



SMITH
SHELLNUT
WILSON

INVESTMENT COUNSEL
AND MANAGEMENT

Confidential

Investment Management Proposal

Tupelo Public School District
September 10, 2013

The Need

- Professional investment portfolio management responsive to client needs

The Challenge

- Investment environment is complex and fluid
- Standard investment solutions are simplistic, static, and profit-driven

The Answer

- Professional investment advice. . .Smith Shellnut Wilson



- Smith Shellnut Wilson Firm Overview
- Biographical Information
- References

EXPERTISE

Firm Overview

Business Organization

- Smith Shellnut Wilson, LLC
Investment Counsel and Management
150 Fountains Blvd., Suite A
Madison, MS 39110
- Organized in 1995 as a
Mississippi Limited Liability
Corporation
- Registered Investment Advisor
with SEC, License #801-49071
- Staff of 14, 6 of whom are
professionals
- Employee-owned firm

Assets Under Management

as of June 30, 2012

- Fixed Income -- \$1.5 Billion
- Equities -- \$100 Million
- Total -- \$1.6 Billion

Biographies

Frank W. Smith, MBA – Principal

Frank Smith is a founder of Smith Shellnut, and serves as the company's CEO. Prior to the establishment of Smith Shellnut, Frank was a Senior Executive Vice President with Sunburst Bank responsible for the Bank's broker dealer subsidiary, mortgage company, trust department, finance company, and cash management division. He also managed the bank's \$600 million investment portfolio and chaired its asset/liability management committee. He brings to the table a unique level of expertise in fixed-income securities, such as municipal, U. S. government, and corporate bonds. Frank received a B.A. from Rollins College in Winter Park, Florida, with a double major in business administration and economics, and received an M.B.A. from Delta State University. He is also a graduate of the National School of Bank Investments at the University of Illinois and the School of Banking of the South at Louisiana State University.

Kenneth M. Lott – Principal

Kenneth Lott joined Smith Shellnut in June of 2001, and manages the Finance and Personnel Divisions of Smith Shellnut. Kenneth has 25 years of banking experience, most recently as President and Chief Operating Officer of Lamar Capital Corporation and Lamar Bank in Purvis, Mississippi. During his 13-year tenure at Lamar, Kenneth played an integral part in helping to grow the \$57 million bank to a \$430 million publicly-traded company. His duties there included chairmanship of both the investment and asset/liability management committees. Kenneth is an honor graduate of the University of Southern Mississippi with a B.S.B.A. degree in accounting. He is also an honor graduate of BAI's School for Bank Administration at the University of Wisconsin at Madison.

Biographies

Raymond F. Thompson, Jr., MBA – Principal

Ray Thompson joined Smith Shellnut in June of 2001. He manages the Investment Division of the firm. Ray began his banking career in 1976 with Deposit Guaranty National Bank. During his tenure there, he served in various capacities including corporate planning, commercial lending, deposit product development, and investment portfolio management. In 1998, at the time Deposit Guaranty was acquired by First American Corporation of Nashville, Tennessee, Ray was Chief Investment Officer of Deposit Guaranty Corporation and Managing Director of the Asset Management Group. In that capacity, he managed a \$4.3 billion trust division, a 40-person brokerage subsidiary, and a \$1.7 billion mutual fund complex. Additionally, Ray was CEO of Deposit Guaranty's Park South subsidiary, which provided investment advisory services to high net worth clientele. At First American, Ray was named Executive Vice President of the Investment Management Division, where he was the senior executive responsible for managing \$10 billion in

assets. Ray holds a B.A. degree from Cornell University, where he earned the distinction of Phi Beta Kappa. He also received an M.B.A. from Harvard University.

Frank W. Smith III, MBA, CFA – Principal

Frank serves as the Investment Manager for institutional bank portfolios. In this capacity, he is responsible for fixed- income analysis, strategy and trading. Further, he is responsible for developing investment plans and recommendations in response to clients' unique needs. Frank serves on the Investment Committee considering both equity and fixed income strategies for the company. Prior to joining Smith Shellnut in 2005, he served as a Wealth Management Portfolio Analyst for BankPlus. He received his undergraduate degree from Delta State University in 2001 and his M.B.A. from Millsaps College in 2002, with a concentration in Finance and Marketing. He is a CFA charter holder.

Biographies

William P. (Will) Johnson, Jr. – Principal

Will Johnson joined Smith Shellnut in 1995. He works in the Investment Division in both fixed income and equities. With more than fifteen years' experience in investment management, he has industry insight and portfolio management acumen which are a major benefit to Smith Shellnut's clients. Will graduated from Mississippi State University with a B.B.A. in Banking and Finance.

Alan R. Leach, MBA

Prior to joining Smith Shellnut Wilson in 2009, Alan Leach served in the financial services industry for more than 35 years. His investment career began in Birmingham with SouthTrust Bank as a fixed income salesperson working with banks and individuals, and later as Money Desk Manager. He then moved into trading and management positions with Morgan Keegan and First Tennessee Bank's First Securities Company in Mobile division. Alan joined Deposit Guaranty National Bank as Senior Vice President and Manager of the Bond Department. In 1995, he was

named President of Deposit Guaranty Investments, Inc. After Deposit Guaranty was acquired, Alan moved to BancorpSouth as President of BancorpSouth Investment Services, Inc., where he built its full service brokerage unit from inception to a six-state, 22-office organization. Alan is a graduate of the University of Alabama and holds an M.B.A. degree from the University of Alabama – Birmingham.

Lynn K. Pierce – Operations Supervisor

Lynn Pierce joined Smith Shellnut in 2005, after having been employed by Guaranty Bank & Trust Company in Belzoni, Mississippi for 26 years. Her most recent position at the bank was Assistant Vice President and Operations Manager. She has a wealth of operational experience in a financial setting. Lynn attended Humphreys Academy and received her General Education Diploma in 1979. She also graduated from Mississippi School of Banking, a two-year program held at the University of Mississippi in Oxford, Mississippi.

Biographies

Brandy E. Smith, MBA – Risk Management Specialist

Brandy joined Smith Shellnut Wilson in 2008. Prior to her association with Smith Shellnut, Brandy was employed with Heritage Banking Group where she was the Administrative Officer primarily responsible for Asset/ Liability Management, Financial Reporting, Product Development and Budget. She also worked as the Interest Rate Risk Manager for Trustmark National Bank, where she supervised ALM and FTP analytics in the Treasury Administration Division. Brandy has also worked in the Corporate Planning Division, which dealt with Strategic Planning, Mergers and Acquisitions, and Investor Relations. Brandy received a B.B.A. in Managerial Finance from the University of Mississippi in 1997 and an M.B.A. from Millsaps College in 2003.

Brian Fioretti – Analyst

Brian began his work with Smith Shellnut in 2005 as an intern. He currently serves as an Operations Specialist and Investment Analyst. His duties include providing portfolio and municipal bond analytics as

well as managing Smith Shellnut's core accounting system, trade flow and order management. Brian received his B.S. in Business Administration with an emphasis in Finance from Mississippi College, where he was a President's List Scholar, maintaining a 4.0 GPA, with an overall GPA of 3.95.

Michael Medlin, MBA – Analyst

Michael began his career at Smith Shellnut as a Portfolio Analyst in 2007. since then, he has taken on the roles of Chief Technology Officer and Director of the Internship Program. His unique skills create value, maximize growth and improve the business performance of our clients. His background includes analysis of Collateralized Debt Obligations, fixed income portfolios and municipal bonds. Michael studies business at HKBU in Hong Kong, received a B.S. in Business Administration from Mississippi College and an MBA from Millsaps College's Else School of Management.

References

Michael Waldrop

Executive Director, Mississippi School Boards Assn., Clinton, MS. Dr. Waldrop can be reached at 601-924-2001.

Jennifer Hession

Business Manager, Lamar County School District, Purvis, MS. Ms. Hession can be reached at 601-794-1030.

Sarah Sumrall

Business Manager, Jones County School District, Ellisville, MS. Ms. Sumrall can be reached at 601-649-5201.

Margaret Parson

Business Manager, Natchez-Adams School District, Natchez, MS. Ms. Parson can be reached at 601-445-2942.

Elisa Mayo

Business Manager, Quitman School District, Quitman, MS. Ms. Mayo can be reached at 601-776-2186.

Earl Burke

CFO, Hinds County School District Raymond, MS. Mr. Burke can be reached at 601-857-5222.

Dianne Bolen

Executive Director, Mississippi Home Corporation, Jackson, MS. Ms. Bolen can be reached at 601-718-4642.

Michael Callahan

Executive Vice President and CEO, Electric Power Associations of Mississippi. Ridgeland, MS. Mr. Callahan can be reached at 601-605-8600.

Odean Busby

President, PriorityOne Bank, Magee, Mississippi. Mr. Busby can be reached at 601-849-3311.

Hoppy Cole

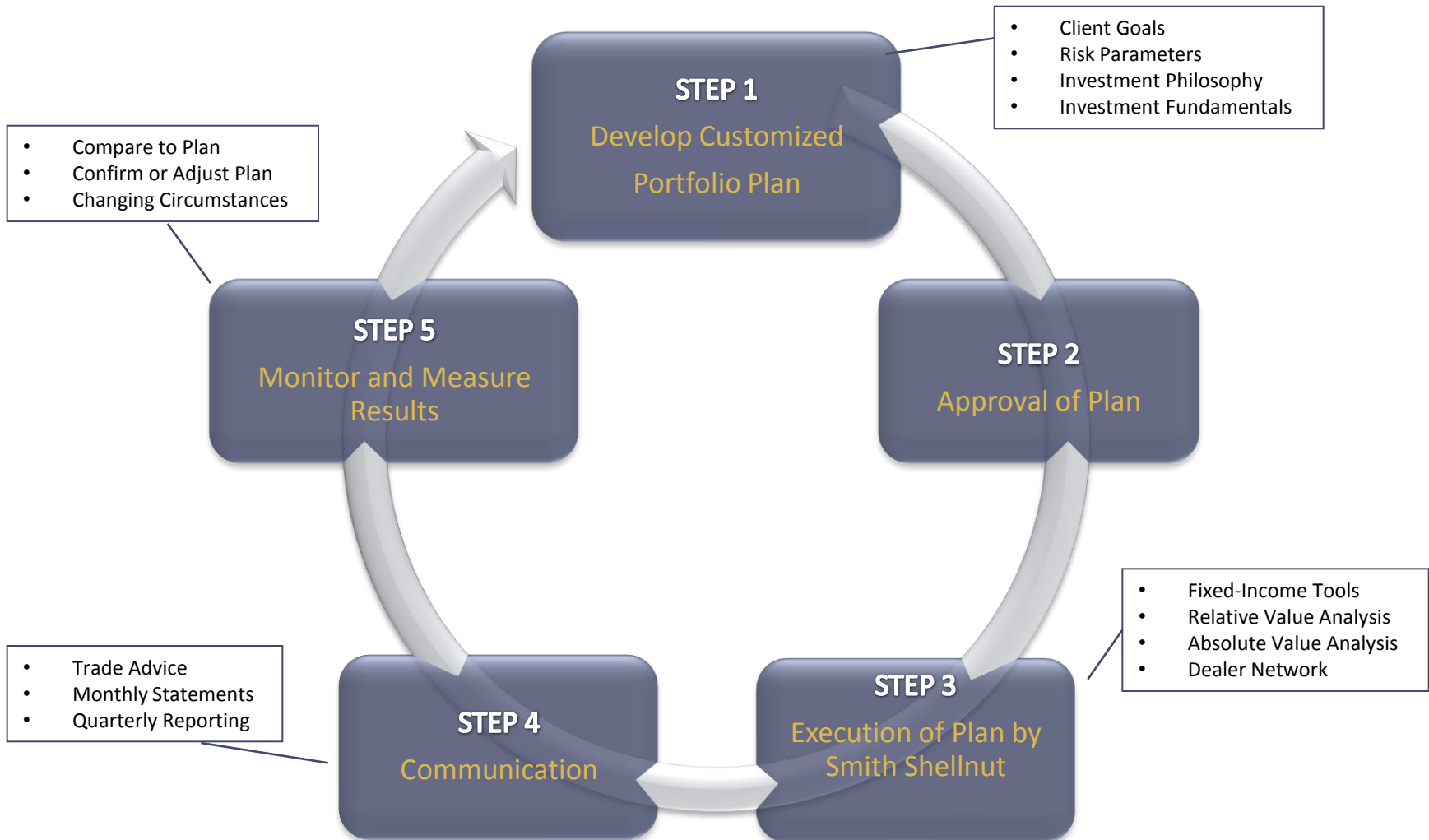
Chief Executive Officer, The First, A National Banking Association, Hattiesburg, MS. Mr. Cole can be reached at 601-268-8998.



- Creating the Optimal Portfolio
- Philosophy Statement
- Building the Optimal Fixed Income Portfolio

INVESTMENT PLANNING

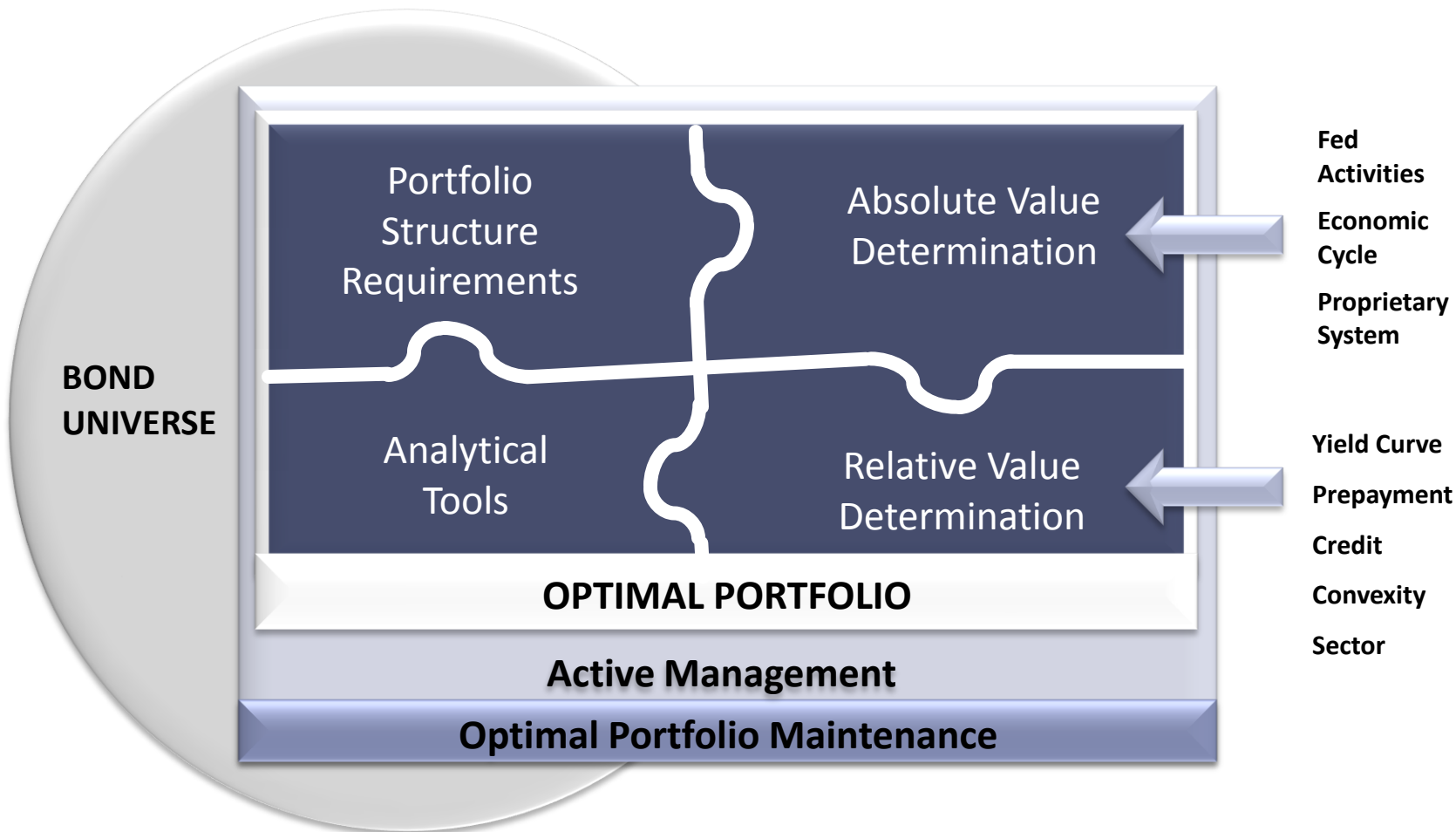
Creating the Optimal Portfolio



Philosophy Statement

- Driven by Value
 - Relative Value
 - Absolute Value
- Conservative Fundamental Management
- Maximizing Returns Over Market Cycles
- Strategic Asset Allocation Ranges
- Effective Planning Process: The Key to Success
 - Goals Defined
 - Asset Allocation
 - Tactical Asset Allocation
 - Portfolio Monitoring and Rebalancing
- Professional Execution of Strategies

Building the Optimal Fixed-Income Portfolio





- Custody of Assets
- Reporting
- Team Approach to Service
- Fees
- Why Choose Smith Shellnut?

CLIENT SERVICE

Custody of Assets

- Custody of cash and securities maintained at a recognized, independent, third-party qualified custodian
- Adds a level of checks and balances, protecting the District
- 24-7 access to view account via the internet
- Check writing privileges available, if desired

Reporting

- Structured to ensure effective two-way communication
- Confirmation of all trades
- Monthly statements
- Comprehensive quarterly reviews
- Advent Portfolio Management software

Team Approach to Service

- Alan Leach Relationship Manager
- Kenneth Lott Secondary Manager
- Will Johnson Portfolio Manager
- Lynn Pierce Operations Manager
- Staff and Principals Support

Policy Development /Consultation

- Smith Shellnut is a plan-driven, conservative, disciplined investment advisor. As such, the company has extensive expertise in the development of, and modifications to, policy for its clients.
- Smith Shellnut will work hand in hand with the school district to develop and monitor policy appropriate for management of funds under state law.
- Being a locally based company, Smith Shellnut is readily accessible for consultation via telephone or face-to-face meetings.

Fees

- For portfolios with quarterly average market values less than \$4,800,000, $\frac{1}{4}$ of 1% will be charged
- For portfolios with quarterly average market values of \$4,800,000 or more, $\frac{1}{8}$ of 1% will be charged with a minimum quarterly fee of \$3,000

Management fees, assessed on the market value of assets under management, are billed quarterly and in arrears. Such fees are exclusive of any transaction and custody fees.

Why Smith Shellnut Wilson?

- Trustworthy, professional advisor
- Company focus – portfolio management, not commissions
- Comprehensive portfolio planning – the key to success
- Depth of staff
- Time-honored investment philosophy
- Proven approach
- Superior service
- Proven performance
- Competitive management fees

**SMITH
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WILSON**

Investment Counsel and Management

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