



GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account
City of Franklin

8/31/2015

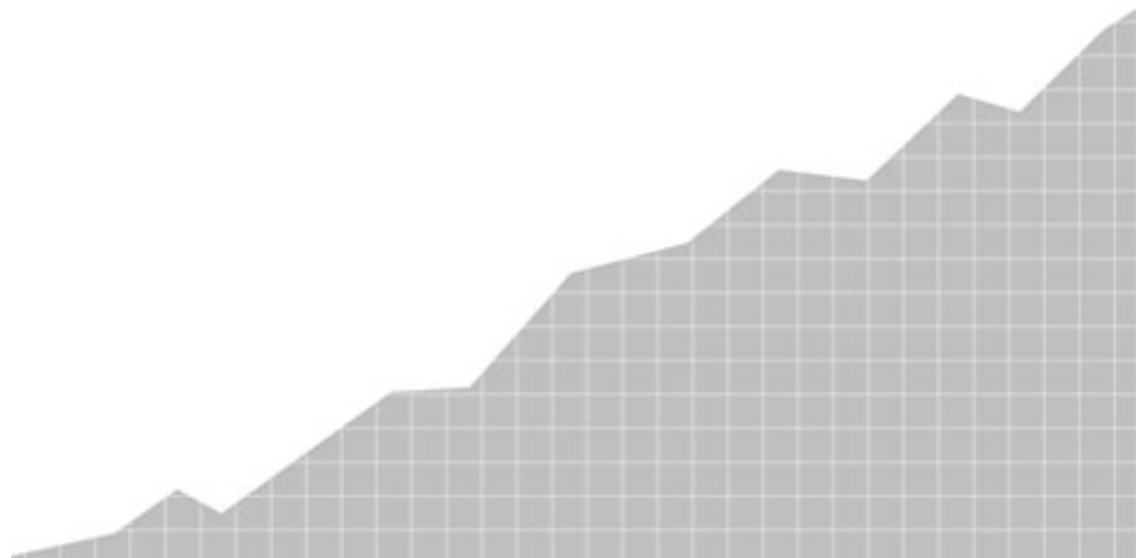




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MONTH END COMMENTARY

AUGUST 2015

Although U.S. economic data remains strong, concerns over global economies contributed to a tremendous stock market sell-off, both here and abroad. Bond yields were mixed with very short treasuries and five year notes rallying while the rest of the curve increased in yield. China, Europe and Japan have all continued easing programs in order to stimulate economic growth. China's faltering economy is hurting demand for oil, steel and other commodities, therefore negatively effecting the prices of those commodities. YOY Inflation is .2% while core inflation is currently 1.8%, or just below the Fed target level of 2%. Although the U.S continues to demonstrate domestic growth, global events and economies are creating a drag on the U.S. domestic economy.

FOMC: The minutes of the FOMC's July meeting noted the continued improvement in the labor market, "Many members thought that labor market underutilization would be largely eliminated in the near term if economic activity evolved as they expected." The minutes noted that the timing of a first rate hike was approaching, but provided no specifics about the timing of a rate hike. "Most judged that the conditions for policy firming had not yet been achieved, but they noted that conditions were approaching that point". Most members continued to expect that the downward impact on inflation of the strong dollar and lower energy prices are temporary.

Non-farm Payrolls/Unemployment: Total nonfarm payroll employment increased by 215,000 new jobs in July, very much in line with consensus expectations and confirmed that the labor market remains on sturdy footing. Also included in the report was a revised gain of 14,000 more jobs in the previous two months. Average hourly wages increased .2% which raised the year-over-year growth to 2.1%. The unemployment rate remained at a three year low of 5.3%.

Other Economic Data: U.S. Retail Sales rose .6% after a flat performance the previous month. On the flipside, productivity remains weak. Productivity increased by only .3% over the past 12 months and, following the incorporation of poor GDP numbers, the average annualized gain in productivity over the past five years was revised down to .5%.

The Dow Jones Industrial Average: The Dow posted its worst August decline in 17 years. Global economic concerns continue to put pressure on U.S. Stocks and foreign stocks alike. The Dow posted a 6.4% decline while China's stocks dropped 8.5%.

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

| | |
|-------------|------|
| 3month bill | .03 |
| 1 year note | .26 |
| 2 year note | .78 |
| 3 year note | 1.26 |
| 5 year note | 2.48 |

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

| Benchmark | Period Return | Duration |
|------------------------|---------------|----------|
| BAML 0-3 Year Treasury | -.03% | 1.45 |
| BAML 0-5 Year Treasury | -.01% | 2.20 |
| BAML 1-3 Year Treasury | -.04% | 1.78 |

*Source: Bloomberg

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

| | 8/31/14 | 07/31/15 | 8/31/15 | Change in August | Change from Prior Year |
|--------------------|---------|----------|---------|------------------|------------------------|
| 3month bill | .02 | .06 | .005 | -.055 | -.015 |
| 6month bill | .05 | .15 | .23 | +.08 | +.18 |
| 2 year note | .49 | .66 | .74 | +.08 | +.25 |
| 3 year note | .93 | .97 | 1.05 | +.08 | +.12 |
| 5 year note | 1.75 | 1.63 | 1.55 | -.12 | -.20 |
| 10 year | 2.34 | 2.18 | 2.22 | +.04 | -.12 |

*Source: Bloomberg



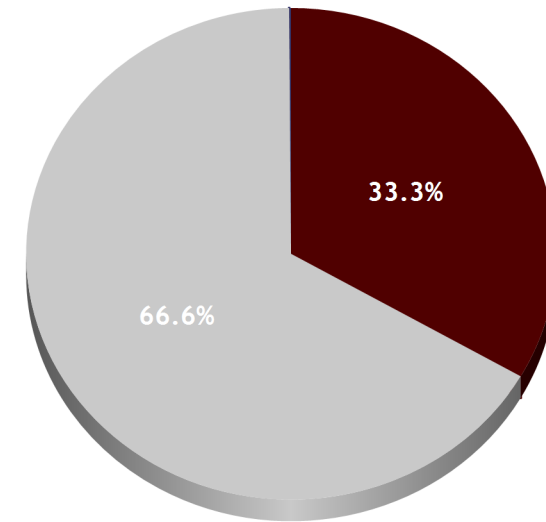
Weighted Averages

| | |
|------------|------|
| Book Yield | 0.77 |
| Maturity | 1.54 |
| Coupon | 0.78 |
| Moody | Aaa |
| S&P | AA+ |

Fixed Income Totals

| | |
|----------------------------|---------------|
| Par Value | 22,526,038.96 |
| Market Value | 22,562,998.96 |
| Amortized Book Value | 22,535,090.41 |
| Unrealized Gain/Loss | 27,908.55 |
| Estimated Annual Cash Flow | 175,002.60 |

Fixed Income Allocation



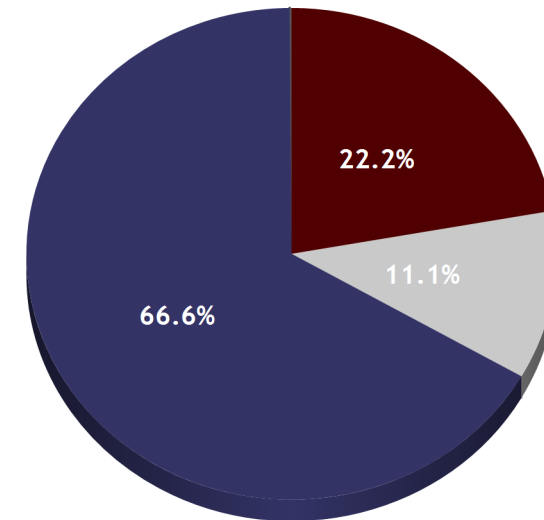
| | Security Type | Market Value | % Assets |
|--|----------------------------------|----------------------|--------------|
| | US Agency (USD) | 7,514,140.00 | 33.3 |
| | US Treasury (USD) | 15,022,820.00 | 66.6 |
| | Money Market Bank Deposits (USD) | 26,038.96 | 0.1 |
| | Fixed Income Total | 22,562,998.96 | 100.0 |



Total Return for Period

| | Since 7/31/2015 |
|----------------------------------|----------------------|
| Beginning Principal Value | 22,574,004.88 |
| Beginning Accrued Interest | 30,964.18 |
| Net Contributions/Withdrawals | 0.00 |
| Market Value Change | -21,249.22 |
| Interest Earnings | 13,858.35 |
| Ending Principal Value | 22,562,998.96 |
| Ending Accrued Interest | 34,579.23 |
| Net Total Return | -9,474.20 |
| Management Fees Paid By Client | -2,083.33 |

Portfolio Allocation



| Issuer | Market Value | % Assets | Book Yield |
|-------------------------------|----------------------|--------------|------------|
| FEDERAL HOME LOAN BANKS | 5,007,415.00 | 22.2 | 0.8 |
| FEDERAL HOME LN MTG CORP | 2,506,725.00 | 11.1 | 1.0 |
| UNITED STATES TREAS NTS | 15,022,820.00 | 66.6 | 0.7 |
| FIFTH THIRD BK CINCINNATI STN | 26,038.96 | 0.1 | 0.0 |
| Total | 22,562,998.96 | 100.0 | 0.8 |



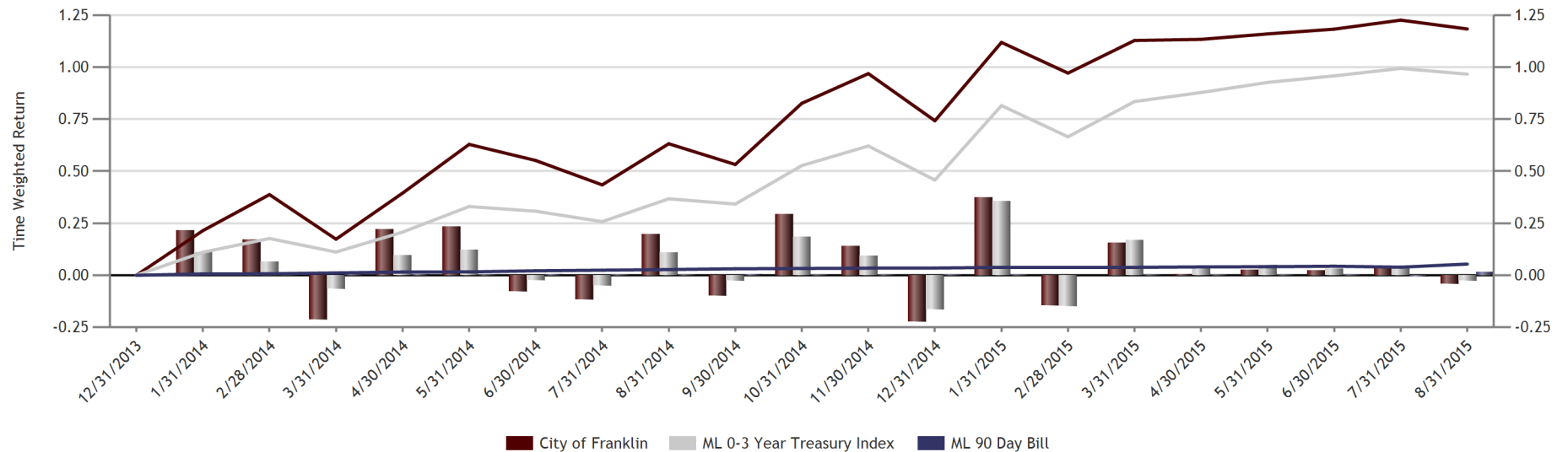
Performance History Inception (12/31/2013) to Date

| Portfolio | Month To Date | Quarter To Date | Year To Date | Latest 1 Year | Inception To Date |
|-----------|---------------|-----------------|--------------|---------------|-------------------|
| Account | -0.04 | 0.00 | 0.44 | 0.55 | 1.18 |

Index

| | | | | | |
|----------------------------|-------|------|------|------|------|
| ML 0-3 Year Treasury Index | -0.03 | 0.01 | 0.51 | 0.60 | 0.97 |
| ML 90 Day Bill | 0.01 | 0.01 | 0.02 | 0.03 | 0.05 |

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

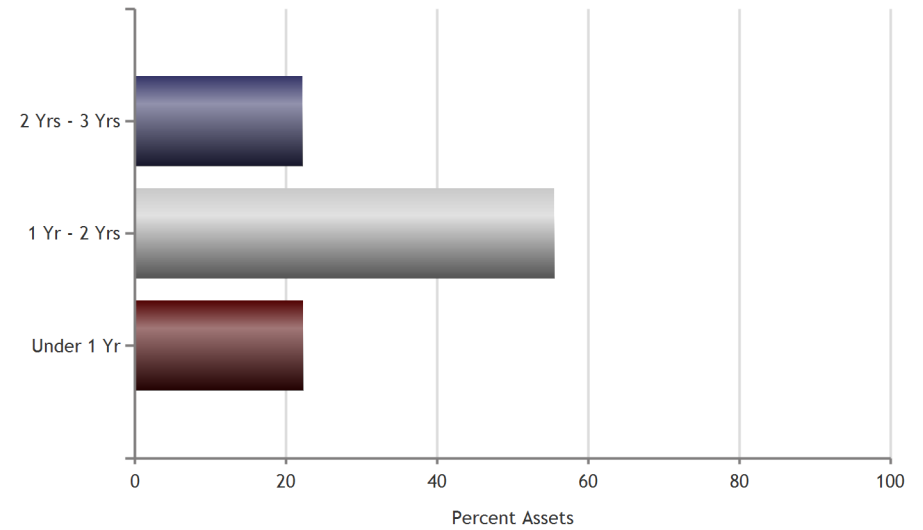




Distribution by Maturity

| Maturity | Number | Market Value | % FI Holdings | Average YTM | Average Coupon | Average Duration |
|---------------|--------|---------------|---------------|-------------|----------------|------------------|
| Under 1 Yr | 3 | 5,032,633.96 | 22.3 | 0.3 | 0.560% | 0.6 |
| 1 Yr - 2 Yrs | 5 | 12,518,217.50 | 55.5 | 0.6 | 0.725% | 1.5 |
| 2 Yrs - 3 Yrs | 2 | 5,012,147.50 | 22.2 | 1.0 | 1.125% | 2.6 |

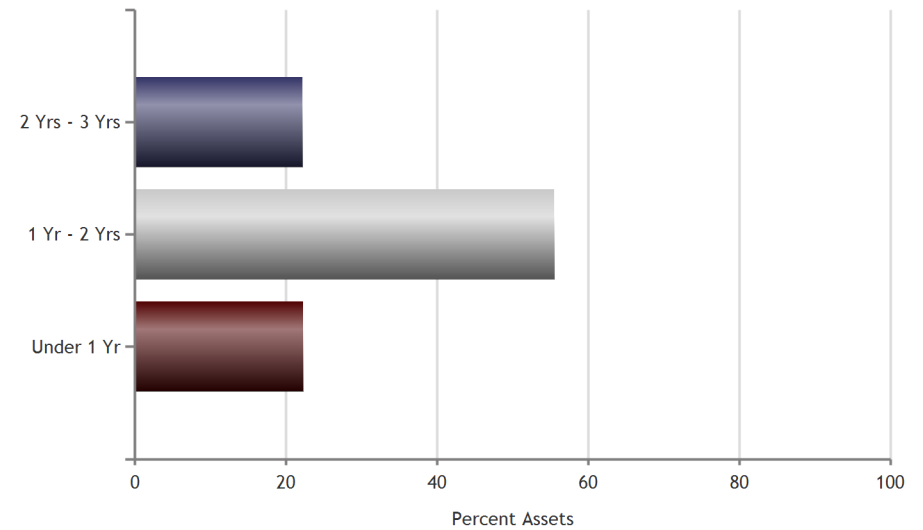
Distribution by Maturity



Distribution by Duration

| Duration | Number | Market Value | % FI Holdings | Average YTM | Average Coupon | Average Duration |
|---------------|--------|---------------|---------------|-------------|----------------|------------------|
| Under 1 Yr | 3 | 5,032,633.96 | 22.3 | 0.3 | 0.560% | 0.6 |
| 1 Yr - 2 Yrs | 5 | 12,518,217.50 | 55.5 | 0.6 | 0.725% | 1.5 |
| 2 Yrs - 3 Yrs | 2 | 5,012,147.50 | 22.2 | 1.0 | 1.125% | 2.6 |

Distribution by Duration

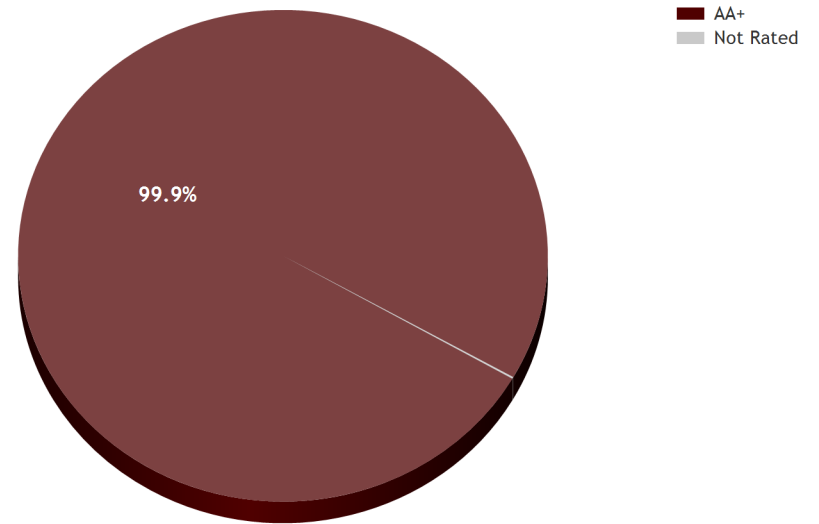




Distribution by S&P Rating

| S&P Rating | Number | Market Value | % FI Holdings | Average YTM | Average Coupon | Average Duration |
|------------|--------|---------------|---------------|-------------|----------------|------------------|
| AA+ | 9 | 22,536,960.00 | 99.9 | 0.8 | 0.778% | 2.6 |
| Not Rated | 1 | 26,038.96 | 0.1 | 0.0 | 0.010% | 0.7 |

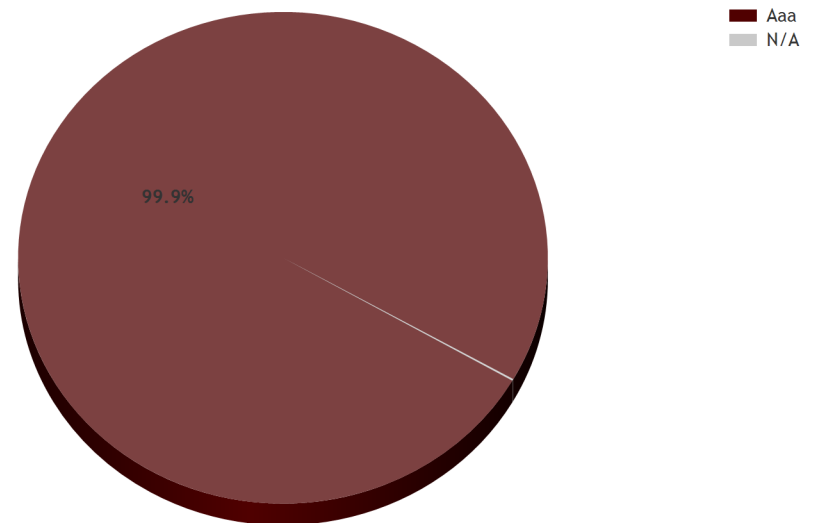
Distribution by S&P Rating

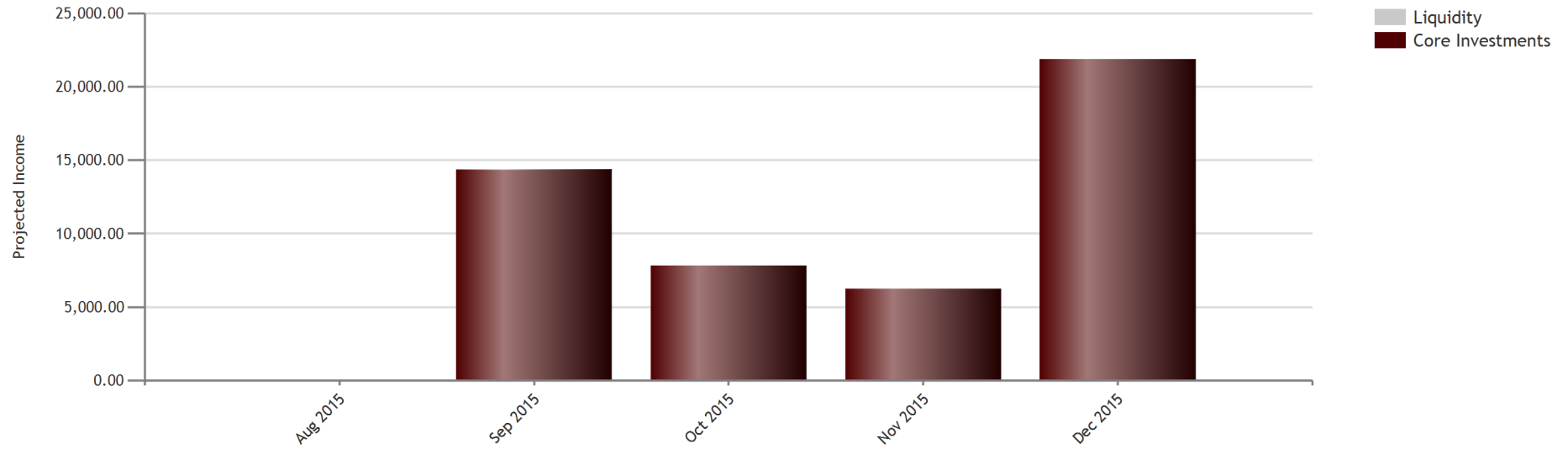


Distribution by Moody Rating

| Moody Rating | Number | Market Value | % FI Holdings | Average YTM | Average Coupon | Average Duration |
|--------------|--------|---------------|---------------|-------------|----------------|------------------|
| Aaa | 9 | 22,536,960.00 | 99.9 | 0.8 | 0.778% | 2.6 |
| N/A | 1 | 26,038.96 | 0.1 | 0.0 | 0.010% | 0.7 |

Distribution by Moody Rating





| | Aug 2015 | Sep 2015 | Oct 2015 | Nov 2015 | Dec 2015 |
|----------------------------------|-------------|------------------|-----------------|-----------------|------------------|
| Core Investments | 0.00 | 14,375.00 | 7,812.50 | 6,250.00 | 21,875.00 |
| US Agency (USD) | 0.00 | 8,125.00 | 0.00 | 6,250.00 | 0.00 |
| US Treasury (USD) | 0.00 | 6,250.00 | 7,812.50 | 0.00 | 21,875.00 |
| Liquidity | 0.00 | 0.22 | 0.00 | 0.00 | 0.00 |
| Money Market Bank Deposits (USD) | 0.00 | 0.22 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 14,375.22 | 7,812.50 | 6,250.00 | 21,875.00 |
| Grand Total | | | | | 50,312.72 |



City of Franklin

Transaction Summary

8/1/2015 - 8/31/2015

Purchases

| Trade Date | Settle Date | Quantity | Symbol | Security | Adj Unit Cost | Adjusted Total Cost | | | | |
|-----------------|-------------|-----------|------------|--|---------------|---------------------|--|--|--|--|
| 8/3/2015 | 8/3/2015 | 3 | 0000FIFTH3 | FIFTH THIRD BANK MMF 0.010% Due 09-27-15 | 100.00 | 2.52 | | | | |
| 8/17/2015 | 8/17/2015 | 2,507,500 | 0000FIFTH3 | FIFTH THIRD BANK MMF 0.010% Due 09-27-15 | 100.00 | 2,507,500.00 | | | | |
| 8/18/2015 | 8/20/2015 | 2,500,000 | 912828XF2 | UNITED STATES TREAS NTS 1.125% Due 06-15-18 | 100.29 | 2,507,324.22 | | | | |
| Total Purchases | | | | | | 5,014,826.74 | | | | |

Sales

| Trade Date | Settle Date | Quantity | Symbol | Security | Adj Unit Cost | Adjusted Total Cost | Amort. or Accretion | Unit Price | Proceeds | Gain/Loss |
|-------------|-------------|-----------|------------|---|---------------|---------------------|---------------------|------------|--------------|-----------|
| 8/20/2015 | 8/20/2015 | 2,512,396 | 0000FIFTH3 | FIFTH THIRD BANK MMF 0.010% Due 09-27-15 | 100.00 | 2,512,395.94 | | 100.00 | 2,512,395.94 | 0.00 |
| Total Sales | | | | | | 2,512,395.94 | | | 2,512,395.94 | 0.00 |

Interest

| Trade Date | Settle Date | Symbol | Security | Amount |
|----------------|-------------|------------|--|-----------|
| 8/3/2015 | 8/3/2015 | 0000FIFTH3 | FIFTH THIRD BANK MMF 0.010% Due 09-27-15 | 2.52 |
| 8/17/2015 | 8/17/2015 | 313378CN9 | FEDERAL HOME LOAN BANKS 0.600% Due 08-17-15 | 7,500.00 |
| 8/15/2015 | 8/17/2015 | 912828VR8 | UNITED STATES TREAS NTS 0.625% Due 08-15-16 | 7,812.50 |
| 8/18/2015 | 8/20/2015 | 912828XF2 | UNITED STATES TREAS NTS 1.125% Due 06-15-18 | -5,071.72 |
| Total Interest | | | | 10,243.30 |

Maturities

| Trade Date | Settle Date | Quantity | Symbol | Security | Adj Unit Cost | Adjusted Total Cost | Amort. or Accretion | Unit Price | Proceeds | Gain/Loss |
|------------|-------------|-----------|-----------|-------------------------|---------------|---------------------|---------------------|------------|--------------|-----------|
| 8/17/2015 | 8/17/2015 | 2,500,000 | 313378CN9 | FEDERAL HOME LOAN BANKS | 99.81 | 2,495,175.00 | 4,825.00 | 100.00 | 2,500,000.00 | 0.00 |



City of Franklin

Transaction Summary

8/1/2015 - 8/31/2015

Maturities

| Trade Date | Settle Date | Quantity | Symbol | Security | Adj Unit Cost | Adjusted Total Cost | Amort. or Accretion | Unit Price | Proceeds | Gain/Loss |
|------------------|-------------|----------|--------|---------------------|---------------|---------------------|---------------------|------------|--------------|-----------|
| | | | | 0.600% Due 08-17-15 | | | | | | |
| Total Maturities | | | | | | 2,495,175.00 | 4,825.00 | | 2,500,000.00 | 0.00 |

Expenses

| Trade Date | Settle Date | Symbol | Security | Amount |
|----------------|-------------|--------|----------------|----------|
| 8/31/2015 | 8/31/2015 | manfee | Management Fee | 2,083.33 |
| Total Expenses | | | | 2,083.33 |

Contributions

| Trade Date | Settle Date | Quantity | Symbol | Security | Unit Price | Amount |
|---------------------|-------------|----------|------------|---|------------|----------|
| 8/17/2015 | 8/17/2015 | 7,813 | 0000FIFTH3 | FIFTH THIRD BANK MMF 0.010% Due 09-27-15 | 100.00 | 7,812.50 |
| Total Contributions | | | | | | 7,812.50 |

Portfolio Summary

August 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 | 22,526,039 | 22,533,063.19 | 22,535,090.41 | 22,562,998.96 | 27,908.55 | 0.77 | 1.52 | 1.52 | 1.45 | BofA Merrill 0-3 Treasury |
| TOTAL PORTFOLIO | 22,526,039 | 22,533,063.19 | 22,535,090.41 | 22,562,998.96 | 27,908.55 | 0.77 | 1.52 | 1.52 | 1.45 | |

Portfolio Holdings

City of Franklin

August 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 | 100.1784 | 0.44 | 2,504,460.00 | 679.35 | 2,505,139.35 | 4,420.79 | 11.1 | 0.95 | 0.95 |
| 912828WA4 | 2,500,000 | UNITED STATES TREAS NTS 0.625% Due 10-15-16 | | 03-27-14 | 99.91 | 0.70 | 100.1706 | 0.47 | 2,504,265.00 | 5,891.39 | 2,510,156.39 | 6,416.93 | 11.1 | 1.12 | 1.12 |
| 912828A59 | 2,500,000 | UNITED STATES TREAS NTS 0.625% Due 12-15-16 | | 12-18-13 | 99.98 | 0.64 | 100.0938 | 0.55 | 2,502,345.00 | 3,287.23 | 2,505,632.23 | 2,724.02 | 11.1 | 1.28 | 1.28 |
| 912828SC5 | 2,500,000 | UNITED STATES TREAS NTS 0.875% Due 01-31-17 | | 03-27-14 | 100.04 | 0.84 | 100.3919 | 0.60 | 2,509,797.50 | 1,842.73 | 2,511,640.23 | 8,726.39 | 11.1 | 1.41 | 1.41 |
| 912828J92 | 2,500,000 | UNITED STATES TREAS NTS 0.500% Due 03-31-17 | | 07-24-15 | 99.84 | 0.60 | 99.8034 | 0.63 | 2,495,085.00 | 5,225.41 | 2,500,310.41 | -863.48 | 11.1 | 1.57 | 1.57 |
| 912828XF2 | 2,500,000 | UNITED STATES TREAS NTS 1.125% Due 06-15-18 | | 08-18-15 | 100.29 | 1.02 | 100.2747 | 1.02 | 2,506,867.50 | 5,917.01 | 2,512,784.51 | -371.56 | 11.1 | 2.73 | 2.74 |
| | 15,000,000 | | | | | 0.74 | | 0.62 | 15,022,820.00 | 22,843.12 | 15,045,663.12 | 21,053.09 | 66.6 | 1.51 | 1.51 |
| US Agency Bullet | | | | | | | | | | | | | | | |
| 313380L96 | 2,500,000 | FEDERAL HOME LOAN BANKS 0.500% Due 11-20-15 | | 07-11-13 | 100.00 | 0.51 | 100.0854 | 0.11 | 2,502,135.00 | 3,506.94 | 2,505,641.94 | 2,190.15 | 11.1 | 0.22 | 0.22 |
| 3137EADJ5 | 2,500,000 | FEDERAL HOME LN MTG CORP 1.000% Due 07-28-17 | | 12-18-13 | 100.02 | 0.99 | 100.2690 | 0.86 | 2,506,725.00 | 2,291.67 | 2,509,016.67 | 6,139.36 | 11.1 | 1.89 | 1.89 |
| 3130A5PE3 | 2,500,000 | FEDERAL HOME LOAN BANKS 1.125% Due 03-29-18 | | 07-24-15 | 100.27 | 1.02 | 100.2112 | 1.04 | 2,505,280.00 | 5,937.50 | 2,511,217.50 | -1,474.05 | 11.1 | 2.53 | 2.53 |
| | 7,500,000 | | | | | 0.84 | | 0.67 | 7,514,140.00 | 11,736.11 | 7,525,876.11 | 6,855.46 | 33.3 | 1.55 | 1.55 |
| Money Market Fund | | | | | | | | | | | | | | | |
| 0000FIFTH | 26,039 | FIFTH THIRD BANK MMF 0.010% Due 09-27-15 | | 12-31-14 | 100.00 | 0.01 | 100.0000 | 0.01 | 26,038.96 | 0.00 | 26,038.96 | 0.00 | 0.1 | 0.07 | 0.01 |
| TOTAL | 22,526,039 | | | | | 0.77 | | 0.63 | 22,562,998.96 | 34,579.23 | 22,597,578.19 | 27,908.55 | 100.0 | 1.52 | 1.52 |

MASTER EARNED INCOME REPORT

From 07-31-15 To 08-31-15

| Name | Beginning Accrued Interest | Purchased Interest | Sold Interest | Interest Received | Ending Accrued Interest | Earned Interest | Amortization/ Accretion | Earned Income |
|------------------|----------------------------------|-----------------------|------------------|----------------------|-------------------------------|--------------------|----------------------------|------------------|
| City of Franklin | 30,964.18 | 5,071.72 | -7,500.00 | -7,815.02 | 34,579.23 | 13,858.35 | 86.52 | 13,944.86 |
| TOTAL | 30,964.18 | 5,071.72 | -7,500.00 | -7,815.02 | 34,579.23 | 13,858.35 | 86.52 | 13,944.86 |



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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:

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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:

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