

GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account
City of Franklin

3/31/2015

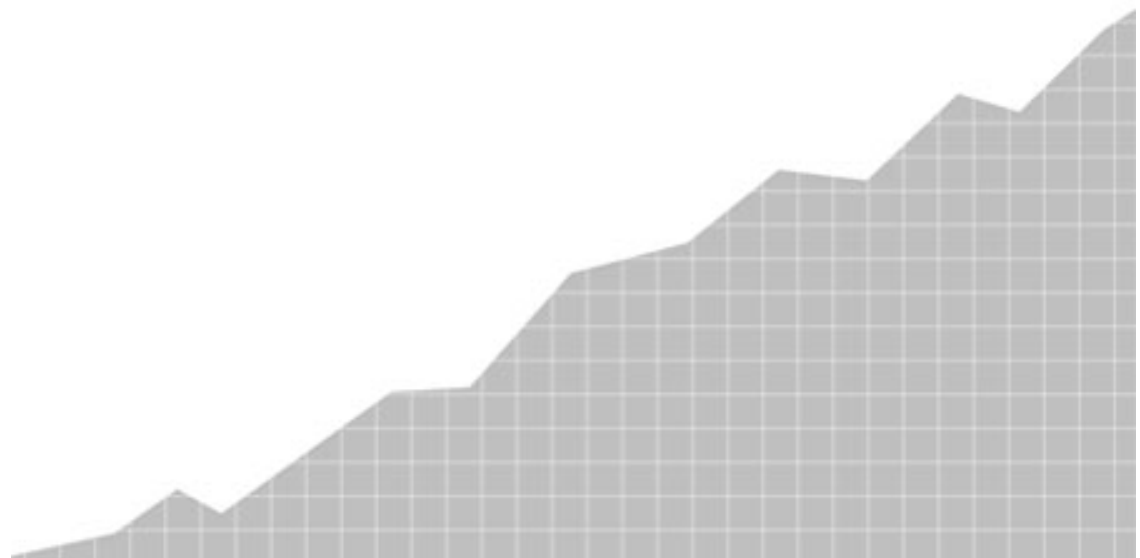




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MONTH END COMMENTARY

MARCH 2015

Treasury yields dropped in March in reaction to weaker economic news and a flight to quality to U.S. Treasuries as foreign yields remain lower than U.S. Treasury debt.

FOMC: The Fed has modified its stance on interest rates, which have been kept at a record low of 0% since the financial crisis in 2008. The Fed removed the word “patience” from its regular statement. This was seen as an indication that the Fed would refrain from raising rates for at least a few months. However, the Fed said it would wait until it saw “further improvement” in the labor market before raising rates. The yield on the ten-year Treasury note decreased 8 basis points in March, after increasing 36 basis points in February. Two-year yields decreased from .62% to .56%.

Non-farm Payrolls/Unemployment: Total nonfarm payroll employment increased by 295,000 in February after adding a downwardly revised 239,000 (from 257,000) in January. The consensus was for an increase of 240,000 new jobs. The unemployment rate fell to 5.5% in February from 5.7% in January. The consensus expected the unemployment rate to fall to 5.6%. Headline payrolls topped expectations, however average hourly earnings increased only marginally (.1%) after growing by .5% in January. Also, the drop in unemployment was attributed to a drop in the participation rate to 62.8% in February from 62.9% in January.

Other Economic Data: Overall, March economic data came in flat to weak, with the March report on manufacturing activity coming in at 5.0, missing expectations of 7.0. Existing home sales also disappointed, showing 1.2% month-over-month growth. However, new home sales of 539,000 beat expectations. The Consumer Price Index rose an estimated .3%, the first meaningful gain since October 2014. Core CPI rose .2% month-over-month. The final revision for the 4th Quarter GDP indicated that growth for the quarter was an annualized rate of 2.2%. Wall Street expectations were for an increase of 2.4%.

Asset Class Performance: Gains were prominent in both bonds and Real Estate Investment Trusts after slumping the previous month. The biggest losers were commodities. The Commodity Index fell 5.1%. Next to commodities, stocks also dipped with the Dow Jones Industrial Average finishing the month at -1%.

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

3month bill	.03
1 year note	.25
2 year note	1.02
3 year note	1.75
5 year note	3.98

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	.16%	1.45
BAML 0-5 Year Treasury	.34%	2.20

*Source: Bloomberg

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

	03/31/14	02/28/15	03/31/15	Change in March	Change from Prior Year
3month bill	.04	.02	.02	Unch	-.02
6month bill	.06	.07	.10	+.03	+.04
2 year note	.42	.62	.54	-.08	+.12
3 year note	.87	1.00	.85	-.15	-.02
5 year note	1.72	1.50	1.32	-.18	-.40
10 year	2.72	2.00	1.92	-.08	-.80

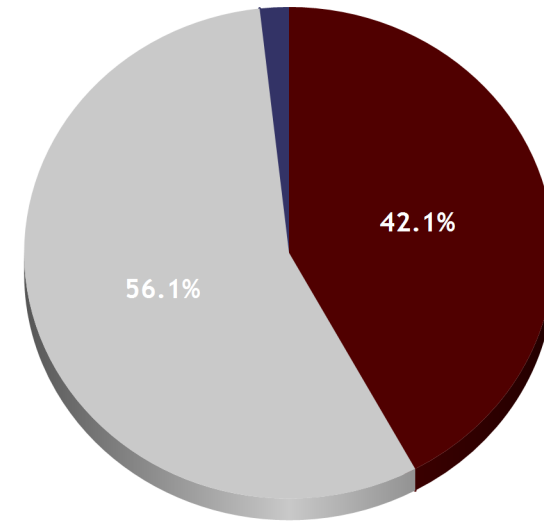
* Source: Bloomberg



Weighted Averages

Book Yield	0.70
Maturity	1.38
Coupon	0.68
Moody	Aaa
S&P	AA+

Fixed Income Allocation



Fixed Income Totals

Par Value	17,817,428.21
Market Value	17,880,643.21
Amortized Book Value	17,815,444.03
Unrealized Gain/Loss	65,199.18
Estimated Annual Cash Flow	121,281.74

Security Type	Market Value	% Assets
US Agency (USD)	7,526,887.50	42.1
US Treasury (USD)	10,036,327.50	56.1
Money Market Bank Deposits (USD)	317,428.21	1.8
Fixed Income Total	17,880,643.21	100.0

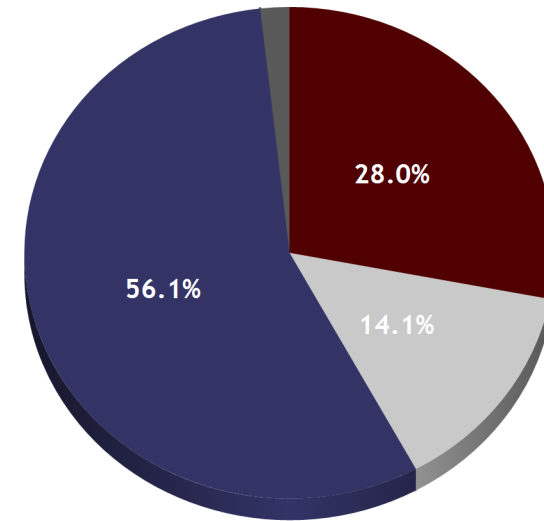


Total Return for Period

Since 2/28/2015

Beginning Principal Value	17,861,493.03
Beginning Accrued Interest	17,254.90
Net Contributions/Withdrawals	0.00
Market Value Change	19,147.81
Interest Earnings	10,687.60
Ending Principal Value	17,880,643.21
Ending Accrued Interest	27,940.13
Net Total Return	27,752.07
Management Fees Paid By Client	-2,083.34

Portfolio Allocation



Issuer	Market Value	% Assets	Book Yield
FEDERAL HOME LOAN BANKS	5,008,242.50	28.0	0.6
FEDERAL HOME LN MTG CORP	2,518,645.00	14.1	1.0
UNITED STATES TREAS NTS	10,036,327.50	56.1	0.7
FIFTH THIRD BK CINCINNATI STN	317,428.21	1.8	0.0
Total	17,880,643.21	100.0	0.7

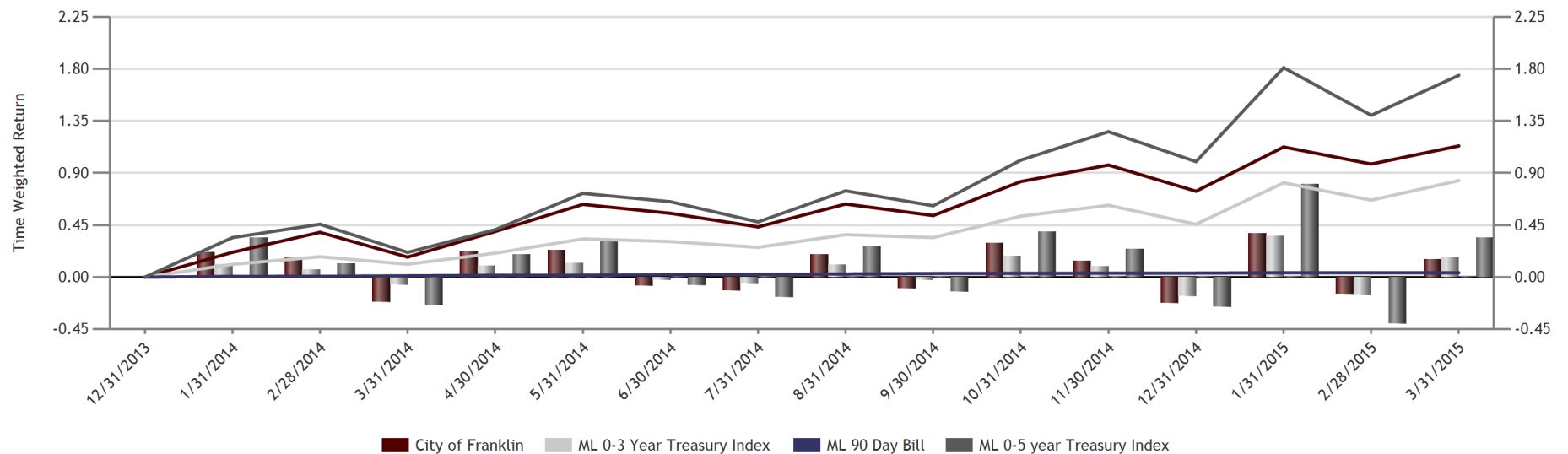


Performance History Inception (12/31/2013) to Date

Portfolio	Month To Date	Quarter To Date	Year To Date	Inception To Date
Account	0.16	0.39	0.39	1.13

Index	Month To Date	Quarter To Date	Year To Date	Inception To Date
ML 0-3 Year Treasury Index	0.17	0.38	0.38	0.83
ML 90 Day Bill	0.00	0.00	0.00	0.04
ML 0-5 year Treasury Index	0.34	0.74	0.74	1.74

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

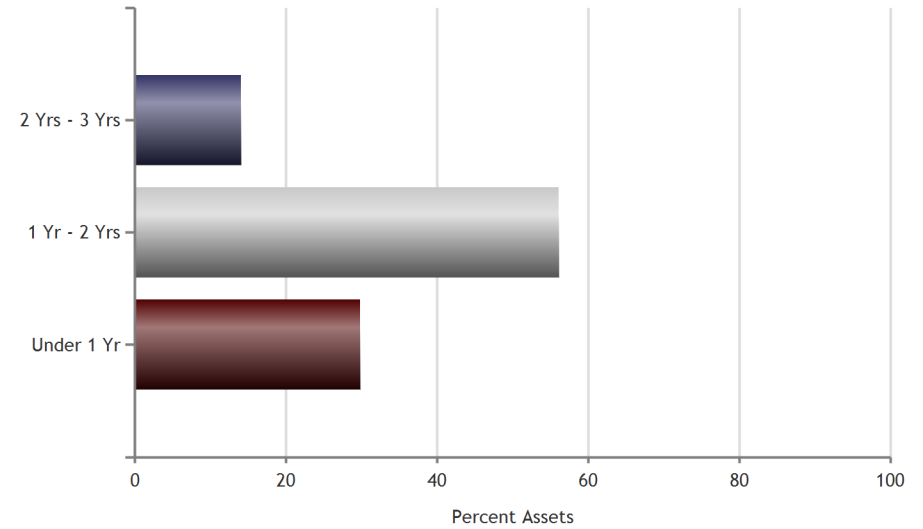




Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Yr	3	5,325,670.71	29.8	0.2	0.518%	0.5
1 Yr - 2 Yrs	4	10,036,327.50	56.1	0.5	0.688%	1.6
2 Yrs - 3 Yrs	1	2,518,645.00	14.1	0.7	1.000%	2.3

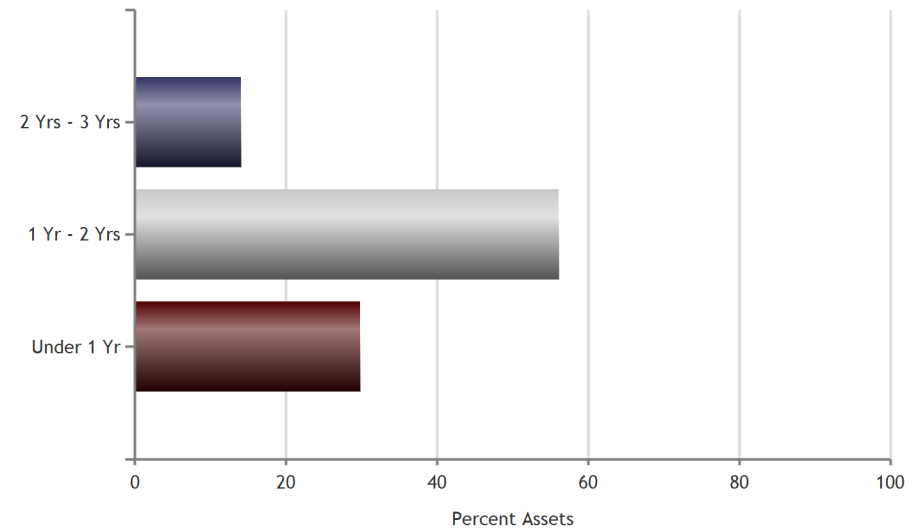
Distribution by Maturity



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Distribution by Duration

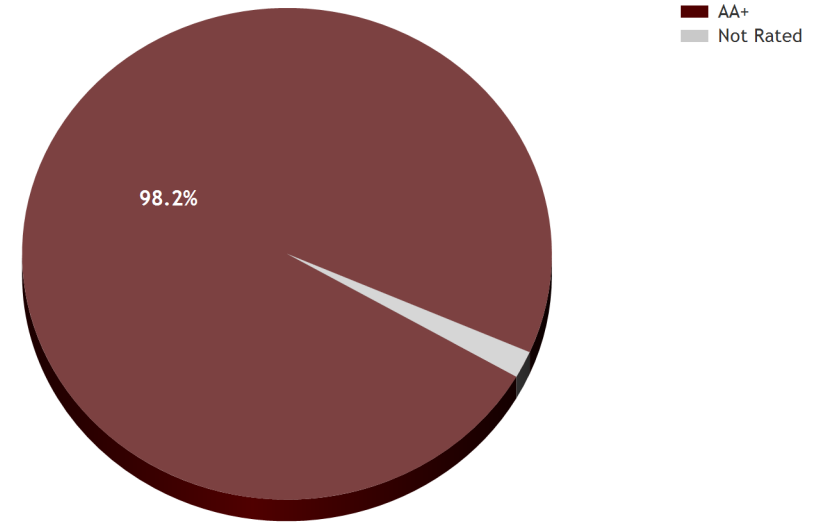




Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	7	17,563,215.00	98.2	0.7	0.693%	2.8
Not Rated	1	317,428.21	1.8	0.0	0.010%	0.3

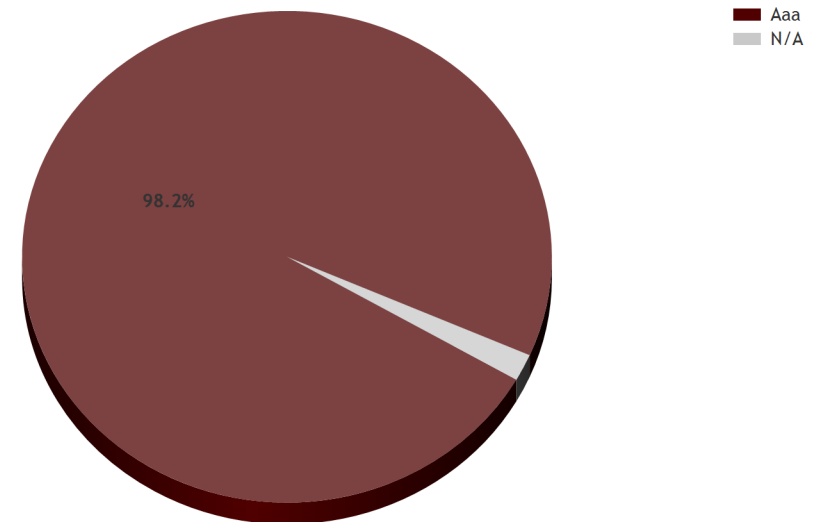
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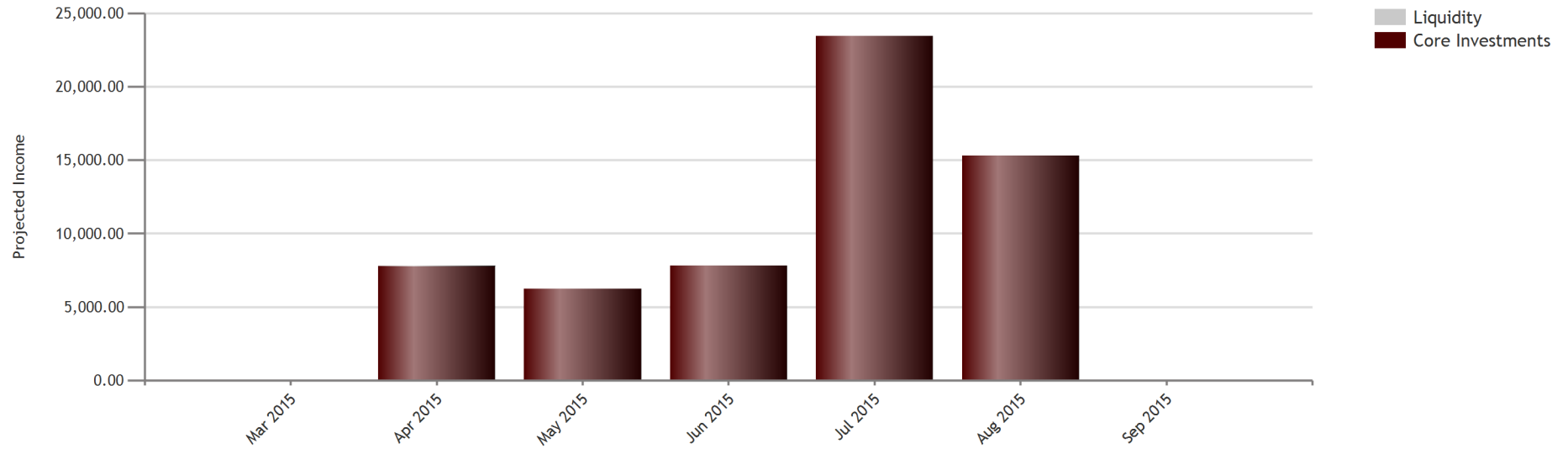


Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	7	17,563,215.00	98.2	0.7	0.693%	2.8
N/A	1	317,428.21	1.8	0.0	0.010%	0.3

Distribution by Moody Rating





	Mar 2015	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	
Core Investments	0.00	7,812.50	6,250.00	7,812.50	23,437.50	15,312.50	0.00	
US Agency (USD)	0.00	0.00	6,250.00	0.00	12,500.00	7,500.00	0.00	
US Treasury (USD)	0.00	7,812.50	0.00	7,812.50	10,937.50	7,812.50	0.00	
Liquidity	0.00	2.65	0.00	0.00	0.00	0.00	0.00	
Money Market Bank Deposits (USD)	0.00	2.65	0.00	0.00	0.00	0.00	0.00	
Total	0.00	7,815.15	6,250.00	7,812.50	23,437.50	15,312.50	0.00	
Grand Total								60,627.65



Purchases

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost
3/2/2015	3/2/2015	2	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 04-27-15	100.00	2.37
Total Purchases						2.37

Interest

Trade Date	Settle Date	Symbol	Security	Amount
3/2/2015	3/2/2015	cash	CASH ACCOUNT	2.37
Total Interest				2.37

Expenses

Trade Date	Settle Date	Symbol	Security	Amount
3/31/2015	3/31/2015	manfee	Management Fee	2,083.34
Total Expenses				2,083.34

Portfolio Summary

March 31, 2015

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	17,817,428	17,809,595.09	17,815,444.03	17,880,643.21	65,199.18	0.70	1.37	1.37	1.45	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	17,817,428	17,809,595.09	17,815,444.03	17,880,643.21	65,199.18	0.70	1.37	1.37	1.45	

Portfolio Holdings

City of Franklin

March 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	100.2969	0.41	2,507,422.50	1,899.17	2,509,321.67	7,366.10	14.0	1.37	1.37
912828WA4	2,500,000	UNITED STATES TREAS NTS 0.625% Due 10-15-16		03-27-14	99.88	0.70	100.2656	0.45	2,506,640.00	7,168.61	2,513,808.61	9,595.44	14.0	1.53	1.53
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	99.98	0.64	100.2344	0.49	2,505,860.00	4,550.14	2,510,410.14	6,362.38	14.0	1.70	1.70
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.06	0.84	100.6562	0.52	2,516,405.00	3,565.26	2,519,970.26	15,016.90	14.1	1.82	1.82
	10,000,000					0.70		0.47	10,036,327.50	17,183.18	10,053,510.68	38,340.82	56.1	1.60	1.60
US Agency Bullet															
313378CN9	2,500,000	FEDERAL HOME LOAN BANKS 0.600% Due 08-17-15		03-12-12	99.98	0.66	100.1560	0.19	2,503,900.00	1,833.33	2,505,733.33	4,428.43	14.0	0.38	0.38
313380L96	2,500,000	FEDERAL HOME LOAN BANKS 0.500% Due 11-20-15		07-11-13	99.99	0.51	100.1737	0.23	2,504,342.50	4,548.61	2,508,891.11	4,503.92	14.0	0.64	0.64
3137EADJ5	2,500,000	FEDERAL HOME LN MTG CORP 1.000% Due 07-28-17		12-18-13	100.03	0.99	100.7458	0.68	2,518,645.00	4,375.00	2,523,020.00	17,926.02	14.1	2.30	2.30
	7,500,000					0.72		0.36	7,526,887.50	10,756.94	7,537,644.44	26,858.36	42.1	1.11	1.11
Money Market Fund															
0000FIFTH	317,428	FIFTH THIRD BANK MMF 0.010% Due 04-27-15		12-31-14	100.00	0.01	100.0000	0.01	317,428.21	0.00	317,428.21	0.00	1.8	0.07	0.01
TOTAL	17,817,428					0.70		0.41	17,880,643.21	27,940.13	17,908,583.34	65,199.18	100.0	1.37	1.37

MASTER EARNED INCOME REPORT

From 02-28-15 To 03-31-15

Name	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
City of Franklin	17,254.90	0.00	0.00	0.00	27,940.13	10,685.23	234.99	10,920.22
TOTAL	17,254.90	0.00	0.00	0.00	27,940.13	10,685.23	234.99	10,920.22



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Questions About an Account: GPA's monthly report is intended to detail our investment advisory activity managed by GPA. In addition, at the request of the account, the report may include bank balances, LGIP balances and other funds that are held but not invested at the direction of 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.

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

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.