

GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account
City of Franklin

2/28/2015

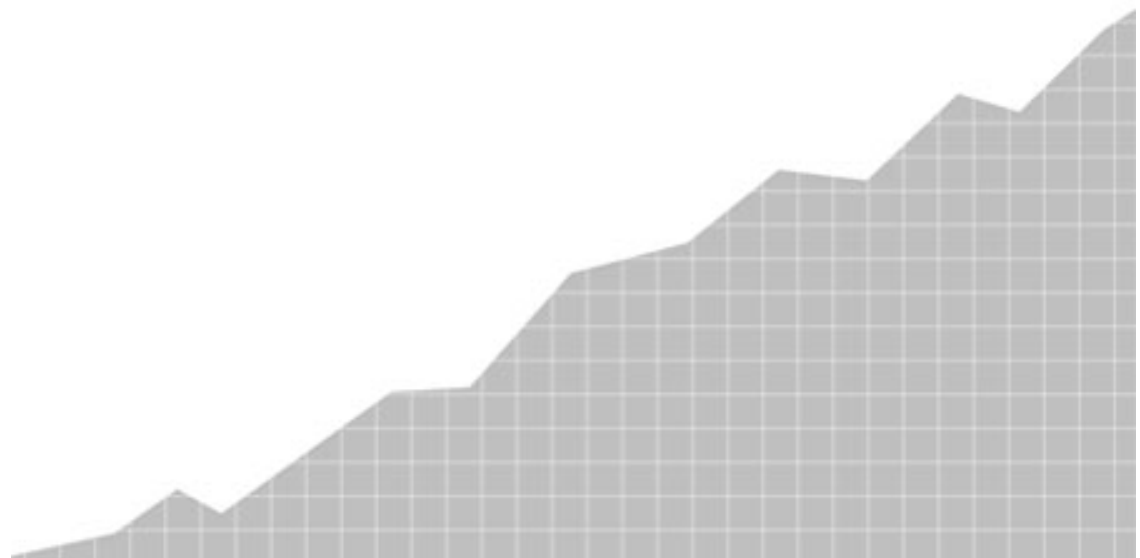




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MONTH END COMMENTARY - FEBRUARY 2015

Treasury yields rose in February in reaction to stronger economic news and the perception that the Fed will finally move on rates in 2015. U.S. Government bonds posted the biggest monthly sell off since June 2013. Fed Chairwoman Janet Yellen said in her testimony that while the Fed is moving closer to a rate increase, the timing still depends on how the economy performs and inflation data. 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 increased 36 basis points in February, after declining 77 basis points in January, the biggest decline in any January since 1988. Two-year yields increased the most in almost five years.

Non-farm Payrolls/Unemployment: Total nonfarm payroll employment increased by 257,000 in January. This exceeded the expectation number of 234,000. The unemployment rate was little changed at 5.7% vs. the expectation of 5.6%. This was the only time in the last 11 years that January's numbers beat expectations. Over the past three months, job creation has averaged 336,000, with upward revisions for both November and December. Gains came across the board, with retail leading the way with 46,000 new positions. Construction added 39,000, while health care grew 38,000.

Other Economic Data: Existing home sales were lower than expected as sales fell 4.8%. This was offset by positive housing starts which rose 4.4%. It is the strongest figure since July as single-family home starts hit the highest level in more than six years. Gas prices continued to drop, keeping inflation low. Consumer prices fell 0.7% in January, a bit more than expected, while "core" inflation rose slightly more than forecast at 0.2%. Expectations were for prices to fall 0.6% month-on-month as the decline in energy continues to weigh on prices.

Asset Class Performance: Stocks, both foreign and domestic were the big performers in February with the S&P 500 returning 5.8% and the Dow 5.64%. Bonds performed poorly with TIPS returning -1.2% and the Barclays US Aggregate bonds index returning -.09%.

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

3month bill	.03
1 year note	.26
2 year note	.72
3 year note	.82
5 year note	2.36

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	-15%	1.46
BAML 0-5 Year Treasury	-40%	2.26

*Source: Bloomberg

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

	02/28/14	01/31/15	02/28/15	Change in February	Change from Prior Year
3month bill	.05	.005	.02	+0.015	-.03
6month bill	.08	.05	.07	+0.02	-.01
2 year note	.32	.45	.62	+0.17	+0.30
3 year note	.67	.76	1.00	+0.24	+0.33
5 year note	1.50	1.16	1.50	+0.34	unch
10 year	2.65	1.64	2.00	+0.36	-.65

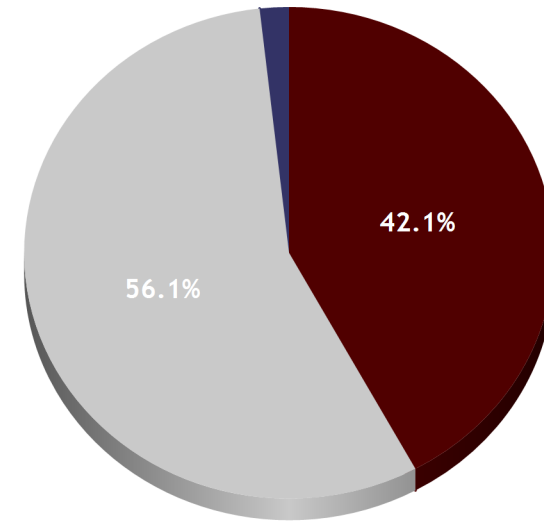
*Source: Bloomberg



Weighted Averages

Book Yield	0.70
Maturity	1.46
Coupon	0.68
Moody	Aaa
S&P	AA+

Fixed Income Allocation



Fixed Income Totals

Par Value	17,817,425.84
Market Value	17,861,493.03
Amortized Book Value	17,815,206.67
Unrealized Gain/Loss	46,286.36
Estimated Annual Cash Flow	121,281.74

Security Type	Market Value	% Assets
US Agency (USD)	7,516,530.00	42.1
US Treasury (USD)	10,027,537.19	56.1
Money Market Bank Deposits (USD)	317,425.84	1.8
Fixed Income Total	17,861,493.03	100.0

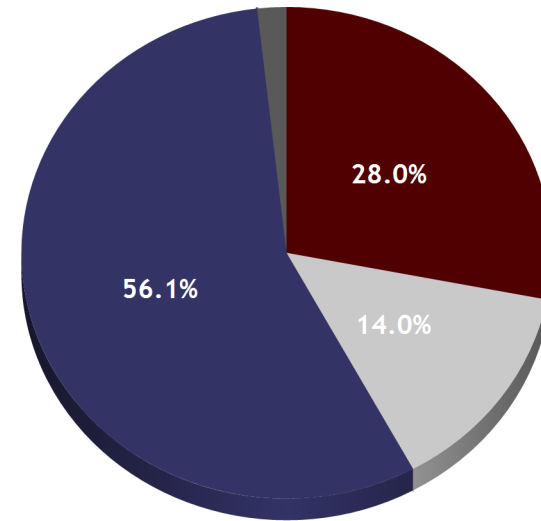


Total Return for Period

Since 1/31/2015

Beginning Principal Value	17,868,505.63
Beginning Accrued Interest	23,336.06
Net Contributions/Withdrawals	10,937.50
Market Value Change	-33,265.00
Interest Earnings	9,233.74
Ending Principal Value	17,861,493.03
Ending Accrued Interest	17,254.90
Net Total Return	-26,114.59
Management Fees Paid By Client	-2,083.33

Portfolio Allocation



Issuer	Market Value	% Assets	Book Yield
FEDERAL HOME LOAN BANKS	5,009,397.50	28.0	0.6
FEDERAL HOME LN MTG CORP	2,507,132.50	14.0	1.0
UNITED STATES TREAS NTS	10,027,537.19	56.1	0.7
FIFTH THIRD BK CINCINNATI STN	317,425.84	1.8	0.0
Total	17,861,493.03	100.0	0.7

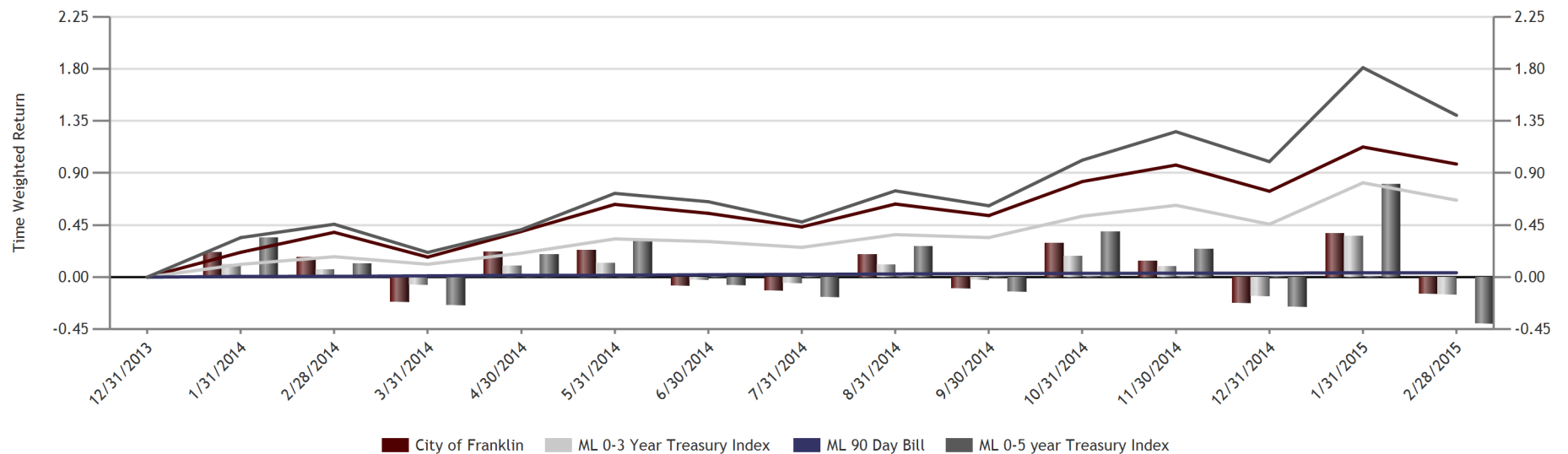


Performance History Inception (12/31/2013) to Date

Portfolio	Month To Date	Quarter To Date	Year To Date	Inception To Date
Account	-0.15	0.23	0.23	0.98

Index	Month To Date	Quarter To Date	Year To Date	Inception To Date
ML 0-3 Year Treasury Index	-0.15	0.21	0.21	0.67
ML 90 Day Bill	0.00	0.00	0.00	0.04
ML 0-5 year Treasury Index	-0.40	0.40	0.40	1.40

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

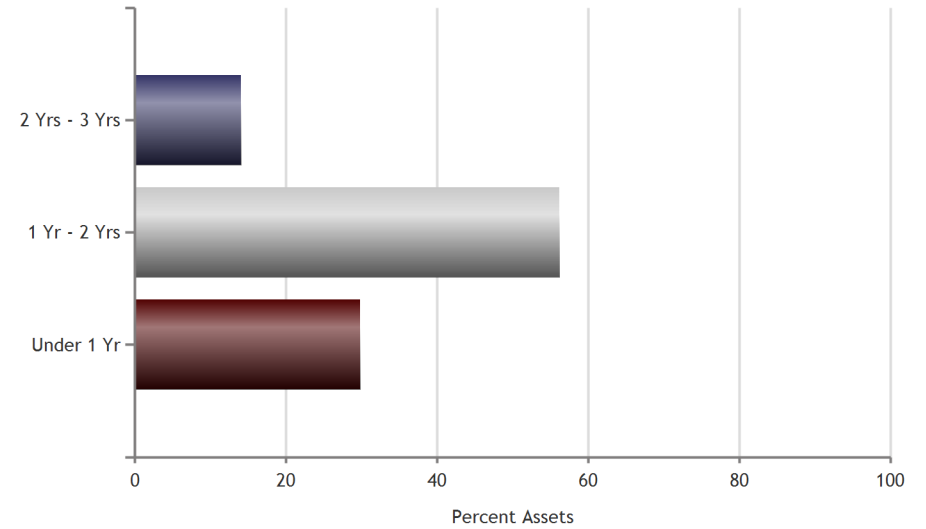




Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Yr	3	5,326,823.34	29.8	0.2	0.518%	0.6
1 Yr - 2 Yrs	4	10,027,537.19	56.1	0.5	0.688%	1.7
2 Yrs - 3 Yrs	1	2,507,132.50	14.0	0.9	1.000%	2.4

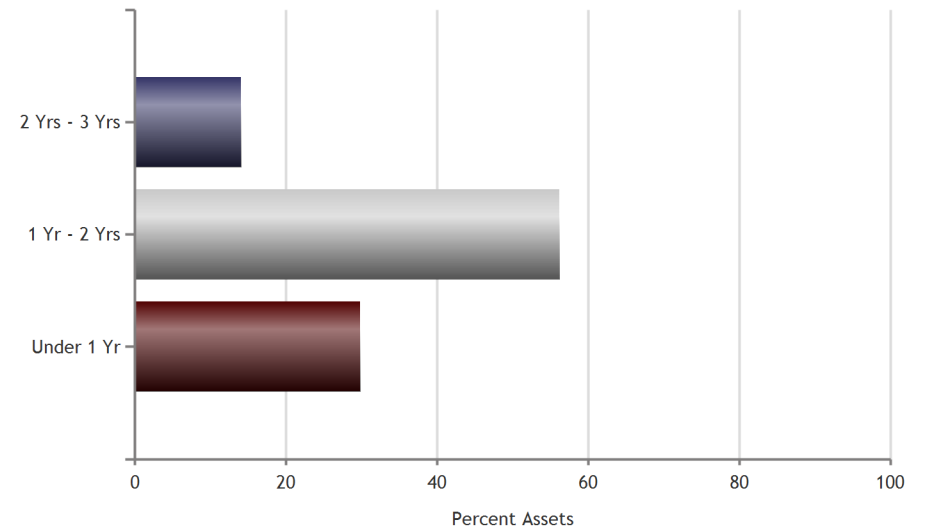
Distribution by Maturity



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Distribution by Duration

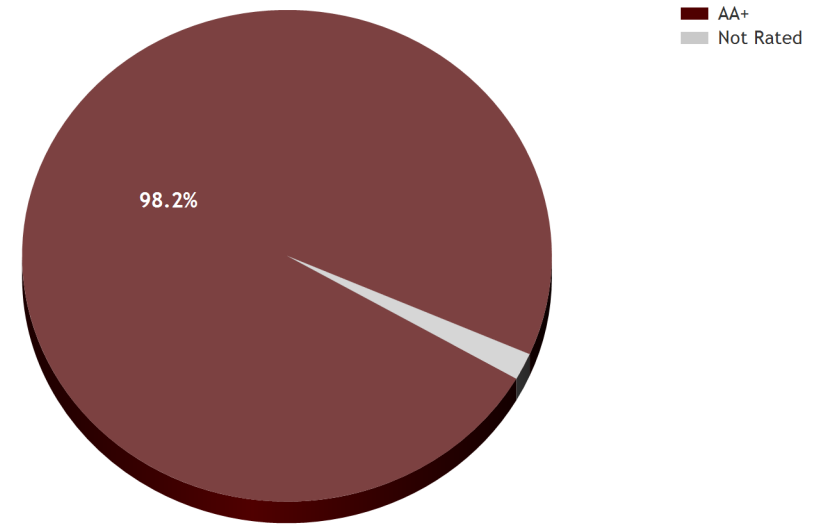




Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	7	17,544,067.19	98.2	0.7	0.693%	2.8
Not Rated	1	317,425.84	1.8	0.0	0.010%	0.2

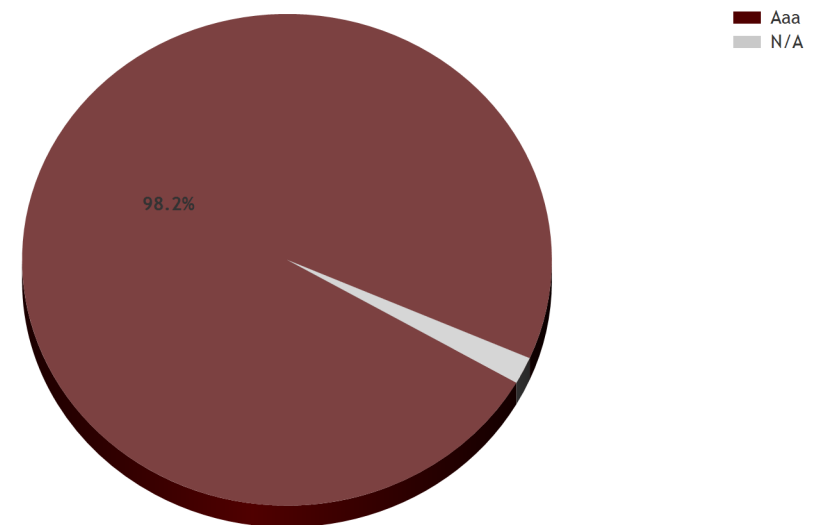
Distribution by S&P Rating

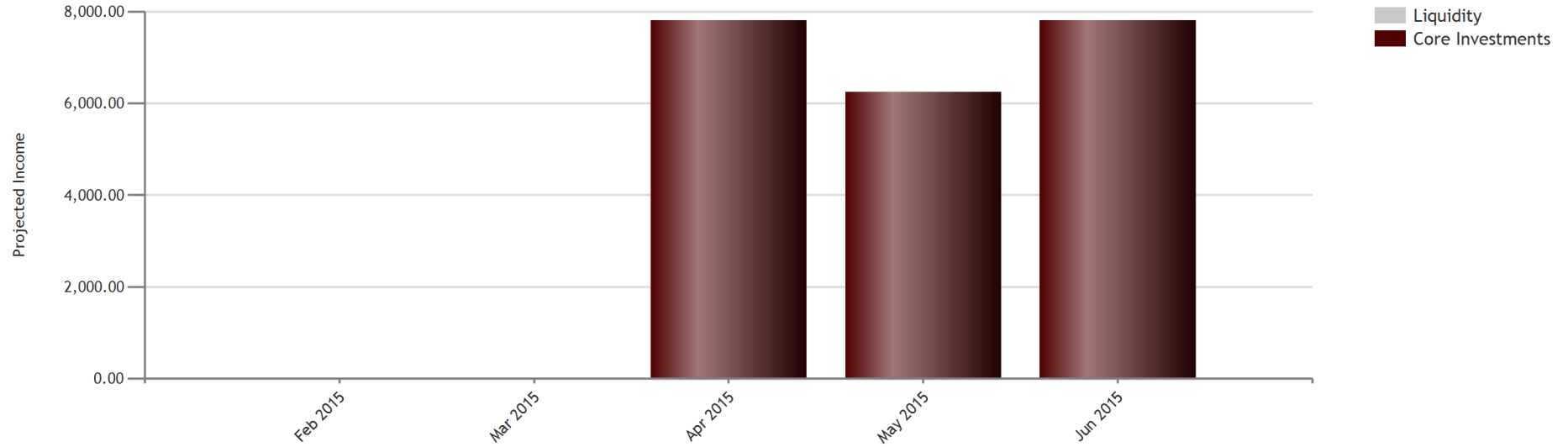


Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	7	17,544,067.19	98.2	0.7	0.693%	2.8
N/A	1	317,425.84	1.8	0.0	0.010%	0.2

Distribution by Moody Rating





	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015
Core Investments	0.00	0.00	7,812.50	6,250.00	7,812.50
US Agency (USD)	0.00	0.00	0.00	6,250.00	0.00
US Treasury (USD)	0.00	0.00	7,812.50	0.00	7,812.50
Liquidity	0.00	2.65	0.00	0.00	0.00
Money Market Bank Deposits (USD)	0.00	2.65	0.00	0.00	0.00
Total	0.00	2.65	7,812.50	6,250.00	7,812.50
Grand Total	21,877.65				



Purchases

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost
2/2/2015	2/2/2015	2	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 03-29-15	100.00	2.40
2/15/2015	2/15/2015	7,813	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 03-29-15	100.00	7,812.50
2/17/2015	2/17/2015	7,500	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 03-29-15	100.00	7,500.00
Total Purchases						15,314.90

Interest

Trade Date	Settle Date	Symbol	Security	Amount
2/2/2015	2/2/2015	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 03-29-15	2.40
2/15/2015	2/15/2015	912828VR8	UNITED STATES TREAS NTS 0.625% Due 08-15-16	7,812.50
2/17/2015	2/17/2015	313378CN9	FEDERAL HOME LOAN BANKS 0.600% Due 08-17-15	7,500.00
Total Interest				15,314.90

Expenses

Trade Date	Settle Date	Symbol	Security	Amount
2/28/2015	2/28/2015	manfee	Management Fee	2,083.33
Total Expenses				2,083.33

Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
2/2/2015	2/2/2015	10,938	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 03-29-15	100.00	10,937.50
Total Contributions						10,937.50

Portfolio Summary

February 28, 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	17,817,426	17,809,592.72	17,815,206.67	17,861,493.03	0.70	1.45	1.44	1.45	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	17,817,426	17,809,592.72	17,815,206.67	17,861,493.03	0.70	1.45	1.44	1.45	

Portfolio Holdings

City of Franklin

February 28, 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	100.2422	0.46	2,506,054.69	561.12	2,506,615.81	5,994.79	14.0	1.46	1.45
912828WA4	2,500,000	UNITED STATES TREAS NTS 0.625% Due 10-15-16		03-27-14	99.88	0.70	100.2031	0.50	2,505,077.50	5,837.91	2,510,915.41	8,196.17	14.0	1.61	1.61
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	99.98	0.64	100.1328	0.55	2,503,320.00	3,219.44	2,506,539.44	3,847.38	14.0	1.78	1.78
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.06	0.84	100.5234	0.60	2,513,085.00	1,691.99	2,514,776.99	11,632.51	14.1	1.90	1.90
	10,000,000					0.70		0.53	10,027,537.19	11,310.46	10,038,847.64	29,670.85	56.1	1.69	1.68
US Agency Bullet															
313378CN9	2,500,000	FEDERAL HOME LOAN BANKS 0.600% Due 08-17-15		03-12-12	99.97	0.66	100.2001	0.17	2,505,002.50	458.33	2,505,460.83	5,649.91	14.0	0.47	0.46
313380L96	2,500,000	FEDERAL HOME LOAN BANKS 0.500% Due 11-20-15		07-11-13	99.99	0.51	100.1758	0.26	2,504,395.00	3,402.78	2,507,797.78	4,578.03	14.0	0.73	0.72
3137EADJ5	2,500,000	FEDERAL HOME LN MTG CORP 1.000% Due 07-28-17		12-18-13	100.03	0.99	100.2853	0.88	2,507,132.50	2,083.33	2,509,215.83	6,387.57	14.0	2.38	2.38
	7,500,000					0.72		0.44	7,516,530.00	5,944.44	7,522,474.44	16,615.51	42.1	1.19	1.18
Money Market Fund															
0000FIFTH	317,426	FIFTH THIRD BANK MMF 0.010% Due 03-29-15		12-31-14	100.00	0.01	100.0000	0.01	317,425.84	0.00	317,425.84	0.00	1.8	0.08	0.01
TOTAL	17,817,426					0.70		0.48	17,861,493.03	17,254.90	17,878,747.93	46,286.36	100.0	1.45	1.44

MASTER EARNED INCOME REPORT

From 01-31-15 To 02-28-15

Name	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
City of Franklin	23,336.06	0.00	0.00	-15,314.90	17,254.90	9,233.74	212.72	9,446.46
TOTAL	23,336.06	0.00	0.00	-15,314.90	17,254.90	9,233.74	212.72	9,446.46



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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 the constant yield 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 incorporate 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

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Rating

Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.