



GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account

7/31/2016

City of Franklin - Core Investment Fund

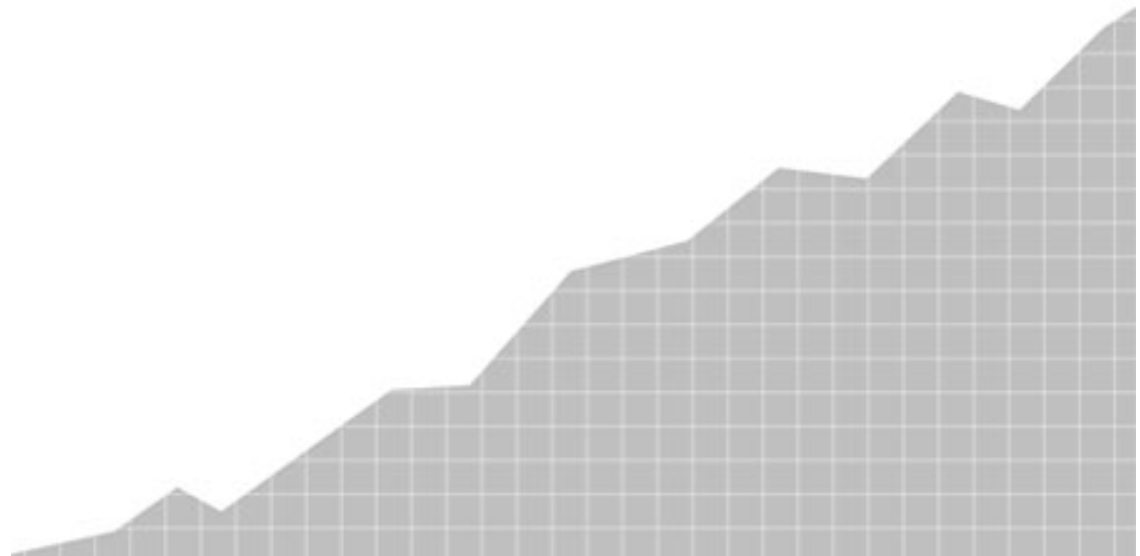




Table of Contents

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.....	11
Disclaimer	13

MONTH END COMMENTARY – JULY 2016

After the shock of last month’s Brexit vote subsided, bond yields increased during July. While rates have come back slightly since the Brexit vote, overall, yields remain low. Global central banks have continued to ease, making U.S. Treasuries attractive versus the lower and negative rates in Europe. The result of Brexit increases expectations for further European Central Bank and Bank of Japan accommodation. Even though July’s economic data painted a rosy picture of the U.S. economy, U.S. 10-year interest rates made new lows in July. Even a very strong unemployment report only provided a temporary increase in yields. By the end of the month, the Dow Jones had recovered all of the loss after the Brexit and then some. The Dow Jones reached a 12 month high of 18,595 on 7/20/16.

FOMC: As expected, the FOMC left its monetary policy unchanged, however, they did leave the door open for an interest rate hike. Once again, the Fed stressed that any withdrawal of monetary stimulus remains dependent on economic data. They did concede that “Near-term risks to the economic outlook have diminished.” There was little change in interest rate expectations after the meeting. The current Fed Funds futures expectations show an 18% chance of a rate hike in September and November and a 35% chance of a hike at the December meeting. The next meeting is September 21, 2016.

Non-farm Payrolls/Unemployment: Total nonfarm payroll employment increased by a strong 287,000 in June, the largest monthly gain since last October (295K). The unemployment rate rose from 4.7% to 4.9%. Job growth occurred in leisure and hospitality, health care, social assistance, and financial activities. Employment also increased in information technology, mostly reflecting the return of workers from a strike. Initial jobless claims dropped by 1,000 to 253,000, reaching a three-month low. For 72 consecutive weeks, claims have been below the 300,000 level that economists say is typically consistent with an improving job market. That’s the longest stretch since 1973.

GDP: Real GDP increased at an annual rate of 1.2% in the second quarter of 2016, according to the “advance” estimate. This was well below the anticipated estimate of 2.5%. In the first quarter, real GDP increased .8%. (revised) The second quarter “advance” estimate is based on source data that are incomplete or subject to further revision by the source agency. The “second” estimate for the second quarter, based on more complete data, will be released on August 26, 2016.

Global demand for U.S. Treasuries: Also contributing to the downward pressure on U.S. Interest rates is the global demand for what appears to be high rates in comparison to interest rates in both Europe and Japan. For example, German bonds and Japanese bonds are all negative across the curve with the exception of 30-year bonds.

Consumer Price Index: The CPI increased .2% in June. Over the last 12 months, the all items index rose 1%. For the second consecutive month, increases in the indexes for energy and all items less food and energy more than offset a decline in the food index to result in an increase in the all items index.

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

3month bill	.22
1 year note	.72
2 year note	1.07
3 year note	1.94
5 year note	4.19

*Source: Bloomberg

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	-.04%	1.35
BAML 0-5 Year Treasury	-.04%	2.15
BAML 1-3 Year Treasury	-.06%	1.83
BAML 1-5 Year Treasury	-.04%	2.66

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

	07/31/15	06/30/16	07/31/16	Change in July	Change from Prior Year
3 month bill	.06	.26	.26	unch	+.20
6 month bill	.14	.35	.37	+.02	+.23
2 year note	.66	.58	.66	+.08	unch
3 year note	.97	.69	.75	+.06	-.22
5 year note	1.53	1.00	1.02	+.02	-.51
10 year	2.18	1.47	1.45	-.02	-.73

*Source: Bloomberg



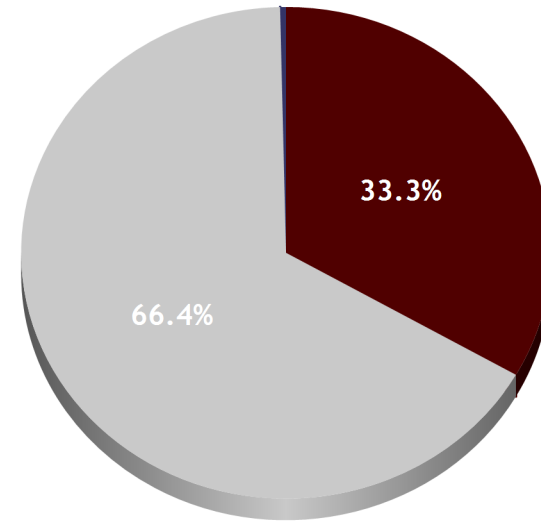
Weighted Averages

Book Yield	0.93
Maturity	1.45
Coupon	0.94
Moody	Aaa
S&P	AA+

Fixed Income Totals

Par Value	30,108,477
Market Value	30,268,717.10
Amortized Book Value	30,107,748.73
Unrealized Gain/Loss	160,968.37
Estimated Annual Cash Flow	281,260.85

Fixed Income Allocation



Security Type	Market Value	% Assets
US Agency (USD)	10,069,430.00	33.3
US Treasury (USD)	20,090,810.00	66.4
Bank or Cash Deposit (USD)	108,477.10	0.4
Fixed Income Total	30,268,717.10	100.0

Portfolio Summary

July 31, 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	30,108,477	30,110,425.08	30,107,748.73	30,268,717.10	160,968.37	0.93	1.42	1.42	1.35	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	30,108,477	30,110,425.08	30,107,748.73	30,268,717.10	160,968.37	0.93	1.42	1.42	1.35	



Cost Basis Summary

	Month End Ending 7/31/2016	Fiscal Year-to-Date 12/31/2015
Beginning Amortized Cost	30,096,517.82	25,092,330.78
Investment Purchases	0.00	4,966,124.53
Investment Maturities/Sells/Calls	0.00	0.00
Amortization	(30.10)	(2,191.95)
Change in Cash Equivalents	11,261.01	51,485.36
Realized Gains / Losses	0.00	0.00
Ending Amortized Costs	30,107,748.73	30,107,748.73

Accrual Earnings Summary

	Month End Ending 7/31/2016	Fiscal Year-to-Date 12/31/2015
Amortization/Accretion	(30.10)	(2,191.95)
Interest Earned	24,019.17	153,239.22
Realized Gain (Loss)	0.00	0.00
Total Income	23,989.08	151,047.27
Average Portfolio Balance	30,354,066.30	28,237,285.54
Earnings Yield	0.93%	0.92%

Market Value Summary

	As of 7/31/2016
Ending Market Value	30,268,717.10
Unrealized Gain/Loss	160,968.37

Interest Earnings Summary

	Month End Ending 7/31/2016	Fiscal Year-to-Date 12/31/2015
Beginning Accrued Interest	72,306.91	56,159.75
Coupons Paid	34,386.01	164,105.52
Purchased Accrued Interest	0.00	(16,646.63)
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	61,940.07	61,940.07
Interest Earned	24,019.17	153,239.22

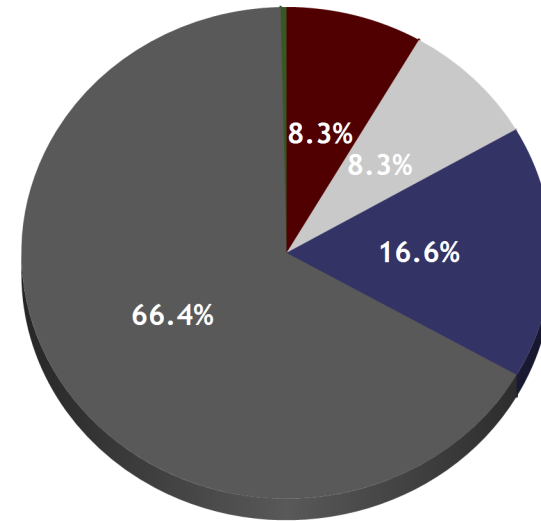


Total Return For Period

Since 6/30/2016

Beginning Principal Value	30,282,908.59
Beginning Accrued Interest	72,306.91
Net Contributions/Withdrawals	-23,125.00
Market Value Change	-25,452.50
Interest Earnings	24,019.17
Ending Principal Value	30,268,717.10
Accrued Interest	61,940.07
Total Return	-1,433.33
Advisory Fees for Period	-2,083.33
Net Total Return	-3,516.66

Portfolio Allocation as of 7/31/2016



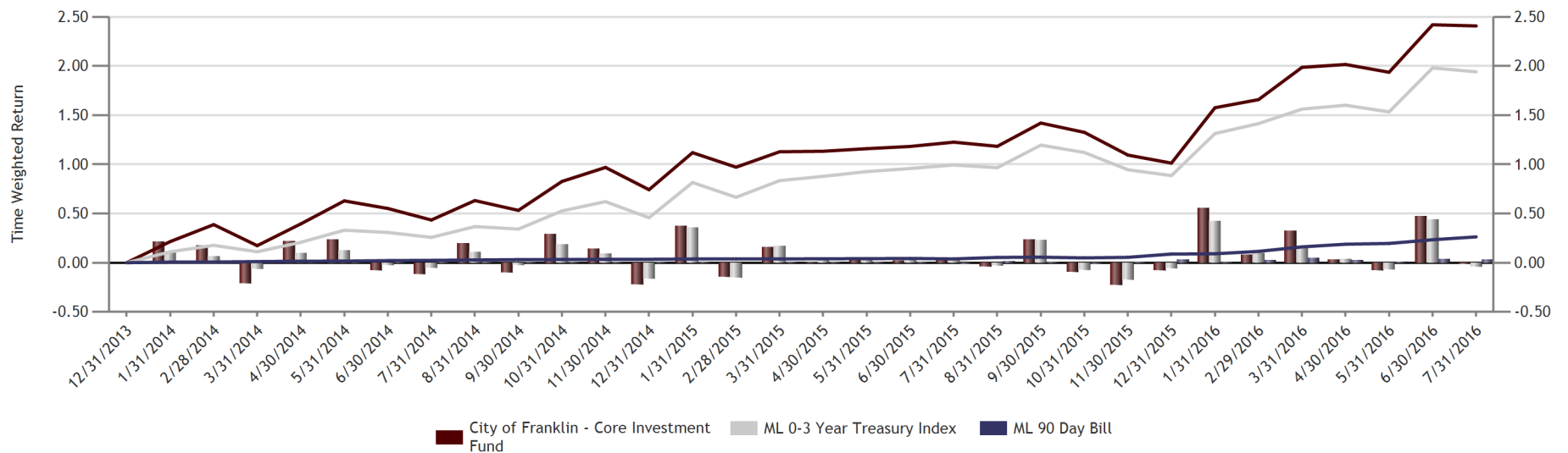
Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	2,517,647.50	8.3	1.0
FEDERAL HOME LOAN BANKS	2,516,035.00	8.3	1.0
FEDERAL HOME LN MTG CORP	5,035,747.50	16.6	1.2
UNITED STATES TREAS NTS	20,090,810.00	66.4	0.9
FIFTH THIRD BK CINCINNATI STN	108,477.10	0.4	0.0
Total	30,268,717.10	100.0	0.9



Performance History

Portfolio Account	Month To Date	Quarter To Date	Fiscal Year To Date	Annualized Latest 1 Year	Annualized Inception To Date
Account	-0.01	-0.01	1.38	1.17	0.93
Index					
ML 0-3 Year Treasury Index	-0.04	-0.04	1.05	0.94	0.75
ML 90 Day Bill	0.03	0.03	0.17	0.22	0.10

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

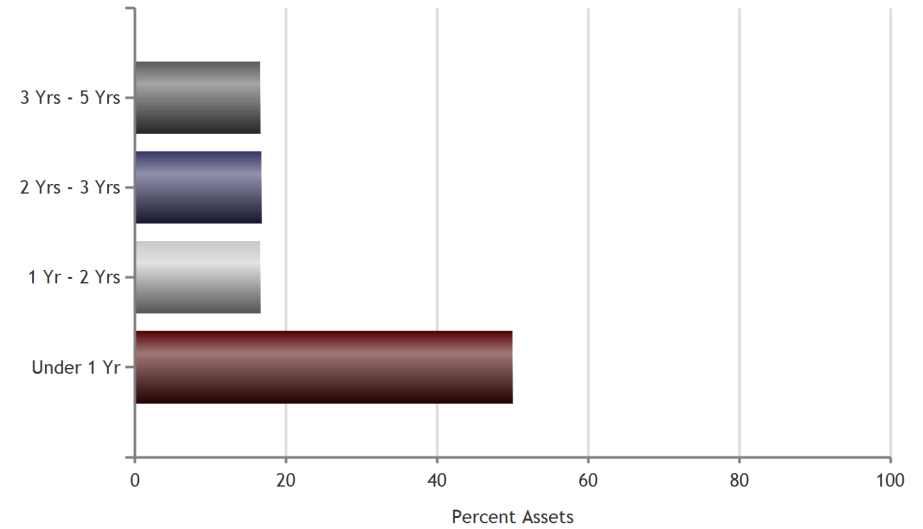




Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	7	15,127,614.60	50.0	0.7	0.704%	0.5
1 Yr - 2 Yrs	2	5,037,227.50	16.6	1.1	1.125%	1.7
2 Yrs - 3 Yrs	2	5,068,722.50	16.7	1.3	1.314%	2.4
3 Yrs - 5 Yrs	2	5,035,152.50	16.6	1.1	1.063%	3.0

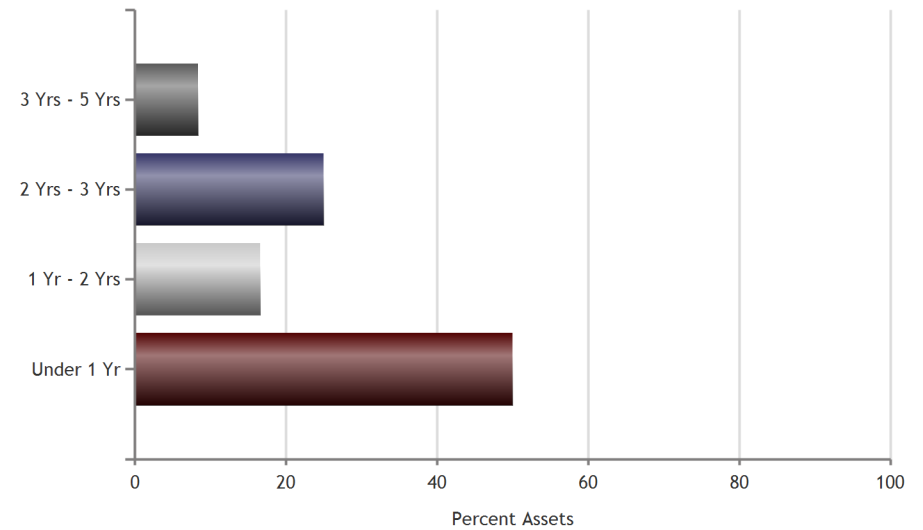
Distribution by Maturity



Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	7	15,127,614.60	50.0	0.7	0.704%	0.5
1 Yr - 2 Yrs	2	5,037,227.50	16.6	1.1	1.125%	1.7
2 Yrs - 3 Yrs	3	7,577,120.00	25.0	1.2	1.168%	2.6
3 Yrs - 5 Yrs	1	2,526,755.00	8.3	1.2	1.250%	3.1

Distribution by Duration

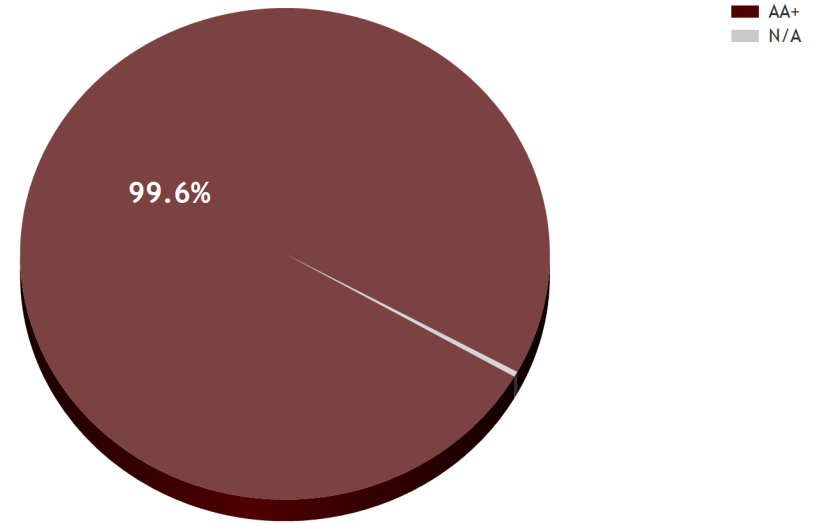




Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	12	30,160,240.00	99.6	0.9	0.939%	2.8
N/A	1	108,477.10	0.4	0.0	0.010%	0.4

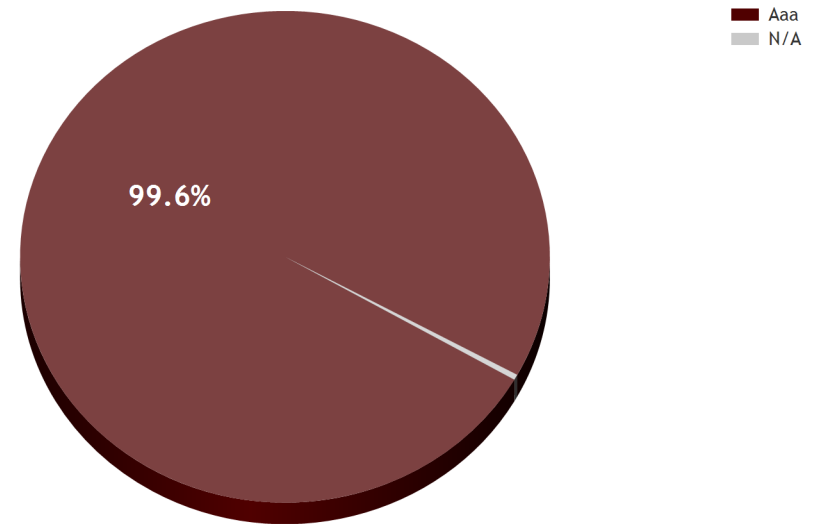
Distribution by S&P Rating



Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	12	30,160,240.00	99.6	0.9	0.939%	2.8
N/A	1	108,477.10	0.4	0.0	0.010%	0.4

Distribution by Moody Rating

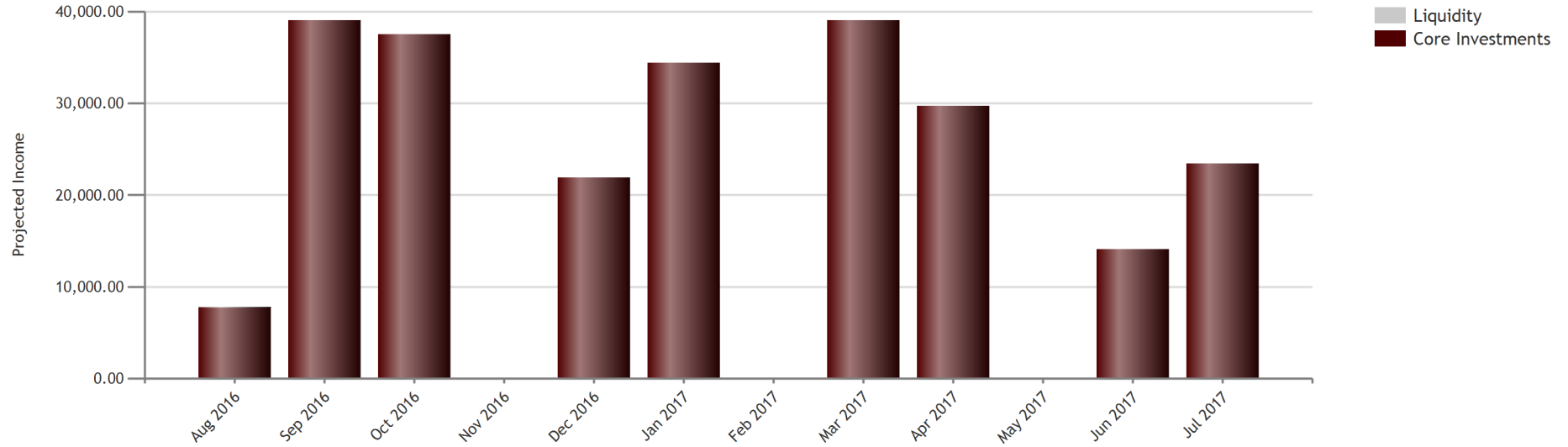




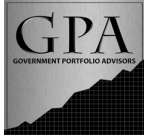
Coupon Cash Flow Projection

City of Franklin - Core Investment Fund

8/1/2016 - 7/31/2017



	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017
Core Investments	7,812.50	39,062.50	37,500.00	0.00	21,875.00	34,375.00	0.00	39,062.50	29,687.50	0.00	14,062.50	23,437.50
US Agency (USD)	0.00	14,062.50	29,687.50	0.00	0.00	12,500.00	0.00	14,062.50	29,687.50	0.00	0.00	12,500.00
US Treasury (USD)	7,812.50	25,000.00	7,812.50	0.00	21,875.00	21,875.00	0.00	25,000.00	0.00	0.00	14,062.50	10,937.50
Liquidity	1.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank or Cash Deposit (USD)	1.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	7,813.59	39,062.50	37,500.00	0.00	21,875.00	34,375.00	0.00	39,062.50	29,687.50	0.00	14,062.50	23,437.50
Grand Total	246,876.09											



Interest

Trade Date	Settle Date	Symbol	Security	Amount
7/1/2016	7/1/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 08-29-16	11
7/28/2016	7/28/2016	3137EADJ5	FEDERAL HOME LN MTG CORP 1.000% Due 07-28-17	12,500
7/31/2016	7/31/2016	912828SC5	UNITED STATES TREAS NTS 0.875% Due 01-31-17	10,938
7/31/2016	7/31/2016	912828TH3	UNITED STATES TREAS NTS 0.875% Due 07-31-19	10,938
Total Interest				34,386

Expenses

Trade Date	Settle Date	Symbol	Security	Amount
7/20/2016	7/20/2016	fees	exusfees	1,250
7/31/2016	7/31/2016	manfee	Management Fee	2,083
Total Expenses				3,333

Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
7/1/2016	7/1/2016	11	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 08-29-16	100.00	11
7/28/2016	7/28/2016	12,500	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 08-29-16	100.00	12,500
Total Contributions						12,511

Withdrawals

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
7/20/2016	7/20/2016	1,250	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 08-29-16	100.00	1,250
Total Withdrawals						1,250

Portfolio Holdings

City of Franklin - Core Investment Fund

July 31, 2016

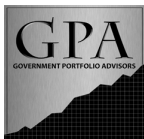
Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
US Treasury															
912828VR8	2,500,000	UNITED STATES TREAS NTS 0.625% Due 08-15-16		03-27-14	100.00	0.62	100.0167	0.22	2,500,417.50	7,168.61	2,507,586.11	415.93	8.3	0.04	0.04
912828WA4	2,500,000	UNITED STATES TREAS NTS 0.625% Due 10-15-16		03-27-14	99.98	0.70	100.0706	0.28	2,501,765.00	4,567.96	2,506,332.96	2,158.40	8.3	0.21	0.20
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	100.00	0.64	100.0945	0.37	2,502,362.50	1,963.80	2,504,326.30	2,471.88	8.3	0.37	0.37
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.02	0.84	100.2227	0.43	2,505,567.50	0.00	2,505,567.50	5,189.60	8.3	0.50	0.50
912828J92	2,500,000	UNITED STATES TREAS NTS 0.500% Due 03-31-17		07-24-15	99.93	0.60	100.0013	0.50	2,500,032.50	4,166.67	2,504,199.17	1,735.51	8.3	0.66	0.66
912828XF2	2,500,000	UNITED STATES TREAS NTS 1.125% Due 06-15-18		08-18-15	100.19	1.02	100.8477	0.67	2,521,192.50	3,534.84	2,524,727.34	16,330.79	8.3	1.85	1.85
912828SN1	2,500,000	UNITED STATES TREAS NTS 1.500% Due 03-31-19		11-16-15	100.53	1.30	102.0430	0.72	2,551,075.00	12,500.00	2,563,575.00	37,835.50	8.4	2.60	2.60
912828TH3	2,500,000	UNITED STATES TREAS NTS 0.875% Due 07-31-19		03-10-16	99.05	1.20	100.3359	0.76	2,508,397.50	0.00	2,508,397.50	32,204.54	8.3	2.96	2.95
	20,000,000					0.87		0.50	20,090,810.00	33,901.88	20,124,711.88	98,342.15	66.4	1.15	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	100.3597	0.63	2,508,992.50	208.33	2,509,200.83	8,688.32	8.3	0.99	0.98
3130A5PE3	2,500,000	FEDERAL HOME LOAN BANKS 1.125% Due 03-29-18		07-24-15	100.17	1.02	100.6414	0.73	2,516,035.00	9,531.25	2,525,566.25	11,682.99	8.3	1.64	1.63
3135G0E58	2,500,000	FEDERAL NATL MTG ASSN 1.125% Due 10-19-18		10-06-15	100.34	0.97	100.7059	0.80	2,517,647.50	7,968.75	2,525,616.25	9,238.17	8.3	2.18	2.18
3137EADM8	2,500,000	FEDERAL HOME LN MTG CORP 1.250% Due 10-02-19		03-10-16	99.75	1.33	101.0702	0.91	2,526,755.00	10,329.86	2,537,084.86	33,016.75	8.3	3.09	3.09
	10,000,000					1.08		0.77	10,069,430.00	28,038.19	10,097,468.19	62,626.22	33.3	1.98	1.97

Portfolio Holdings

City of Franklin - Core Investment Fund

July 31, 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
Money Market Fund															
0000FIFTH	108,477	FIFTH THIRD BANK MMF 0.010% Due 08-29-16		03-31-16	100.00	0.01	100.0000	0.01	108,477.10	0.00	108,477.10	0.00	0.4	0.08	0.05
TOTAL	30,108,477					0.93		0.58	30,268,717.10	61,940.07	30,330,657.17	160,968.37	100.0	1.42	1.42



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.

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.