



GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account

6/30/2016

City of Franklin - Core Investment Fund

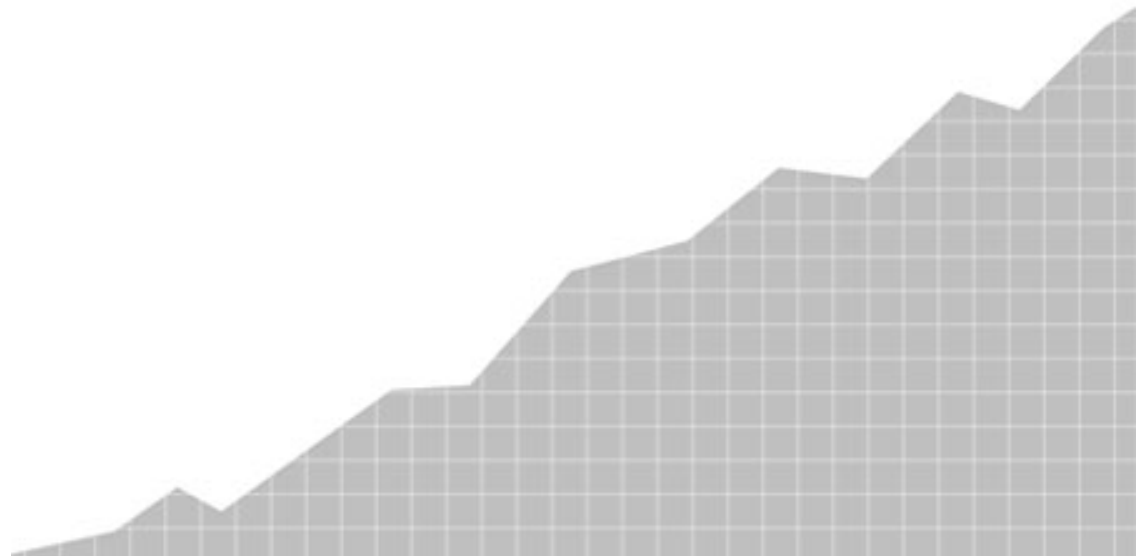




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MONTH END COMMENTARY – JUNE 2016

The uncertainty caused by the surprising Brexit vote drove yields to historically low levels as global financial markets witnessed a flight to quality to the safe haven of U.S. Treasuries. Leading up to the vote, stocks had rallied and bond prices dropped as expectations were that the U.K. would choose to stay in the European Union. After the vote to leave the EU, global equity markets plummeted, yields dropped and the dollar and gold spiked higher. After a very disappointing jobs report, yields dropped as the odds for a June rate hike were lowered dramatically in response. By the end of the month, the Dow Jones had recovered over half of the loss, post Brexit, however, two-year bond yields finished out the month at their lowest levels since October. Five-year treasuries closed at their lowest level in three years.

Immediate reaction to the Brexit vote:

- Moody's put the United Kingdom on negative outlook.
- The Dow Jones had the largest drop in ten months.
- European equity markets were battered after the vote.
- The Bank of England pledged \$250 billion in liquidity.
- The pound hit a 31-year low.

FOMC: The FOMC members unanimously voted against raising interest rates. The Fed cited weak job growth and tame inflation as the reasons for not raising rates. This decision was made prior to the Brexit vote on 6/27/16. The Fed forecast 2.0% growth in 2016. Its prior forecast was 2.2%. It predicted higher inflation, at 1.4% instead of its previous forecast of 1.2%. The Committee continues to closely monitor inflation indicators and global economic and financial developments. The Fed Funds futures is now showing a zero percent chance of a rate hike in 2016 until a 9% chance at the December 2016 meeting.

Non-farm Payrolls/Unemployment: Treasury prices increased considerably after a report showed the U.S. economy added the fewest number of workers in almost six years. The two-year note yield fell by the most since March after the report said the U.S. created 38,000 jobs in May, compared with the 160,000 median forecast. The unemployment rate dropped from 5% to 4.7%.

GDP: Real GDP increased at an annual rate of 1.1% in the first quarter of 2016, according to the "third" estimate. In the fourth quarter of 2015, real GDP increased 1.4%. This estimate is based on more complete source data than were available for the second estimate issued last month. In the second estimate, the increase in real GDP was .8%. With the third estimate for the first quarter, the general picture of economic growth remains the same; exports increased more than previously estimated.

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

3month bill	.19
1 year note	.71
2 year note	1.17
3 year note	2.22
5 year note	4.74

*Source: Bloomberg

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	.44%	1.35
BAML 0-5 Year Treasury	.78%	2.15
BAML 1-3 Year Treasury	.60%	1.83
BAML 1-5 Year Treasury	.97%	2.66

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

	06/30/15	05/31/16	06/30/16	Change in June	Change from Prior Year
3 month bill	.01	.29	.26	-.03	+.25
6 month bill	.11	.45	.35	-.10	+.24
2 year note	.64	.88	.58	-.30	-.06
3 year note	1.00	1.03	.69	-.34	-.31
5 year note	1.65	1.37	1.00	-.37	-.65
10 year	2.35	1.85	1.47	-.38	-.88

*Source: Bloomberg



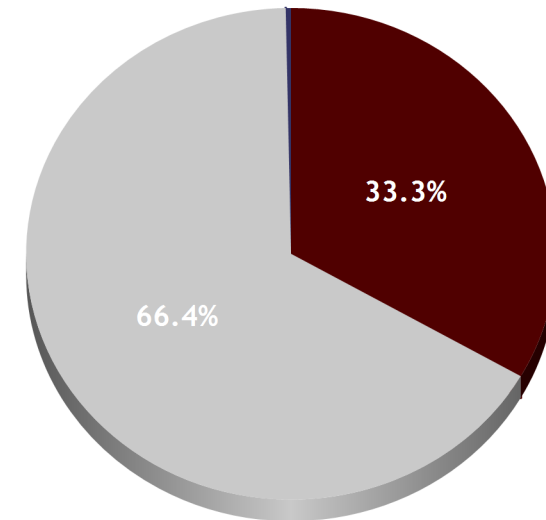
Weighted Averages

Book Yield	0.93
Maturity	1.53
Coupon	0.94
Moody	Aaa
S&P	AA+

Fixed Income Totals

Par Value	30,097,216
Market Value	30,282,908.59
Amortized Book Value	30,096,517.82
Unrealized Gain/Loss	186,390.77
Estimated Annual Cash Flow	281,259.72

Fixed Income Allocation



	Security Type	Market Value	% Assets
	US Agency (USD)	10,082,040.00	33.3
	US Treasury (USD)	20,103,652.50	66.4
	Bank or Cash Deposit (USD)	97,216.09	0.3
	Fixed Income Total	30,282,908.59	100.0

Portfolio Summary

June 30, 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	30,097,216	30,099,164.07	30,096,517.82	30,282,908.59	186,390.77	0.93	1.51	1.50	1.35	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	30,097,216	30,099,164.07	30,096,517.82	30,282,908.59	186,390.77	0.93	1.51	1.50	1.35	



Cost Basis Summary

	Month End Ending 6/30/2016	Fiscal Year-to-Date 12/31/2015
Beginning Amortized Cost	30,074,662.66	25,092,330.78
Investment Purchases	0.00	4,966,124.53
Investment Maturities/Sells/Calls	0.00	0.00
Amortization	(29.16)	(2,161.85)
Change in Cash Equivalents	21,884.31	40,224.35
Realized Gains / Losses	0.00	0.00
Ending Amortized Costs	30,096,517.82	30,096,517.82

Accrual Earnings Summary

	Month End Ending 6/30/2016	Fiscal Year-to-Date 12/31/2015
Amortization/Accretion	(29.16)	(2,161.85)
Interest Earned	22,930.52	129,220.04
Realized Gain (Loss)	0.00	0.00
Total Income	22,901.36	127,058.19
Average Portfolio Balance	30,210,042.48	27,943,260.71
Earnings Yield	0.92%	0.91%

MarketValue Summary

	As of 6/30/2016
Ending Market Value	30,282,908.59
Unrealized Gain/Loss	186,390.77

Interest Earnings Summary

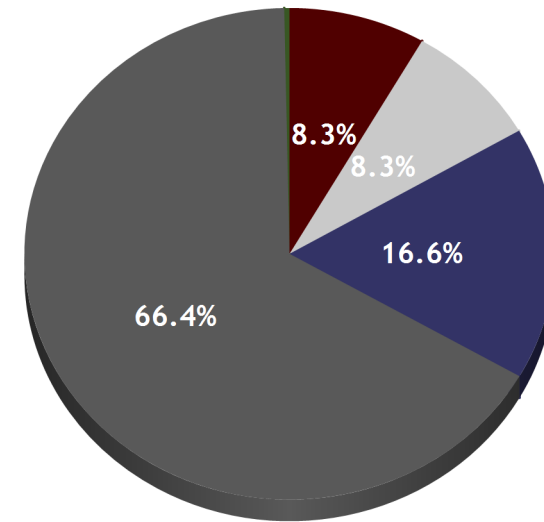
	Month End Ending 6/30/2016	Fiscal Year-to-Date 12/31/2015
Beginning Accrued Interest	71,260.70	56,159.75
Coupons Paid	21,884.31	129,719.51
Purchased Accrued Interest	0.00	(16,646.63)
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	72,306.91	72,306.91
Interest Earned	22,930.52	129,220.04



Total Return For Period

	Since 5/31/2016
Beginning Principal Value	30,138,781.78
Beginning Accrued Interest	71,260.70
Net Contributions/Withdrawals	0.00
Market Value Change	122,242.50
Interest Earnings	22,930.52
Ending Principal Value	30,282,908.59
Accrued Interest	72,306.91
Total Return	145,173.02
Advisory Fees for Period	-2,083.34
Net Total Return	143,089.68

Portfolio Allocation as of 6/30/2016



Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	2,522,970.00	8.3	1.0
FEDERAL HOME LOAN BANKS	2,518,685.00	8.3	1.0
FEDERAL HOME LN MTG CORP	5,040,385.00	16.6	1.2
UNITED STATES TREAS NTS	20,103,652.50	66.4	0.9
FIFTH THIRD BK CINCINNATI STN	97,216.09	0.3	0.0
Total	30,282,908.59	100.0	0.9



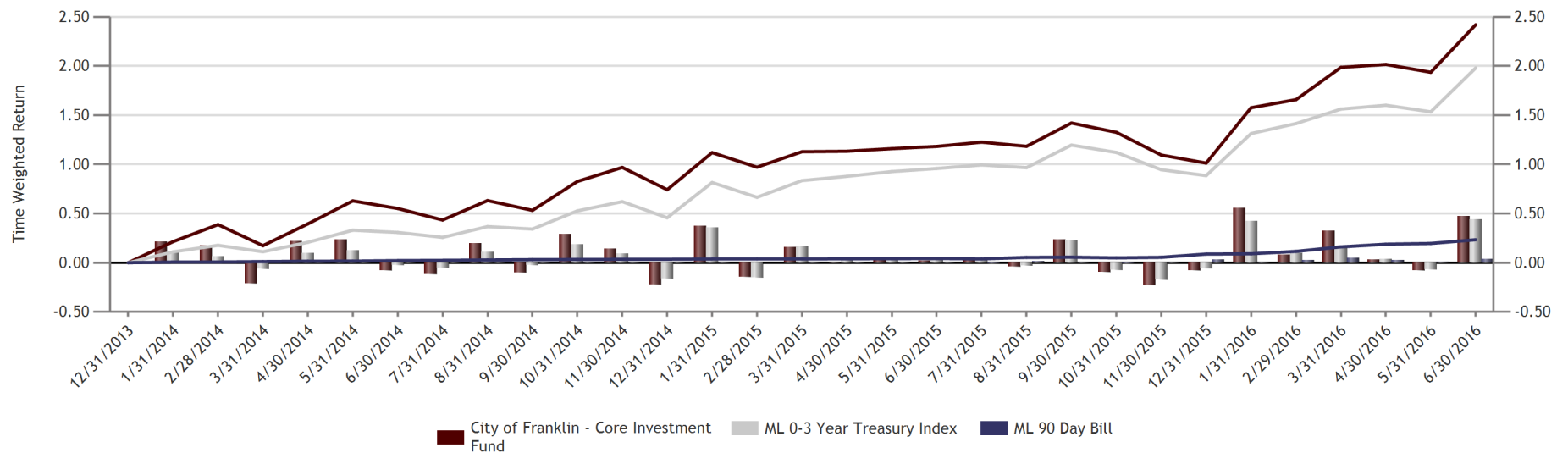
Performance History

Portfolio	Month To Date	Quarter To Date	Fiscal Year To Date	Annualized Latest 1 Year	Annualized Inception To Date
Account	0.47	0.42	1.39	1.22	0.96

Index

ML 0-3 Year Treasury Index	0.44	0.41	1.08	1.01	0.79
ML 90 Day Bill	0.04	0.07	0.15	0.19	0.09

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

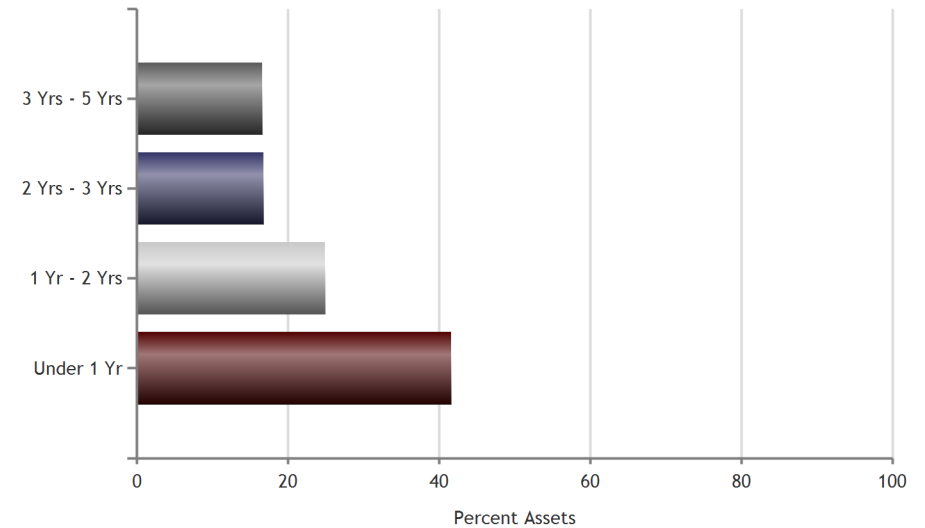




Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	6	12,609,363.59	41.6	0.6	0.645%	0.4
1 Yr - 2 Yrs	3	7,554,480.00	24.9	1.1	1.083%	1.6
2 Yrs - 3 Yrs	2	5,079,122.50	16.8	1.3	1.314%	2.5
3 Yrs - 5 Yrs	2	5,039,942.50	16.6	1.1	1.063%	3.1

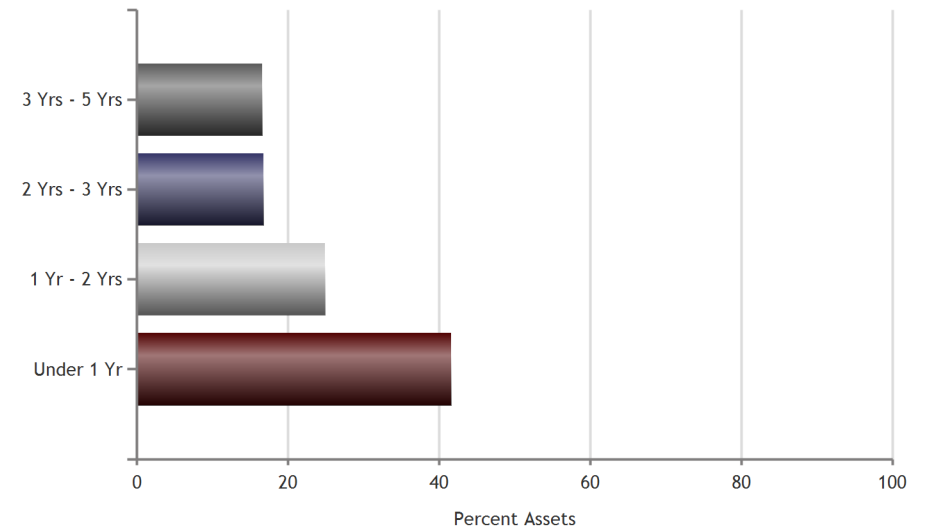
Distribution by Maturity



Distribution by Duration

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Distribution by Duration

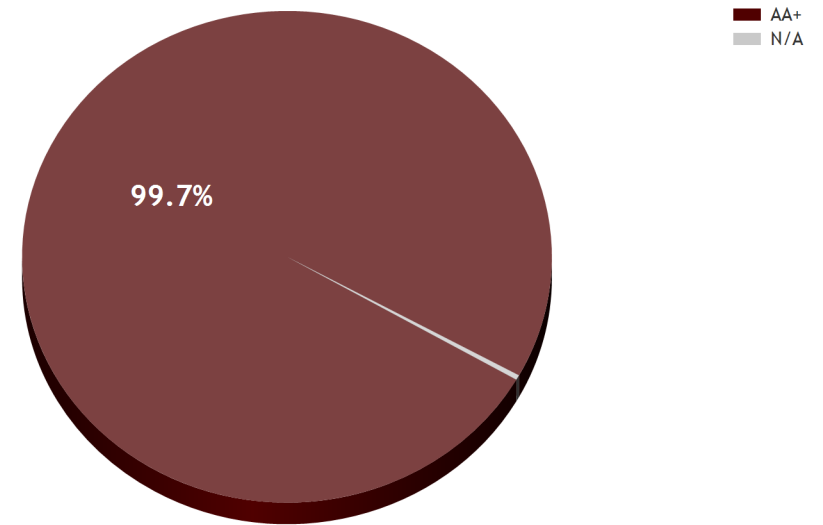




Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	12	30,185,692.50	99.7	0.9	0.939%	2.8
N/A	1	97,216.09	0.3	0.0	0.010%	0.3

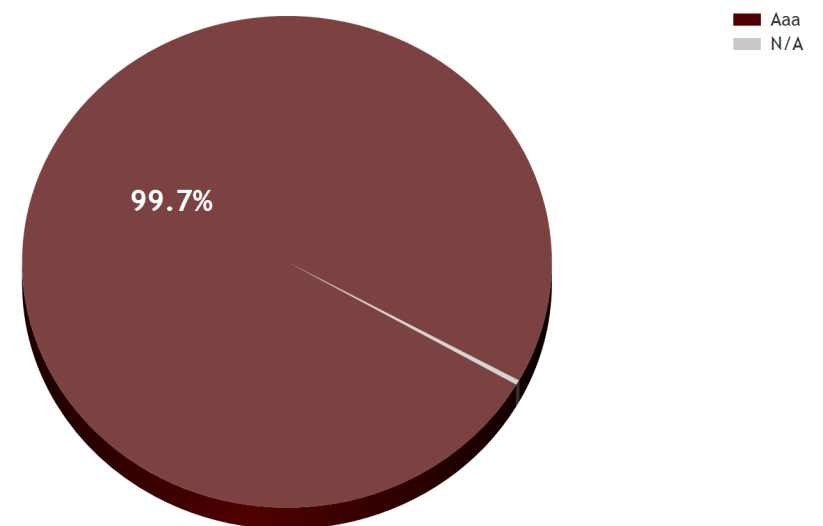
Distribution by S&P Rating

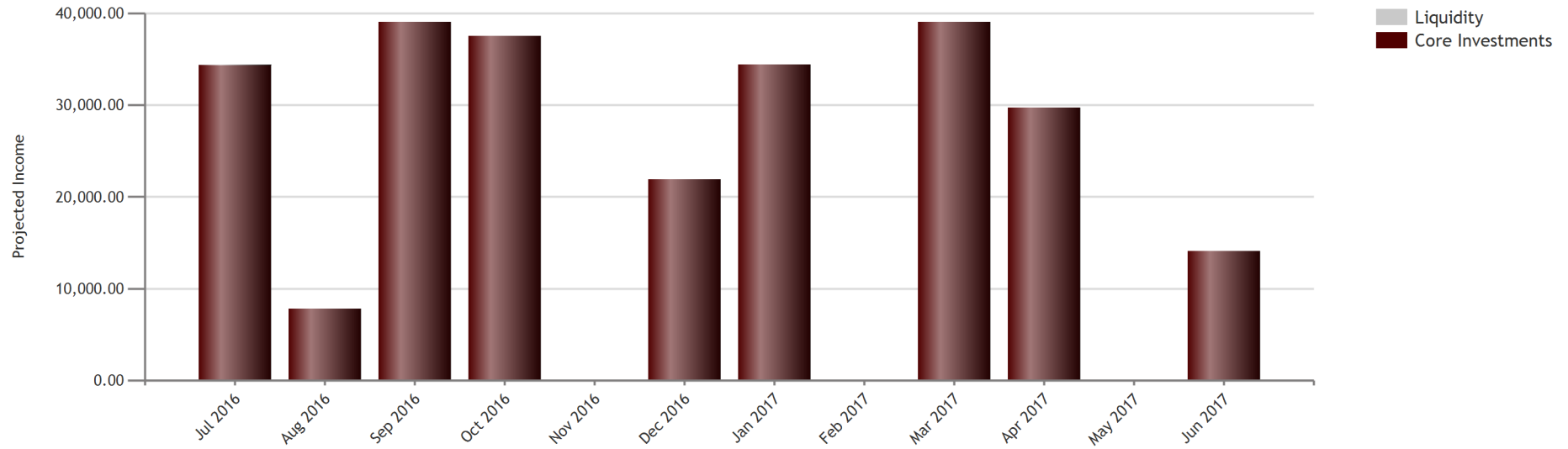


Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	12	30,185,692.50	99.7	0.9	0.939%	2.8
N/A	1	97,216.09	0.3	0.0	0.010%	0.3

Distribution by Moody Rating





	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017
Core Investments	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	29,687.50	0.00	14,062.50
US Agency (USD)	12,500.00	0.00	14,062.50	29,687.50	0.00	0.00	12,500.00	0.00	14,062.50	29,687.50	0.00	0.00
US Treasury (USD)	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	0.00	0.00	14,062.50
Liquidity	0.81	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)	0.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	34,375.81	7,812.50	39,062.50	37,500.00	0.00	21,875.00	34,375.00	0.00	39,062.50	29,687.50	0.00	14,062.50
Grand Total	257,813.31											



Interest

Trade Date	Settle Date	Symbol	Security	Amount
6/1/2016	6/1/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 07-29-16	9
6/15/2016	6/15/2016	912828A59	UNITED STATES TREAS NTS 0.625% Due 12-15-16	7,813
6/15/2016	6/15/2016	912828XF2	UNITED STATES TREAS NTS 1.125% Due 06-15-18	14,063
Total Interest				21,884

Expenses

Trade Date	Settle Date	Symbol	Security	Amount
6/30/2016	6/30/2016	manfee	Management Fee	2,083
Total Expenses				2,083

Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
6/1/2016	6/1/2016	9	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 07-29-16	100.00	9
6/15/2016	6/15/2016	21,875	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 07-29-16	100.00	21,875
Total Contributions						21,884

Portfolio Holdings

City of Franklin - Core Investment Fund
June 30, 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	100.0475	0.25	2,501,187.50	5,837.91	2,507,025.41	1,182.45	8.3	0.13	0.11
912828WA4	2,500,000	UNITED STATES TREAS NTS 0.625% Due 10-15-16		03-27-14	99.98	0.70	100.0781	0.36	2,501,952.50	3,244.54	2,505,197.04	2,508.50	8.3	0.29	0.28
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	99.99	0.64	100.1024	0.40	2,502,560.00	640.37	2,503,200.37	2,694.31	8.3	0.46	0.45
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.02	0.84	100.2491	0.45	2,506,227.50	9,074.52	2,515,302.02	5,785.59	8.3	0.58	0.57
912828J92	2,500,000	UNITED STATES TREAS NTS 0.500% Due 03-31-17		07-24-15	99.92	0.60	100.0088	0.49	2,500,220.00	3,107.92	2,503,327.92	2,140.44	8.3	0.75	0.73
912828XF2	2,500,000	UNITED STATES TREAS NTS 1.125% Due 06-15-18		08-18-15	100.20	1.02	101.0039	0.61	2,525,097.50	1,152.66	2,526,250.16	20,015.79	8.3	1.94	1.92
912828SN1	2,500,000	UNITED STATES TREAS NTS 1.500% Due 03-31-19		11-16-15	100.55	1.30	102.2461	0.67	2,556,152.50	9,323.77	2,565,476.27	42,492.41	8.4	2.69	2.68
912828TH3	2,500,000	UNITED STATES TREAS NTS 0.875% Due 07-31-19		03-10-16	99.02	1.20	100.4102	0.74	2,510,255.00	9,074.52	2,519,329.52	34,737.05	8.3	3.03	3.02
	20,000,000					0.87		0.50	20,103,652.50	41,456.21	20,145,108.71	111,556.53	66.4	1.24	1.23
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	100.4279	0.60	2,510,697.50	10,555.56	2,521,253.06	10,367.30	8.3	1.07	1.05
3130A5PE3	2,500,000	FEDERAL HOME LOAN BANKS 1.125% Due 03-29-18		07-24-15	100.18	1.02	100.7474	0.69	2,518,685.00	7,109.37	2,525,794.37	14,110.64	8.3	1.72	1.71
3135G0E58	2,500,000	FEDERAL NATL MTG ASSN 1.125% Due 10-19-18		10-06-15	100.35	0.97	100.9188	0.72	2,522,970.00	5,546.87	2,528,516.87	14,239.15	8.3	2.27	2.26
3137EADM8	2,500,000	FEDERAL HOME LN MTG CORP 1.250% Due 10-02-19		03-10-16	99.74	1.33	101.1875	0.88	2,529,687.50	7,638.89	2,537,326.39	36,117.15	8.4	3.18	3.17
	10,000,000					1.08		0.72	10,082,040.00	30,850.69	10,112,890.69	74,834.24	33.3	2.06	2.05

Portfolio Holdings

City of Franklin - Core Investment Fund

June 30, 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	97,216	FIFTH THIRD BANK MMF 0.010% Due 07-29-16		03-31-16	100.00	0.01	100.0000	0.01	97,216.09	0.00	97,216.09	0.00	0.3	0.08	0.01
TOTAL	30,097,216					0.93		0.57	30,282,908.59	72,306.91	30,355,215.50	186,390.77	100.0	1.51	1.50



Disclaimer & Terms

6/30/2016

This report is for general informational purposes only and is not intended to provide specific advice or recommendations. Government Portfolio Advisors (GPA) is an investment advisor registered with the Securities and Exchange Commission and is required to maintain a written disclosure statement of our background and business experience.

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.

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.