

GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account

3/31/2016

City of Franklin - Core Investment Fund

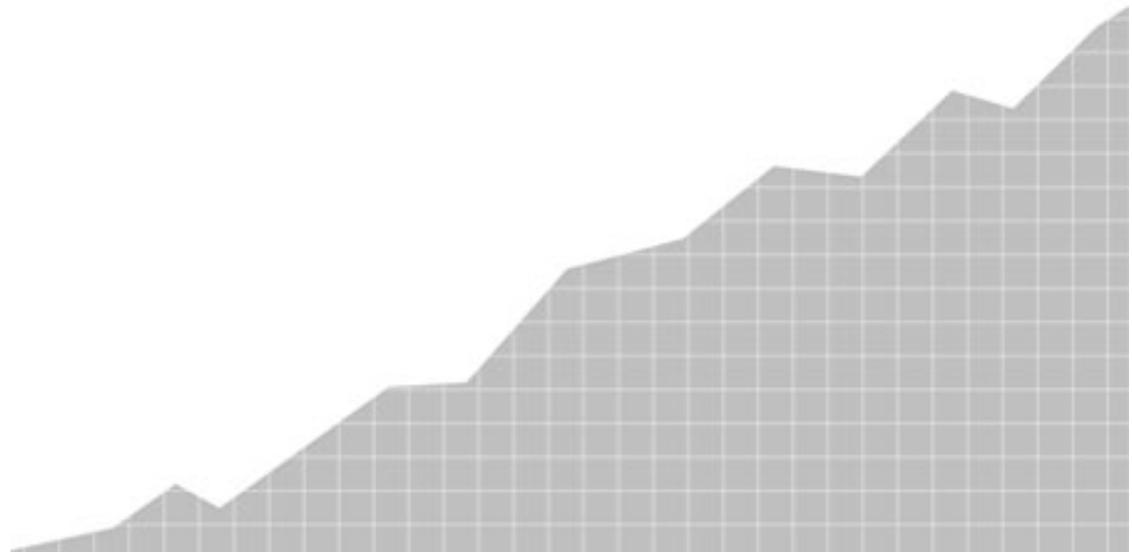




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MONTH END COMMENTARY – MARCH 2016

Bond yields for securities with five years and less to maturity fell in March and had one of their strongest performances in the past four years. Stocks also rallied strongly. Weak economic reports combined with a modified stance by the Fed contributed to the decline in U.S. interest rates. The domestic stock market had its strongest performance since October of 2015.

FOMC: The Fed retained the current Fed Funds target rate of .25 to .50 by a 9-1 vote. This was an expected decision and was no surprise for the bond market, however, yields did drop slightly after the Fed announcement. While the Fed mentioned the strength in the labor market, “A range of recent indicators, including strong job gains, point to additional strengthening of the labor market,” they did lower the forecast for 2016 inflation from 1.6% to 1.45. Other meeting highlights:

- Fed officials backtracked on their December projections of future rate increases, the consensus is for two more increases in 2016, not four.
- The Central Bank is pleased with the way the U.S. economy has held up against the global and financial shocks endured during the start of the year but clearly concerned about the risks associated with the slowing global economy and domestic stock market turbulence.
- Fed Chair Yellen summarized the statement by saying, “As we indicated in our statement, the Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the Federal Funds rate.”

Fed Chair Janet Yellen has repeatedly said that the FOMC forecast should not be construed as a preset plan. As always, policy decisions will be data dependent. If economic conditions evolve in line with the Fed’s expectations, the plan will likely go forward. If the opposite occurs, the Fed will likely hold back again. The next meeting of the Fed is April 27, 2016. In a speech before the New York Economics Club, both bonds and stocks rallied after the Fed Chairwoman said, “Given the risks to the outlook, I consider it appropriate for the Committee to proceed cautiously in adjusting policy.”

Non-farm Payrolls/Unemployment: Total nonfarm payroll employment increased by 242,000, higher than an upwardly revised 172,000 in the previous month and beating market expectations of 190,000. Employment gains occurred in health care and social assistance, retail trade, food services and drinking places, and private educational services. Job losses continued in mining. The unemployment rate remains unchanged at 4.90%.

Inflation: The core inflation rate, which excludes food and energy prices, increased by .3% for the second consecutive month. That marks the first time the core CPI delivered back-to-back increases of .3% or more in fifteen 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 1.4% in the 4th quarter of 2015 according to the “third” estimate. This is up from the last estimate of an increase of 1%. In the 3rd quarter, real GDP increased 2%.

Housing Starts: U.S. Housing starts climbed 5.2% to a 1.18MM annualized rate from a 1.12MM pace the prior month. The median forecast was 1.15MM. New-home construction rose more than economists forecast, led by the strongest single-family building in more than eight years.

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

3month bill	.12
1 year note	.47
2 year note	.71
3 year note	1.40
5 year note	2.40

*Source: Bloomberg

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	.11%	1.35
BAML 0-5 Year Treasury	.12%	2.15
BAML 1-3 Year Treasury	.12%	1.80
BAML 1-5 Year Treasury	.12%	2.62

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

	03/31/15	02/29/16	03/31/16	Change in March	Change from Prior Year
3 month bill	.02	.32	.20	-.12	+.18
6 month bill	.14	.47	.38	-.09	+.26
2 year note	.56	.78	.72	-.06	+.22
3 year note	.88	.89	.85	-.04	+.05
5 year note	1.37	1.21	1.21	unch	-.08
10 year	1.92	1.74	1.77	+.03	-.08

*Source: Bloomberg



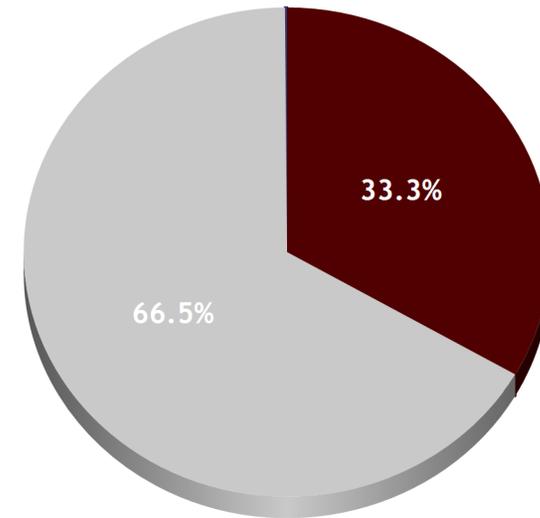
Weighted Averages

Book Yield	0.94
Maturity	1.78
Coupon	0.94
Moody	Aaa
S&P	AA+

Fixed Income Totals

Par Value	30,039,070
Market Value	30,160,140.44
Amortized Book Value	30,038,460.61
Unrealized Gain/Loss	121,679.83
Estimated Annual Cash Flow	281,253.91

Fixed Income Allocation



Security Type	Market Value	% Fixed Income	% Assets
US Agency (USD)	10,053,415.00	33.3	33.3
US Treasury (USD)	20,067,655.00	66.5	66.5
Bank Deposit (USD)	39,070.44	0.1	0.1
Fixed Income Total	30,160,140.44	100.0	100.0

Portfolio Summary

March 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	30,039,070	30,041,018.42	30,038,460.61	30,160,140.44	121,679.83	0.94	1.75	1.75	1.35	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	30,039,070	30,041,018.42	30,038,460.61	30,160,140.44	121,679.83	0.94	1.75	1.75	1.35	



Cost Basis Summary

	Month End Ending 3/31/2016
Beginning Amortized Cost	25,120,644.80
Investment Purchases	5,005,194.97
Investment Maturities/Sells/Calls	(86,995.54)
Amortization	(383.62)
Net Principal Deposit or Withdrawal	0.00
Realized Gains / Losses	0.00
Ending Amortized Costs	30,038,460.61

Accrual Earnings Summary

	Month End Ending 3/31/2016
Amortization/Accretion	(383.62)
Interest Earned	22,184.80
Realized Gain (Loss)	0.00
Total Income	21,801.18
Average Portfolio Balance	27,918,838.38
Earnings Yield	0.92%

Market Value Summary

	As of 3/31/2016
Ending Market Value	30,160,140.44
Unrealized Gain/Loss	121,679.83

Interest Earnings Summary

	Month End Ending 3/31/2016
Beginning Accrued Interest	62,069.96
Coupons Paid	39,070.06
Purchased Accrued Interest	(16,646.63)
Sold Accrued Interest	0.00
Ending Accrued Interest	61,831.33
Interest Earned	22,184.80

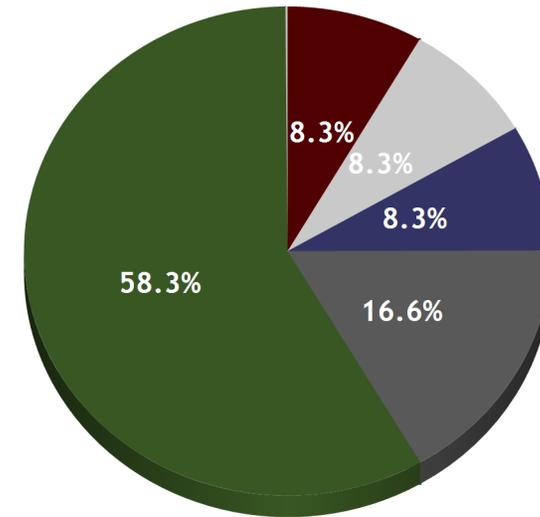


Total Return For Period

Since 2/29/2016

Beginning Principal Value	25,171,988.04
Beginning Accrued Interest	62,069.96
Net Contributions/Withdrawals	4,895,776.00
Market Value Change	69,952.97
Interest Earnings	22,184.80
Ending Principal Value	30,160,140.44
Accrued Interest	61,831.33
Total Return	92,137.77
Advisory Fees for Period	-2,083.34
Net Total Return	90,054.43

Portfolio Allocation as of 3/31/2016



Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	2,517,427.50	8.3	1.0
US TREASURY	2,494,042.50	8.3	1.2
FEDERAL HOME LOAN BANKS	2,516,192.50	8.3	1.0
FEDERAL HOME LN MTG CORP	5,019,795.00	16.6	1.2
UNITED STATES TREAS NTS	17,573,612.50	58.3	0.8
FIFTH THIRD BK CINCINNATI STN	39,070.44	0.1	0.0
Total	30,160,140.44	100.0	0.9



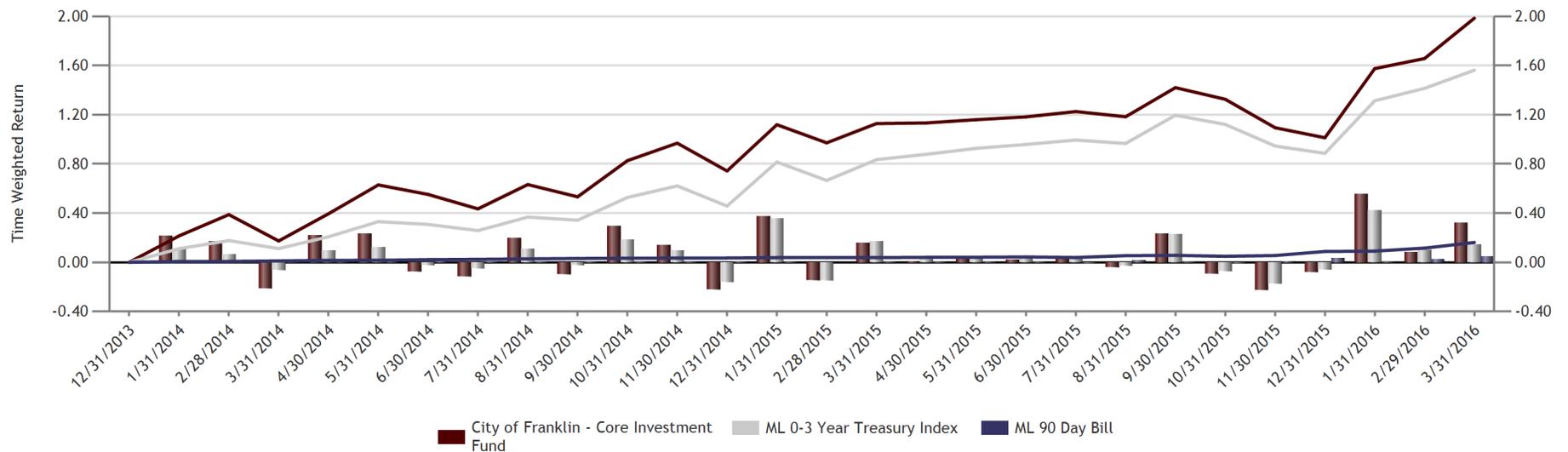
Performance History

Portfolio	Month To Date	Quarter To Date	Fiscal Year To Date	Latest 1 Year	Inception To Date
Account	0.32	0.96	0.96	0.85	1.98

Index

ML 0-3 Year Treasury Index	0.15	0.67	0.67	0.72	1.56
ML 90 Day Bill	0.05	0.07	0.07	0.12	0.16

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

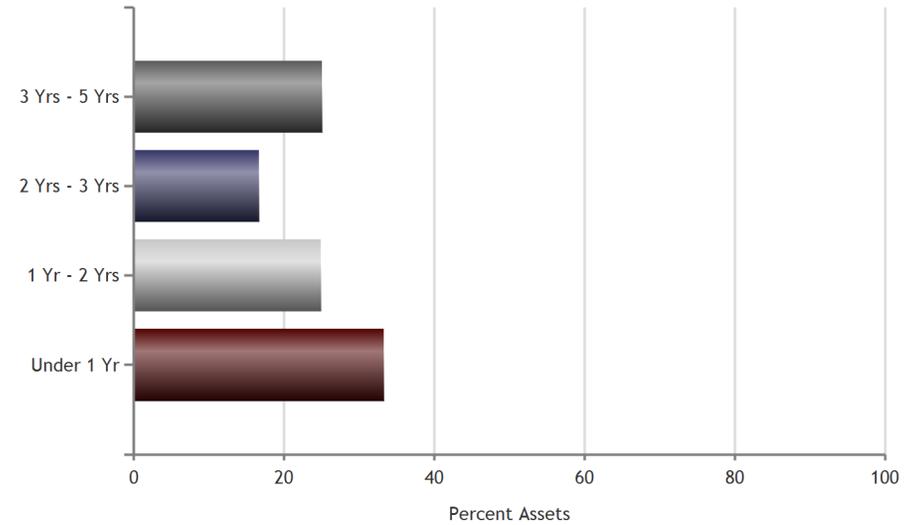




Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	5	10,050,572.94	33.3	0.7	0.685%	0.6
1 Yr - 2 Yrs	3	7,522,295.00	24.9	0.9	0.876%	1.4
2 Yrs - 3 Yrs	2	5,036,177.50	16.7	1.1	1.125%	2.3
3 Yrs - 5 Yrs	3	7,551,095.00	25.0	1.2	1.210%	3.2

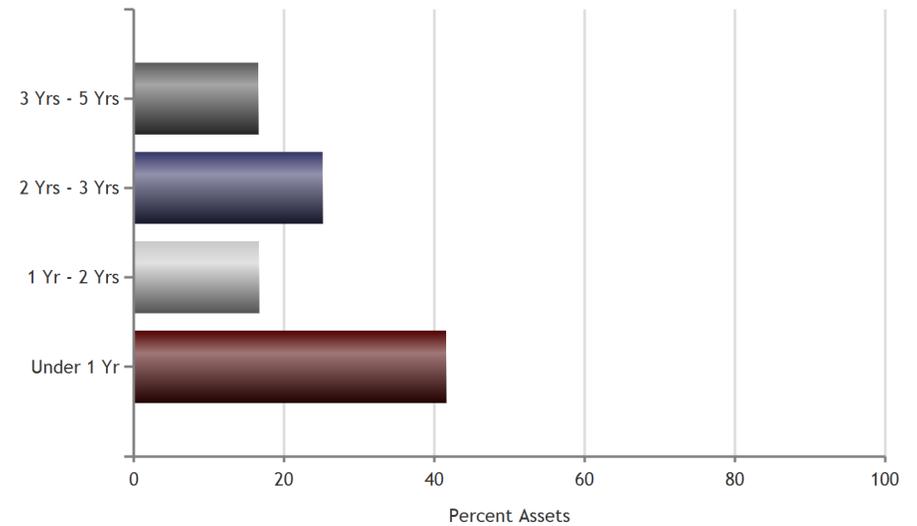
Distribution by Maturity



Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	6	12,547,642.94	41.6	0.6	0.648%	0.7
1 Yr - 2 Yrs	2	5,025,225.00	16.7	1.1	1.063%	1.6
2 Yrs - 3 Yrs	3	7,582,467.50	25.1	1.2	1.251%	2.5
3 Yrs - 5 Yrs	2	5,004,805.00	16.6	1.1	1.063%	3.3

Distribution by Duration

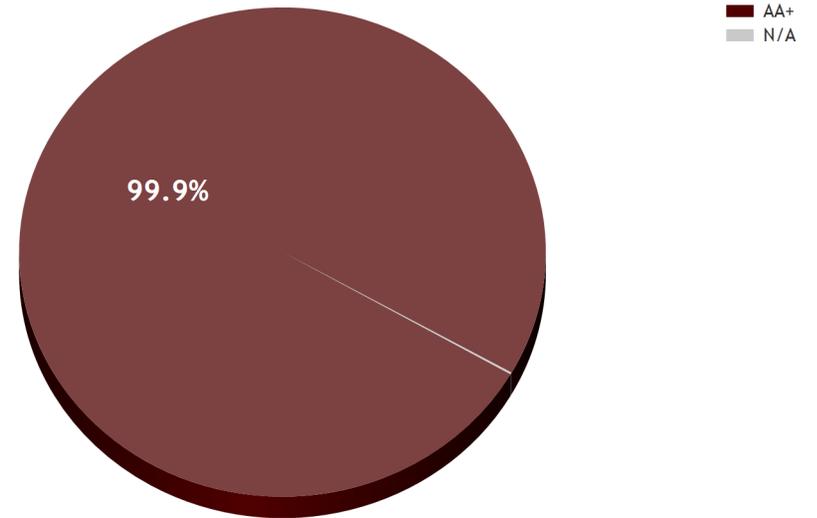




Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	12	30,121,070.00	99.9	0.9	0.939%	2.8
N/A	1	39,070.44	0.1	0.0	0.010%	0.1

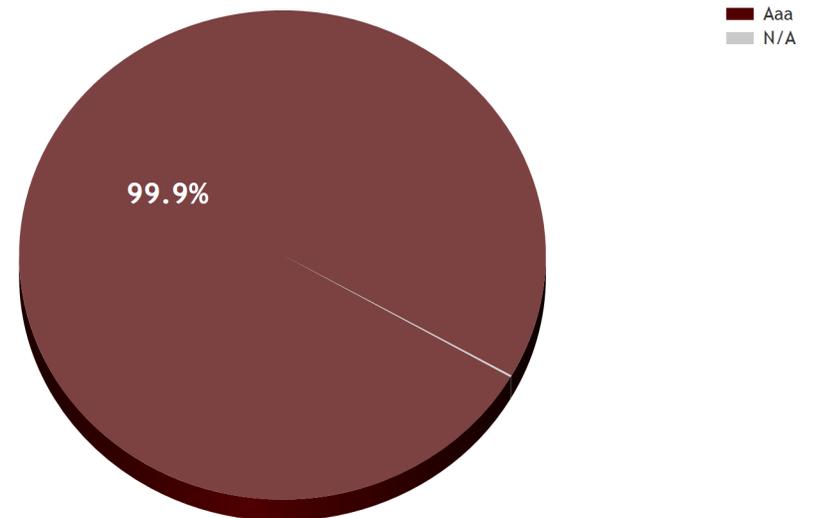
Distribution by S&P Rating



Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	12	30,121,070.00	99.9	0.9	0.939%	2.8
N/A	1	39,070.44	0.1	0.0	0.010%	0.1

Distribution by Moody Rating

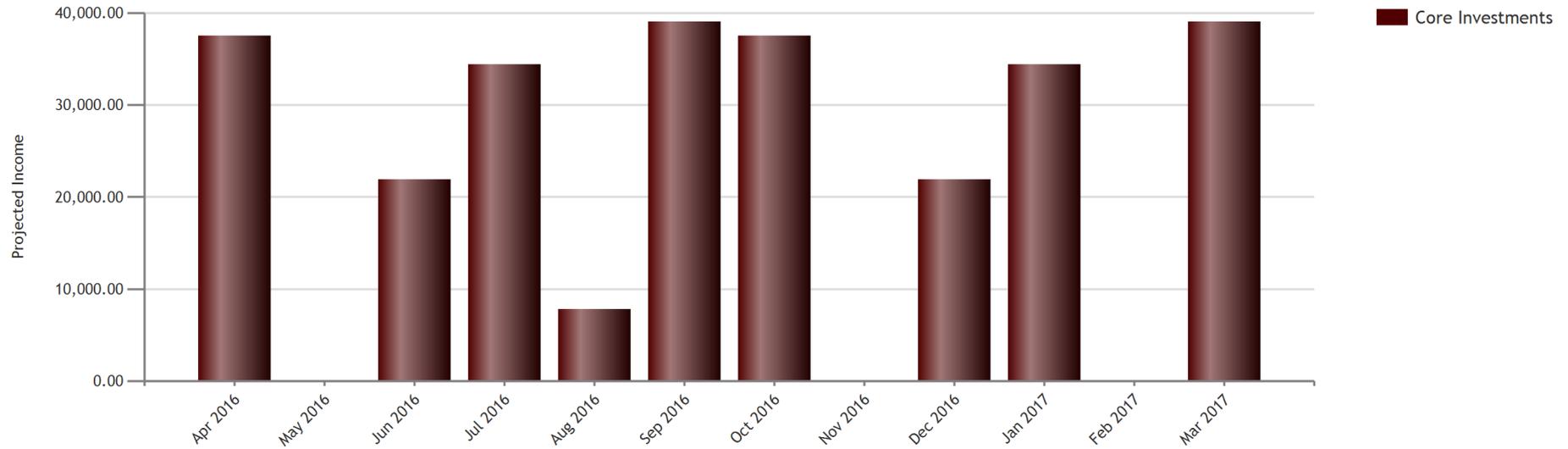




Coupon Cash Flow Projection

City of Franklin - Core Investment Fund

4/1/2016 - 3/31/2017



	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017
Core Investments	37,500.00	0.00	21,875.00	34,375.00	7,812.50	39,062.50	37,500.00	0.00	21,875.00	34,375.00	0.00	39,062.50
US Agency (USD)	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	0.00	14,062.50
US Treasury (USD)	7,812.50	0.00	21,875.00	21,875.00	7,812.50	25,000.00	7,812.50	0.00	21,875.00	21,875.00	0.00	25,000.00
Total	37,500.00	0.00	21,875.00	34,375.00	7,812.50	39,062.50	37,500.00	0.00	21,875.00	34,375.00	0.00	39,062.50
Grand Total	273,437.50											



Purchases

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost
3/10/2016	3/14/2016	2,500,000	3137EADM8	FEDERAL HOME LN MTG CORP 1.250% Due 10-02-19	99.72	2,492,980
3/10/2016	3/14/2016	2,500,000	912828TH3	UNITED STATES TREAS NTS 0.875% Due 07-31-19	98.93	2,473,145
3/31/2016	3/31/2016	39,070	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 04-28-16	100.00	39,070
Total Purchases						5,005,195

Sales

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost	Amort. or Accretion	Unit Price	Proceeds	Gain/Loss
3/1/2016	3/1/2016	86,996	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 04-28-16	100.00	86,996		100.00	86,996	0
Total Sales						86,996			86,996	0

Interest

Trade Date	Settle Date	Symbol	Security	Amount
3/1/2016	3/1/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 04-28-16	8
3/10/2016	3/14/2016	3137EADM8	FEDERAL HOME LN MTG CORP 1.250% Due 10-02-19	-14,063
3/10/2016	3/14/2016	912828TH3	UNITED STATES TREAS NTS 0.875% Due 07-31-19	-2,584
3/29/2016	3/29/2016	3130A5PE3	FEDERAL HOME LOAN BANKS 1.125% Due 03-29-18	14,063
3/31/2016	3/31/2016	912828J92	UNITED STATES TREAS NTS 0.500% Due 03-31-17	6,250
3/31/2016	3/31/2016	912828SN1	UNITED STATES TREAS NTS 1.500% Due 03-31-19	18,750
Total Interest				22,423



Expenses

Trade Date	Settle Date	Symbol	Security	Amount
3/31/2016	3/31/2016	manfee	Management Fee	2,083
Total Expenses				2,083

Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
3/15/2016	3/15/2016		cash	CASH ACCOUNT		4,895,776
Total Contributions						4,895,776

Portfolio Holdings

City of Franklin - Core Investment Fund

March 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	100.0889	0.39	2,502,222.50	1,931.66	2,504,154.16	2,207.24	8.3	0.38	0.37
912828WA4	2,500,000	UNITED STATES TREAS NTS 0.625% Due 10-15-16		03-27-14	99.96	0.70	100.0977	0.44	2,502,442.50	7,172.13	2,509,614.63	3,475.82	8.3	0.54	0.54
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	99.99	0.64	100.0508	0.55	2,501,270.00	4,567.96	2,505,837.96	1,477.50	8.3	0.70	0.70
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.03	0.84	100.2227	0.61	2,505,567.50	3,605.77	2,509,173.27	4,937.67	8.3	0.83	0.83
912828J92	2,500,000	UNITED STATES TREAS NTS 0.500% Due 03-31-17		07-24-15	99.90	0.60	99.8828	0.62	2,497,070.00	0.00	2,497,070.00	-371.64	8.3	1.00	0.99
912828XF2	2,500,000	UNITED STATES TREAS NTS 1.125% Due 06-15-18		08-18-15	100.23	1.02	100.7500	0.78	2,518,750.00	8,222.34	2,526,972.34	13,022.51	8.4	2.17	2.17
912828SN1	2,500,000	UNITED STATES TREAS NTS 1.500% Due 03-31-19		11-16-15	100.60	1.30	101.8516	0.87	2,546,290.00	0.00	2,546,290.00	31,395.26	8.4	2.93	2.93
912828TH3	2,500,000	UNITED STATES TREAS NTS 0.875% Due 07-31-19		03-10-16	98.94	1.20	99.7617	0.95	2,494,042.50	3,605.77	2,497,648.27	20,506.03	8.3	3.27	3.28
	20,000,000					0.87		0.65	20,067,655.00	29,105.63	20,096,760.63	76,650.38	66.5	1.48	1.48
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	100.3613	0.72	2,509,032.50	4,375.00	2,513,407.50	8,625.91	8.3	1.32	1.31
3130A5PE3	2,500,000	FEDERAL HOME LOAN BANKS 1.125% Due 03-29-18		07-24-15	100.21	1.02	100.6477	0.80	2,516,192.50	156.25	2,516,348.75	10,965.67	8.3	1.97	1.97
3135G0E58	2,500,000	FEDERAL NATL MTG ASSN 1.125% Due 10-19-18		10-06-15	100.39	0.97	100.6971	0.85	2,517,427.50	12,656.25	2,530,083.75	7,752.86	8.3	2.50	2.50
3137EADM8	2,500,000	FEDERAL HOME LN MTG CORP 1.250% Due 10-02-19		03-10-16	99.72	1.33	100.4305	1.12	2,510,762.50	15,538.19	2,526,300.69	17,685.01	8.3	3.40	3.41
	10,000,000					1.08		0.87	10,053,415.00	32,725.69	10,086,140.69	45,029.45	33.3	2.30	2.30

Portfolio Holdings

City of Franklin - Core Investment Fund

March 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	39,070	FIFTH THIRD BANK MMF 0.010% Due 04-28-16		03-31-16	100.00	0.01	100.0000	0.01	39,070.44	0.00	39,070.44	0.00	0.1	0.07	0.01
TOTAL	30,039,070					0.94		0.72	30,160,140.44	61,831.33	30,221,971.77	121,679.83	100.0	1.75	1.75



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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:

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.

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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.

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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.