

NOTICE OF PUBLIC MEETING

AGENDA

CLARK COUNTY OPEB BOARD OF TRUSTEES

Thursday, November 21, 2019, 2:00 PM
PINYON ROOM, GOVERNMENT CENTER, 6th FLOOR
500 SOUTH GRAND CENTRAL PARKWAY, LAS VEGAS, NEVADA

This meeting has been properly noticed and posted in the following locations:		Agenda Also Available At:	
CC Government Center 500 S. Grand Central Pkwy Las Vegas, NV (Principal Office)	Regional Justice Center 200 Lewis Ave, 1 st 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 Leah Dwyer at (702) 455-3327.

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 August 22, 2019. (For possible action)
3. Receive a report on financial statements as of and for the three months ending September 30, 2019. (For possible action)
4. Discussion of a funding policy for the Clark County, Nevada OPEB Trust.

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
David Dobrzynski
Trustee
Joseph Piurkowski
Trustee

CALL TO ORDER

The public meeting of the Clark County OPEB Board of Trustees meeting was called to order by Jessica Colvin, Clark County Chief Financial Officer on Thursday, August 22, 2019 at 3:00 P.M. in the Pinyon Room, Clark County Government Center, 6th floor, 500 South Grand Central Parkway, Las Vegas, Nevada. This public meeting was properly noticed and posted.

ATTENDEES:

Jessica Colvin, Chair
Laura Fitzpatrick, Vice Chair
Joseph Piurkowski, Department of Aviation
Rick Phillips, FTN Financial
Anna Danchik, Clark County, Comptroller
Drew Solomon, Clark County, Principle Management Analyst
Elizabeth Vorce, Clark County
David Dobrzynski, Trustee

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

- 1. Approval of Agenda (For possible action)**
 - Motion made by Ms. Laura Fitzpatrick to approve the Agenda for August 22, 2019 – motion passed unanimously

- 2. Approval of the minutes of the Clark County, Nevada OPEB Trustee meeting from May 23, 2019. (For possible action)**
 - A motion was made by Ms. Laura Fitzpatrick to approve the minutes from the May 23, 2019 meeting - motion passed unanimously.

- 3. Receive a report on financial statements for the year ended, June 30, 2019. (For possible action)**
 - Ms. Jessica Colvin summarized the financial statements. No action taken.

4. Receive an update on the OPEB actuarial valuation. (For possible action)

- Ms. Anna Danchik provided an update on the status of the valuation. No action taken.

5. Discussion of the Quarterly Investment Report from FTN Financial Main Street Advisors. (For possible action)

- Mr. Rick Phillips summarized the Quarterly Investment Report dated June 30, 2019 and the Economic/Market update dated August 22, 2019.

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.)

- Annual overview of RBIFs Policy and Plan

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.

There were no comments from the general public.

There being no further business, the meeting was adjourned at 3:50 P.M.

Clark County, Nevada
OPEB Trust Fund
Statement of Changes in Plan Net Assets
For the Period July 1, 2019 through September 30, 2019 - Budget to Actual

	Clark County	Department of Aviation	Total	YTD Budget	Favorable (Unfavorable) Variance
Additions					
Contributions					
Employer - Clark County	\$ 1,725,000	\$ -	\$ 1,725,000	\$ 1,725,000	\$ -
Employer - Department of Aviation	-	3,114,525	3,114,525	3,114,525	-
Total contributions	1,725,000	3,114,525	4,839,525	4,839,525	-
Investment income (loss)					
Interest	617,055	196,975	814,030	13,558	800,472
Net increase (decrease) in fair value of investments	798,457	262,544	1,061,001	-	1,061,001
Total investment income (loss)	1,415,512	459,519	1,875,031	13,558	1,861,473
Less investment expense	(9,780)	(3,141)	(12,921)	(13,558)	637
Net investment income (loss)	1,405,732	456,378	1,862,110	-	1,862,110
Total additions	3,130,732	3,570,903	6,701,635	4,839,525	1,862,110
Deductions					
Administrative expenses					
Accounting services	-	-	-	-	-
Audit fees	-	-	-	5,000	5,000
Continuing education	-	-	-	600	600
Bank fees	-	-	-	25	25
Insurance	-	-	-	2,500	2,500
Retiree benefits	-	-	-	1,328,622	1,328,622
Trustee fees	61	19	80	120	40
Other	-	-	-	1,375	1,375
Total administrative expenses	61	19	80	1,338,242	1,338,162
Change in plan net assets	3,130,671	3,570,884	6,701,555	3,501,283	3,200,272
Net Assets Held in Trust for Other Postemployment Benefits					
Beginning of year	105,739,719	31,119,991	136,859,710	136,859,710	-
End of year	\$ 108,870,390	\$ 34,690,875	\$ 143,561,265	\$ 140,360,993	\$ 3,200,272

Clark County, Nevada
OPEB Trust Fund
Statement of Plan Net Assets
September 30, 2019

	<u>Clark County</u>	<u>Department of Aviation</u>	<u>Total</u>
Assets			
Cash and investments			
Cash	\$ 9,748	\$ 1,140	\$ 10,888
State of Nevada RBIF	108,625,956	34,636,107	143,262,063
Clark County Investment Pool	237,871	54,671	292,542
Total assets	<u>108,873,575</u>	<u>34,691,918</u>	<u>143,565,493</u>
Liabilities			
Accrued expenses	<u>3,185</u>	<u>1,043</u>	<u>4,228</u>
Net Assets Held in Trust for Other Postemployment Benefits	<u>\$ 108,870,390</u>	<u>\$ 34,690,875</u>	<u>\$ 143,561,265</u>



Client Management Team

Rick Phillips

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Quarterly Investment Report

Clark County OPEB Trust

September 2019

Sector	Current Market Value	Prior Qtr Market Value	Period Change
U.S. Stocks - RBIF	71,941,905.86	68,788,373.51	3,153,532.35
U.S. Bonds -RBIF	39,856,078.00	37,389,509.03	2,466,568.97
International Stocks - RBIF	30,396,757.68	29,299,941.79	1,096,815.89
Cash Equivalents - RBIF	1,067,321.44	1,080,726.87	(13,405.43)
Clark County Inv Pool (Fixed Income)	292,542.27	290,198.81	2,343.45
Total	143,554,605.24	136,848,750.01	6,705,855.22

Cost vs Market Value

Market Value	143,554,605.24
Book Value	112,090,842.08
Variance	31,463,763.16

Total Gain/Loss % 28.07%

Since Inception

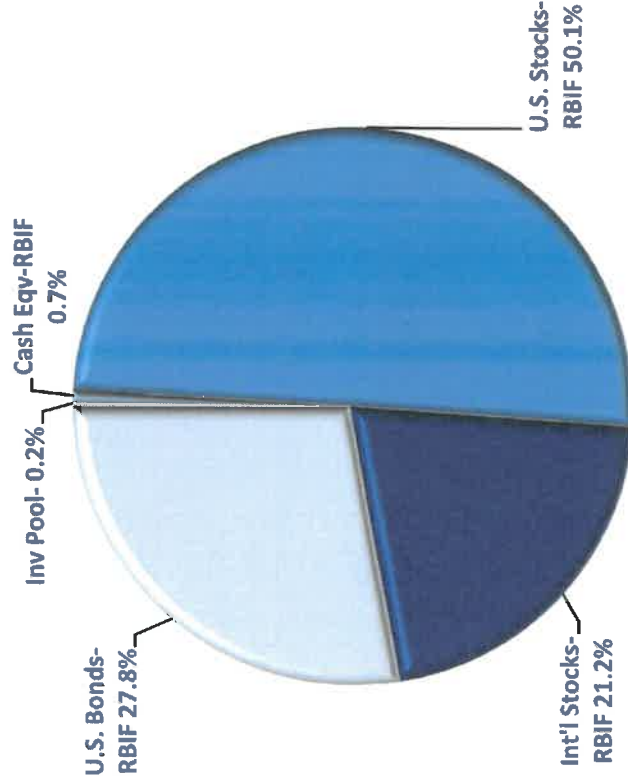
Annualized Gain/Loss% 5.44%

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

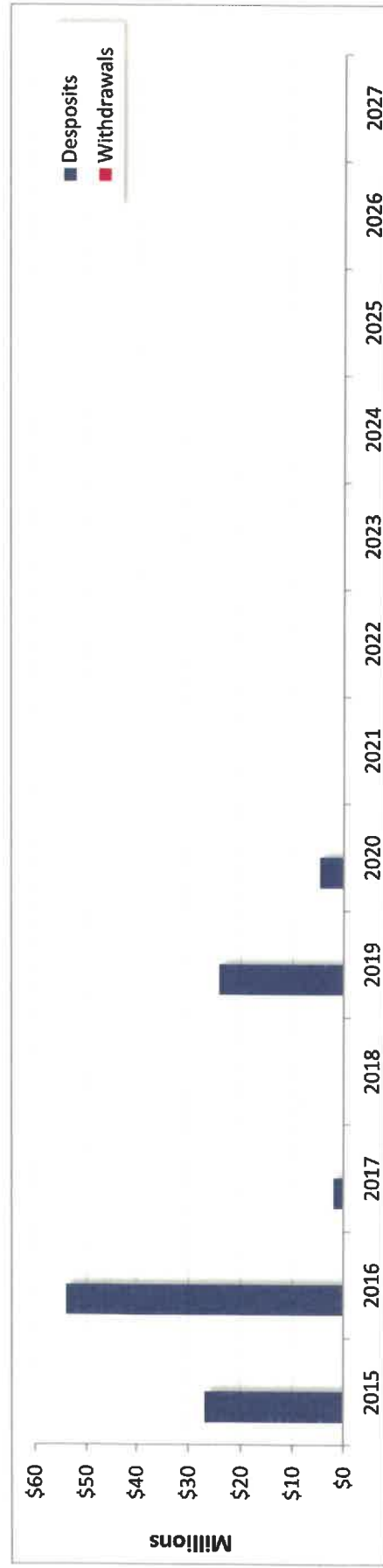


Fiscal Year Contributions/Withdrawals to RBIF in \$Millions

Month	Fiscal Year 2015		Fiscal Year 2016		Fiscal Year 2017		Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020	
	Dep	Withdrl	Dep	Withdrl	Dep	Withdrl	Dep	Withdrl	Dep	Withdrl	Dep	Withdrl
July			4.50								1.61	
August			4.50								1.61	
September			4.50							2.41	1.61	
October			4.50							2.41		
November			4.50							2.41		
December			4.50		2.00					2.41		
January	4.48		4.50							2.41		
February	4.48		4.50							2.41		
March	4.48		4.50							2.41		
April	4.48		4.50							2.41		
May	4.48		4.50							2.41		
June	4.48		4.50							2.41		
Total	26.88	0.00	54.00	0.00	2.00	0.00	0.00	0.00	24.08	0.00	4.84	0.00

Fiscal Year Contributions/Withdrawals to RBIF - \$Millions

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
26.9	54.0	2.0	0.0	24.1	4.8								111.8

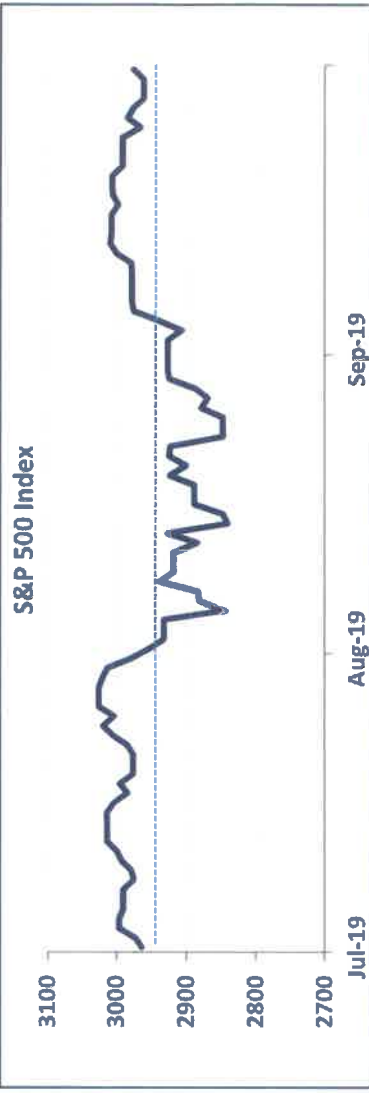


S&P 500 (Domestic Stocks)

Quarterly Return: 11.82%

Key Points

- Trade Worries Subside
- Stronger Than Expected Earnings
- Accommodative Fed

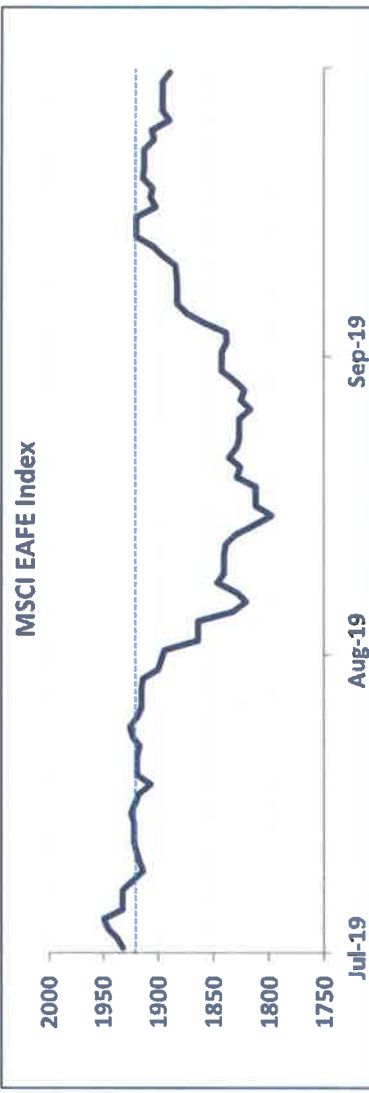


MSCI EAFE (International Stocks)

Quarterly Return: 7.79%

Key Points

- Investor Confidence Strengthened
- Accommodative Central Banks
- Economic Signals Potential Turn Around

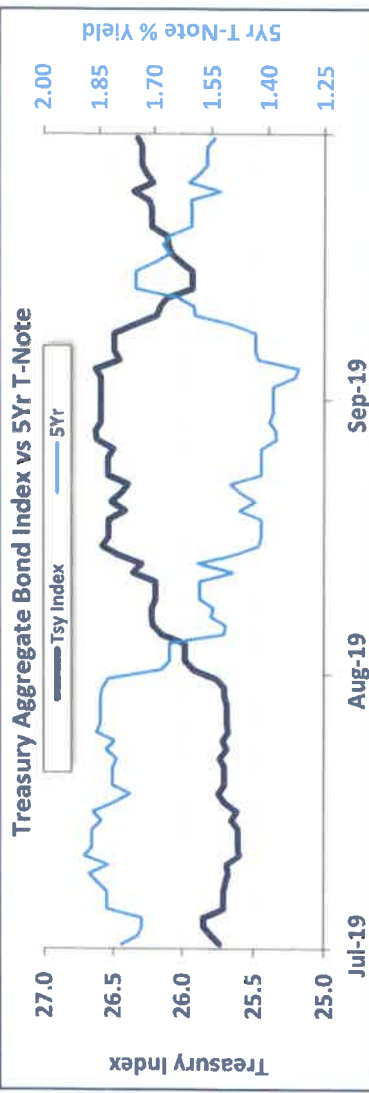


BAML US Treasury Bond Index (Domestic Fixed-Income)

Quarterly Return: 2.47%

Key Points

- Muted Inflation
- Fed Cuts Fund Rates Twice
- Slower Growth and Tariff War Concerns

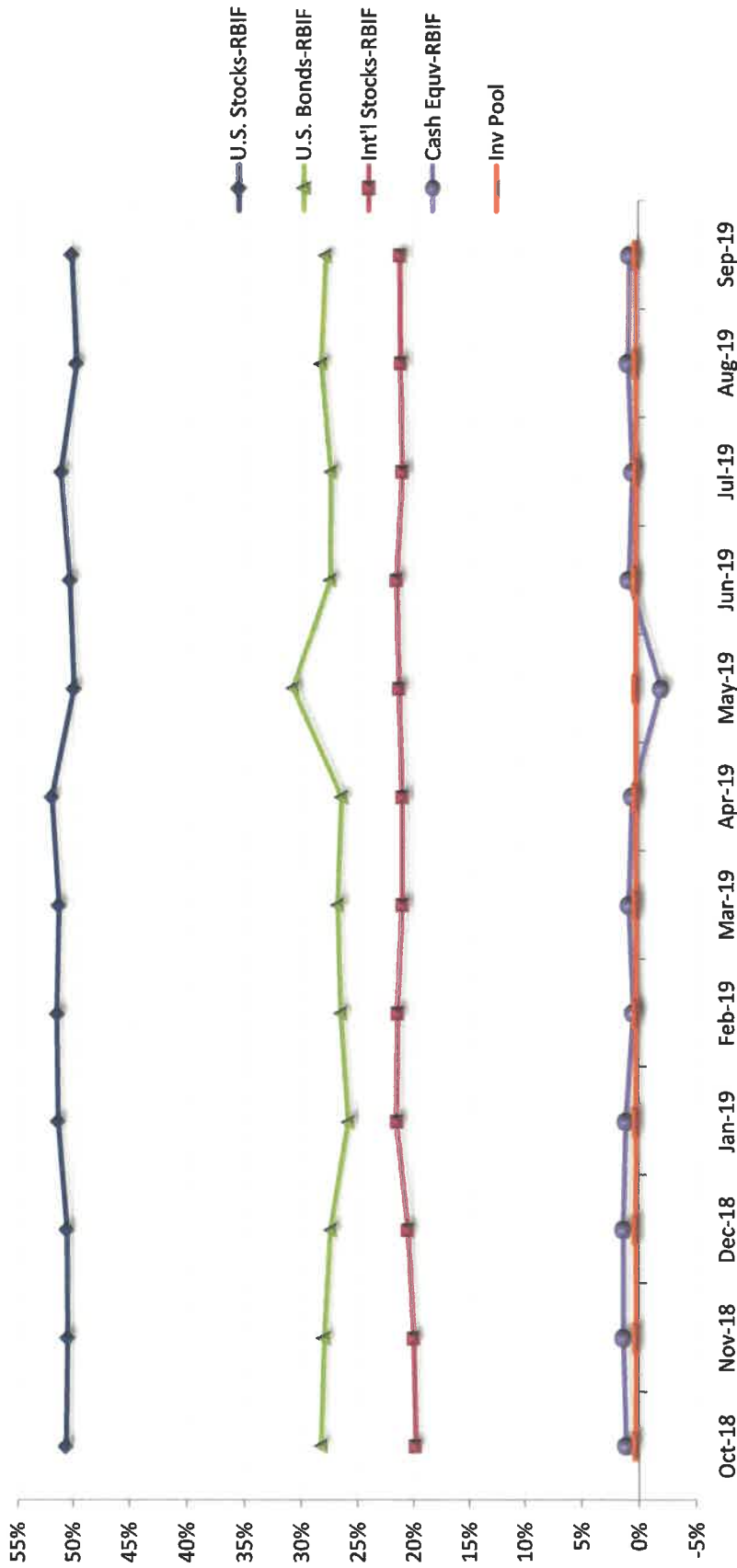


Source: Bloomberg, FTN Main Street

Historical Sector Allocation - All Assets

Clark County OPEB Trust

9/30/2019

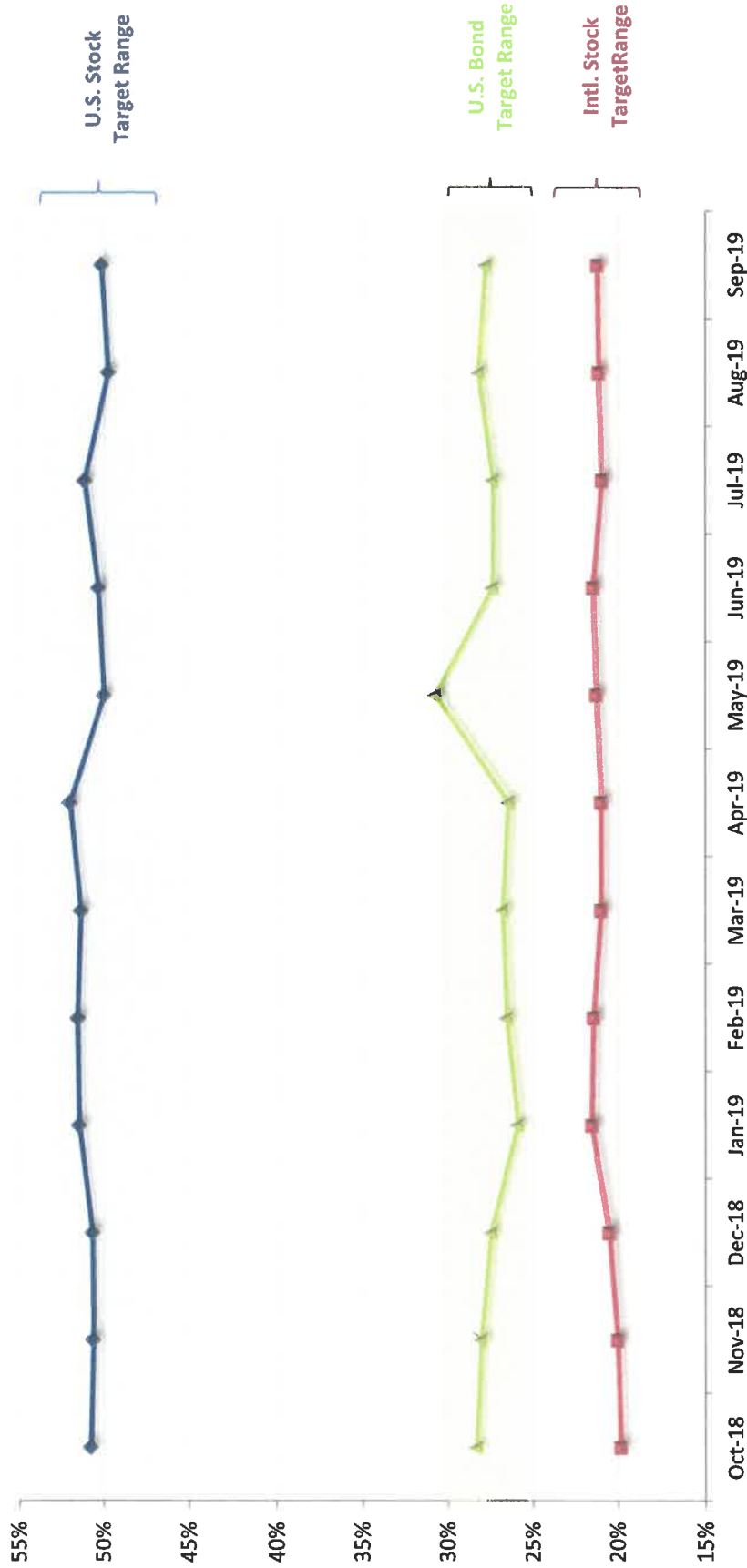


Sector	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
CC Inv Pool	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
U.S. Stocks - RBIF	50.6%	50.5%	50.6%	51.3%	51.5%	51.3%	51.9%	49.9%	50.3%	51.1%	49.7%	50.1%
U.S. Bonds - RBIF	28.2%	27.9%	27.4%	25.8%	26.5%	26.7%	26.4%	30.7%	27.3%	27.3%	28.2%	27.8%
Int'l Stocks - RBIF	19.8%	20.0%	20.5%	21.5%	21.4%	20.9%	20.9%	21.2%	21.4%	20.9%	21.1%	21.2%
Cash Equiv - RBIF	1.1%	1.4%	1.4%	1.1%	0.5%	0.8%	0.5%	-2.0%	0.8%	0.5%	0.9%	0.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Historical Sector Allocation - RBIF Assets

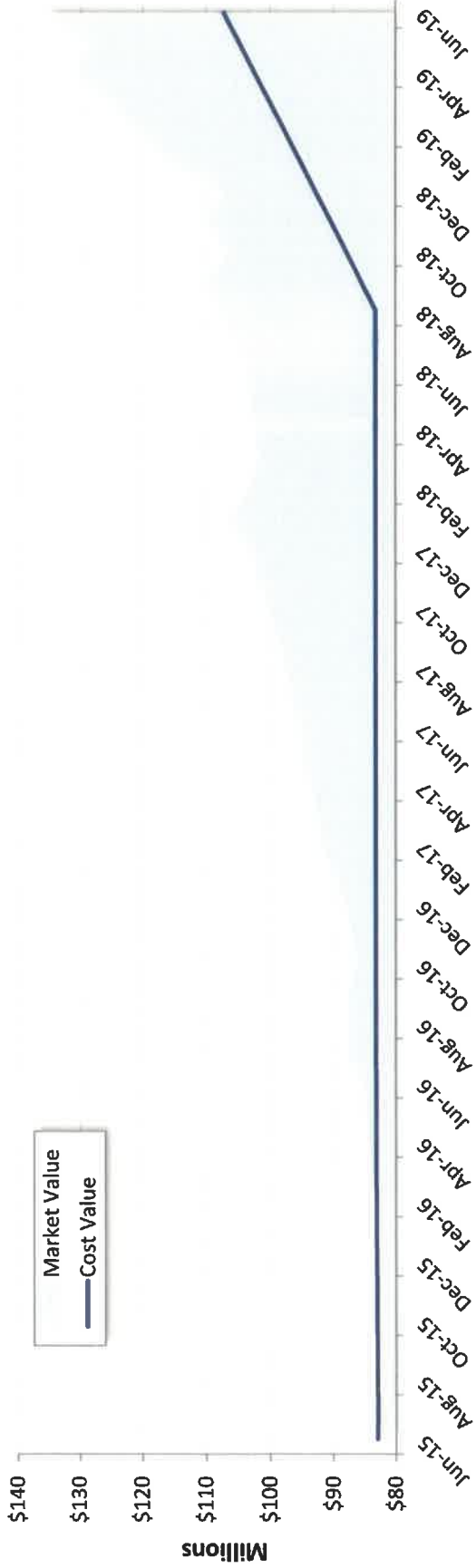
Clark County OPEB Trust

9/30/2019

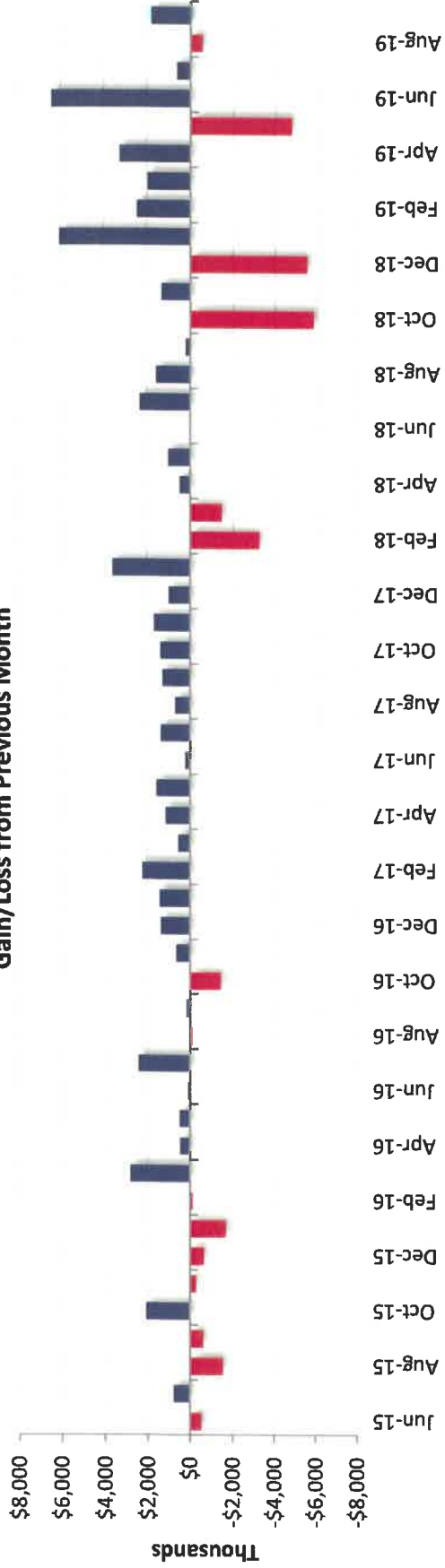


RBIF Sector	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
U.S. Stocks - RBIF	50.8%	50.6%	50.7%	51.5%	51.6%	51.4%	52.0%	50.0%	50.4%	51.2%	49.8%	50.2%
Int'l Stocks - RBIF	19.8%	20.0%	20.5%	21.5%	21.4%	21.0%	21.0%	21.3%	21.5%	20.9%	21.1%	21.2%
U.S. Bonds - RBIF	28.3%	28.0%	27.4%	25.9%	26.5%	26.8%	26.5%	30.7%	27.4%	27.4%	28.2%	27.8%
Cash Equiv - RBIF	1.1%	1.4%	1.4%	1.1%	0.5%	0.8%	0.5%	-2.0%	0.8%	0.5%	0.9%	0.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

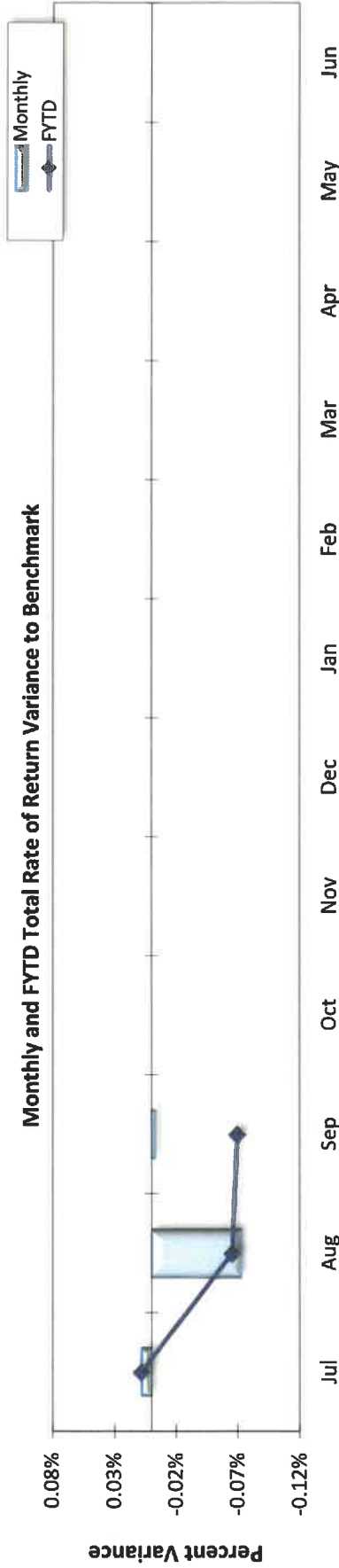
Cost Value vs. Market Value



Gain/Loss from Previous Month

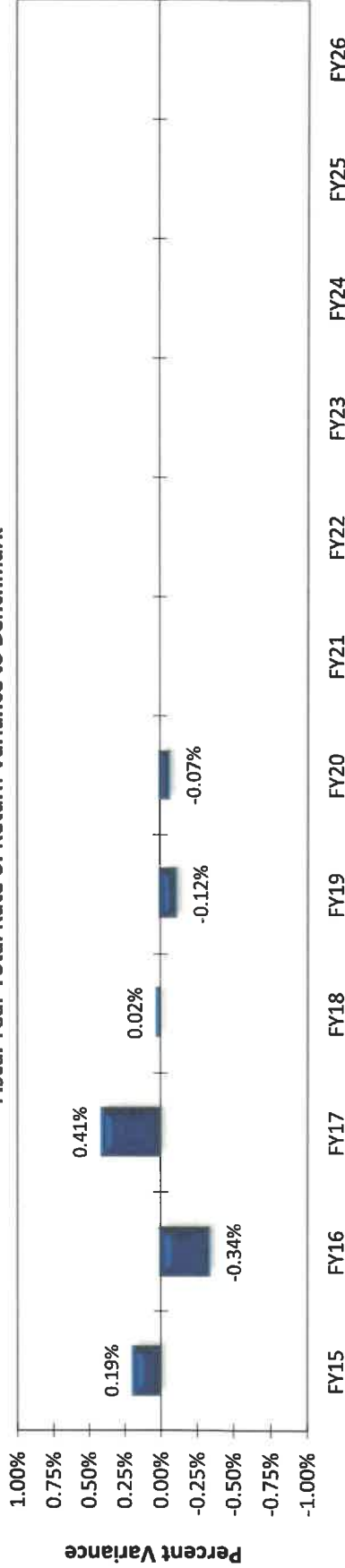


Monthly and FYTD Total Rate of Return Variance to Benchmark



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
RBIF Portfolio	0.447%	-0.382%	1.275%									
RBIF Benchmark	0.439%	-0.308%	1.278%									
Monthly Variance	0.008%	-0.074%	-0.003%									
FYTD Variance	0.008%	-0.066%	-0.070%									

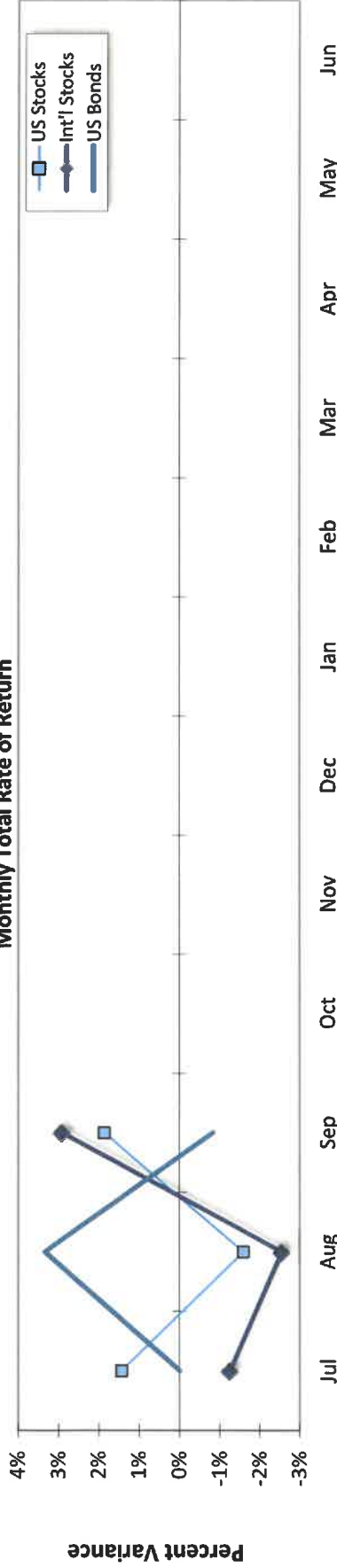
Fiscal Year Total Rate of Return Variance to Benchmark



FYTD	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
RBIF Portfolio	2.61%	1.59%	12.51%	8.33%	7.82%	1.34%						
Benchmark	2.42%	1.93%	12.10%	8.31%	7.94%	1.41%						
Yearly Variance	0.19%	-0.34%	0.41%	0.02%	-0.12%	-0.07%						

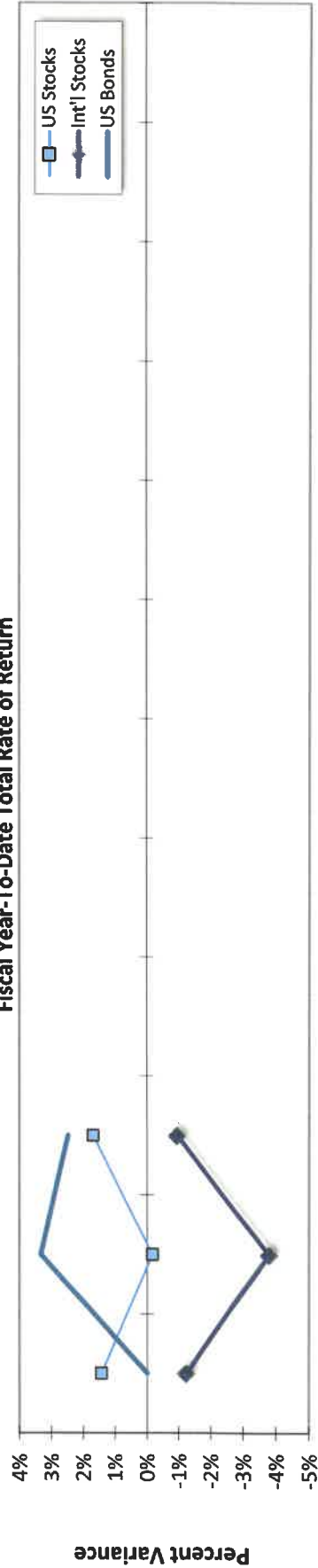
Benchmark: 49% S&P 500, 30% Barclays Aggregate Bond, 21% MSCI EAFE -- RBIF Returns are net of fees
 FY 2015 Started for the month ending February 2015

Monthly Total Rate of Return

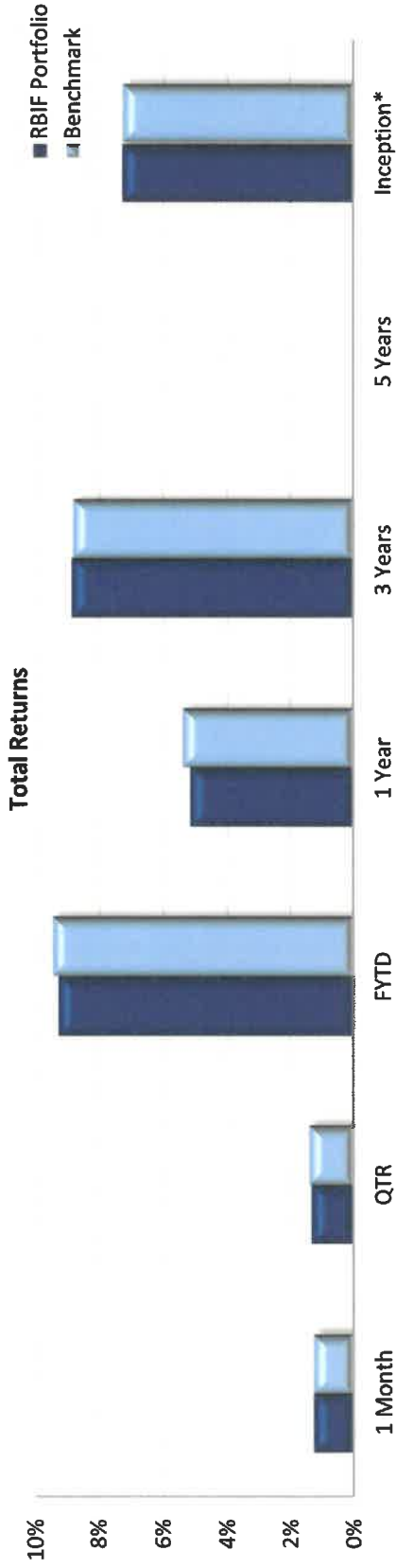


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
U.S. Stocks	1.44%	-1.58%	1.87%									
Int'l Stocks	-1.25%	-2.56%	2.92%									
U.S. Bonds	-0.01%	3.35%	-0.84%									

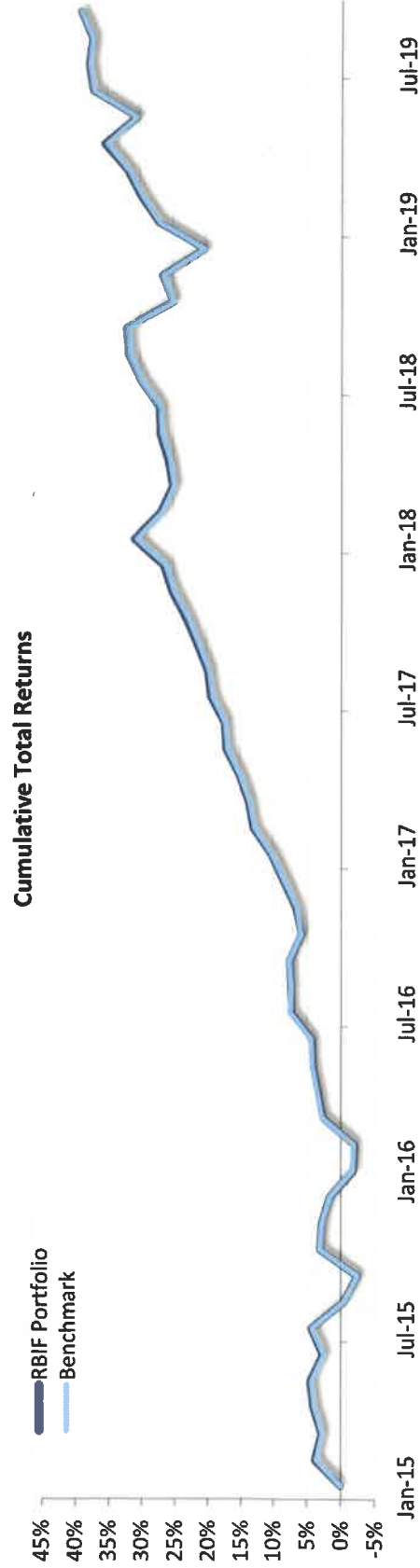
Fiscal Year-To-Date Total Rate of Return



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
U.S. Stocks	1.44%	-0.17%	1.70%									
Int'l Stocks	-1.25%	-3.77%	-0.96%									
U.S. Bonds	-0.01%	3.34%	2.47%									

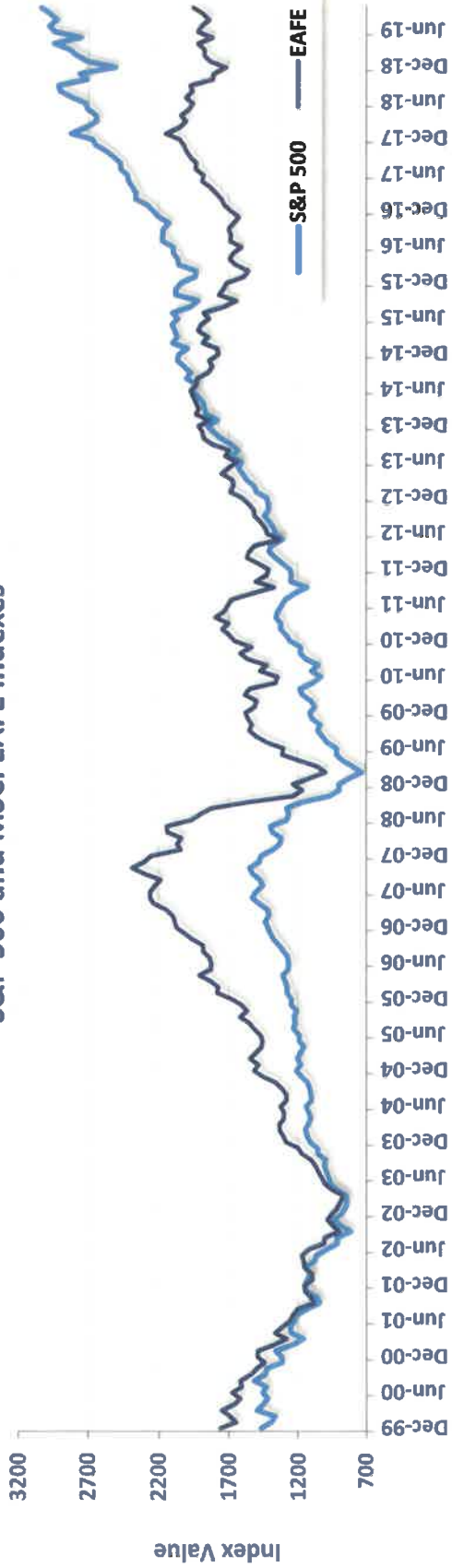


	Latest Month	Latest QTR	FYTD	One Year	Three Years	Five Years	Since Inception*
RBIF Portfolio	1.27%	1.34%	9.27%	5.16%	8.85%	N/A	7.28%
Benchmark	1.28%	1.41%	9.46%	5.40%	8.81%	N/A	7.27%
Variance	0.00%	-0.07%	-0.19%	-0.24%	0.04%	N/A	0.01%

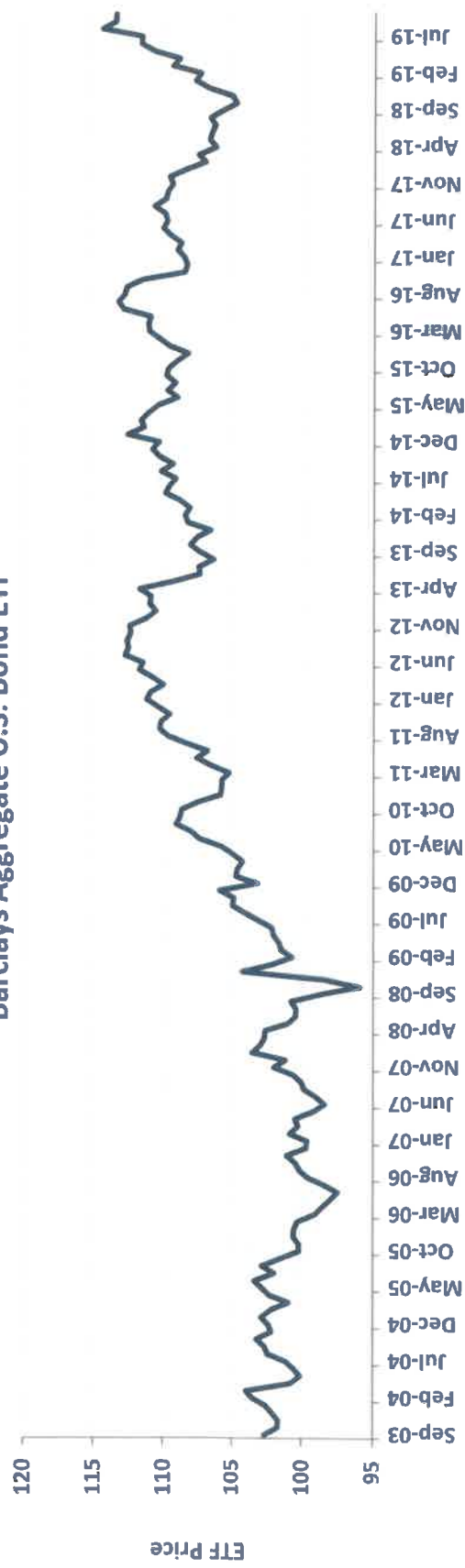


*Inception Date of 1/31/2015

S&P 500 and MSCI EAFE Indexes



Barclays Aggregate U.S. Bond ETF



Data Source: Bloomberg

Glossary and Disclosure

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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NOVEMBER 21, 2019

Clark County

OPEB Board of Trustees

Economic/Market Update



Executive Summary and US Economic Signals

Executive Summary

- “No *Cuts* for You”!
- What Might Get the Fed to Cut Again...Stocks
- Soft Landing...Mission Accomplished?
- Employment Growth Slowing
- Inflation Expectations Remain Low...But Increasing
- U.S. Consumer Still Looks Strong’ish
- Yield Curve...Finally Uninverted



Indicator	Data	Weaker	Stronger
GDP YOY%	2.0		
Recession Prob% in 12 Months	29		
Unemployment Rate%	3.6		
Underemployment Rate %	7.0		
Non-Farm Payrolls YOY%	1.4		
Unemployment Claims YOY%	(0.9)		
Employment Cost Index YOY%	2.8		
Core PCE YOY%	1.7		
Core CPI YOY%	2.4		
5Yr Avg % Inflation Expectations	1.6		
Commodities Index YOY%	(4.4)		
Existing Home Sales YOY%	3.9		
New Home Sales YOY%	15.5		
Home Buying Conditions YOY%	0.8		
S&P Home Prices YOY%	2.0		
Vehicle Sales YOY%	(5.4)		
Retail Sales YOY%	4.1		
Consumer Confidence YOY%	(8.7)		
ISM Service % (Diffusion Index)	54.7		
ISM Manufacturing % (Diffusion Index)	48.3		
Small Business Optimism	(5.2)		
Durable Goods Orders YOY%	(4.2)		
S&P 500 YOY%	12.2		
NASDAQ 100 YOY%	16.4		
Russell 2000 YOY%	2.6		
International YOY%	10.7		
Emerging Markets YOY%	10.3		
Yield Curve (10Yr-3M) Basis Points	37		
1 Yr Tsy Yield YOY BP Change	(117)		
10 Yr Tsy Yield YOY BP Change	(132)		
10Y High Yld Spd (Baa) YOY BP Chg	23		
Change from Previous Month: ←			

Source: Bloomberg, CNBC, FHN Main Street



State of the Markets



1. **S&P 500: +25% YTD, All-Time-High**
2. **Unemployment Rate: 3.6%, Near 50 Year Low**
3. **Econ Expansion: 123 Months, Longest in History**
4. **Job Growth: 108 Straight Months, Longest in History**
5. **Core CPI: 2.4%, 11-Year High**
6. **Fed: Cut Rate 3 Times This Year**

Source: Investing.com, FHN Main Street



Timing the Market is Tough

Exhibit 1 Active Funds' Success Rates by Category (%)

Category	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year
U.S. Large Blend	31.1	15.5	16.4	10.9	13.9	19.7
U.S. Large Value	30.1	12.6	13.5	8.3	16.0	8.4
U.S. Large Growth	48.9	29.7	21.0	8.3	10.7	—
U.S. Mid Blend	31.4	19.3	17.9	11.9	7.8	10.6
U.S. Mid Value	22.0	12.5	7.5	9.4	20.2	—
U.S. Mid Growth	75.8	58.9	48.6	30.3	26.9	—
U.S. Small Blend	21.3	21.2	19.0	24.9	17.1	32.4
U.S. Small Value	15.9	16.8	23.6	33.3	17.1	—
U.S. Small Growth	52.1	51.4	35.1	24.3	9.1	—
Foreign Large Blend	18.5	25.4	32.8	24.5	28.4	38.1
Foreign Large Value	14.5	20.0	27.2	26.3	—	—
Foreign Small-Mid Blend	21.2	19.2	16.0	70.6	—	—
World Large Stock	41.3	26.8	30.1	26.3	24.5	—
Diversified Emerging Markets	20.8	33.0	51.8	54.5	—	—
Europe Stock	24.0	21.7	12.5	43.3	31.0	—
U.S. Real Estate	23.9	7.2	33.3	34.2	35.5	29.8
Global Real Estate	72.4	9.8	51.9	14.9	—	—
Intermediate Term Bond	38.1	66.9	51.3	55.6	34.0	24.6
Corporate Bond	28.6	59.2	53.8	66.7	—	—
High Yield Bond	28.8	37.8	40.2	56.3	—	—

Source: Morningstar Data and Calculations as of 2/31/2018

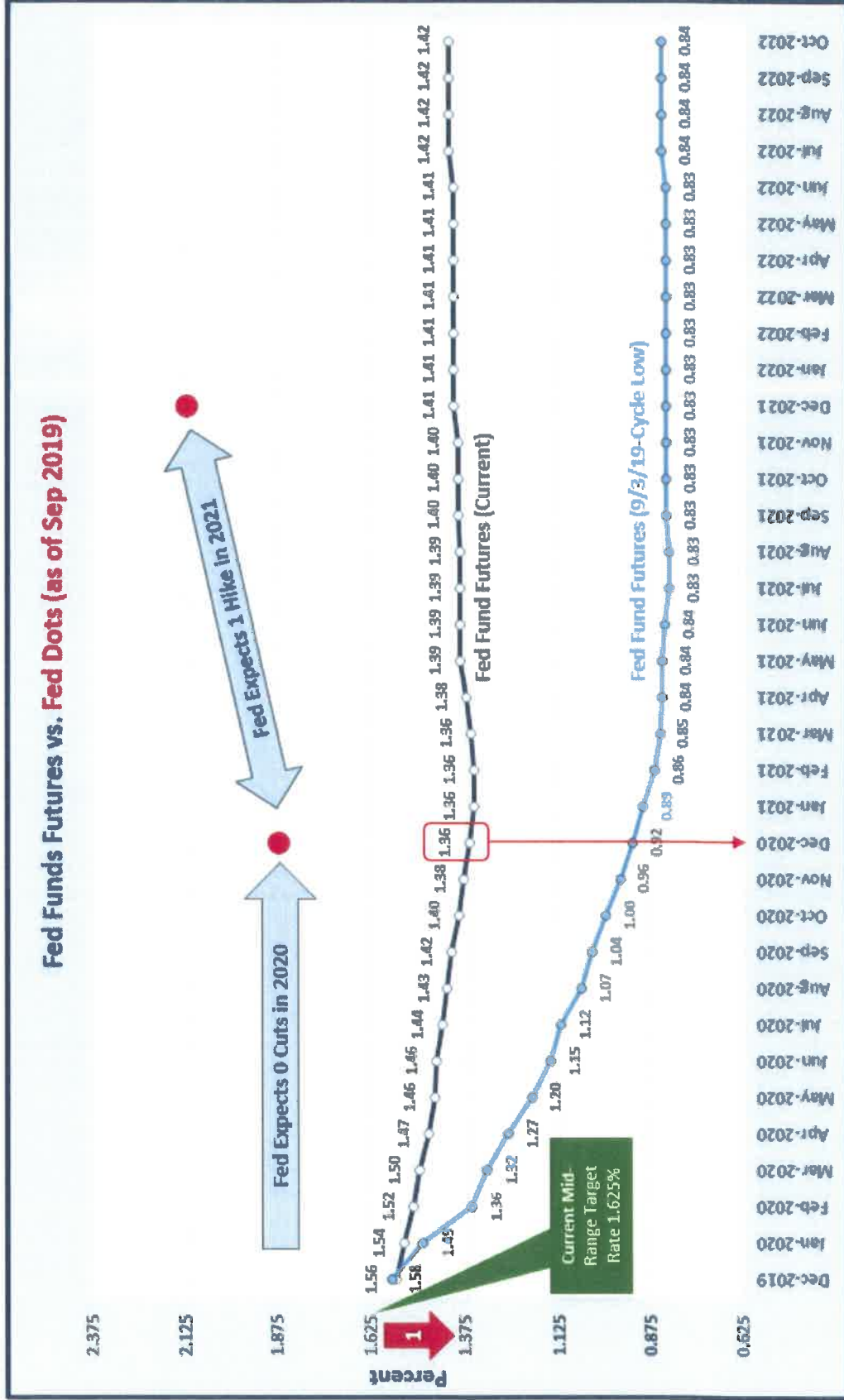


The only function of economic (and interest rate) forecasting is to make astrology look respectable.

John Kenneth Galbraith

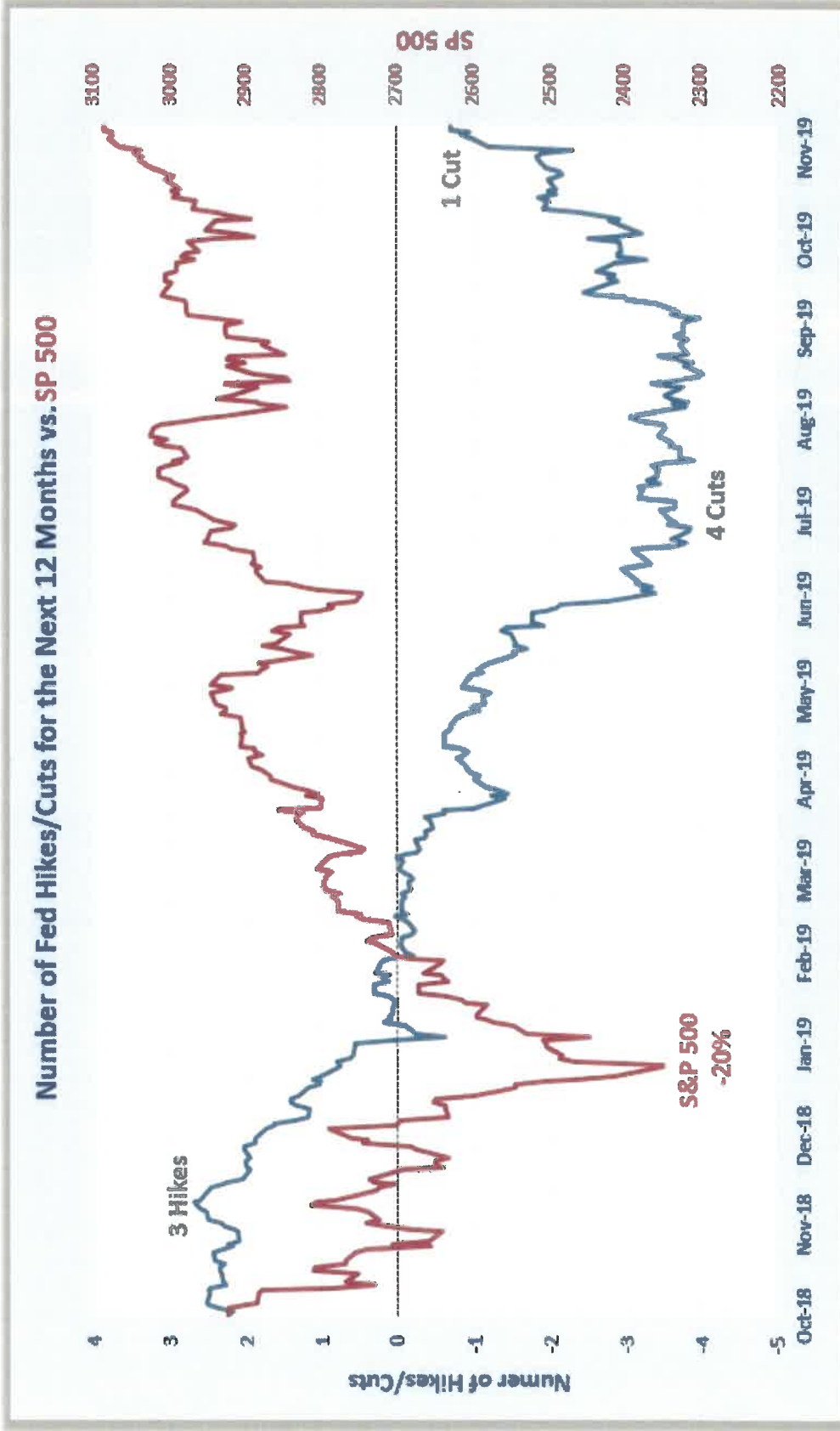


Market and Fed Out of Sync...But Better



As of 11/8/2019

Stocks and the Fed



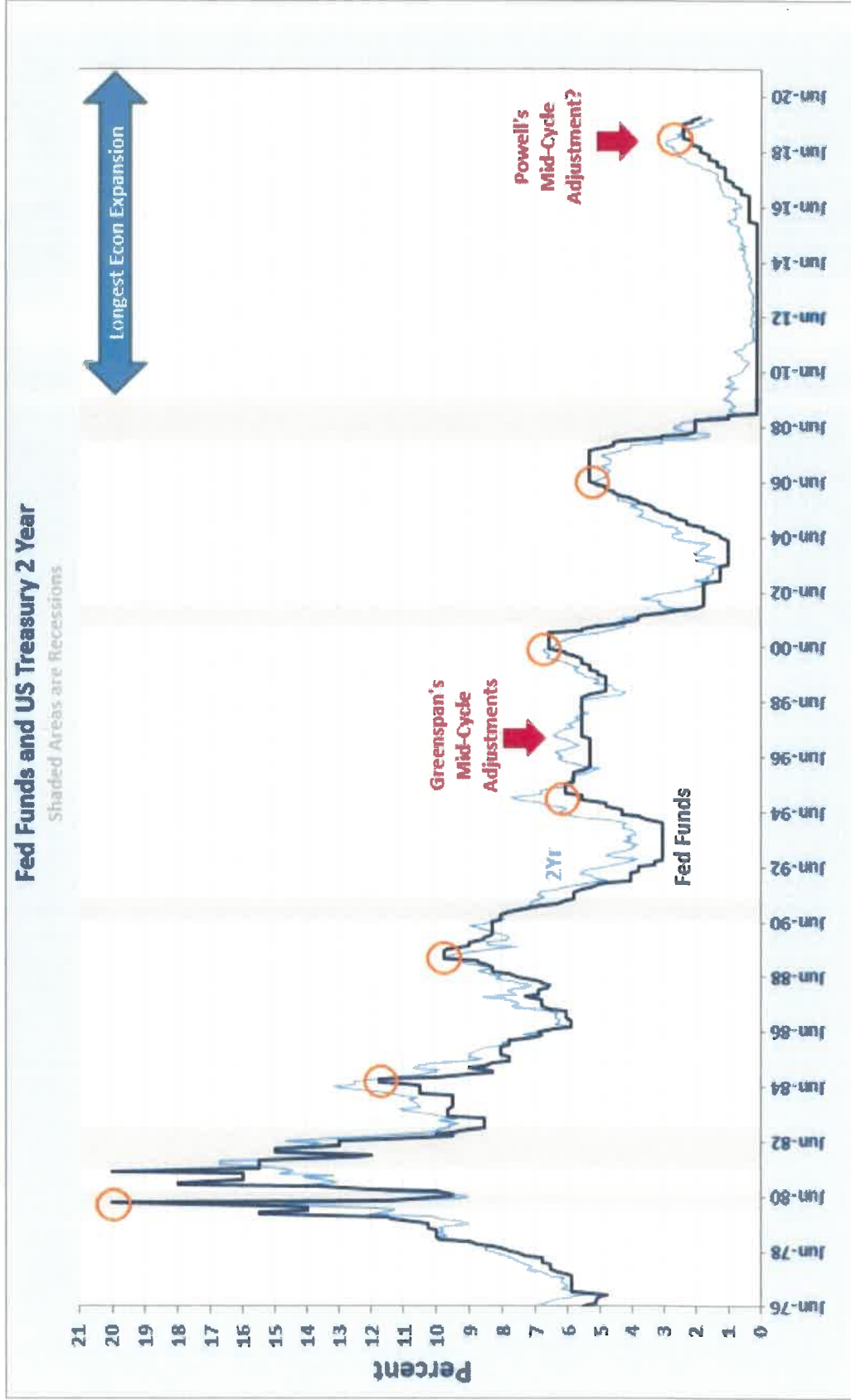
Fed Cuts: Jul, Sep, and Oct

Source: Bloomberg



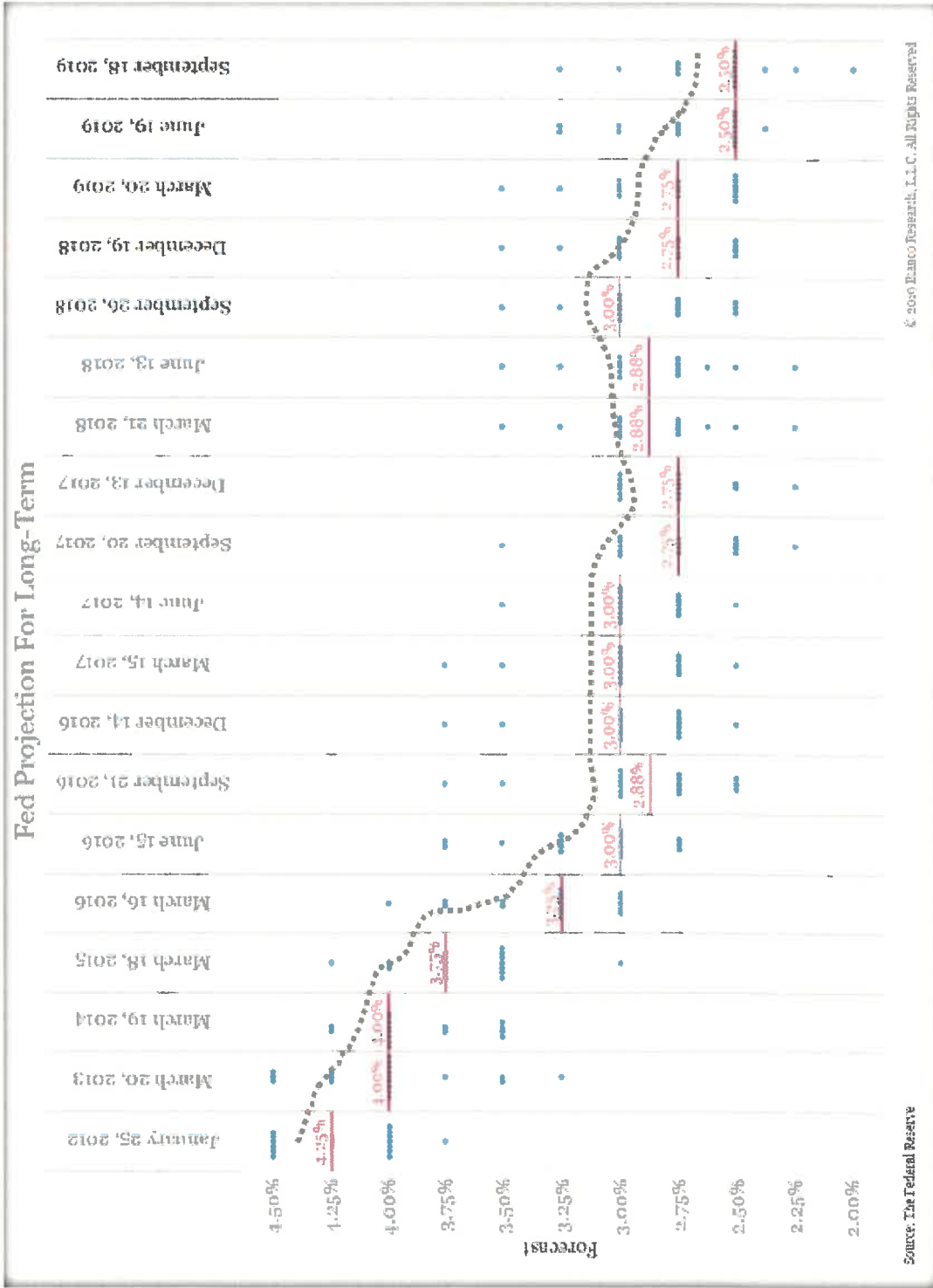
“Mid-Cycle Adjustment”

Economic Soft Landing...Mission Accomplished?



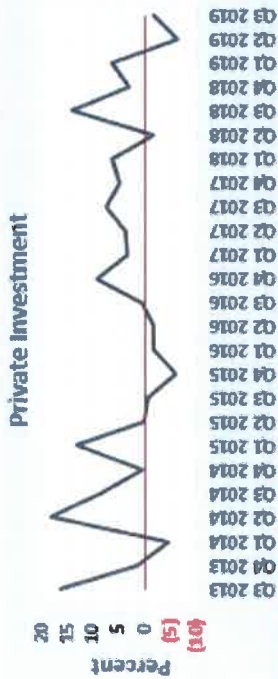
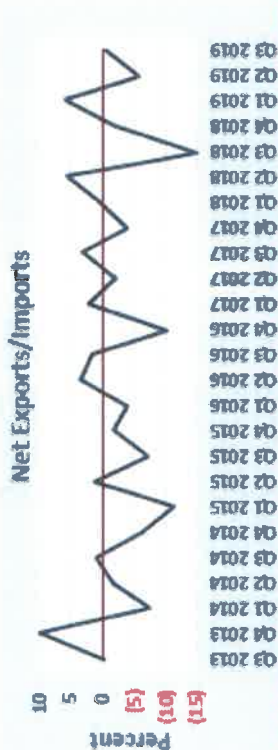
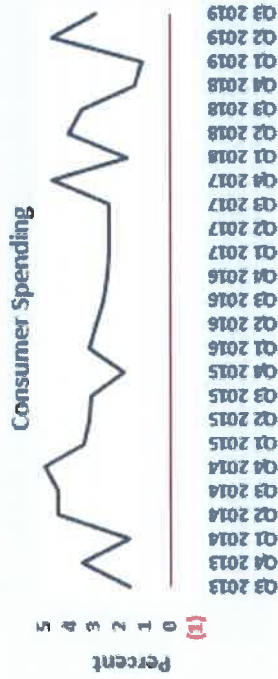
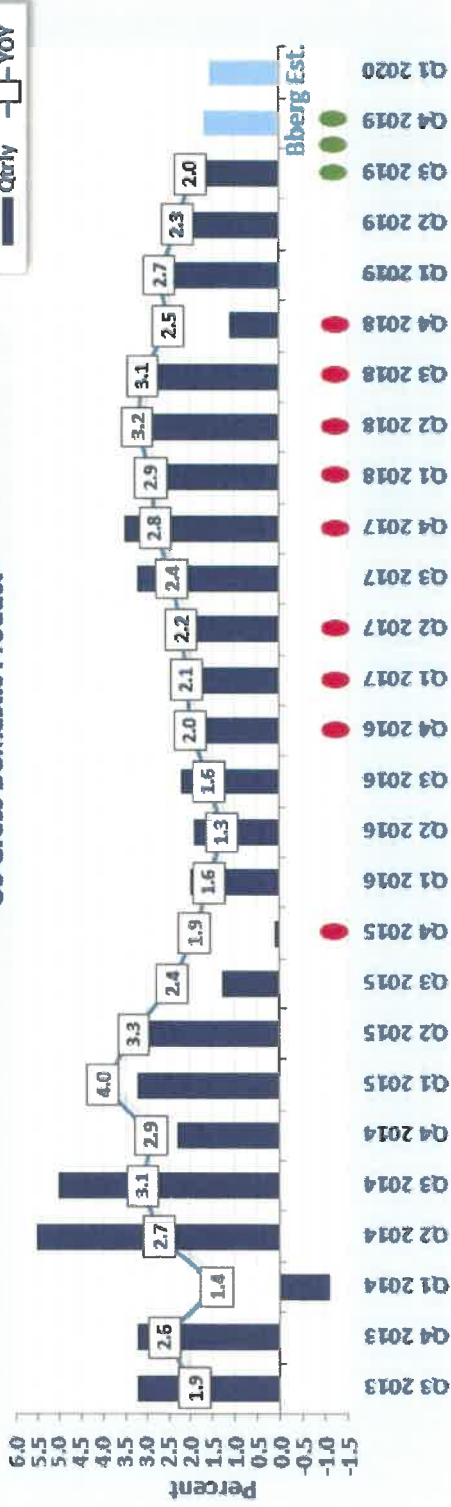
Source: Bloomberg

Long-Term Fed Funds...Lower and Lower and Lower



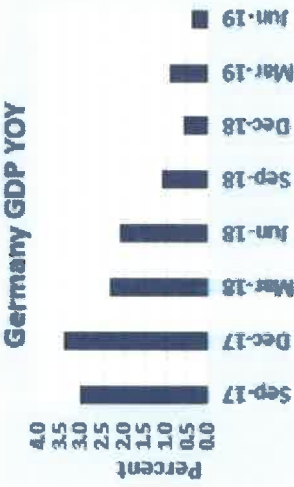
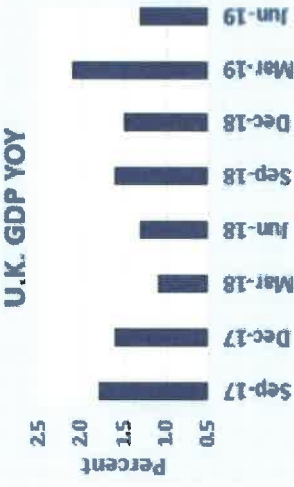
Going from Good to Less Good...But Still Good

US Gross Domestic Product



Q3 QOQ 2019 Estimates: Atlanta Fed 1.0% NY Fed 0.7% St. Louis Fed 1.9% Bloomberg 1.7% 11/11/19

Global Growth...Going to Less Good as Well

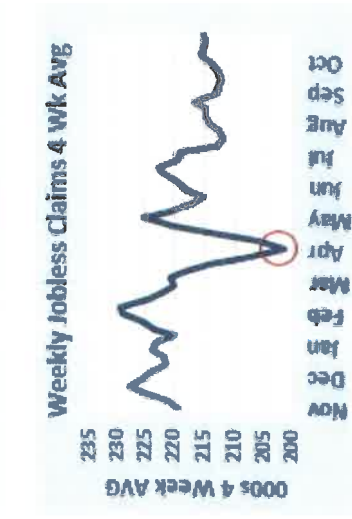
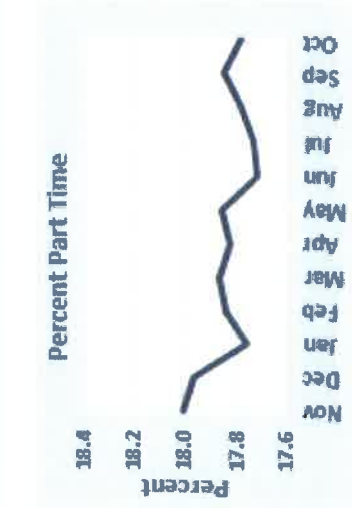
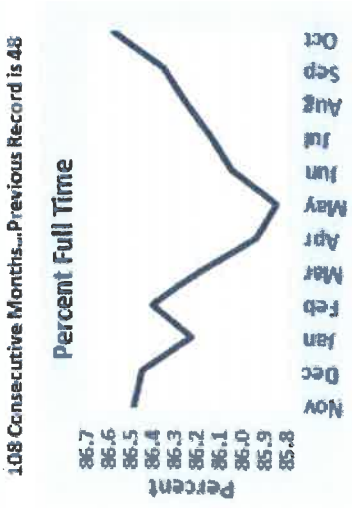
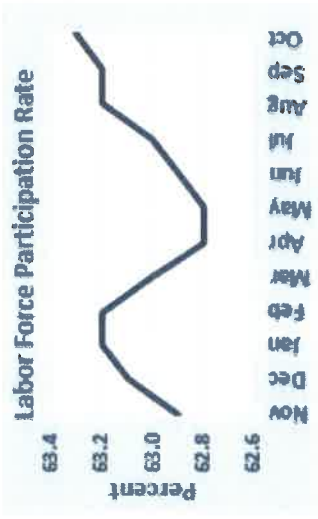
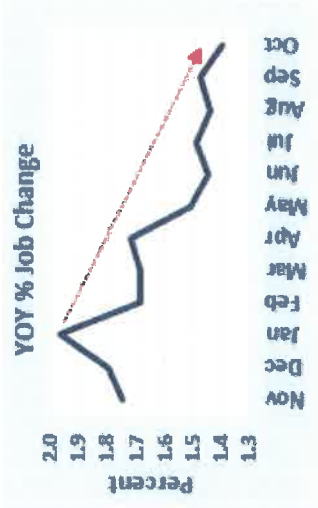
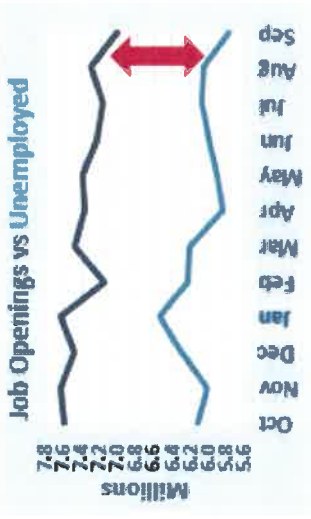
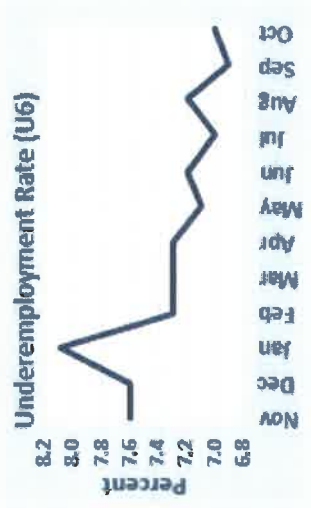
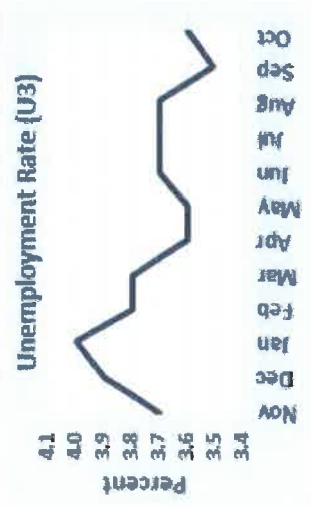


11/8/2019

Source: Bloomberg



US Employment Growth Much Slower This Year

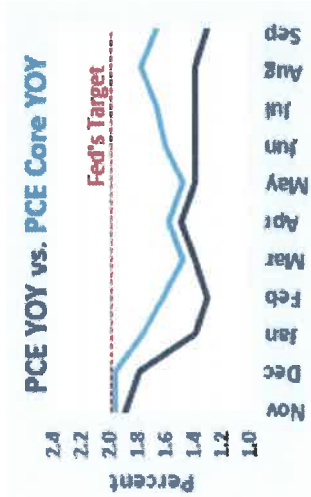
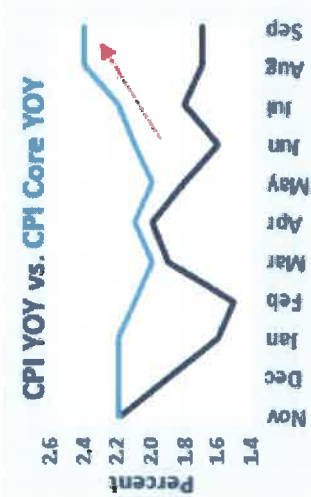
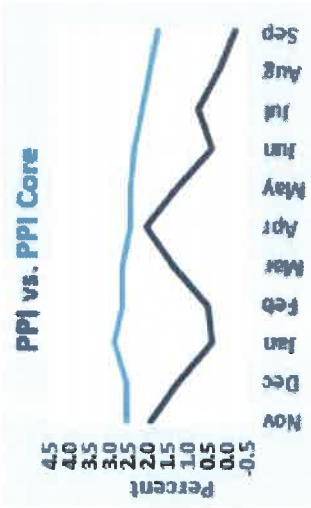


11/8/2019

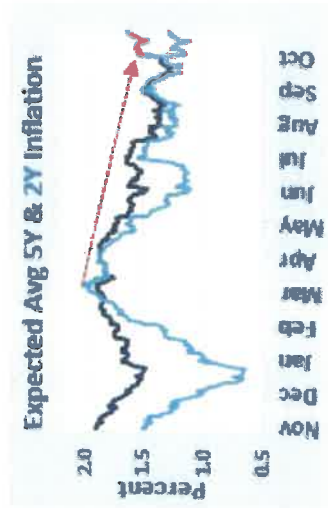
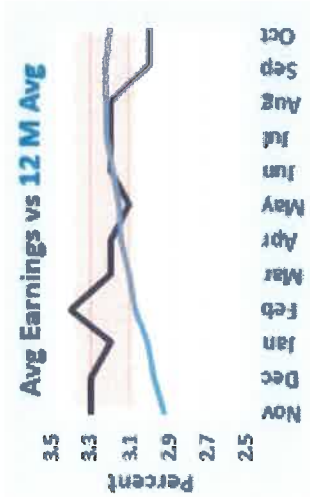
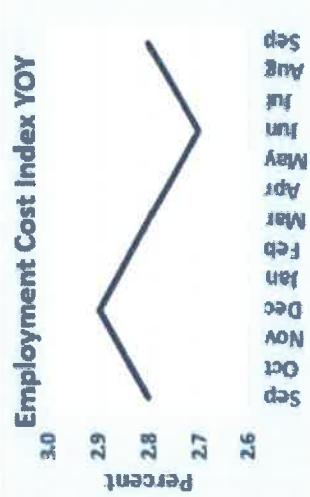
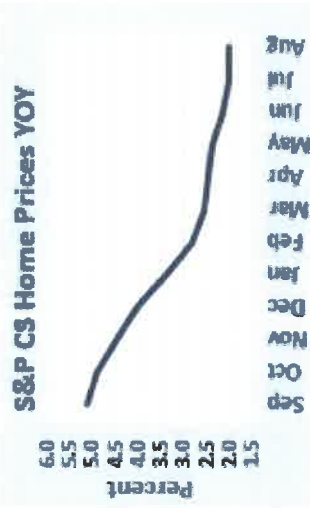
Source: Bloomberg



US Inflation's Mixed Bag

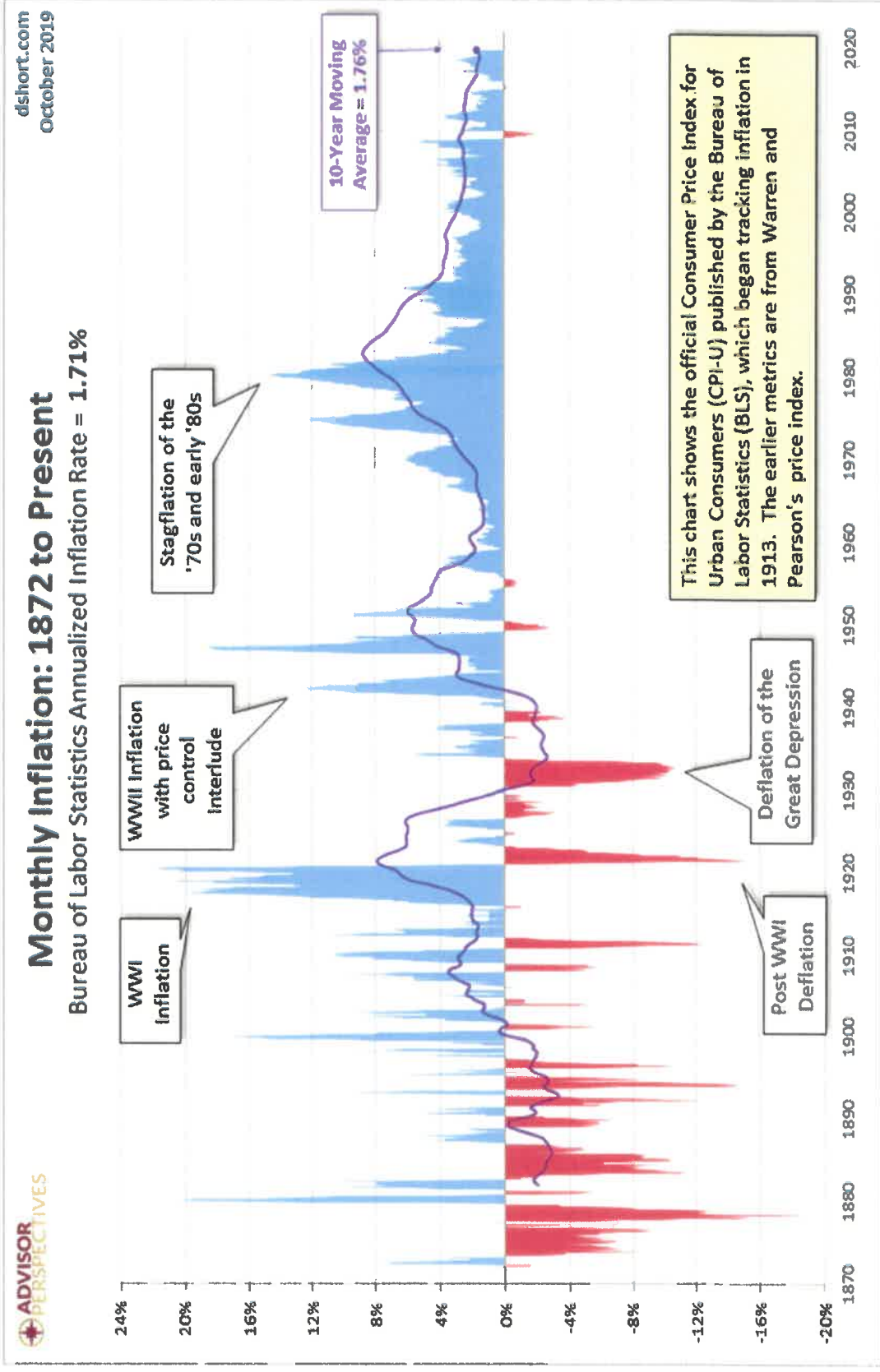


Fed's Primary Index: Personal Consumption Expenditure



11/8/2019

Long-Term Look at Inflation

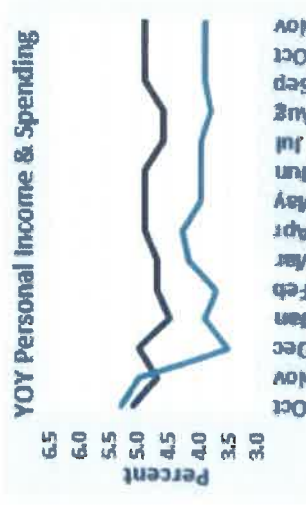
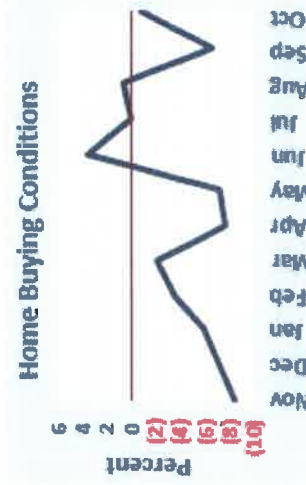
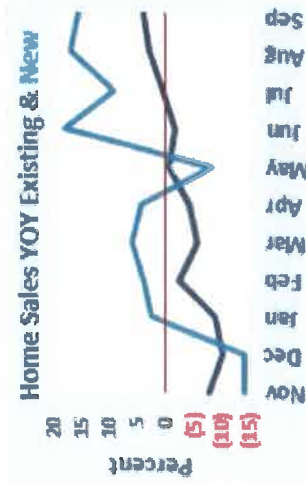
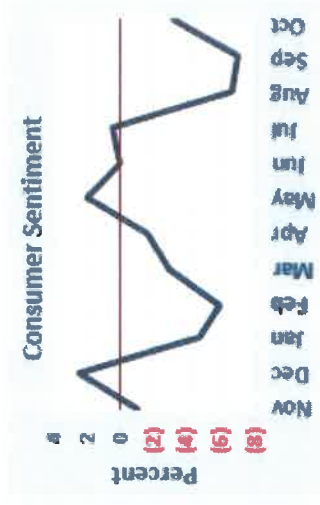
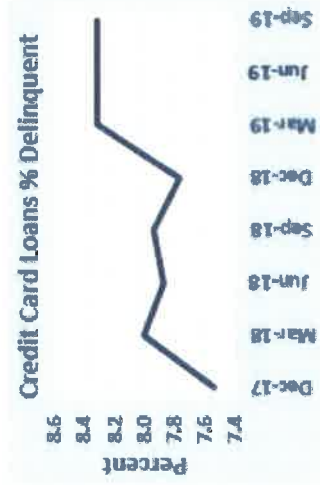
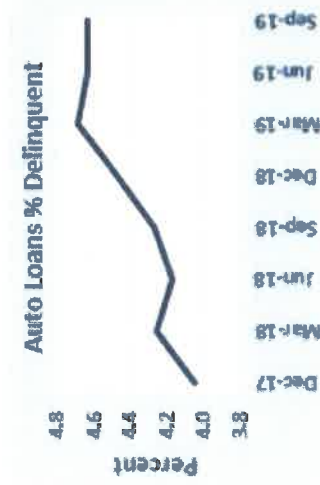
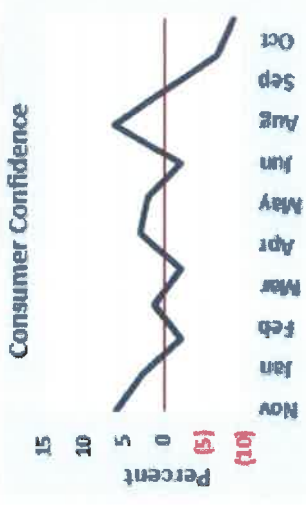
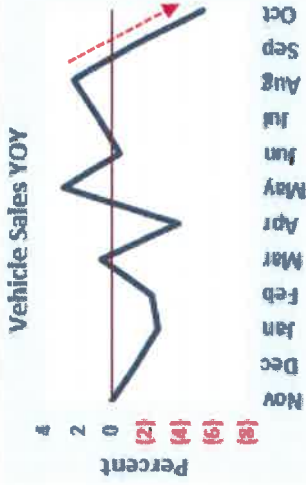
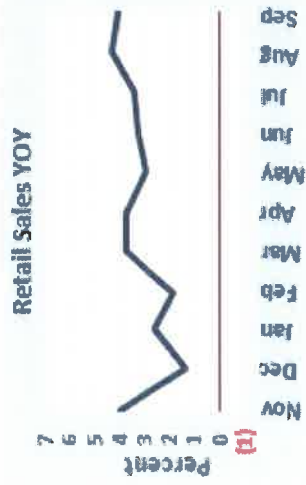


Why Low Rates for Long: Demographics, Savings Glut, and Low Inflation

Source: dshort.com



US Consumer Remains Strong-ish

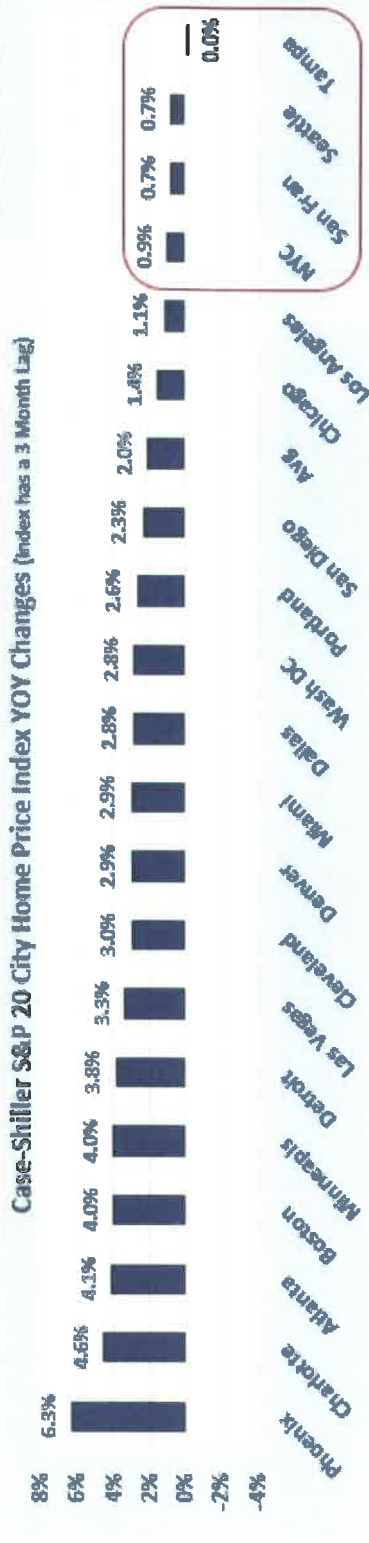
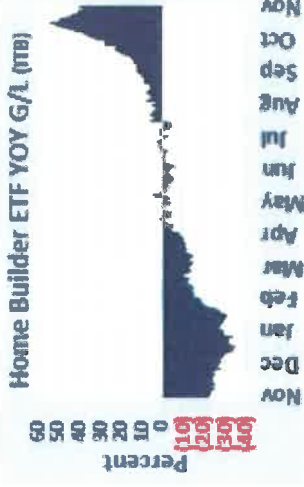
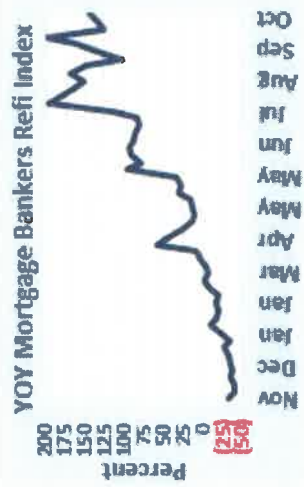
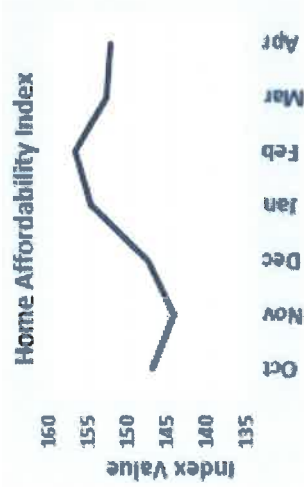
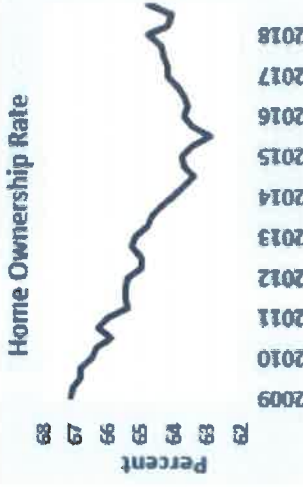
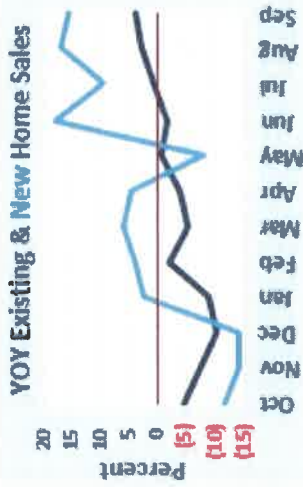


11/8/2019

Source: Bloomberg



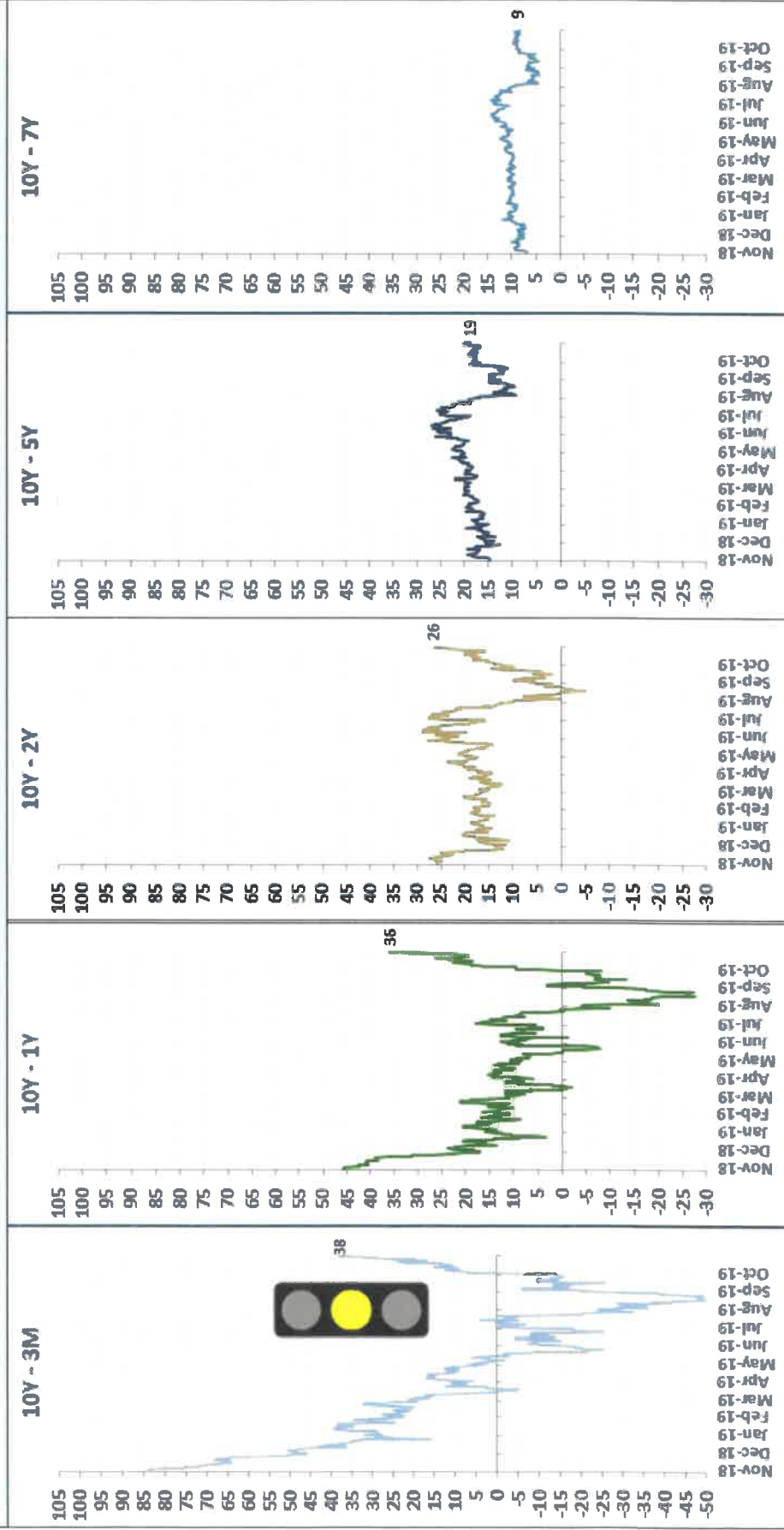
Lower Mortgage Rates Helping Housing



Yield Curve...Back to Yellow

3 Fed Cuts Really Helped

U.S. Treasury Curve Spreads the Past 12 Months



11/8/2019

Source: Bloomberg



Solid Track Record...How Will it Turn Out This Time?

How Long Until the Recession?

When the **10Yr/3M** U.S. Treasury Curve Inverts 10 Consecutive Trading Days

Date of 10 Day Inversion	Consecutive Trading Days Inverted	Date of Next Recession	Days to Next Recession
1/10/1969	24	Dec 1969	325
6/14/1973	177	Nov 1973	140
12/8/1978	91	Jan 1980	389
11/7/1980	102	Jul 1981	236
6/6/1989	30	Jul 1990	390
7/31/2000	135	Mar 2001	213
8/1/2006	217	Dec 2007	487
6/6/2019	41	???	???
Average	102		311



1/10/1969 = Inverted for 24 days, went positive for 33 days, then inverted again for 53 days

6/6/1989 = Inverted for 30 days, went positive for 9 days, then inverted again for 26 days

6/6/2019 = Inverted for 41 days, went positive for 1 days, then inverted again for 65 days



Source: Bloomberg

Dovishness Around the World...Continues

@CharlieBilello		Global Central Bank Policy Rates				
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	Last Move	Last Move Date
Switzerland	Target Rate	-0.75%	-0.3%	-0.5%	Cut	Jan-15
Denmark	Deposit Rate	-0.75%	0.5%	-1.3%	Cut	Sep-19
Eurozone	Deposit Rate	-0.50%	1.1%	-1.6%	Cut	Sep-19
Sweden	Repo Rate	-0.25%	1.5%	-1.8%	Cut	Dec-18
Japan	Policy Rate Bal	-0.10%	0.2%	-0.3%	Cut	Jan-16
UK	Bank Rate	0.75%	1.7%	-1.0%	Cut	Aug-18
Australia	Cash Rate	0.75%	1.7%	-1.0%	Cut	Oct-19
New Zealand	Cash Rate	1.00%	1.5%	-0.5%	Cut	Aug-19
Thailand	Policy Rate	1.25%	0.1%	1.1%	Cut	Nov-19
South Korea	Repo Rate	1.25%	0.0%	1.3%	Cut	Oct-19
Norway	Deposit Rate	1.50%	1.5%	0.0%	Cut	Sep-19
Poland	Repo Rate	1.50%	2.6%	-1.1%	Cut	Oct-14
Taiwan	Discount Rate	1.50%	0.4%	1.1%	Cut	Mar-16
US	Fed Funds	1.63%	1.7%	-0.1%	Cut	Oct-19
Canada	Overnight	1.75%	1.9%	-0.2%	Cut	Oct-18
Chile	Base Rate	1.75%	2.5%	-0.8%	Cut	Oct-19
Czech Republic	Repo Rate	2.00%	2.7%	-0.7%	Cut	May-19
Hong Kong	Base Rate	2.00%	3.2%	-1.2%	Cut	Oct-19
Peru	Policy Rate	2.25%	1.9%	0.4%	Cut	Nov-19
Saudi Arabia	Reverse Repo	2.25%	-0.7%	3.0%	Cut	Sep-19
Malaysia	Policy Rate	3.00%	1.1%	1.9%	Cut	May-19
China	Loan Prime Rate	4.20%	3.0%	1.2%	Cut	Sep-19
Colombia	Repo Rate	4.25%	3.9%	0.4%	Cut	Apr-18
Philippines	Key Policy Rate	4.00%	0.8%	3.2%	Cut	Sep-19
Indonesia	Repo Rate	5.00%	3.1%	1.9%	Cut	Oct-19
Brazil	Target Rate	5.00%	2.5%	2.5%	Cut	Oct-19
India	Repo Rate	5.15%	4.0%	1.2%	Cut	Oct-19
South Africa	Repo Rate	6.50%	4.1%	2.4%	Cut	Jul-19
Russia	Key Policy Rate	6.50%	3.8%	2.7%	Cut	Oct-19
Mexico	Overnight Rate	7.75%	3.0%	4.7%	Cut	Sep-19
Turkey	Repo Rate	14.00%	8.6%	5.5%	Cut	Oct-19

Source: Charlie Bilello



Stocks Liking the Doves

 @CharlieBilello Data: YCharts			Country ETFs: 2019 Total Returns (in US \$) as of 11/1/19					
Country	Ticker	2019 YTD	Country	Ticker	2019 YTD	Country	Ticker	2019 YTD
Greece	GREK	45.3%	Sweden	EWD	16.8%	Norway	NORW	6.2%
Russia	ERUS	41.8%	Germany	EWG	16.6%	India	INDA	6.1%
Colombia	GXG	27.5%	Egypt	EGPT	16.5%	UAE	UAE	6.1%
Netherlands	EWN	26.0%	New Zealand	ENZL	16.3%	Turkey	TUR	3.9%
Switzerland	EWL	25.3%	Austria	EWO	16.0%	Peru	EPU	3.5%
Italy	EWI	24.9%	Denmark	EDEN	15.2%	Indonesia	EIDO	3.4%
Taiwan	EWT	24.2%	United Kingdom	EWU	14.2%	South Korea	EWY	2.1%
US	SPY	24.2%	Singapore	EWS	13.3%	Saudi Arabia	KSA	2.0%
Canada	EWC	22.3%	Philippines	EPHE	13.1%	South Africa	EZA	1.6%
France	EWQ	21.5%	Vietnam	VNM	12.7%	Qatar	QAT	0.0%
Australia	EWA	20.6%	Mexico	EWV	11.9%	Malaysia	EWM	-2.9%
Belgium	EWK	20.5%	Hong Kong	EWH	9.7%	Poland	EPOL	-3.0%
Brazil	EWZ	19.5%	Portugal	PGAL	9.5%	Argentina	ARGT	-5.9%
Ireland	EIRL	19.5%	Spain	EWSP	8.9%	Chile	ECH	-13.3%
Japan	EWJ	18.0%	China	FXI	8.6%	Pakistan	PAK	-15.6%
Israel	EIS	16.8%	Thailand	THD	7.8%	Nigeria	NGE	-19.7%

Source: Charlie Bilello



Still the “Cleanest Shirt” in Long-Term Rates

Country	Global Sovereign Yields % (sorted by 10-Year Yields)									
	1-Year	2-Year	3-Year	5-Year	7-Year	10-Year	30-Year			
Switzerland	-0.92	-0.80	-0.76	-0.66	-0.59	-0.45	-0.02			
Germany	-0.63	-0.63	-0.64	-0.53	-0.46	-0.26	0.26			
Japan	-0.18	-0.18	-0.19	-0.19	-0.18	-0.07	0.44			
Austria	-0.69	-0.59	-0.57	-0.40	-0.24	-0.05	0.54			
Finland	-0.68	-0.65	-0.58	-0.45	-0.28	-0.03	0.46			
Belgium	-0.61	-0.61	-0.56	-0.36	-0.23	0.01	0.84			
France	-0.61	-0.60	-0.56	-0.35	-0.23	0.02	0.81			
Portugal	-0.44	-0.55	-0.38	-0.15	0.07	0.32	1.20			
Spain	-0.50	-0.40	-0.37	-0.12	0.11	0.38	1.25			
United Kingdom	0.67	0.54	0.50	0.53	0.54	0.79	1.30			
Isreal	0.08	0.10	0.16	0.38		0.93	2.09			
Italy	-0.18	-0.14	0.09	0.51	0.84	1.19	2.28			
Australia	0.88	0.88	0.87	0.93	1.09	1.29	1.86			
New Zealand	0.72	0.86		1.05	1.23	1.36				
Canada	1.68	1.58	1.58	1.55	1.56	1.58	1.73			
South Korea	1.36	1.46	1.55	1.67		1.79	1.74			
United States	1.57	1.66	1.69	1.73	1.84	1.93	2.41			

As of: 11/08/19

Source: Bloomberg

RBIF 2019 Report

Participating Entities	Net Contributions from		Market Value as of
	Inception through June 30, 2019	June 30, 2019	
Public Employees' Benefits Program (PEBP)	\$ 1,348,775	\$	1,728,842
Washoe County School District (WCSD)	20,846,602		58,917,792
Truckee Meadows Water Authority (TMWA)	4,809,356		11,693,172
Washoe County (WCOT)	151,341,402		261,412,129
City of Las Vegas (LVOT)	10,000,000		17,882,531
Tahoe Douglas Fire Protection District (IDFP)	7,500,000		11,532,625
Clark County, Nevada OPEB Trust Fund (CCOT)	106,961,750		136,558,551
The City of Reno, Nevada OPEB Trust Fund (RENO)	7,619,684		9,405,532
Las Vegas Metro Police Department (LVMPD)	15,830,000		18,608,771
Truckee Meadows Water OPEB Trust (TMWA II)	921,855		1,163,748
No. Lake Tahoe Fire Protection District (NLTFPD)	1,176,487		1,390,779
Carson City OPEB Trust (CC)	1,210,000		1,433,743
Las Vegas Valley Water District (LVVWD)	2,500,000		2,512,456
Totals	\$ 332,065,911	\$	534,240,671

Disclaimer

Although this information has been obtained from sources which we believe to be reliable, we do not guarantee its accuracy, and it may be incomplete or condensed. This is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. All herein listed securities are subject to availability and change in price. Past performance is not indicative of future results, and changes in any assumptions may have a material effect on projected results. Ratings on all securities are subject to change.

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