SMITH SHELLNUT WILSON

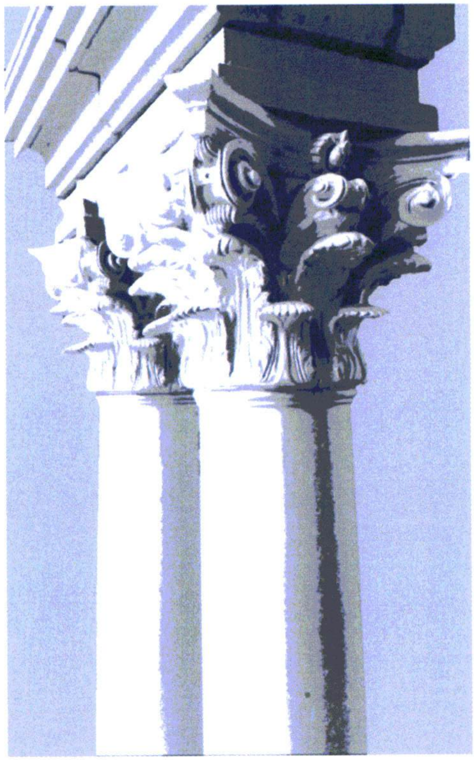
INVESTMENT COUNSEL AND MANAGEMENT

Confidential Investment Management Proposal

Madison County Board of Supervisors

February, 2017

Smith Shellnut Wilson, LLC • SEC Registered Investment Advisor • 150 Fountains Blvd, Suite A
Madison, MS 39110 • 601-605-1776 fax 601-605-1710 • www.ssw1776.com



- Smith Shellnut Wilson Firm Overview
- Biographical Information

EXPERTISE

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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 15
- Employee-owned firm

Approximate Assets Under Management

as of June 30, 2016

- Fixed Income -- $1.730 Billion
- Equities -- $170 Million
- Total -- $1.9 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 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. Kenneth recently served as the Chairman of the Business Advisory Council for the USM College of Business. He is also an honor graduate of BAI's School for Bank Administration at the University of Wisconsin at Madison.

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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 – Sales Manager

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.

J. Robert (Bob) Shearer, CPA – Vice-President

Bob Shearer joined Smith Shellnut in 2016 after retiring as a partner from BKD, LLP in Jackson where he had served as the industry leader for BKD's financial institutions practice in Mississippi. Bob was a founding partner of Shearer Taylor & Co. P.A., which merged with BKD in 2008. He has 40 years' experience in public accounting and spent the majority of his career focused on serving and assisting financial institutions of all sizes. At SSW, Bob assists our financial institutions team in portfolio management and asset-liability management and is available to both our management team and our clients to provide keen insight into the problems and opportunities currently facing financial institutions. Bob is a graduate of Mississippi State University with a B.S. in Mathematics and an M.B.A..

Biographies

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 the Mississippi School of Banking, a two-year program held at the University of Mississippi in Oxford, Mississippi.

Belinda Fields, MBA –Analyst

Prior to joining Smith Shellnut in January, 2014, Belinda was employed in the financial services industry for more than 27 years. Her investment career began with Deposit Guaranty National Bank where she was Federal Funds Trader and Money Desk Manager, serving corporate clients and community banks while transacting federal funds, repurchase agreements, and securities lending with national and international banking institutions.

Belinda joined the organizing team of BancorpSouth Investment Services, Inc. and became a licensed general securities representative and municipal bond principal. As a Vice President, she served as the fixed income securities trader for the six- state sales force of that company for ten years. She also has more than four year's experience in cash management services. An honor graduate, Belinda holds both a B.B.A. in Banking and Finance and an M.B.A. from Mississippi State University.

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.

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Biographies

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 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 studied 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.

Brittany Eikner, M.Ed. – Operations Specialist

Brittany joined Smith Shellnut as an Operations Specialist in February 2013. Her duties include reconciling SSW's core accounting system, facilitating execution and settlement of fixed income trades, and processing monthly and quarterly client reports. Brittany received a B.S. in Mathematics and an M.Ed. from Delta State University.

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 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 and an M.B.A. from Millsaps College.

Sherri Miaoulis – Administrative Assistant

Sherri joined Smith Shellnut in 2006 and currently serves as an administrative assistant providing clerical and analytical support for the investment department. Prior to joining SSW she was employed as a real estate paralegal in Syracuse, New York. Sherri is committed to superior customer service and her many years of administrative experience make her a valuable asset to SSW.

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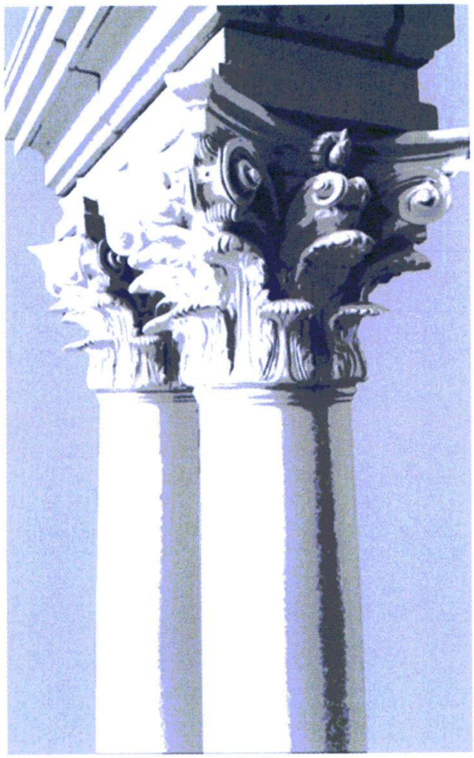
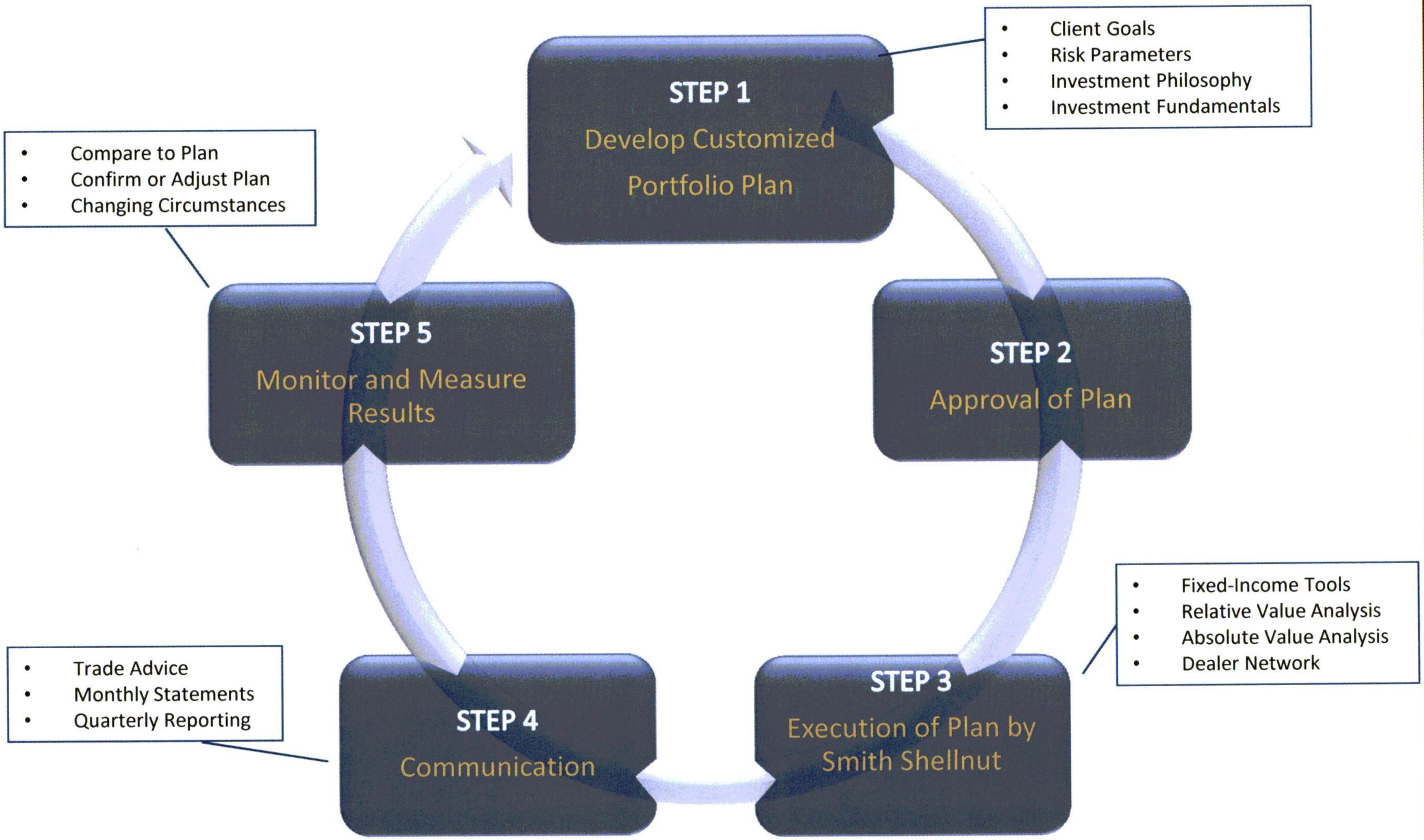


- Creating the Optimal Portfolio
- Philosophy Statement
- Portfolio Plan

INVESTMENT PLANNING & PROCESS

Creating the Optimal Portfolio



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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

Sample Portfolio Plan **CONSOLIDATED**

Portfolio Composition

as of 06/30/16
Settlement Date

	Current Asset Allocation		Strategic Asset Allocation		Range
	Value	Mix	Goal	Mix	Low - High
Liquidity	**75,707**	**4%**	**0**	**0%**	**0% – 5%**
PEG	0	0%	0	0%	
TAA - Pending	0	0%	0	0%	
Current Investable	75,707	100%	0	0%	
Fixed Income	**1,971,104**	**96%**	**2,250,000**	**100%**	**90% – 100%**
Fixed Income - Core	**1,971,104**	**100%**	**2,250,000**	**100%**	
Agencies	**1,260,749**	**64%**	**1,462,500**	**65%**	
Bullet Maturities	1,260,749	100%	365,625	25%	
Callables	0	0%	1,096,875	75%	
Agency MBS	**710,355**	**36%**	**787,500**	**35%**	
Pass Throughs	710,355	100%	787,500	100%	
Total Portfolio	**2,046,811**	**100%**	**2,250,000**	**100%**	

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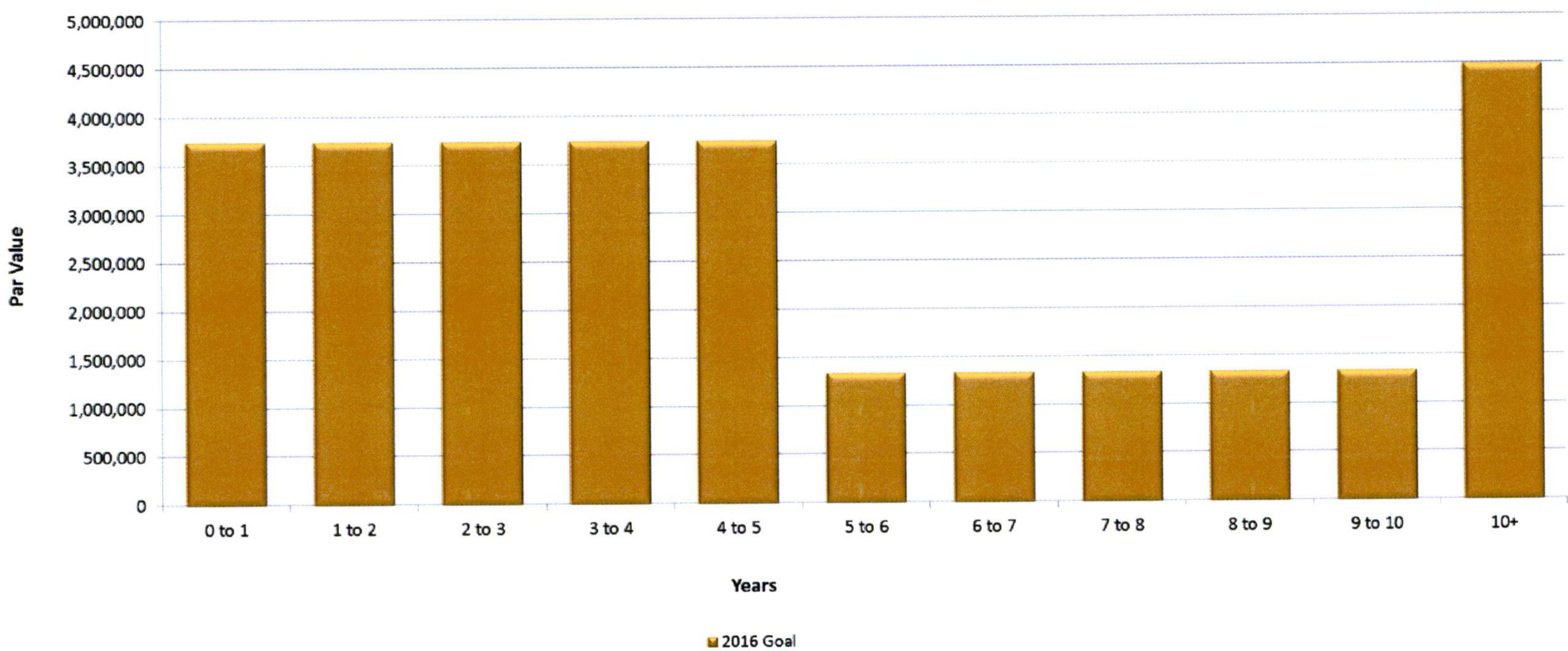
Sample Portfolio Plan **CONSOLIDATED**

Years to Maturity	0 to 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	8 to 9	9 to 10	10+	TOTAL	WAL
2016 Goal	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	4,500,000	30,000,000	4.25



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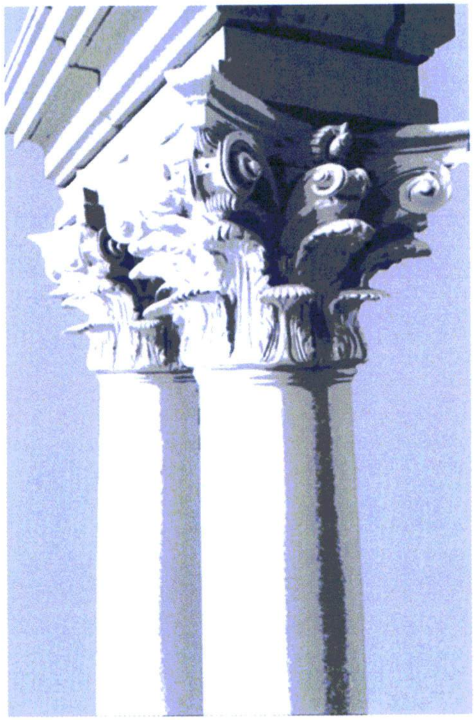

- Custody of Assets
- Reporting
- Team Approach to Service
- Fees
- Why Choose Smith Shellnut?

CLIENT SERVICE

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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

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Reporting

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

Portfolio Appraisal **Purchase and Sales Report** **Performance Report**	**15th business day of each quarter**

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Team Approach to Service

Alan Leach	Relationship Manager
Will Johnson	Secondary Manager
Ray Thompson	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 county 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.

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Fees

- For portfolio with quarterly average market value less than \$4,800,000, ¼ of 1% (annualized) will be charged.

- For portfolio with quarterly average market value of \$4,800,000 or more, 1/8 of 1% (annualized) will be charged with a minimum quarterly fee of \$3000.

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, mutual fund front-end loads, back-end loads and redemption fees, if applicable.

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
SHELLNUT
WILSON

Investment Counsel and Management

150 Fountains Blvd. , Suite A
Madison, MS 39110
Phone (601) 605-1776
Fax (601) 605-1710
Email AlanL@ssw1776.com