



GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account

2/29/2016

City of Franklin - Core Investment Fund

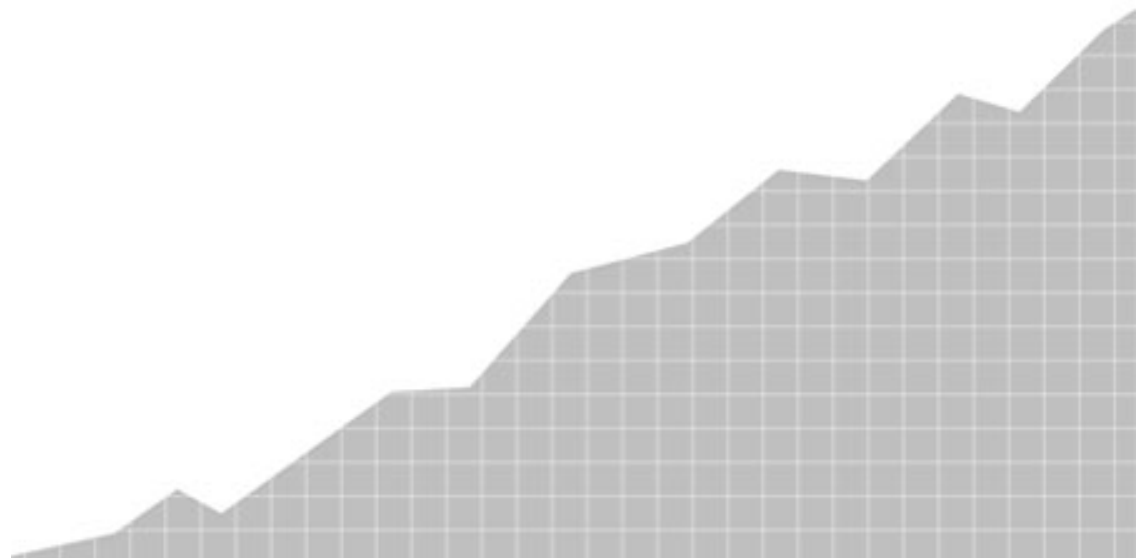




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MONTH END COMMENTARY – FEBRUARY 2016

Bond yields continued to drop for the second month of 2016. Concerns over global economic conditions, weaker domestic economic data and negative interest rates in Europe and Japan contributed to the flight to quality to U.S. Treasuries. Securities with maturities of two years and shorter increased in yields while longer securities declined. The yield curve has continued to flatten. The spread between two-year treasuries and five-year treasuries is down to 51 basis points vs. 88 basis points one year ago.

Fed Chair Yellen Congressional Testimony: Fed Chair Yellen testified for over three hours before the House Financial Services Committee on February 10, 2016. There were no surprises and the testimony fell in line with expectations. Highlights:

- The economy has made further progress toward the Fed's objective of maximum employment.
- While inflation is expected to remain low, in part because of further declines in energy prices, the FOMC expects that inflation will rise to its 2% objective.
- Yellen's top concerns are the strength of the U.S. dollar, the volatility in U.S. stocks and rising borrowing costs.
- The FOMC remains concerned about the global economy, "This uncertainty led to increased volatility in global financial markets, and, against the background of persistent weakness abroad, exacerbated concerns about the outlook for global growth," Yellen said.

Back in December, when the markets had their first rate hike, the expectation was for four additional rate hikes in 2016. Now, given the current environment, there is a question of whether the Fed will do one, let alone, multiple rate hikes in 2016. All eyes remain on employment and inflation. The next meeting of the Fed is March 16, 2016.

Non-farm Payrolls/Unemployment: One bright note for the month was the unemployment report that indicated stronger than anticipated wage growth. Hourly earnings rose 2.5% in the past year, exceeding forecasts. Total nonfarm payrolls grew 151,000, underperforming market expectations of 190,000. Average hourly earnings rose .5% from a month earlier, more than the .3% forecast. The year-over-year increase of 2.5% followed a 2.7% jump in the 12 months ended in December that was the biggest advance since 2009. The unemployment rate dropped from 5.0% 4.90%.

The Price of Oil: Oil reached its lowest level since 2003 at \$26.21 per barrel. The decline is causing energy companies' profits to drop, spooking investors about global growth. After China moved to boost its slowing economy, oil ended the month in positive territory.

Gold: Gold closed February with a gain of more than 10%, the most for any month in four years.

GDP: Real GDP (the value of goods and services produced by the nation's economy less the value of the goods and services used up in production), increased at an annual rate of 1% in the 4th quarter of 2015 according to the "second" estimate. In the 3rd quarter, real GDP increased 2%.

Housing Starts: U.S. Housing starts decreased by 3.8% to a three-month low seasonally adjusted annual rate of 1,099K compared to a downwardly revised 1,143K in the previous month and missed market expectations of an increase of 2.5%.

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

3month bill	.08
1 year note	.39
2 year note	.82
3 year note	1.78
5 year note	3.25

*Source: Bloomberg

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	.10%	1.35
BAML 0-5 Year Treasury	.20%	2.15
BAML 1-3 Year Treasury	.12%	1.80
BAML 1-5 Year Treasury	.24%	2.62

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

	02/28/15	01/31/16	02/29/16	Change in February	Change from Prior Year
3 month bill	.01	.31	.32	+.01	+.31
6 month bill	.07	.43	.47	+.04	+.40
2 year note	.62	.78	.78	Unch	+.16
3 year note	1.00	.97	.89	-.08	-.11
5 year note	1.50	1.33	1.21	-.12	-.29
10 year	1.99	1.92	1.74	-.18	-.25

*Source: Bloomberg



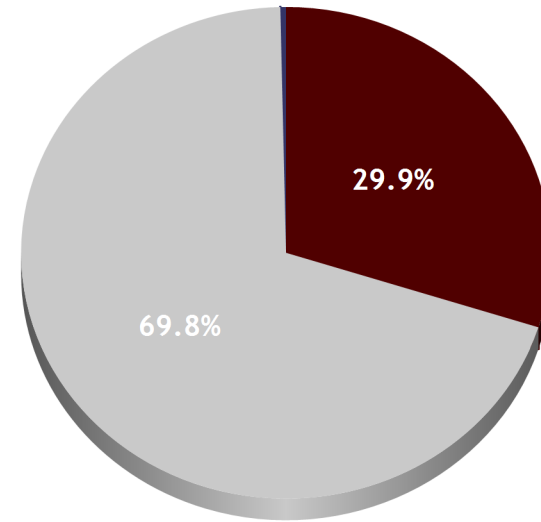
Weighted Averages

Book Yield	0.87
Maturity	1.54
Coupon	0.91
Moody	Aaa
S&P	AA+

Fixed Income Totals

Par Value	25,086,996
Market Value	25,171,988.04
Amortized Book Value	25,120,644.80
Unrealized Gain/Loss	51,343.24
Estimated Annual Cash Flow	228,133.70

Fixed Income Allocation



Security Type	Market Value	% Fixed Income	% Assets
US Agency (USD)	7,527,157.50	29.9	29.9
US Treasury (USD)	17,557,835.00	69.8	69.8
Bank Deposit (USD)	86,995.54	0.3	0.3
Fixed Income Total	25,171,988.04	100.0	100.0

Portfolio Summary

February 29, 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	25,086,996	25,122,818.99	25,120,644.80	25,171,988.04	51,343.24	0.87	1.51	1.51	1.35	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	25,086,996	25,122,818.99	25,120,644.80	25,171,988.04	51,343.24	0.87	1.51	1.51	1.35	

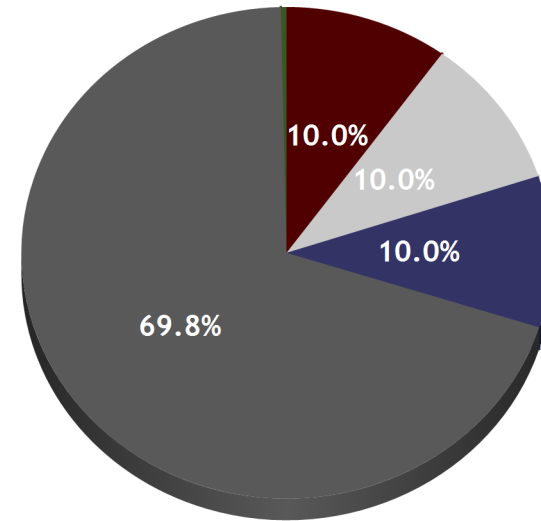


Total Return For Period

Since 1/31/2016

Beginning Principal Value	25,148,782.15
Beginning Accrued Interest	51,916.05
Net Contributions/Withdrawals	10,937.50
Market Value Change	4,452.50
Interest Earnings	17,969.80
Ending Principal Value	25,171,988.04
Accrued Interest	62,069.96
Total Return	22,422.30
Advisory Fees for Period	-2,083.33
Net Total Return	20,338.97

Portfolio Allocation as of 2/29/2016



Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	2,510,110.00	10.0	1.0
FEDERAL HOME LOAN BANKS	2,510,255.00	10.0	1.0
FEDERAL HOME LN MTG CORP	2,506,792.50	10.0	1.0
UNITED STATES TREAS NTS	17,557,835.00	69.8	0.8
FIFTH THIRD BK CINCINNATI STN	86,995.54	0.3	0.0
Total	25,171,988.04	100.0	0.9



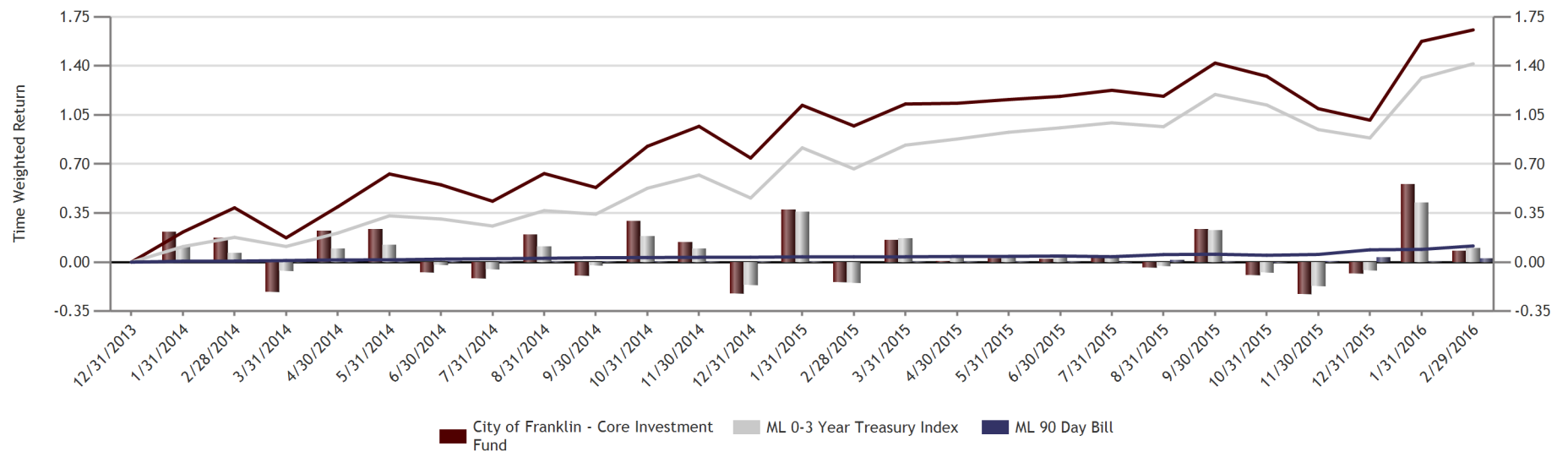
Performance History

Portfolio	Month To Date	Quarter To Date	Fiscal Year To Date	Latest 1 Year	Inception To Date
Account	0.08	0.64	0.64	0.68	1.66

Index

ML 0-3 Year Treasury Index	0.10	0.52	0.52	0.74	1.41
ML 90 Day Bill	0.02	0.03	0.03	0.08	0.12

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

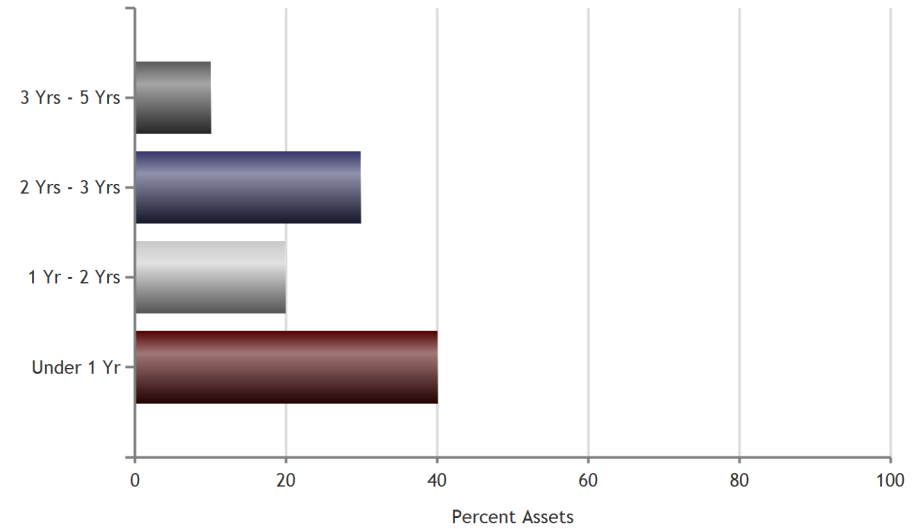




Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	5	10,091,900.54	40.1	0.7	0.682%	0.7
1 Yr - 2 Yrs	2	5,001,030.00	19.9	0.7	0.751%	1.2
2 Yrs - 3 Yrs	3	7,537,357.50	29.9	1.1	1.125%	2.3
3 Yrs - 5 Yrs	1	2,541,700.00	10.1	1.5	1.500%	3.0

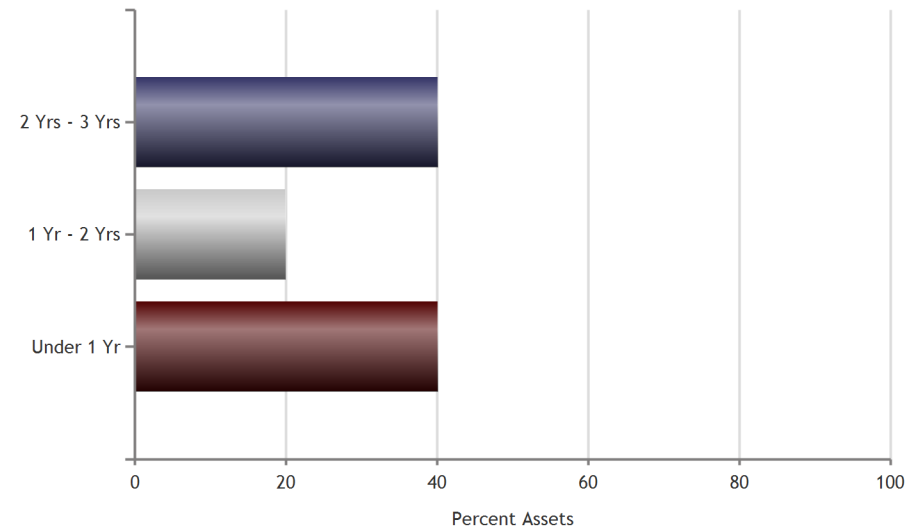
Distribution by Maturity



Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	5	10,091,900.54	40.1	0.7	0.682%	0.7
1 Yr - 2 Yrs	2	5,001,030.00	19.9	0.7	0.751%	1.2
2 Yrs - 3 Yrs	4	10,079,057.50	40.0	1.2	1.220%	2.5

Distribution by Duration

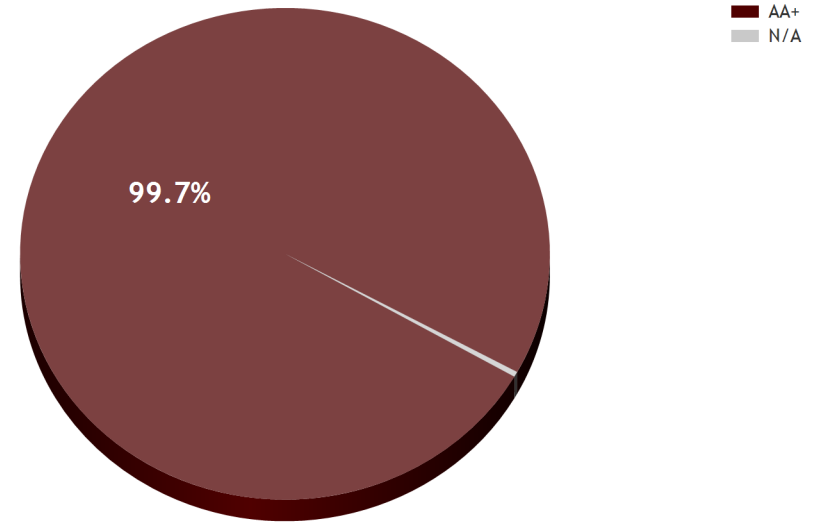




Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	10	25,084,992.50	99.7	0.9	0.914%	2.7
N/A	1	86,995.54	0.3	0.0	0.010%	0.1

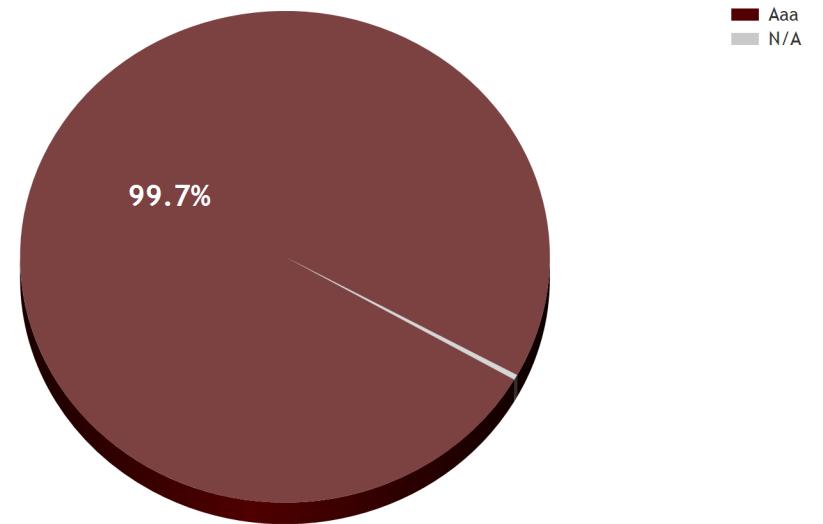
Distribution by S&P Rating

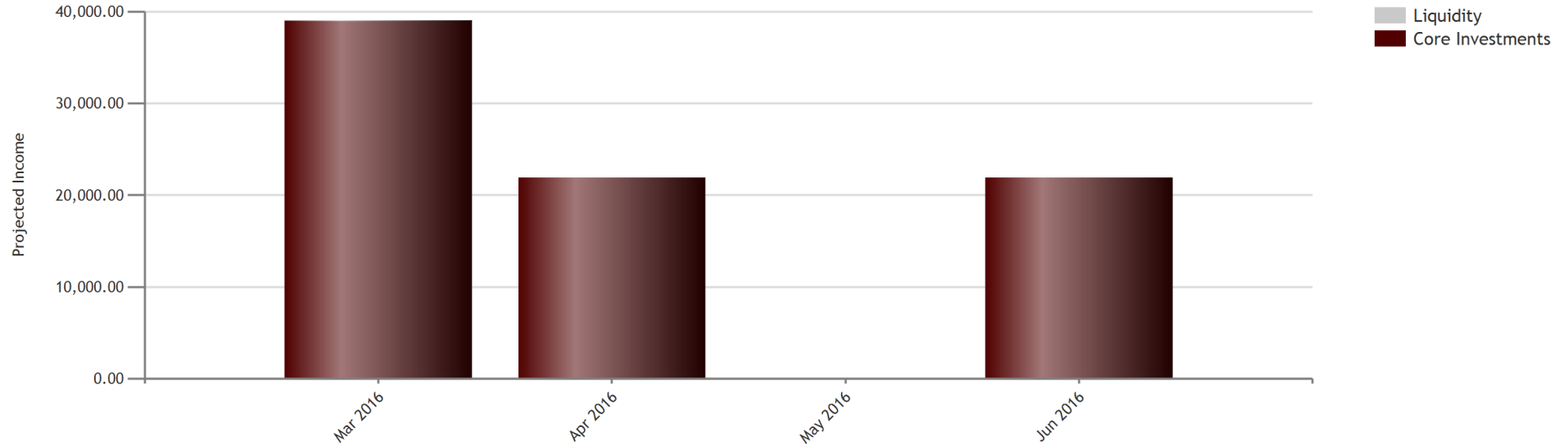


Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	10	25,084,992.50	99.7	0.9	0.914%	2.7
N/A	1	86,995.54	0.3	0.0	0.010%	0.1

Distribution by Moody Rating





	Mar 2016	Apr 2016	May 2016	Jun 2016
Core Investments	39,062.50	21,875.00	0.00	21,875.00
US Agency (USD)	14,062.50	14,062.50	0.00	0.00
US Treasury (USD)	25,000.00	7,812.50	0.00	21,875.00
Liquidity	0.72	0.00	0.00	0.00
Bank Deposit (USD)	0.72	0.00	0.00	0.00
Total	39,063.22	21,875.00	0.00	21,875.00
Grand Total	82,813.22			



Purchases

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost
2/29/2016	2/29/2016	86,996	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 03-28-16	100.00	86,996
Total Purchases						86,996

Sales

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost	Amort. or Accretion	Unit Price	Proceeds	Gain/Loss
2/1/2016	2/1/2016	68,242	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 03-28-16	100.00	68,242		100.00	68,242	0
Total Sales						68,242			68,242	0

Interest

Trade Date	Settle Date	Symbol	Security	Amount
2/1/2016	2/1/2016	cash	CASH ACCOUNT	3
2/15/2016	2/16/2016	912828VR8	UNITED STATES TREAS NTS 0.625% Due 08-15-16	7,813
Total Interest				7,816

Expenses

Trade Date	Settle Date	Symbol	Security	Amount
2/29/2016	2/29/2016	manfee	Management Fee	2,083
Total Expenses				2,083

Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
2/1/2016	2/1/2016		cash	CASH ACCOUNT		10,938
Total Contributions						10,938

Portfolio Holdings

City of Franklin - Core Investment Fund

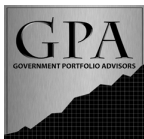
February 29, 2016

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	100.0517	0.51	2,501,292.50	600.96	2,501,893.46	1,273.75	9.9	0.46	0.46
912828WA4	2,500,000	UNITED STATES TREAS NTS 0.625% Due 10-15-16		03-27-14	99.95	0.70	100.0195	0.59	2,500,487.50	5,848.70	2,506,336.20	1,683.62	9.9	0.62	0.62
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	99.99	0.64	99.9609	0.67	2,499,022.50	3,244.54	2,502,267.04	-745.07	9.9	0.79	0.79
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.03	0.84	100.1641	0.70	2,504,102.50	1,742.79	2,505,845.29	3,408.45	9.9	0.91	0.92
912828J92	2,500,000	UNITED STATES TREAS NTS 0.500% Due 03-31-17		07-24-15	99.89	0.60	99.7695	0.71	2,494,237.50	5,191.26	2,499,428.76	-2,986.83	9.9	1.08	1.07
912828XF2	2,500,000	UNITED STATES TREAS NTS 1.125% Due 06-15-18		08-18-15	100.24	1.02	100.6797	0.82	2,516,992.50	5,840.16	2,522,832.66	11,045.01	10.0	2.26	2.26
912828SN1	2,500,000	UNITED STATES TREAS NTS 1.500% Due 03-31-19		11-16-15	100.61	1.30	101.6680	0.95	2,541,700.00	15,573.77	2,557,273.77	26,384.67	10.1	2.99	3.00
	17,500,000					0.82		0.71	17,557,835.00	38,042.18	17,595,877.18	40,063.60	69.8	1.31	1.31
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	100.2717	0.81	2,506,792.50	2,152.78	2,508,945.28	6,359.89	10.0	1.40	1.40
3130A5PE3	2,500,000	FEDERAL HOME LOAN BANKS 1.125% Due 03-29-18		07-24-15	100.22	1.02	100.4102	0.93	2,510,255.00	11,718.75	2,521,973.75	4,805.90	10.0	2.05	2.04
3135G0E58	2,500,000	FEDERAL NATL MTG ASSN 1.125% Due 10-19-18		10-06-15	100.40	0.97	100.4044	0.97	2,510,110.00	10,156.25	2,520,266.25	113.85	10.0	2.58	2.58
	7,500,000					0.99		0.90	7,527,157.50	24,027.78	7,551,185.28	11,279.63	29.9	2.01	2.01
Money Market Fund															
0000FIFTH	86,996	FIFTH THIRD BANK MMF 0.010% Due 03-28-16		02-29-16	100.00	0.01	100.0000	0.01	86,995.54	0.00	86,995.54	0.00	0.3	0.08	0.01

Portfolio Holdings

City of Franklin - Core Investment Fund
February 29, 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
TOTAL	25,086,996					0.87		0.76	25,171,988.04	62,069.96	25,234,058.00	51,343.24	100.0	1.51	1.51



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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:

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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.

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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.