

GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account

8/31/2016

City of Franklin - Core Investment Fund

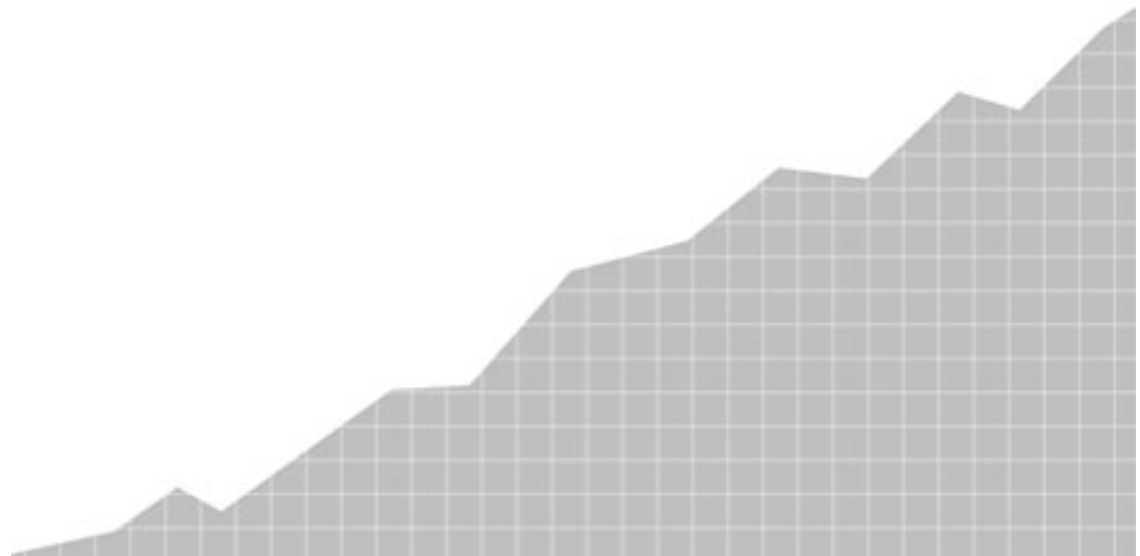




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MONTH END COMMENTARY – AUGUST 2016

Strong economic data coupled with more hawkish minutes from the Fed meeting combined for higher rates in August. The two-year Treasury note increased 15 basis points from .66% at the end of July to .81% at the end of August. Five year U.S. Treasuries also suffered a loss with the yield increasing from 1.02% at the end of July to 1.20% in August. In addition to data strength and hawkish Fed minutes, the possibility of a rate hike was mentioned by Fed Chair Yellen during her speech in Jackson Hole. She strengthened the case to raise rates because the U.S. economy is closer to the financial goals it needs to meet. As the Fed has reiterated over and over again, any rate hike remains data dependent.

FOMC: The minutes of the July FOMC meeting were released in August. According to the minutes, many members of the Committee voted to adopt a “wait-and-see” strategy. They “judged that it was appropriate to wait for additional information that would allow them to evaluate the underlying momentum in economic activity and the labor market and whether inflation was continuing to rise gradually to 2 percent as expected.” The bottom line is the Fed is keeping its options open for the September 20-21 policy meeting. The current Fed Funds futures market is currently pricing in a 34% probability of a rate hike in September, 40% probability in November and 58.6% probability of a rate hike in December.

Janet Yellen’s Jackson Hole Speech: As opposed to last year, when Janet Yellen did not attend the annual central bankers meeting in Jackson Hole, Wyoming, this year she attended and her speech added more significance to this event. In her speech, she noted that the “case for a rate hike has strengthened in recent months.” The month’s economic data were generally supportive of a rate hike.

Non-farm Payrolls/Unemployment: Total nonfarm payroll employment increased by a strong 255,000 in July, and the unemployment rate was unchanged at 4.9%. The 255,000 increase was much stronger than the consensus expected increase of 200,000. This resulted in an average monthly gain over the past three months of 190,000. Also reported was that in July, 63.75% of private companies expanded payrolls, the largest share since February 2015. Job gains occurred in professional and business services, health care, and financial activities. Mining employment continued to trend down. The four week moving average of initial jobless claims was 263,000, a decrease of 1,000. This marks 78 consecutive weeks of initial claims below 300,000, the longest streak since 1970.

GDP: Second Quarter 2016 (Second Estimate) - Real GDP increased at an annual rate of 1.1% in the second quarter of 2016, according to the “second” estimate. This was in line with most estimates.

Consumer Price Index: On a seasonally adjusted basis, the CPI was unchanged in July after increasing .2% in June.

Producer Price Index: The PPI decreased .4% in July. Final PPI rose .5% in June and .4% in May.

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

3month bill	.23
1 year note	.71
2 year note	.91
3 year note	1.66
5 year note	3.35

*Source: Bloomberg

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	-.09%	1.45
BAML 0-5 Year Treasury	-.23%	2.25
BAML 1-3 Year Treasury	-.17%	1.80
BAML 1-5 Year Treasury	-.31%	2.63

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

	08/31/15	07/31/16	08/31/16	Change in August	Change from Prior Year
3 month bill	.00	.26	.33	+.07	+.33
6 month bill	.23	.37	.46	+.09	+.23
2 year note	.74	.66	.81	+.15	+.07
3 year note	1.05	.75	.92	+.17	-.22
5 year note	1.55	1.02	1.20	+.18	-.35
10 year	2.22	1.45	1.58	+.13	-.64

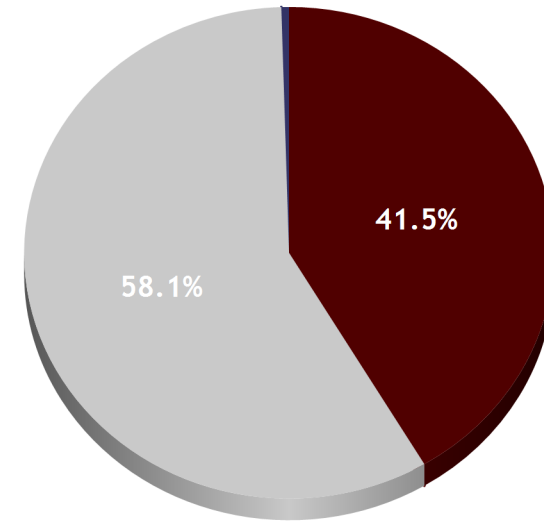
*Source: Bloomberg



Weighted Averages

Book Yield	0.95
Maturity	1.52
Coupon	0.95
Moody	Aaa
S&P	AA+

Fixed Income Allocation



Fixed Income Totals

Par Value	30,140,426
Market Value	30,237,505.98
Amortized Book Value	30,137,471.78
Unrealized Gain/Loss	100,034.20
Estimated Annual Cash Flow	285,639.04

Security Type	Market Value	% Assets
US Agency (USD)	12,537,945.00	41.5
US Treasury (USD)	17,559,135.00	58.1
Bank or Cash Deposit (USD)	140,425.98	0.5
Fixed Income Total	30,237,505.98	100.0

Portfolio Summary

August 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	30,140,426	30,140,026.30	30,137,471.78	30,237,505.98	100,034.20	0.95	1.50	1.50	1.45	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	30,140,426	30,140,026.30	30,137,471.78	30,237,505.98	100,034.20	0.95	1.50	1.50	1.45	



Cost Basis Summary

	Month End Ending 8/31/2016	Fiscal Year-to-Date 12/31/2015
Beginning Amortized Cost	30,107,748.73	25,092,330.78
Investment Purchases	2,497,750.00	7,463,874.53
Investment Maturities/Sells/Calls	(2,500,000.00)	(2,500,000.00)
Amortization	24.17	(2,167.77)
Change in Cash Equivalents	31,948.88	83,434.24
Realized Gains / Losses	0.00	0.00
Ending Amortized Costs	30,137,471.78	30,137,471.78

Accrual Earnings Summary

	Month End Ending 8/31/2016	Fiscal Year-to-Date 12/31/2015
Amortization/Accretion	24.17	(2,167.77)
Interest Earned	23,868.62	177,107.84
Realized Gain (Loss)	0.00	0.00
Total Income	23,892.79	174,940.06
Average Portfolio Balance	30,352,532.17	28,456,586.33
Earnings Yield	0.93%	0.92%

Market Value Summary

	As of 8/31/2016
Ending Market Value	30,237,505.98
Unrealized Gain/Loss	100,034.20

Interest Earnings Summary

	Month End Ending 8/31/2016	Fiscal Year-to-Date 12/31/2015
Beginning Accrued Interest	61,940.07	56,159.75
Coupons Paid	11.38	164,116.90
Purchased Accrued Interest	0.00	(16,646.63)
Sold Accrued Interest	7,812.50	7,812.50
Ending Accrued Interest	77,984.81	77,984.81
Interest Earned	23,868.62	177,107.84

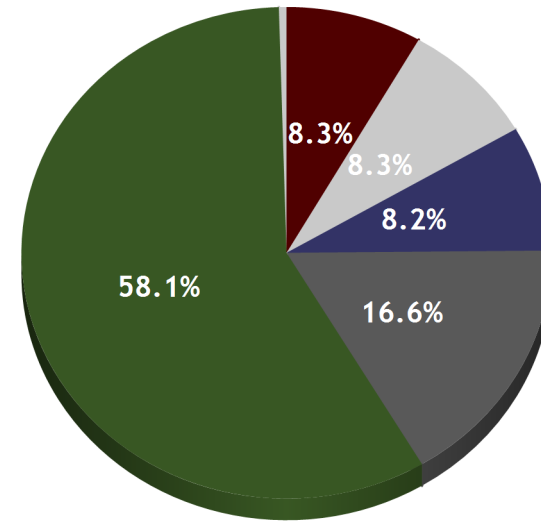


Total Return For Period

Since 7/31/2016

Beginning Principal Value	30,268,717.10
Beginning Accrued Interest	61,940.07
Net Contributions/Withdrawals	21,875.00
Market Value Change	-60,910.00
Interest Earnings	23,868.62
Ending Principal Value	30,237,505.98
Accrued Interest	77,984.81
Total Return	-37,041.38
Advisory Fees for Period	-2,083.33
Net Total Return	-39,124.71

Portfolio Allocation as of 8/31/2016



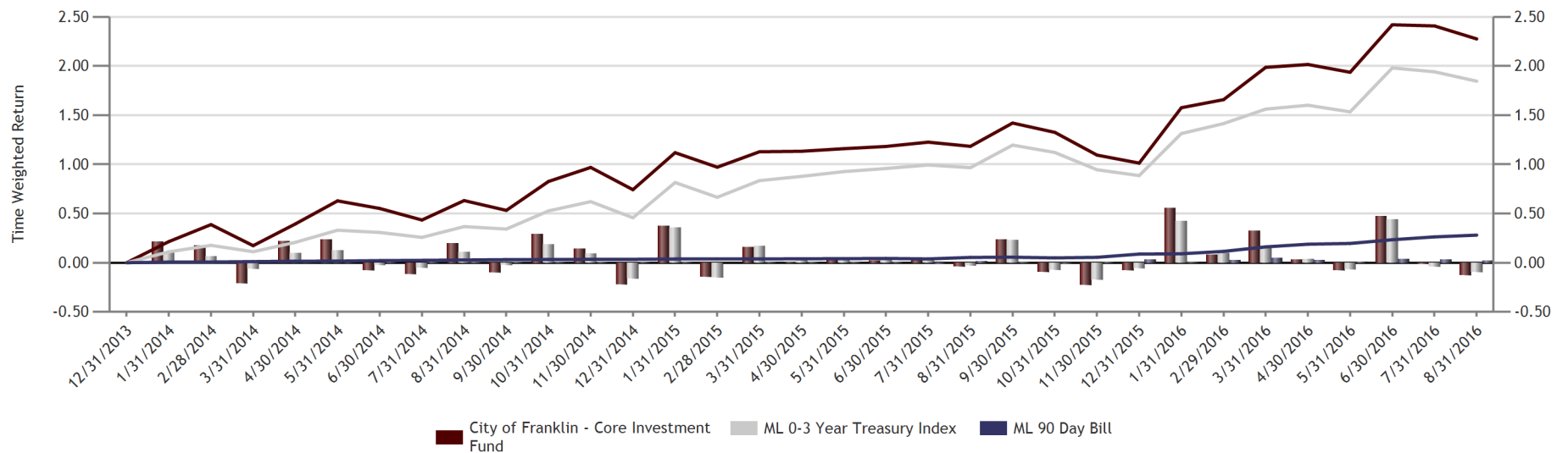
Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	2,511,007.50	8.3	1.0
FEDERAL HOME LOAN BANKS	2,509,735.00	8.3	1.0
FEDERAL FARM CR BKS	2,494,015.00	8.2	0.8
FEDERAL HOME LN MTG CORP	5,023,187.50	16.6	1.2
UNITED STATES TREAS NTS	17,559,135.00	58.1	0.9
FIFTH THIRD BK CINCINNATI STN	140,425.98	0.5	0.0
Total	30,237,505.98	100.0	1.0



Performance History

Portfolio Account	Month To Date	Quarter To Date	Fiscal Year To Date	Annualized Latest 1 Year	Annualized Inception To Date
	-0.13	-0.14	1.25	1.08	0.85
Index					
ML 0-3 Year Treasury Index	-0.09	-0.13	0.95	0.87	0.69
ML 90 Day Bill	0.02	0.05	0.19	0.23	0.11

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

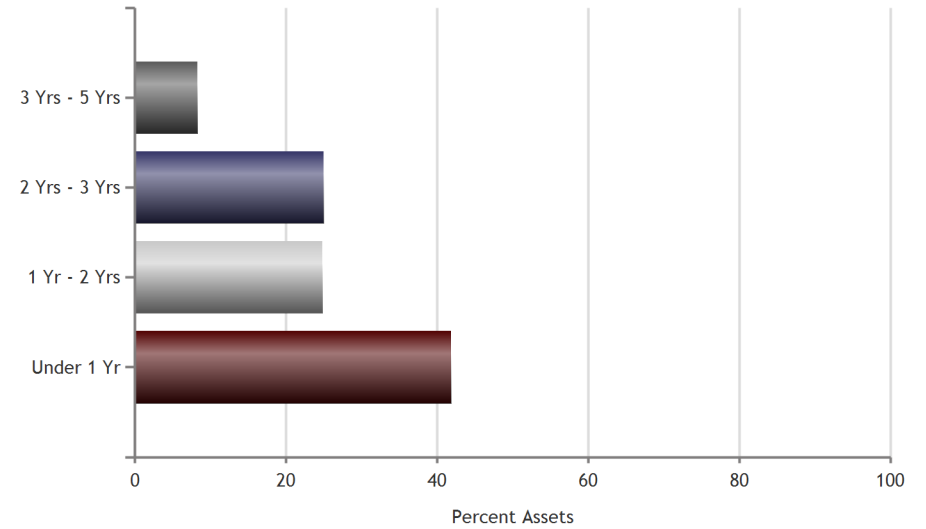




Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	6	12,654,418.48	41.9	0.7	0.717%	0.5
1 Yr - 2 Yrs	3	7,518,007.50	24.9	1.0	1.017%	1.8
2 Yrs - 3 Yrs	3	7,549,192.50	25.0	1.2	1.168%	2.5
3 Yrs - 5 Yrs	1	2,515,887.50	8.3	1.2	1.250%	3.0

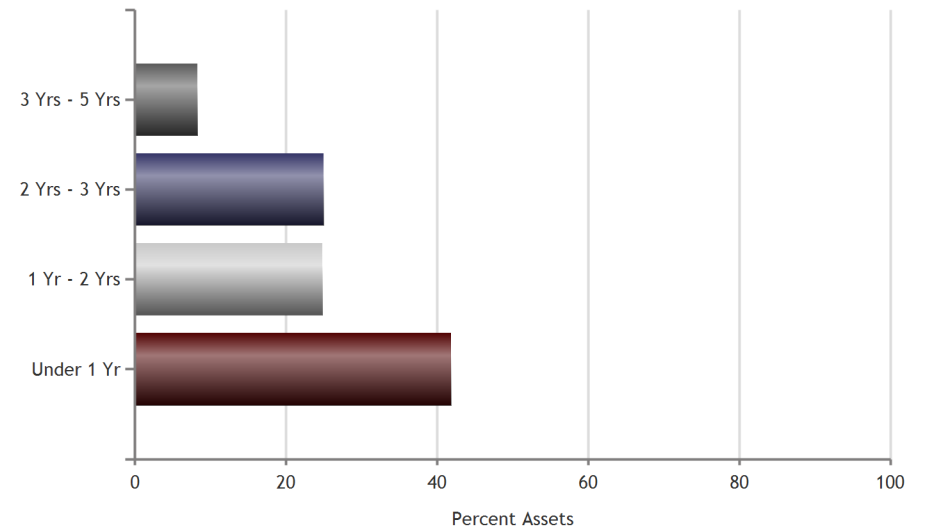
Distribution by Maturity



Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	6	12,654,418.48	41.9	0.7	0.717%	0.5
1 Yr - 2 Yrs	3	7,518,007.50	24.9	1.0	1.017%	1.8
2 Yrs - 3 Yrs	3	7,549,192.50	25.0	1.2	1.168%	2.5
3 Yrs - 5 Yrs	1	2,515,887.50	8.3	1.2	1.250%	3.0

Distribution by Duration

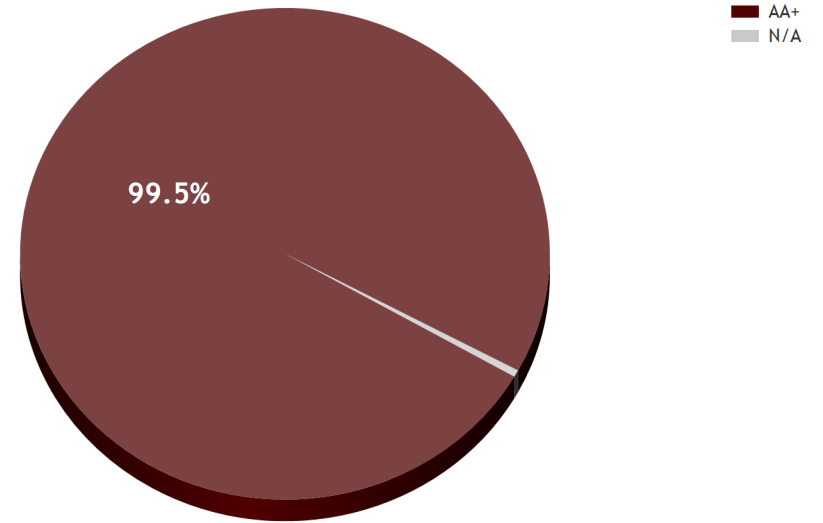




Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	12	30,097,080.00	99.5	1.0	0.953%	2.8
N/A	1	140,425.98	0.5	0.0	0.010%	0.5

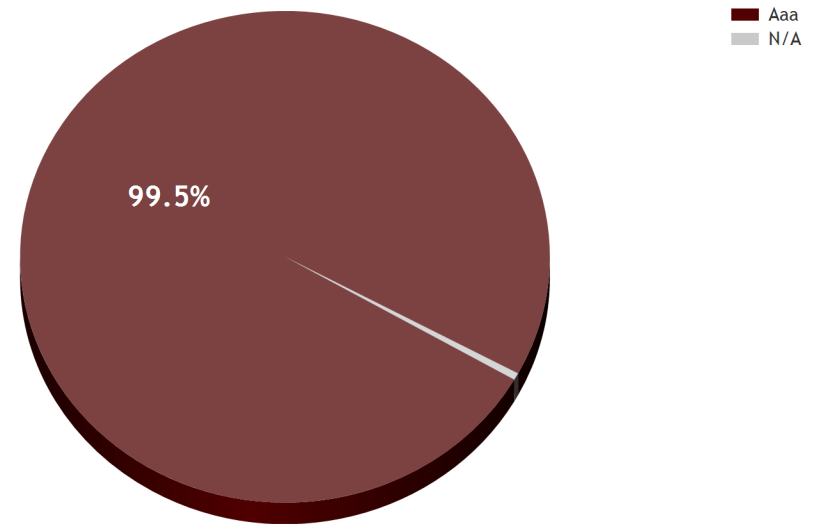
Distribution by S&P Rating



Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	12	30,097,080.00	99.5	1.0	0.953%	2.8
N/A	1	140,425.98	0.5	0.0	0.010%	0.5

Distribution by Moody Rating

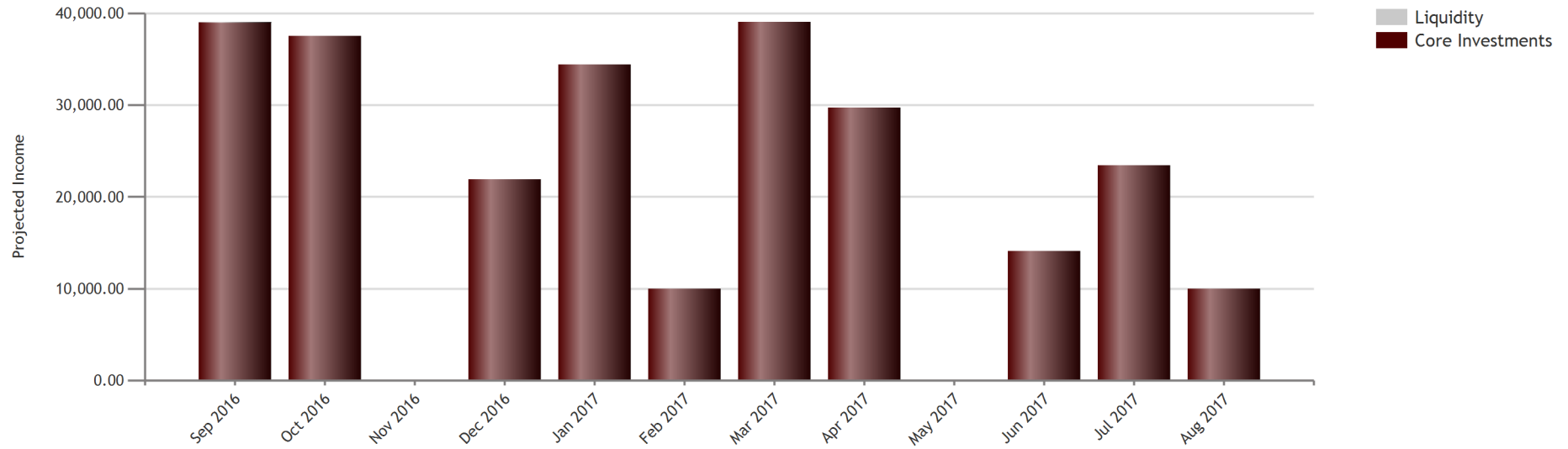




Coupon Cash Flow Projection

City of Franklin - Core Investment Fund

9/1/2016 - 8/31/2017



	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017
Core Investments	39,062.50	37,500.00	0.00	21,875.00	34,375.00	10,000.00	39,062.50	29,687.50	0.00	14,062.50	23,437.50	10,000.00
US Agency (USD)	14,062.50	29,687.50	0.00	0.00	12,500.00	10,000.00	14,062.50	29,687.50	0.00	0.00	12,500.00	10,000.00
US Treasury (USD)	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	0.00
Liquidity	1.17	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)	1.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	39,063.67	37,500.00	0.00	21,875.00	34,375.00	10,000.00	39,062.50	29,687.50	0.00	14,062.50	23,437.50	10,000.00
Grand Total	259,063.67											



Purchases

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost
8/11/2016	8/15/2016	2,500,000	3133EGQY4	FEDERAL FARM CR BKS 0.800% Due 08-15-18	99.91	2,497,750
Total Purchases						2,497,750

Interest

Trade Date	Settle Date	Symbol	Security	Amount
8/1/2016	8/1/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 09-29-16	11
8/1/2016	8/1/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 09-29-16	0
8/1/2016	8/1/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 09-29-16	0
8/11/2016	8/15/2016	3133EGQY4	FEDERAL FARM CR BKS 0.800% Due 08-15-18	0
8/15/2016	8/15/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 09-29-16	0
8/15/2016	8/15/2016	912828VR8	UNITED STATES TREAS NTS 0.625% Due 08-15-16	7,813
Total Interest				7,824

Maturities

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost	Amort. or Accretion	Unit Price	Proceeds	Gain/Loss
8/15/2016	8/15/2016	2,500,000	912828VR8	UNITED STATES TREAS NTS 0.625% Due 08-15-16	100.00	2,500,098	-98	100.00	2,500,000	0
Total Maturities						2,500,098	-98		2,500,000	0

Expenses

Trade Date	Settle Date	Symbol	Security	Amount
8/31/2016	8/31/2016	manfee	Management Fee	2,083
Total Expenses				2,083



Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
8/1/2016	8/1/2016	21,875	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 09-29-16	100.00	21,875
8/1/2016	8/1/2016	11	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 09-29-16	100.00	11
8/15/2016	8/15/2016	10,063	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 09-29-16	100.00	10,063
Total Contributions						31,949

Withdrawals

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
8/15/2016	8/15/2016		cash	CASH ACCOUNT		10,063
Total Withdrawals						10,063

Portfolio Holdings

City of Franklin - Core Investment Fund

August 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															
912828WA4	2,500,000	UNITED STATES TREAS NTS 0.625% Due 10-15-16		03-27-14	99.99	0.70	100.0414	0.29	2,501,035.00	5,891.39	2,506,926.39	1,265.79	8.3	0.12	0.12
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	100.00	0.64	100.0701	0.38	2,501,752.50	3,287.23	2,505,039.73	1,836.95	8.3	0.29	0.28
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.01	0.84	100.1875	0.42	2,504,687.50	1,842.73	2,506,530.23	4,373.62	8.3	0.42	0.41
912828J92	2,500,000	UNITED STATES TREAS NTS 0.500% Due 03-31-17		07-24-15	99.94	0.60	99.9687	0.55	2,499,217.50	5,225.41	2,504,442.91	702.36	8.3	0.58	0.57
912828XF2	2,500,000	UNITED STATES TREAS NTS 1.125% Due 06-15-18		08-18-15	100.19	1.02	100.5703	0.80	2,514,257.50	5,917.01	2,520,174.51	9,616.01	8.3	1.77	1.76
912828SN1	2,500,000	UNITED STATES TREAS NTS 1.500% Due 03-31-19		11-16-15	100.51	1.30	101.6172	0.87	2,540,430.00	15,676.23	2,556,106.23	27,611.09	8.4	2.52	2.51
912828TH3	2,500,000	UNITED STATES TREAS NTS 0.875% Due 07-31-19		03-10-16	99.07	1.20	99.9102	0.91	2,497,755.00	1,842.73	2,499,597.73	20,887.04	8.3	2.87	2.87
	17,500,000					0.90		0.60	17,559,135.00	39,682.73	17,598,817.73	66,292.86	58.1	1.23	1.22
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	100.2920	0.67	2,507,300.00	2,291.67	2,509,591.67	7,021.84	8.3	0.91	0.90
3130A5PE3	2,500,000	FEDERAL HOME LOAN BANKS 1.125% Due 03-29-18		07-24-15	100.17	1.02	100.3894	0.87	2,509,735.00	11,875.00	2,521,610.00	5,605.87	8.3	1.56	1.55
3133EGQY4	2,500,000	FEDERAL FARM CR BKS 0.800% Due 08-15-18		08-11-16	99.91	0.85	99.7606	0.92	2,494,015.00	888.89	2,494,903.89	-3,787.40	8.2	1.94	1.93
3135G0E58	2,500,000	FEDERAL NATL MTG ASSN 1.125% Due 10-19-18		10-06-15	100.32	0.97	100.4403	0.91	2,511,007.50	10,312.50	2,521,320.00	2,919.68	8.3	2.10	2.09
3137EADM8	2,500,000	FEDERAL HOME LN MTG CORP 1.250% Due 10-02-19		03-10-16	99.76	1.33	100.6355	1.04	2,515,887.50	12,934.03	2,528,821.53	21,981.35	8.3	3.01	3.01
	12,500,000					1.03		0.89	12,537,945.00	38,302.08	12,576,247.08	33,741.34	41.5	1.90	1.90

Portfolio Holdings

City of Franklin - Core Investment Fund

August 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	140,426	FIFTH THIRD BANK MMF 0.010% Due 09-29-16		03-31-16	100.00	0.01	100.0000	0.01	140,425.98	0.00	140,425.98	0.00	0.5	0.08	0.05
TOTAL	30,140,426					0.95		0.72	30,237,505.98	77,984.81	30,315,490.79	100,034.20	100.0	1.50	1.50



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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. Bonds purchased at a premium will be amortized to call date versus all others will be amortized to maturity.

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.