GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account **1/31/2015**

City of Franklin

GOVERNMENT PORTFOLIO ADVISORS

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GOVERNMENT PORTFOLIO ADVISORS

MONTH END COMMENTARY - JANUARY 2015

Treasury prices posted the best start to a year since 1988 as a report showed the U.S. economy expanded at a slower-than-forecast rate in the fourth quarter and global investors sought higher-yielding U.S. securities. Also contributing to lower rates was a report by the Fed which took note of international economic weakness and repeated a pledge to stay "patient" on raising rates. Conventional wisdom continues to anticipate that the Fed will stay on track to begin raising the federal funds rate around midyear. The yield on the ten-year Treasury note dropped 53 basis points in January, the biggest decline in any January since 1988. The 30-year bond yield declined to an all-time low of 2.22%.

Non-farm Payrolls/Unemployment: Total nonfarm payroll employment increased by 252,000 in December. In 2014, job growth averaged 246,000 per month, compared with an average monthly gain of 194,000 in 2013. Employment increased in professional and business services, construction, food services and drinking places, health care, and manufacturing. The unemployment rate declined by .2 percentage point to 5.6% and the number of unemployed persons declined by 383,000 to 8.7million.

The European Central Bank: (ECB): As expected, the ECB announced its plan for securities purchases designed to stimulate the euro zone's economy. Following the lead of the U.S. Federal Reserve, the Bank of England and the Bank of Japan will begin their own quantitative easing (QE) plan. This plan includes purchasing 60 billion euros per month, beginning in March. The QE is slated to run through September 2016.

Asset Class Performance: Crude Oil continued its plunge, dropping another 9.9% during January. The Dow Jones had a negative return of 3.57%. Along with U.S. Treasuries, the big performers were U.S. REITs which returned 6.8% and the U.S. Dollar with a return of 5.0%.

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

3month bill	.03
1 year note	.27
2 year note	1.02
3 year note	1.54
5 year note	3.98

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	.36%	1.45
BAML 0-5 Year Treasury	.81%	2.24

*Source: Bloomberg

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

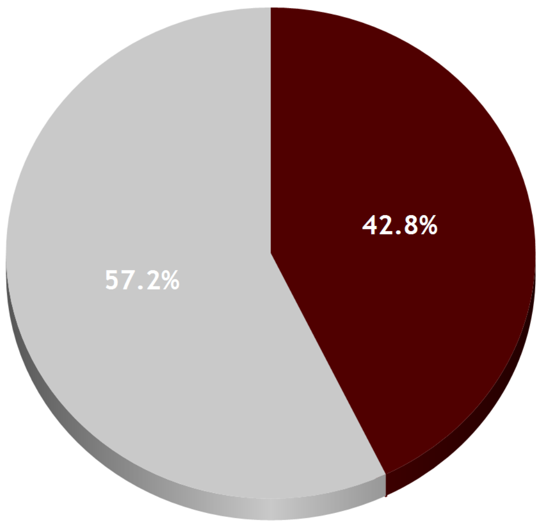
	01/31/14	12/31/14	01/31/15	Change in January	Change from Prior Year
3month bill	.03	.05	.005	-.045	-.025
6month bill	.06	.12	.05	-.07	-.01
2 year note	.33	.67	.45	-.22	+.12
3 year note	.67	1.07	.76	-.31	+.09
5 year note	1.49	1.65	1.16	-.49	-.33
10 year	2.65	2.17	1.64	-.77	-1.01

*Source: Bloomberg

Weighted Averages

Book Yield	0.71
Maturity	1.56
Coupon	0.69
Moody	Aaa
S&P	AA+

Fixed Income Allocation



Fixed Income Totals

Par Value	17,500,000.00
Market Value	17,577,332.19
Amortized Book Value	17,497,568.11
Unrealized Gain/Loss	79,764.08
Estimated Annual Cash Flow	121,250.00

Security Type	Market Value	% Assets
US Agency (USD)	7,530,847.50	42.8
US Treasury (USD)	10,046,484.69	57.2
Fixed Income Total	**17,577,332.19**	**100.0**

City of Franklin

Total Return Report

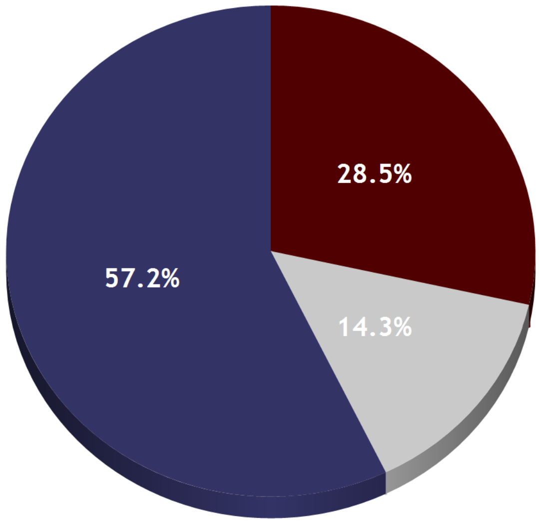
Net of Accrued Fees | US Dollar 12/31/2014 - 1/31/2015

Total Return for Period

	Since 12/31/2014
Beginning Principal Value	**17,518,830.00**
Beginning Accrued Interest	36,578.19
Net Contributions/Withdrawals	-23,437.50
Market Value Change	58,502.19
Interest Earnings	10,195.37
Ending Principal Value	**17,577,332.19**
Ending Accrued Interest	23,336.06
Net Total Return	**66,614.23**

Management Fees Paid By Client	-2,083.33

Portfolio Allocation



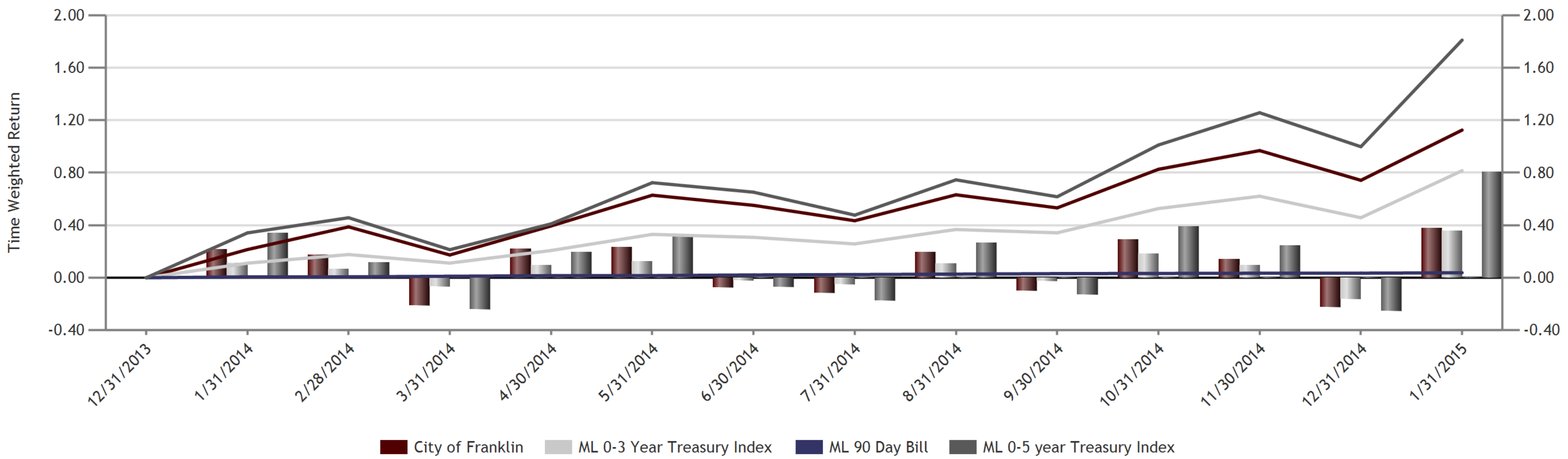
Issuer	Market Value	% Assets	Book Yield
FEDERAL HOME LOAN BANKS	5,011,487.50	28.5	0.6
FEDERAL HOME LN MTG CORP	2,519,360.00	14.3	1.0
UNITED STATES TREAS NTS	10,046,484.69	57.2	0.7
Total	**17,577,332.19**	**100.0**	**0.7**

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

Portfolio	Month To Date	Quarter To Date	Year To Date	Inception To Date
Account	**0.38**	**0.38**	**0.38**	**1.12**

Index				
ML 0-3 Year Treasury Index	0.36	0.36	0.36	0.82
ML 90 Day Bill	0.00	0.00	0.00	0.04
ML 0-5 year Treasury Index	0.80	0.80	0.80	1.81

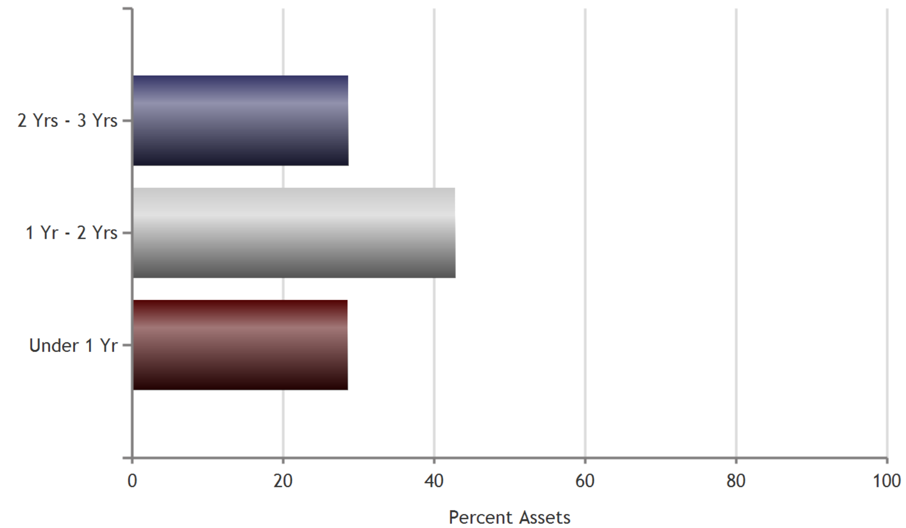
Time Weighted Return Inception (12/31/2013) to Date



Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Yr	2	5,011,487.50	28.5	0.2	0.550%	0.7
1 Yr - 2 Yrs	3	7,527,734.69	42.8	0.4	0.625%	1.7
2 Yrs - 3 Yrs	2	5,038,110.00	28.7	0.6	0.938%	2.2

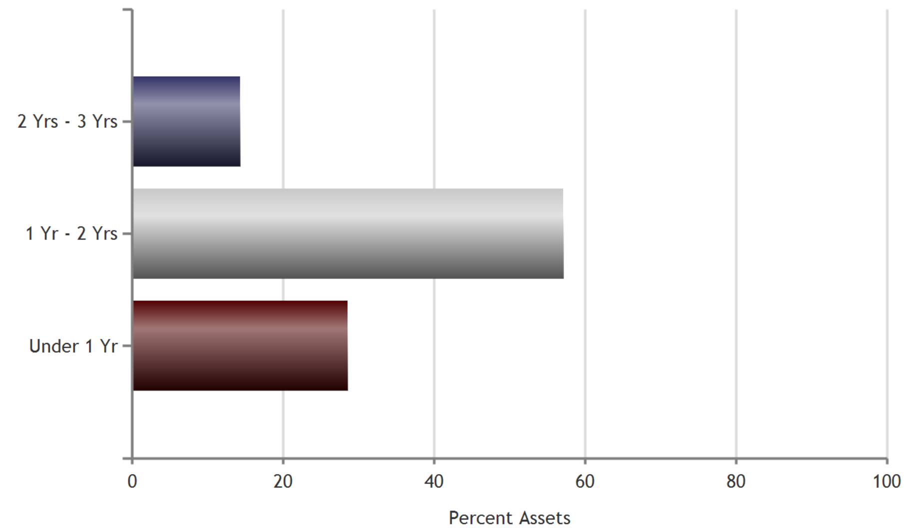
Distribution by Maturity



Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Yr	2	5,011,487.50	28.5	0.2	0.550%	0.7
1 Yr - 2 Yrs	4	10,046,484.69	57.2	0.4	0.688%	1.8
2 Yrs - 3 Yrs	1	2,519,360.00	14.3	0.7	1.000%	2.5

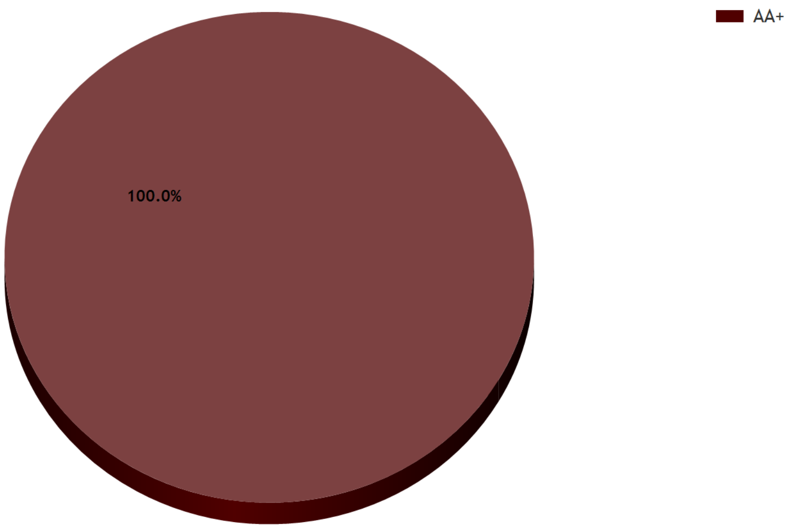
Distribution by Duration



Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	7	17,577,332.19	100.0	0.7	0.693%	2.8

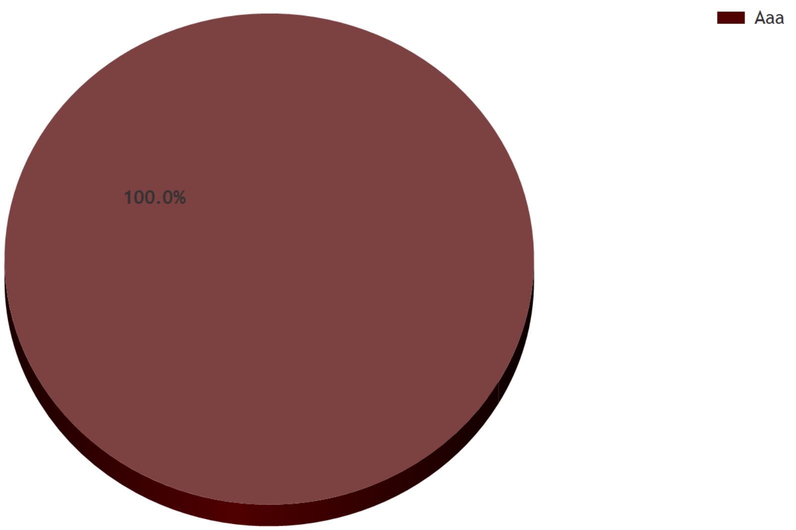
Distribution by S&P Rating

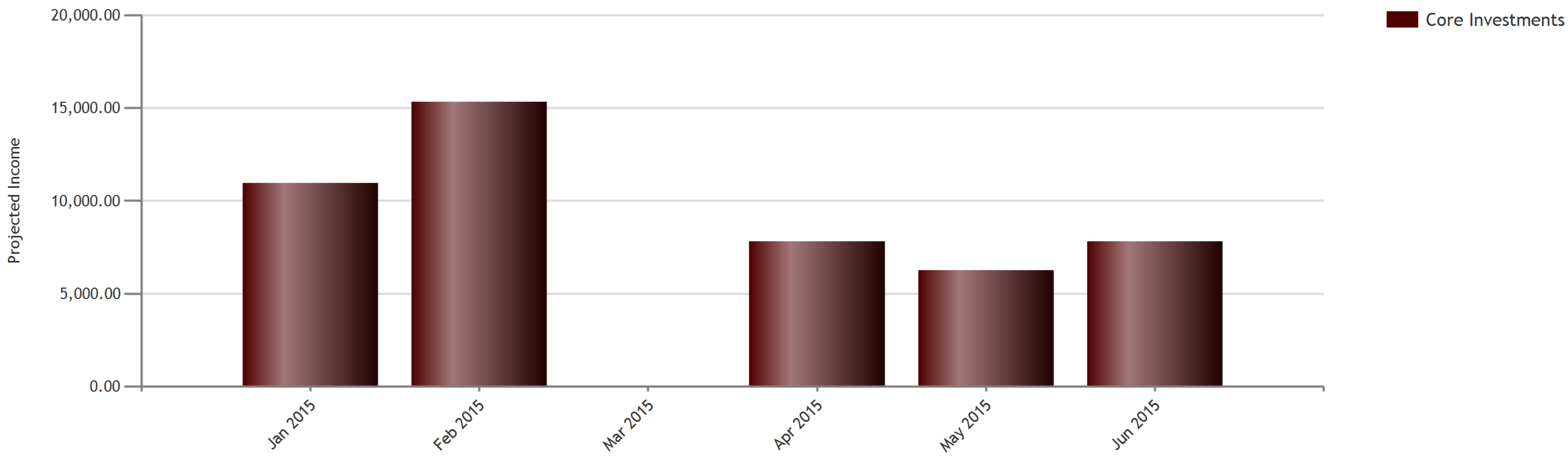


Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	7	17,577,332.19	100.0	0.7	0.693%	2.8

Distribution by Moody Rating





	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	
Core Investments	10,937.50	15,312.50	0.00	7,812.50	6,250.00	7,812.50	
US Agency (USD)	0.00	7,500.00	0.00	0.00	6,250.00	0.00	
US Treasury (USD)	10,937.50	7,812.50	0.00	7,812.50	0.00	7,812.50	
Total	**10,937.50**	**15,312.50**	**0.00**	**7,812.50**	**6,250.00**	**7,812.50**	
Grand Total							**48,125.00**

Interest

Trade Date	Settle Date	Symbol	Security	Amount
1/28/2015	1/28/2015	3137EADJ5	FEDERAL HOME LN MTG CORP 1.000% Due 07-28-17	12,500.00
1/31/2015	1/31/2015	912828SC5	UNITED STATES TREAS NTS 0.875% Due 01-31-17	10,937.50
Total Interest				**23,437.50**

Expenses

Trade Date	Settle Date	Symbol	Security	Amount
12/31/2014	1/22/2015	fees	exusfees	1,250.00
1/31/2015	1/31/2015	manfee	Management Fee	2,083.33
Total Expenses				**3,333.33**

Withdrawals

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
1/28/2015	1/28/2015		cash	CASH ACCOUNT		12,500.00
1/31/2015	1/31/2015		cash	CASH ACCOUNT		10,937.50
Total Withdrawals						**23,437.50**

Portfolio Characteristics

January 31, 2015

Portfolio Name	Par Amount	Total Original Cost	Total Adjusted Cost	Market Value	Yield At Cost	Mod Dur	Eff Dur	Bench Dur	Benchmark
City of Franklin	17,500,000	17,492,166.88	17,497,568.11	17,577,332.19	0.71	1.55	1.55	1.45	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	**17,500,000**	**17,492,166.88**	**17,497,568.11**	**17,577,332.19**	**0.71**	**1.55**	**1.55**	**1.45**	

Portfolio Holdings

City of Franklin

January 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	100.4219	0.35	2,510,547.50	7,175.61	2,517,723.11	10,484.45	14.3	1.53	1.52
912828WA4	2,500,000	UNITED STATES TREAS NTS 0.625% Due 10-15-16		03-27-14	99.87	0.70	100.3672	0.41	2,509,179.69	4,635.99	2,513,815.68	12,445.81	14.3	1.69	1.69
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	99.98	0.64	100.3203	0.45	2,508,007.50	2,017.51	2,510,025.01	8,557.45	14.3	1.86	1.85
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.06	0.84	100.7500	0.50	2,518,750.00	0.00	2,518,750.00	17,239.34	14.3	1.98	1.98
	10,000,000					0.70		0.43	10,046,484.69	13,829.11	10,060,313.80	48,727.05	57.2	1.76	1.76
US Agency Bullet															
313378CN9	2,500,000	FEDERAL HOME LOAN BANKS 0.600% Due 08-17-15		03-12-12	99.97	0.66	100.2319	0.17	2,505,797.50	6,833.33	2,512,630.83	6,552.82	14.3	0.55	0.53
313380L96	2,500,000	FEDERAL HOME LOAN BANKS 0.500% Due 11-20-15		07-11-13	99.99	0.51	100.2276	0.22	2,505,690.00	2,465.28	2,508,155.28	5,892.56	14.3	0.80	0.79
3137EADJ5	2,500,000	FEDERAL HOME LN MTG CORP 1.000% Due 07-28-17		12-18-13	100.03	0.99	100.7744	0.69	2,519,360.00	208.33	2,519,568.33	18,591.66	14.3	2.46	2.46
	7,500,000					0.72		0.36	7,530,847.50	9,506.94	7,540,354.44	31,037.03	42.8	1.27	1.26
TOTAL	**17,500,000**					**0.71**		**0.40**	**17,577,332.19**	**23,336.06**	**17,600,668.25**	**79,764.08**	**100.0**	**1.55**	**1.55**

Government Portfolio Advisors

MASTER EARNED INCOME REPORT

From 12-31-14 To 01-31-15

Name	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
City of Franklin	36,578.19	0.00	0.00	-23,437.50	23,336.06	10,195.37	235.53	10,430.90
TOTAL	**36,578.19**	**0.00**	**0.00**	**-23,437.50**	**23,336.06**	**10,195.37**	**235.53**	**10,430.90**

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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.

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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. These reports do not calculate the effective duration that incorporates callable bonds. GPA will provide this number in the strategic reports.

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