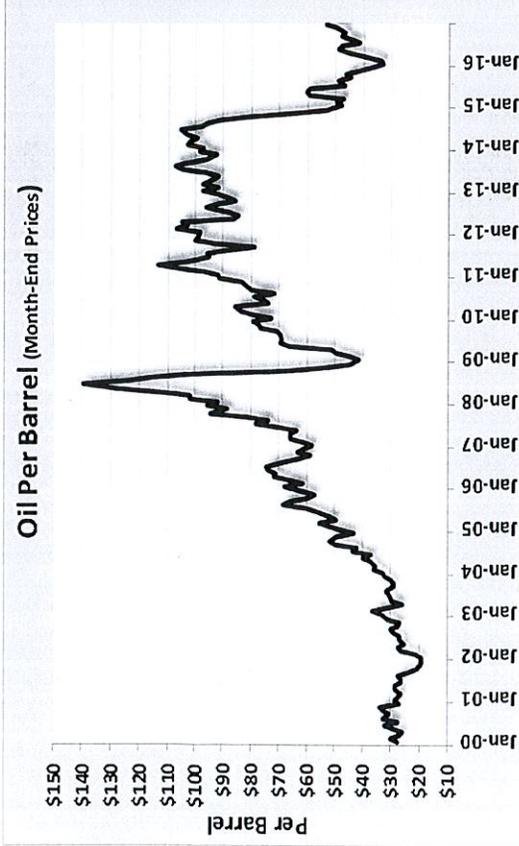
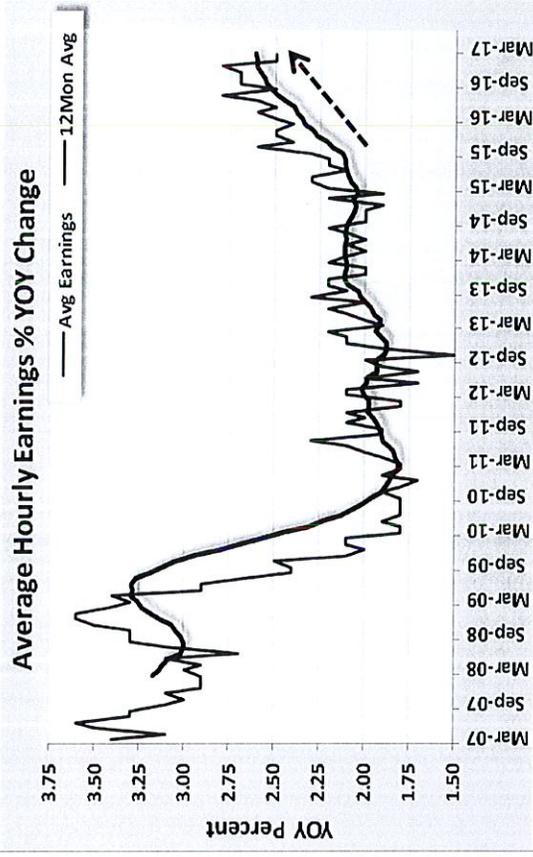
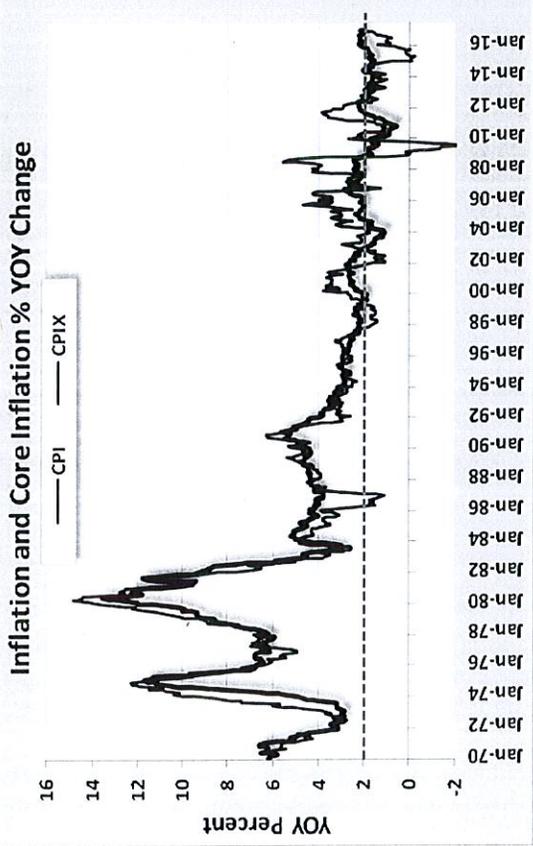
## US: Drop in labor force participation rate

Cumulative percentage points since 2007Q4, Inverted scale



Source: Oxford Economics / Fujita, Federal Reserve Bank of Philadelphia

# Fed Mandate #2: Stable Prices



Source: Bloomberg