



GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account

11/30/2016

City of Franklin - Core Investment Fund

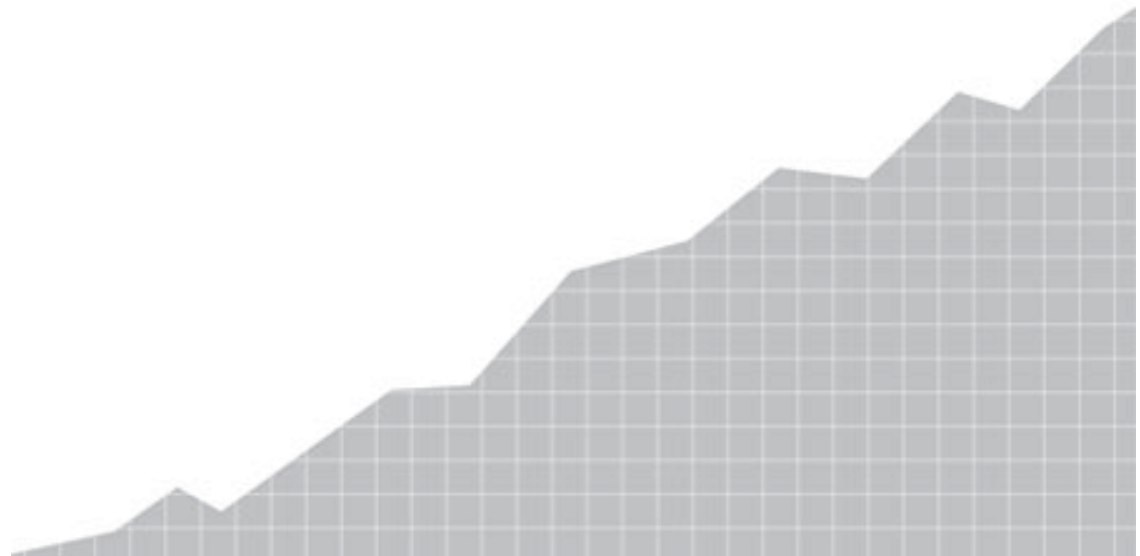




Table of Contents

Market Commentary.....	1
Account Summary.....	2
Portfolio Summary	3
Accrual Earnings and Activity Report	4
Total Return	5
Period Performance	6
Maturity & Duration Distribution.....	7
Ratings Distribution.....	8
Cash Flow Projection	9
Transaction Summary.....	10
Portfolio Holdings.....	12
Disclaimer	14

MONTH END COMMENTARY – NOVEMBER 2016

After the historic presidential election, treasury prices dropped the most since 2009. Funds flowed out of the bond market on speculation that Donald Trump’s victory in the presidential election will pave the way for increased fiscal stimulus. Also contributing to higher domestic rates were strong economic data and higher global interest rates. The Treasury yield curve steepened back to levels not seen for a year. The financial markets were surprised by the election, resulting in much higher yields and a record breaking Dow Jones. The 2-year Treasury note increased to 1.12% from .84% at the end of October. Five year U.S. Treasury prices also fell with the yield increasing from .99% to 1.39%. The 10-year Treasury note increased from 1.83% to 2.38%.

The reaction in the financial markets was a surprise. Most market watchers had assumed that the reality of a Trump election would create anxiety and uncertainty regarding trade and policies and that a Trump victory would create a flight out of equities and into high quality U.S. Treasury securities. Quite the opposite has occurred. The Dow Jones increased 981 points during November for a 5.4% price increase.

Adding to the sell-off in Treasuries were statements by President-elect Trump’s pick for U.S. Treasury secretary, Steven Mnuchin. He said that he’ll explore issuing debt maturing longer than 30 years to cushion the effect of rising interest rates. “Interest rates are going to stay relatively low for the next couple of years”, Mnuchin said. Among other initiatives, “we’ll look at potentially extending the maturity of the debt, because eventually we are going to have higher interest rates, and that’s something that this country is going to need to deal with.” Asked if he would consider maturities as long as 50 years or 100 years, Mnuchin said: “We’ll take a look at everything.”

FOMC: The Fed’s 11/2 meeting was essentially a non-event as the election superseded all other economic data. The FOMC voted 8-2 in favor of leaving its policy target rate range unchanged at .25-.50%. The FOMC acknowledged that the case for a hike has strengthened, but decided to hold off “for the time being” to wait for further evidence that its inflation and employment objectives had been met. The Fed Funds futures is now indicating a 100% chance of a rate hike at the 12/14/16 meeting.

Non-farm Payrolls/Unemployment: Total nonfarm payroll employment increased by 161,000 jobs in October below the expected increase of 173,000. Revisions added a total of 44,000 jobs to payrolls in the previous two months. Average hourly earnings rose 2.8% year-over-year. The unemployment rate decreased slightly from 5.0% to 4.9%.

GDP: Real GDP increased at an annual rate of 3.2% in the third quarter of 2016, according to the “second” estimate. In the second quarter, real GDP increased 1.4%. The third quarter second estimate is based on source data that is subject to further revision. The increase in real GDP in the third quarter primarily reflected positive contributions from personal consumption, expenditures, exports and federal government spending.

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

3month bill	.32
1 year note	.76
2 year note	.56
3 year note	.73
5 year note	.43

*Source: Bloomberg

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	-.27%	1.45
BAML 0-5 Year Treasury	-.72%	2.25
BAML 1-3 Year Treasury	-.40%	1.90
BAML 1-5 Year Treasury	-.92%	2.73

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

	11/30/15	10/31/16	11/30/16	Change in November	Change from Prior Year
3 month bill	.17	.30	.48	+.18	+.31
6 month bill	.39	.50	.61	+.11	+.22
2 year note	.93	.84	1.12	+.28	+.19
3 year note	1.22	.99	1.39	+.40	+.17
5 year note	1.54	1.31	1.84	+.53	+.30
10 year	2.21	1.83	2.38	+.55	+.17

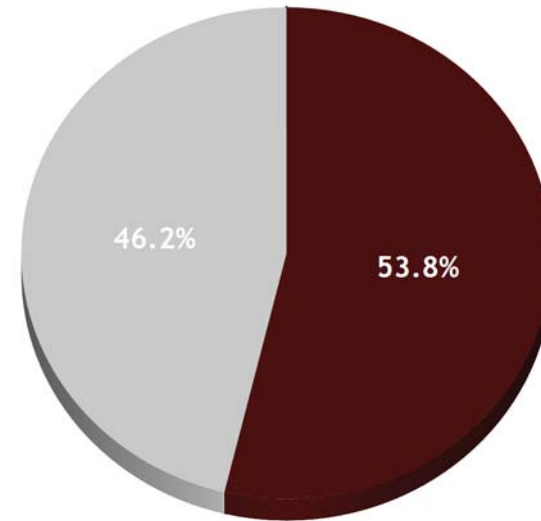
*Source: Bloomberg



Weighted Averages

Book Yield	1.02
Maturity	1.60
Coupon	1.03
Moody	Aaa
S&P	AA+

Fixed Income Allocation



Fixed Income Totals

Par Value	32,503,797
Market Value	32,438,961.77
Amortized Book Value	32,501,159.84
Unrealized Gain/Loss	-62,198.07
Estimated Annual Cash Flow	334,500.38

Security Type	Market Value	% Assets
US Agency (USD)	17,441,950.00	53.8
US Treasury (USD)	14,993,215.00	46.2
Bank or Cash Deposit (USD)	3,796.77	0.0
Fixed Income Total	32,438,961.77	100.0

Portfolio Summary

November 30, 2016

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	32,503,797	32,508,404.90	32,501,159.84	32,438,961.77	-62,198.07	1.02	1.57	1.39	1.45	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	32,503,797	32,508,404.90	32,501,159.84	32,438,961.77	-62,198.07	1.02	1.57	1.39	1.45	



Cost Basis Summary

	Month End Ending 11/30/2016	Fiscal Year-to-Date 12/31/2015
Beginning Amortized Cost	30,211,371.36	25,092,330.78
Investment Purchases	2,499,375.00	12,463,999.53
Investment Maturities/Sells/Calls	0.00	(5,000,000.00)
Amortization	175.62	(1,975.51)
Change in Cash Equivalents	(209,762.14)	(53,194.97)
Realized Gains / Losses	0.00	0.00
Ending Amortized Costs	32,501,159.84	32,501,159.84

Accrual Earnings Summary

	Month End Ending 11/30/2016	Fiscal Year-to-Date 12/31/2015
Amortization/Accretion	175.62	(1,975.51)
Interest Earned	25,678.05	250,552.73
Realized Gain (Loss)	0.00	0.00
Total Income	25,853.67	248,577.22
Average Portfolio Balance	31,579,541.25	28,976,462.58
Earnings Yield	1.00%	0.93%

Market Value Summary

	As of 11/30/2016
Ending Market Value	32,438,961.77
Unrealized Gain/Loss	(62,198.07)

Interest Earnings Summary

	Month End Ending 11/30/2016	Fiscal Year-to-Date 12/31/2015
Beginning Accrued Interest	50,618.73	56,159.75
Coupons Paid	71.19	232,966.85
Purchased Accrued Interest	(16,458.33)	(34,563.29)
Sold Accrued Interest	0.00	15,625.00
Ending Accrued Interest	92,683.91	92,683.91
Interest Earned	25,678.05	250,552.73

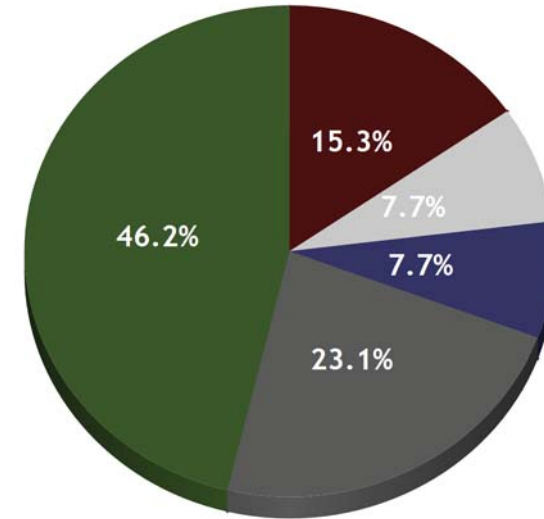


Total Return For Period

Since 10/31/2016

Beginning Principal Value	30,292,061.41
Beginning Accrued Interest	50,618.73
Net Contributions/Withdrawals	2,306,000.00
Market Value Change	-142,712.50
Interest Earnings	25,678.05
Ending Principal Value	32,438,961.77
Accrued Interest	92,683.91
Total Return	-117,034.45
Advisory Fees for Period	-2,083.33
Net Total Return	-119,117.78

Portfolio Allocation as of 11/30/2016



Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	4,977,845.00	15.3	1.3
FEDERAL HOME LOAN BANKS	2,499,922.50	7.7	1.0
FEDERAL FARM CR BKS	2,485,067.50	7.7	0.8
FEDERAL HOME LN MTG CORP	7,479,115.00	23.1	1.1
UNITED STATES TREAS NTS	14,993,215.00	46.2	0.9
FIFTH THIRD BK CINCINNATI STN	3,796.77	0.0	0.0
Total	32,438,961.77	100.0	1.0

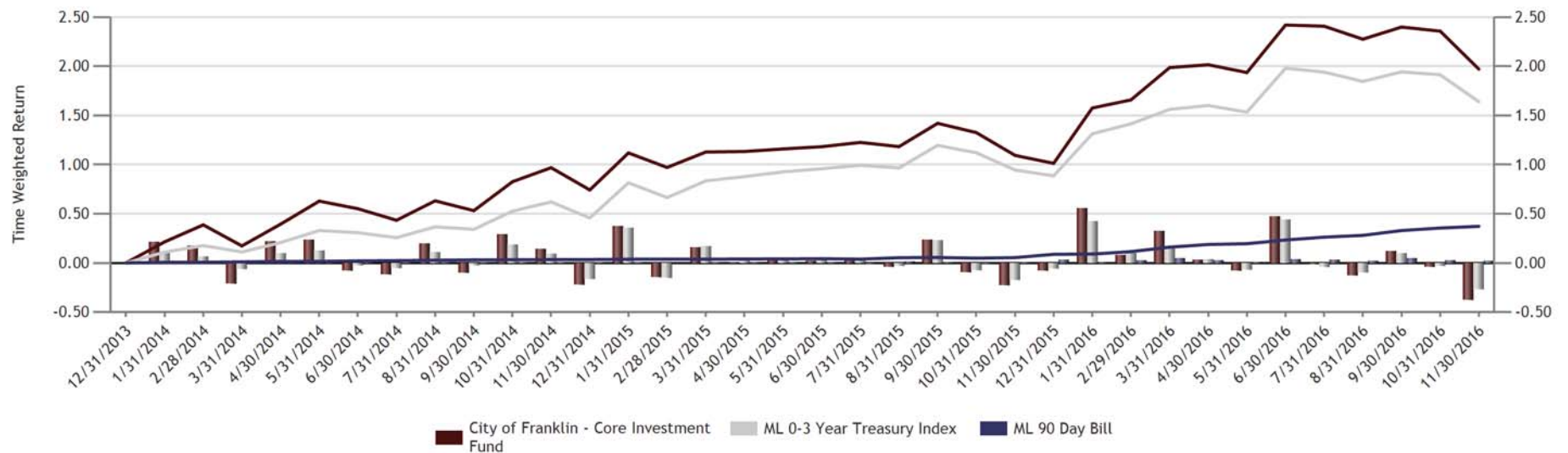


Performance History

Portfolio Account	Month To Date	Quarter To Date	Fiscal Year To Date	Annualized Inception To Date
	-0.38	-0.42	0.95	0.67

Index	Month To Date	Quarter To Date	Fiscal Year To Date	Annualized Inception To Date
ML 0-3 Year Treasury Index	-0.27	-0.30	0.75	0.56
ML 90 Day Bill	0.02	0.04	0.28	0.13

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

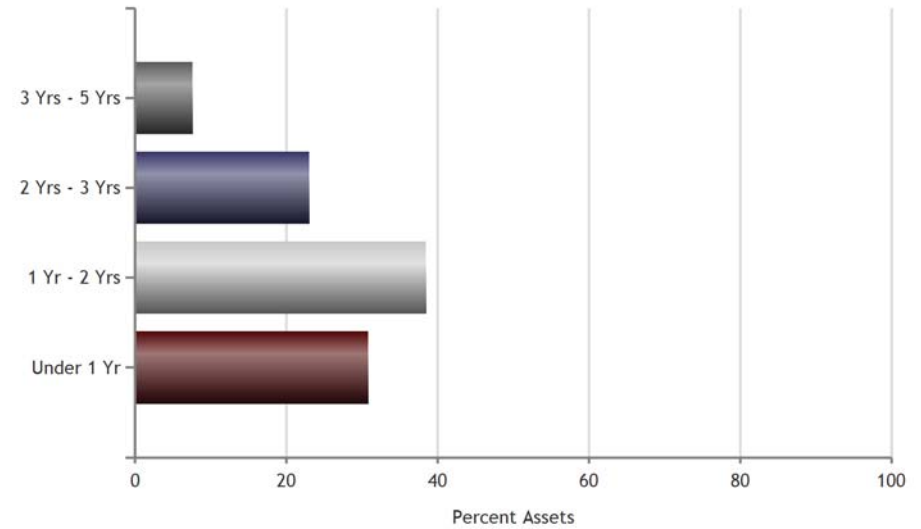




Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	5	10,010,381.77	30.9	0.7	0.750%	0.3
1 Yr - 2 Yrs	5	12,474,430.00	38.5	1.0	1.035%	1.6
2 Yrs - 3 Yrs	3	7,474,255.00	23.0	1.2	1.210%	2.6
3 Yrs - 5 Yrs	1	2,479,895.00	7.6	1.6	1.580%	3.4

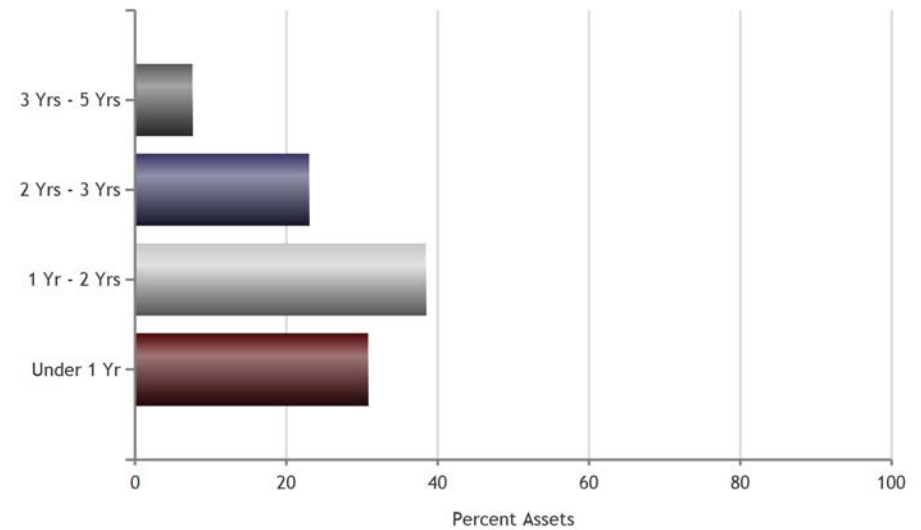
Distribution by Maturity



Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	5	10,010,381.77	30.9	0.7	0.750%	0.3
1 Yr - 2 Yrs	5	12,474,430.00	38.5	1.0	1.035%	1.6
2 Yrs - 3 Yrs	3	7,474,255.00	23.0	1.2	1.210%	2.6
3 Yrs - 5 Yrs	1	2,479,895.00	7.6	1.6	1.580%	3.4

Distribution by Duration

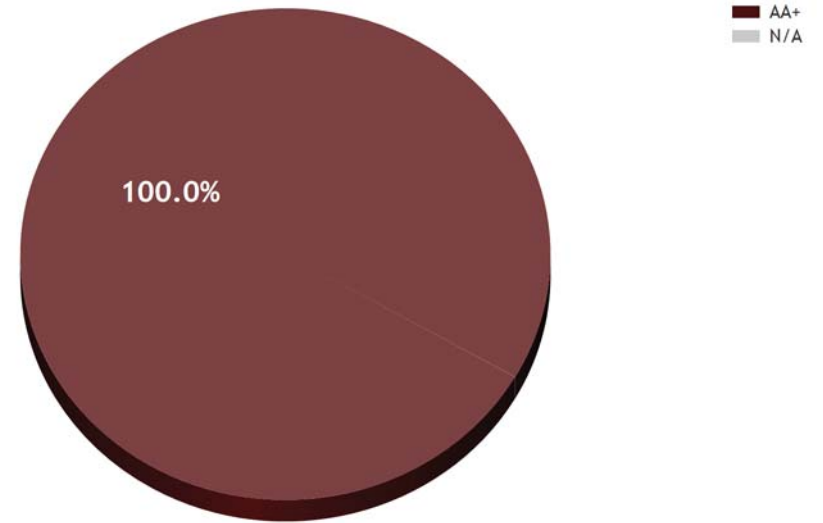




Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	13	32,435,165.00	100.0	1.0	1.029%	1.6
N/A	1	3,796.77	0.0	0.0	0.010%	0.1

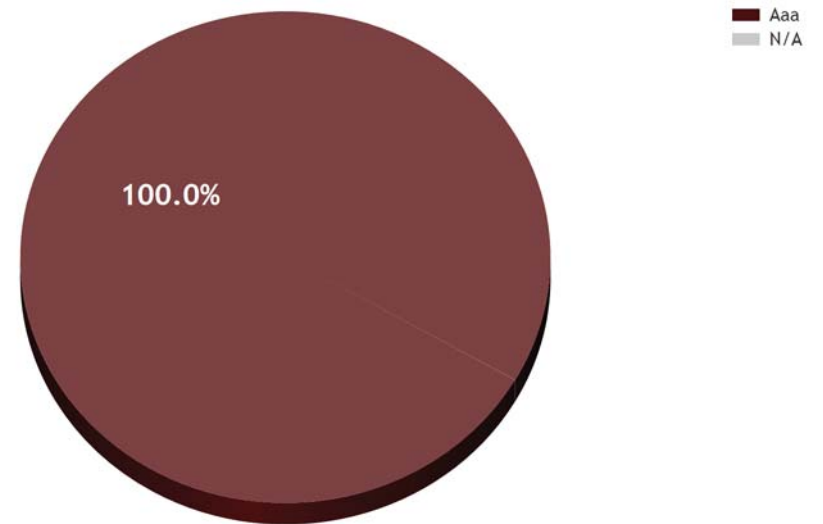
Distribution by S&P Rating

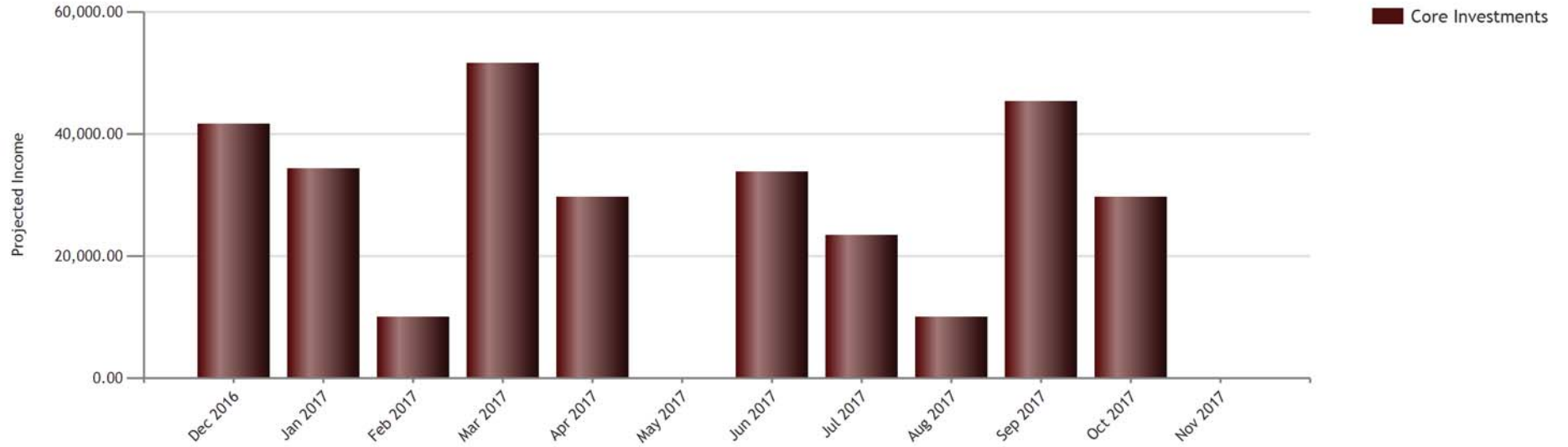


Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	13	32,435,165.00	100.0	1.0	1.029%	1.6
N/A	1	3,796.77	0.0	0.0	0.010%	0.1

Distribution by Moody Rating





	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017
Core Investments	41,625.00	34,375.00	10,000.00	51,562.50	29,687.50	0.00	33,812.50	23,437.50	10,000.00	45,312.50	29,687.50	0.00
US Agency (USD)	19,750.00	12,500.00	10,000.00	26,562.50	29,687.50	0.00	19,750.00	12,500.00	10,000.00	26,562.50	29,687.50	0.00
US Treasury (USD)	21,875.00	21,875.00	0.00	25,000.00	0.00	0.00	14,062.50	10,937.50	0.00	18,750.00	0.00	0.00
Total	41,625.00	34,375.00	10,000.00	51,562.50	29,687.50	0.00	33,812.50	23,437.50	10,000.00	45,312.50	29,687.50	0.00
Grand Total	309,500.00											



Purchases

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost
11/14/2016	11/15/2016	2,500,000	3136G3SK2	FEDERAL NATL MTG ASSN 1.580% Due 06-15-20	99.98	2,499,375
Total Purchases						2,499,375

Interest

Trade Date	Settle Date	Symbol	Security	Amount
11/1/2016	11/1/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 12-29-16	71
11/1/2016	11/1/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 12-29-16	0
11/14/2016	11/15/2016	3136G3SK2	FEDERAL NATL MTG ASSN 1.580% Due 06-15-20	-16,458
11/15/2016	11/15/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 12-29-16	0
Total Interest				-16,387

Expenses

Trade Date	Settle Date	Symbol	Security	Amount
11/30/2016	11/30/2016	manfee	Management Fee	2,083
Total Expenses				2,083

Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
11/1/2016	11/1/2016	71	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 12-29-16	100.00	71
11/15/2016	11/15/2016		cash	CASH ACCOUNT		2,515,833
Total Contributions						2,515,905



Withdrawals

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
11/15/2016	11/15/2016	209,833	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 12-29-16	100.00	209,833
Total Withdrawals						209,833

Portfolio Holdings

City of Franklin - Core Investment Fund

November 30, 2016

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															
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	100.00	0.64	100.0147	0.27	2,500,367.50	7,172.13	2,507,539.63	378.76	7.7	0.04	0.04
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.01	0.84	100.0851	0.37	2,502,127.50	7,252.04	2,509,379.54	2,001.53	7.7	0.17	0.16
912828J92	2,500,000	UNITED STATES TREAS NTS 0.500% Due 03-31-17		07-24-15	99.97	0.60	99.9999	0.50	2,499,997.50	2,094.78	2,502,092.28	841.97	7.7	0.33	0.33
912828XF2	2,500,000	UNITED STATES TREAS NTS 1.125% Due 06-15-18		08-18-15	100.16	1.02	100.1289	1.04	2,503,222.50	12,909.84	2,516,132.34	-771.43	7.7	1.52	1.51
912828SN1	2,500,000	UNITED STATES TREAS NTS 1.500% Due 03-31-19		11-16-15	100.46	1.30	100.6602	1.21	2,516,505.00	6,284.34	2,522,789.34	4,921.15	7.8	2.28	2.28
912828TH3	2,500,000	UNITED STATES TREAS NTS 0.875% Due 07-31-19		03-10-16	99.15	1.20	98.8398	1.32	2,470,995.00	7,252.04	2,478,247.04	-7,854.44	7.6	2.62	2.62
	15,000,000					0.93		0.78	14,993,215.00	42,965.16	15,036,180.16	-482.46	46.2	1.16	1.15
US Agency Bullet															
3137EADJ5	2,500,000	FEDERAL HOME LN MTG CORP 1.000% Due 07-28-17		12-18-13	100.01	0.99	100.1637	0.75	2,504,092.50	8,472.22	2,512,564.72	3,890.73	7.7	0.66	0.65
3130A5PE3	2,500,000	FEDERAL HOME LOAN BANKS 1.125% Due 03-29-18		07-24-15	100.14	1.02	99.9969	1.13	2,499,922.50	4,765.62	2,504,688.12	-3,552.37	7.7	1.31	1.30
3133EGQY4	2,500,000	FEDERAL FARM CR BKS 0.800% Due 08-15-18		08-11-16	99.92	0.85	99.4027	1.15	2,485,067.50	5,833.33	2,490,900.83	-13,015.38	7.7	1.69	1.68
3135G0E58	2,500,000	FEDERAL NATL MTG ASSN 1.125% Due 10-19-18		10-06-15	100.29	0.97	99.9180	1.17	2,497,950.00	3,203.12	2,501,153.12	-9,192.49	7.7	1.86	1.85
3137EADM8	2,500,000	FEDERAL HOME LN MTG CORP 1.250% Due 10-02-19		03-10-16	99.78	1.33	99.4702	1.44	2,486,755.00	5,034.72	2,491,789.72	-7,644.01	7.7	2.77	2.78
	12,500,000					1.03		1.13	12,473,787.50	27,309.03	12,501,096.53	-29,513.52	38.5	1.66	1.65

Portfolio Holdings

City of Franklin - Core Investment Fund

November 30, 2016

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 Agency Callable															
3134GAMV3	2,500,000	FEDERAL HOME LN MTG CORP 1.000% Due 09-28-18	09-28-17	10-17-16	100.03	0.98	99.5307	1.26	2,488,267.50	4,305.56	2,492,573.06	-12,388.75	7.7	1.80	1.61
3136G3SK2	2,500,000	FEDERAL NATL MTG ASSN 1.580% Due 06-15-20	12-15-16	11-14-16	99.99	1.59	99.1958	1.82	2,479,895.00	18,104.17	2,497,999.17	-19,813.33	7.6	3.40	1.34
	5,000,000					1.29		1.54	4,968,162.50	22,409.72	4,990,572.22	-32,202.08	15.3	2.60	1.47
Money Market Fund															
0000FIFTH	3,797	FIFTH THIRD BANK MMF 0.010% Due 12-29-16		03-31-16	100.00	0.01	100.0000	0.01	3,796.77	0.00	3,796.77	0.00	0.0	0.08	0.05
TOTAL	32,503,797					1.02		1.03	32,438,961.77	92,683.91	32,531,645.68	-62,198.07	100.0	1.57	1.39



This report is for general informational purposes only and is not intended to provide specific advice or recommendations. Government Portfolio Advisors (GPA) is an investment advisor registered with the Securities and Exchange Commission and is required to maintain a written disclosure statement of our background and business experience.

Questions About an Account: GPA's monthly & quarterly reports are intended to detail the investment advisory activity managed by GPA. The custodian bank maintains the control of assets and executes (ie. Settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. GPA recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the GPA report should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference.

GPA relies on the information provided by the clients when reporting pool balances, bank balances and other assets that are not held at the clients custodial bank.

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 a straight-line 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. Bonds purchased at a premium will be amortized to call date versus all others will be amortized to maturity.

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.

Coupon Payments and Maturities on Weekends:

Oftentimes, coupon payments and maturities will occur on a weekend or holiday. GPA will track these payments on an accrual basis, while the custodian bank may track on a cash basis. The accrual basis allocates the earnings in the period earned.