



GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account

12/31/2015

City of Franklin - Core Investment Fund

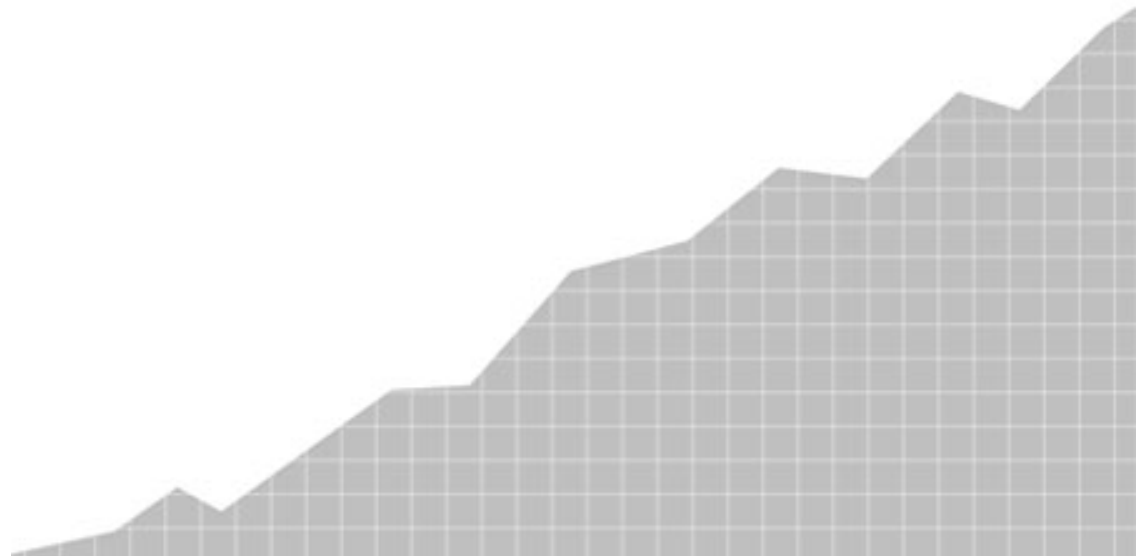




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MONTH END COMMENTARY – DECEMBER 2015

As expected, the Federal Open Market Committee (FOMC) increased the Fed Funds target rate range from 0.0% - .25% to .25% - .50%. This was the first interest rate hike since 2006 when the FOMC dropped rates to almost zero to support an economy that was in a tailspin. In its press release, the committee stated that there has been considerable improvement in labor conditions and it is reasonably confident that inflation will rise, thereby warranting an increase in the fed funds rate. They also stated that future increases remain dependent on labor market conditions and inflation. While the rate hike was expected, rates spiked immediately following the announcement with the 2-year treasury moving from .96% to 1.00% and the 5-year treasury increasing from 1.69% to 1.75%. The Fed decision was unanimous and Chairwoman Janet Yellen emphasized that the central bank would raise rates gradually. This highly anticipated increase has been called a “dovish hike.”

Main points of the FOMC Statement:

- Fed raises target range of Fed Funds rate to .25% -.50%.
- Officials project similar future rate path; new forecasts for fed funds imply four rate hikes in 2016.
- Fed says future hikes will be “gradual” and dictated by economic outlook and incoming data.
- Fed says economic activity has been expanding at a “moderate pace”; job market slack diminished “appreciably”.

Non-farm Payrolls/Unemployment: Total nonfarm payrolls grew 211,000, a number that exceeded expectations. The unemployment rate remained at 5.0%. The labor force participation rate remained around the lows not seen since the late 1970s, though it did edge higher to 62.5%.

Consumer Confidence: Confidence rose to 96.5 vs. the expectation of 93.5 in December.

Consumer Price Index (CPI): The CPI was unchanged. Over the last 12 months, the “all items” increased .5%. The index for the core (less food and energy) rose .2%, the same as the last two months.

Home Prices: Home prices rose at the fastest annual rate since August 2014 according to the S&P Case-Shiller composite index.

Asset Class Performance: The Dow Jones finished -1.66% for the month and a negative 2.23% for the year. Crude oil was the worst performer with a drop of 10.80.

Treasury Yield Curve Total Returns over the last 12 months:*

3month bill	.05
1 year note	.30
2 year note	.36
3 year note	.84
5 year note	1.49

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	-.06%	1.40
BAML 0-5 Year Treasury	-.11%	2.20
BAML 1-3 Year Treasury	-.09%	1.77
BAML 1-5 Year Treasury	-.14%	2.61

*Source: Bloomberg

Changes in the Treasury Market (absolute yield levels):*

	12/31/14	11/30/15	12/31/15	Change in December	Change from Prior Year
3 month bill	.04	.17	.16	-.01	+.12
6 month bill	.12	.39	.48	+.09	+.36
2 year note	.67	.93	1.05	+.12	+.38
3 year note	1.07	1.22	1.31	+.09	+.24
5 year note	1.65	1.64	1.76	+.12	+.11
10 year	2.17	2.21	2.27	+.06	+.10

*Source: Bloomberg



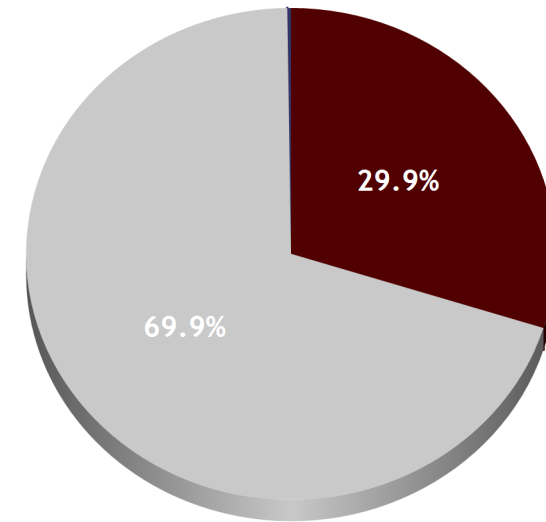
Weighted Averages

Book Yield	0.87
Maturity	1.70
Coupon	0.91
Moody	Aaa
S&P	AA+

Fixed Income Totals

Par Value	25,056,992
Market Value	25,015,209.24
Amortized Book Value	25,092,330.78
Unrealized Gain/Loss	-77,121.54
Estimated Annual Cash Flow	228,130.70

Fixed Income Allocation



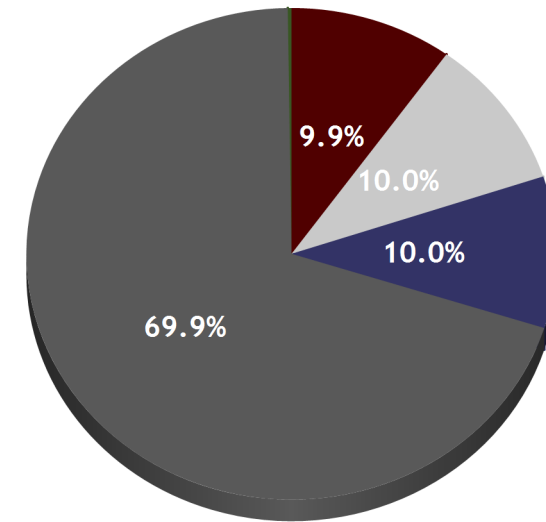
Security Type	Market Value	% Fixed Income	% Assets
US Agency (USD)	7,475,012.50	29.9	29.9
US Treasury (USD)	17,483,205.00	69.9	69.9
Bank Deposit (USD)	56,991.74	0.2	0.2
Fixed Income Total	25,015,209.24	100.0	100.0



Total Return For Period

	Since 11/30/2015
Beginning Principal Value	25,030,918.82
Beginning Accrued Interest	58,615.25
Net Contributions/Withdrawals	0.42
Market Value Change	-37,585.00
Interest Earnings	19,419.50
Ending Principal Value	25,015,209.24
Accrued Interest	56,159.75
Total Return	-18,165.50
Advisory Fees for Period	-2,083.34
Net Total Return	-20,248.84

Portfolio Allocation as of 12/31/2015



Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	2,484,062.50	9.9	1.0
FEDERAL HOME LOAN BANKS	2,495,107.50	10.0	1.0
FEDERAL HOME LN MTG CORP	2,495,842.50	10.0	1.0
UNITED STATES TREAS NTS	17,483,205.00	69.9	0.8
FIFTH THIRD BK CINCINNATI STN	56,991.74	0.2	0.0
Total	25,015,209.24	100.0	0.9



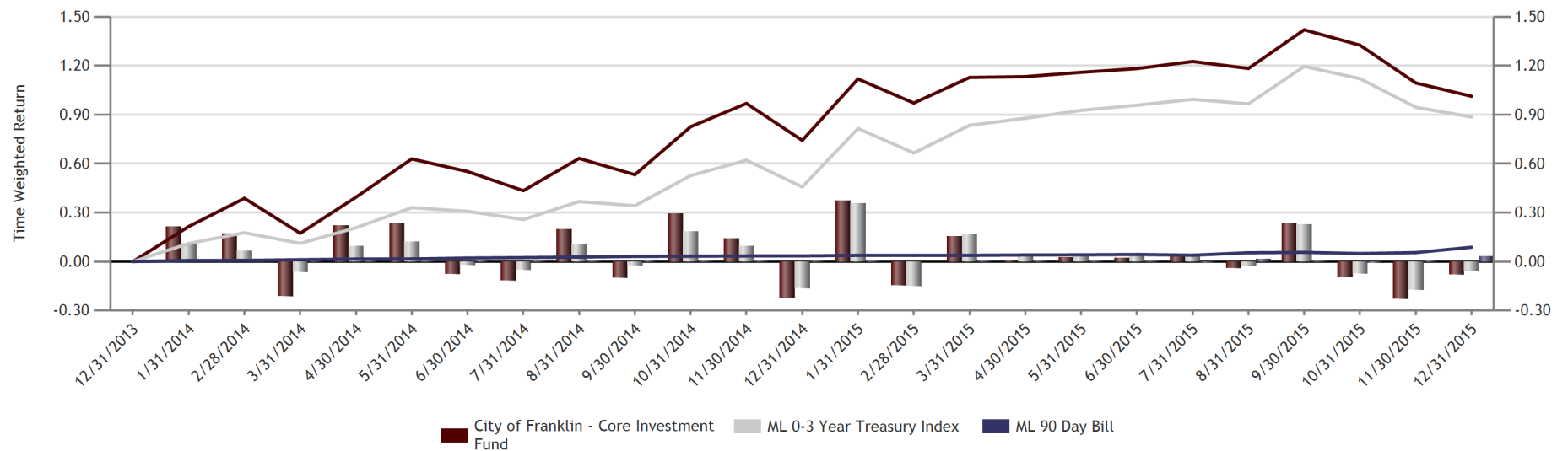
Performance History

Portfolio	Month To Date	Quarter To Date	Fiscal Year To Date	Latest 1 Year	Inception To Date
Account	-0.08	-0.40	-0.17	0.27	1.01

Index

ML 0-3 Year Treasury Index	-0.06	-0.31	-0.07	0.43	0.89
ML 90 Day Bill	0.03	0.03	0.04	0.05	0.09

Time Weighted Return Inception (12/31/2013) to Date

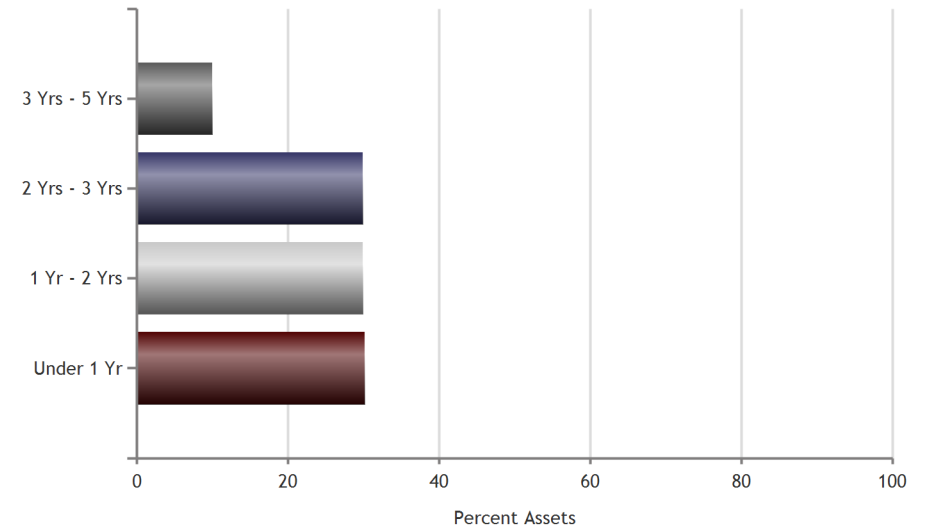




Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	4	7,550,156.74	30.2	0.6	0.620%	0.8
1 Yr - 2 Yrs	3	7,484,612.50	29.9	0.8	0.792%	1.3
2 Yrs - 3 Yrs	3	7,473,310.00	29.9	1.1	1.125%	2.5
3 Yrs - 5 Yrs	1	2,507,130.00	10.0	1.5	1.500%	3.1

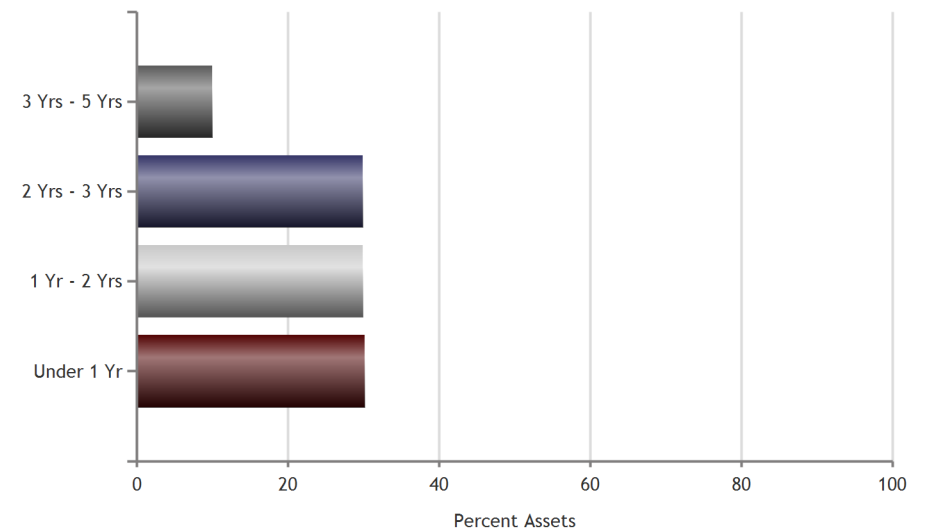
Distribution by Maturity



Distribution by Duration

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Distribution by Duration

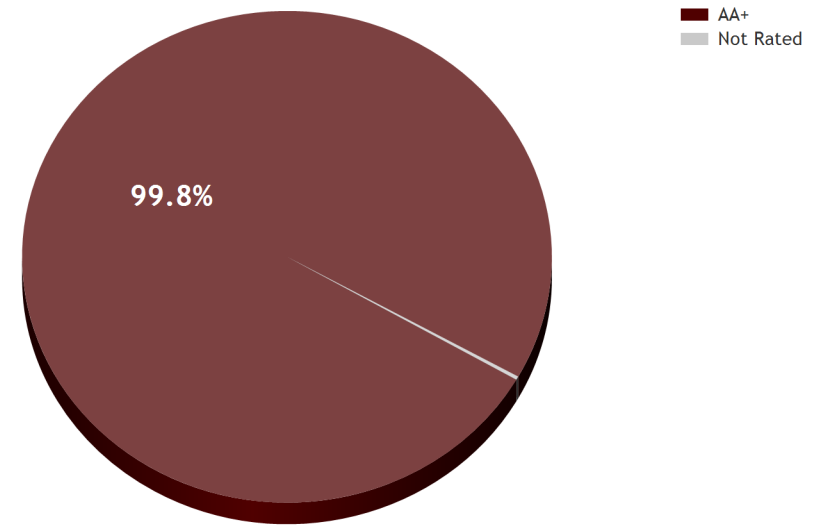




Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	10	24,958,217.50	99.8	0.9	0.913%	2.7
Not Rated	1	56,991.74	0.2	0.0	0.010%	1.1

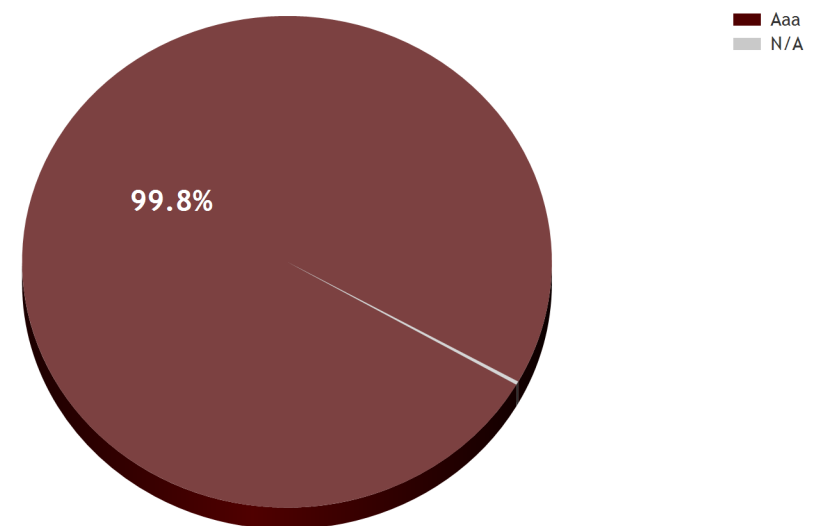
Distribution by S&P Rating

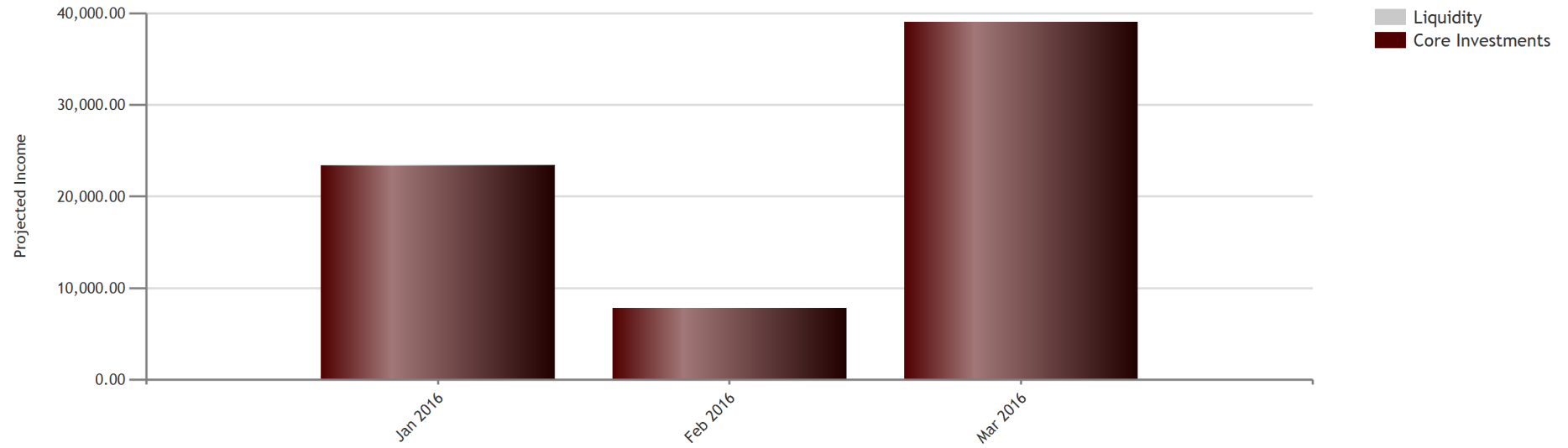


Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	10	24,958,217.50	99.8	0.9	0.913%	2.7
N/A	1	56,991.74	0.2	0.0	0.010%	1.1

Distribution by Moody Rating





	Jan 2016	Feb 2016	Mar 2016
Core Investments	23,437.50	7,812.50	39,062.50
US Agency (USD)	12,500.00	0.00	14,062.50
US Treasury (USD)	10,937.50	7,812.50	25,000.00
Liquidity	0.47	0.00	0.00
Bank Deposit (USD)	0.47	0.00	0.00
Total	23,437.97	7,812.50	39,062.50
Grand Total	70,312.97		



Purchases

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost
12/15/2015	12/15/2015	21,875	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 01-29-16	100.00	21,875.42
Total Purchases						21,875.42

Interest

Trade Date	Settle Date	Symbol	Security	Amount
12/15/2015	12/15/2015	912828A59	UNITED STATES TREAS NTS 0.625% Due 12-15-16	7,812.50
12/15/2015	12/15/2015	912828XF2	UNITED STATES TREAS NTS 1.125% Due 06-15-18	14,062.50
Total Interest				21,875.00

Expenses

Trade Date	Settle Date	Symbol	Security	Amount
12/31/2015	12/31/2015	manfee	Management Fee	2,083.34
Total Expenses				2,083.34

Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
12/31/2015	12/31/2015		cash	CASH ACCOUNT		0.42
Total Contributions						0.42

Portfolio Summary

December 31, 2015

Portfolio Name	Par Amount	Total Original Cost	Total Adjusted Cost	Market Value	Unrealized Gain/Loss	Yield At Cost	Mod Dur	Eff Dur	Bench Dur	Benchmark
City of Franklin - Core Investment Fund	25,056,992	25,092,815.19	25,092,330.78	25,015,209.24	-77,121.54	0.87	1.67	1.66	1.40	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	25,056,992	25,092,815.19	25,092,330.78	25,015,209.24	-77,121.54	0.87	1.67	1.66	1.40	

Portfolio Holdings

City of Franklin - Core Investment Fund
December 31, 2015

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
US Treasury															
912828VR8	2,500,000	UNITED STATES TREAS NTS 0.625% Due 08-15-16		03-27-14	100.00	0.62	99.9766	0.66	2,499,415.00	5,859.37	2,505,274.37	-610.49	10.0	0.62	0.61
912828WA4	2,500,000	UNITED STATES TREAS NTS 0.625% Due 10-15-16		03-27-14	99.94	0.70	99.9062	0.74	2,497,655.00	3,287.23	2,500,942.23	-833.78	10.0	0.79	0.78
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	99.99	0.64	99.8438	0.79	2,496,095.00	683.06	2,496,778.06	-3,624.32	10.0	0.95	0.94
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.03	0.84	100.0078	0.87	2,500,195.00	9,094.77	2,509,289.77	-623.35	10.0	1.07	1.07
912828J92	2,500,000	UNITED STATES TREAS NTS 0.500% Due 03-31-17		07-24-15	99.87	0.60	99.5430	0.87	2,488,575.00	3,142.08	2,491,717.08	-8,228.72	9.9	1.24	1.23
912828XF2	2,500,000	UNITED STATES TREAS NTS 1.125% Due 06-15-18		08-18-15	100.25	1.02	99.7656	1.22	2,494,140.00	1,229.51	2,495,369.51	-12,233.28	10.0	2.41	2.41
912828SN1	2,500,000	UNITED STATES TREAS NTS 1.500% Due 03-31-19		11-16-15	100.65	1.30	100.2852	1.41	2,507,130.00	9,426.23	2,516,556.23	-8,999.38	10.0	3.15	3.15
	17,500,000					0.82		0.94	17,483,205.00	32,722.25	17,515,927.25	-35,153.33	69.9	1.46	1.46
US Agency Bullet															
3137EADJ5	2,500,000	FEDERAL HOME LN MTG CORP 1.000% Due 07-28-17		12-18-13	100.02	0.99	99.8337	1.10	2,495,842.50	10,625.00	2,506,467.50	-4,640.48	10.0	1.55	1.54
3130A5PE3	2,500,000	FEDERAL HOME LOAN BANKS 1.125% Due 03-29-18		07-24-15	100.24	1.02	99.8043	1.21	2,495,107.50	7,187.50	2,502,295.00	-10,771.81	10.0	2.21	2.20
3135G0E58	2,500,000	FEDERAL NATL MTG ASSN 1.125% Due 10-19-18		10-06-15	100.42	0.97	99.3625	1.36	2,484,062.50	5,625.00	2,489,687.50	-26,555.93	9.9	2.74	2.74
	7,500,000					0.99		1.22	7,475,012.50	23,437.50	7,498,450.00	-41,968.22	29.9	2.17	2.16
Money Market Fund															
0000FIFTH	56,992	FIFTH THIRD BANK MMF 0.010% Due 01-29-16		12-31-14	100.00	0.01	100.0000	0.01	56,991.74	0.00	56,991.74	0.00	0.2	0.08	0.01

Portfolio Holdings

City of Franklin - Core Investment Fund

December 31, 2015

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
TOTAL	25,056,992					0.87		1.02	25,015,209.24	56,159.75	25,071,368.99	-77,121.54	100.0	1.67	1.66

MASTER EARNED INCOME REPORT

From 11-30-15 To 12-31-15

Name	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
City of Franklin - Core Investment Fund	58,615.25	0.00	0.00	-21,875.00	56,159.75	19,419.50	-873.06	18,546.44
TOTAL	58,615.25	0.00	0.00	-21,875.00	56,159.75	19,419.50	-873.06	18,546.44



Disclaimer & Terms

12/31/2015

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Account Control:

GPA does not have the authority to withdraw funds from or deposit funds to the custodian. Our clients retain responsibility for their deposit funds to the custodian. Our clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Market Value:

Generally, market prices in GPA's reports are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data or Bloomberg. Where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although GPA believes the prices to be reliable, the values of the securities do not always represent the prices at which the securities could have been bought or sold.

Amortized Cost:

The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premiums with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

Financial Situation:

In order to better serve you, GPA should be promptly notified of any material change in your investment objective or financial situation.

Callable Securities:

Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented. Certain call dates may not show up on the report if the call date has passed and it is continuously callable.

Duration:

The duration listed on the reports is duration to maturity and duration to call. Effective duration is calculated on Bloomberg and imported into these reports and reflects the OAS duration which incorporates the probability of the bond being called. Effective duration is what GPA compares to the benchmark to reflect current market risk.

Benchmark Duration:

The benchmark duration is the historical weighted average of the benchmark duration over monthly periods. GPA is reporting this number as a static amount period over period.

Portfolio:

The securities in this portfolio are not guaranteed or otherwise protected by GPA, the FDIC (except for non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested.

Rating:

Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.