



GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account

10/31/2016

City of Franklin - Core Investment Fund

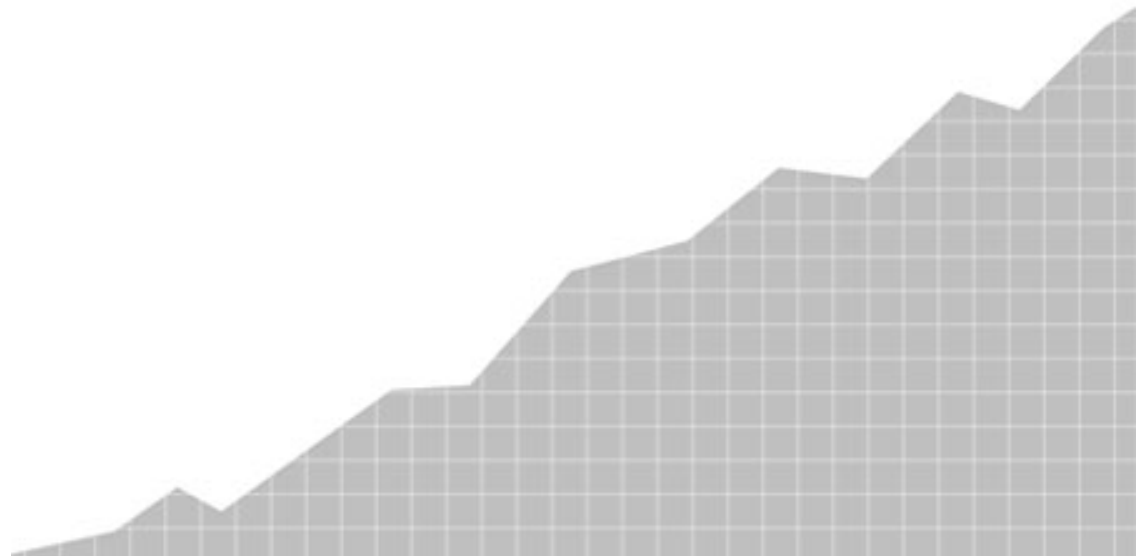




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MONTH END COMMENTARY –OCTOBER 2016

Strong economic data and higher global interest rates contributed to higher U.S. Treasury yields in October. The Treasury yield curve steepened with shorter maturities lagging the increase in longer rates. The divisive election year continues to confound the financial markets also. The two-year Treasury note increased 8 basis points from .76% at the end of September to .84% at the end of October. Five year U.S. Treasury prices also fell with the yield increasing from 1.15% at the end of September to 1.31% in October. The 10-year Treasury note increased from 1.60% to 1.83%.

FOMC: September's FOMC meeting minutes were released on 10/12/16. Three of the FOMC's 10 voting members opposed the final statement, which noted that FOMC members still felt it prudent to keep its interest rate target at .25% to .50%. The three dissenters wanted to hike rates a quarter point. Current projections are for two rate hikes in 2017 and one in December 2016. Overall, there were no surprises in the minutes. The current Fed Funds futures market is currently pricing in a 78% probability of a rate hike in December. These projections are barring any kind of shock to the market, through the election or economic data.

Philadelphia Fed President Patrick Harker's comments summed up the situation for the Fed, "While there are risks of 'hanging around zero' for too long, 'it may be prudent' to wait for election uncertainty to fade, in case the Fed finds it necessary to 'respond to' policies that would have distortive effects." Also commenting on the Fed, Morgan Stanley investment manager, Jim Caron said, "With growth chugging along at around 2% a year, I believe the U.S. economy is neither too hot nor too cold but just right for bond investors. If the Fed continues raising rates at a slow pace, which is the market consensus, then bonds are unlikely to move drastically in one direction or the other."

Non-farm Payrolls/Unemployment: Total nonfarm payroll employment increased by 156,000 jobs in September below the expected increase of 170M but with a revision to the prior month from 151M to 167M. The third quarter average was an increase in nonfarm payrolls of 192M, better than the quarter two average of 177M. Hourly earnings and weekly hours worked showed improvement from prior months. The unemployment rate increased slightly from 4.9% to 5.0%. The labor force participation rate increased slightly from 62.85% to 62.9%.

Personal Income: Personal income increased \$46.7 billion (.3%). Disposable personal income increased \$37.0 billion (.3%) and personal consumption expenditure increased \$61.0 billion (.5%).

GDP: Real GDP increased at an annual rate of 2.9% in the third quarter of 2016, according to the "advance" estimate. In the second quarter, real GDP increased 1.4%. The third quarter advance estimate is based on source data that is subject to further revision. The "second" estimate will be released on November 29, 2016. The increase in real GDP reflected positive increases from personal consumption expenditures, exports, private inventory investment and federal government spending.

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

3month bill	.31
1 year note	.685
2 year note	.77
3 year note	1.31
5 year note	2.42

*Source: Bloomberg

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	-.03%	1.45
BAML 0-5 Year Treasury	-.14%	2.25
BAML 1-3 Year Treasury	-.07%	1.85
BAML 1-5 Year Treasury	-.20%	2.65

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

	10/31/15	09/30/16	10/31/16	Change in October	Change from Prior Year
3 month bill	.07	.28	.30	+.02	+.23
6 month bill	.23	.43	.50	+.07	+.27
2 year note	.73	.76	.84	+.08	+.11
3 year note	1.02	.88	.99	+.11	-.03
5 year note	1.52	1.15	1.31	+.16	-.21
10 year	2.14	1.60	1.83	+.23	-.31

*Source: Bloomberg



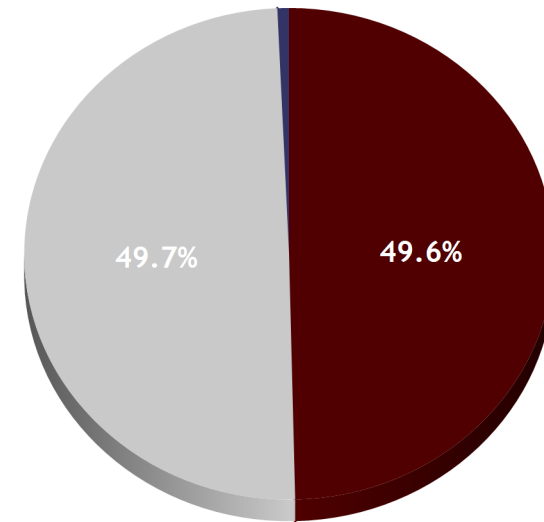
Weighted Averages

Book Yield	0.97
Maturity	1.52
Coupon	0.98
Moody	Aaa
S&P	AA+

Fixed Income Totals

Par Value	30,213,559
Market Value	30,292,061.41
Amortized Book Value	30,211,385.94
Unrealized Gain/Loss	80,675.47
Estimated Annual Cash Flow	295,021.36

Fixed Income Allocation



Security Type	Market Value	% Assets
US Agency (USD)	15,034,275.00	49.6
US Treasury (USD)	15,044,227.50	49.7
Bank or Cash Deposit (USD)	213,558.91	0.7
Fixed Income Total	30,292,061.41	100.0

Portfolio Summary

October 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	30,213,559	30,218,792.04	30,211,385.94	30,292,061.41	80,675.47	0.97	1.50	1.45	1.45	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	30,213,559	30,218,792.04	30,211,385.94	30,292,061.41	80,675.47	0.97	1.50	1.45	1.45	



Cost Basis Summary

	Month End Ending 10/31/2016	Fiscal Year-to-Date 12/31/2015
Beginning Amortized Cost	30,176,615.06	25,092,330.78
Investment Purchases	2,500,750.00	9,964,624.53
Investment Maturities/Sells/Calls	(2,500,000.00)	(5,000,000.00)
Amortization	(35.09)	(2,136.55)
Change in Cash Equivalents	34,055.97	156,567.17
Realized Gains / Losses	0.00	0.00
Ending Amortized Costs	30,211,385.94	30,211,385.94

Accrual Earnings Summary

	Month End Ending 10/31/2016	Fiscal Year-to-Date 12/31/2015
Amortization/Accretion	(35.09)	(2,136.55)
Interest Earned	24,547.03	224,874.68
Realized Gain (Loss)	0.00	0.00
Total Income	24,511.94	222,738.13
Average Portfolio Balance	30,353,113.02	28,757,851.75
Earnings Yield	0.95%	0.93%

MarketValue Summary

	As of 10/31/2016
Ending Market Value	30,292,061.41
Unrealized Gain/Loss	80,675.47

Interest Earnings Summary

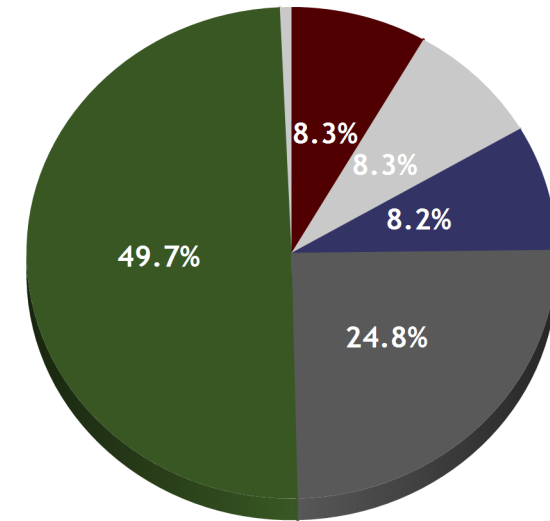
	Month End Ending 10/31/2016	Fiscal Year-to-Date 12/31/2015
Beginning Accrued Interest	62,127.66	56,159.75
Coupons Paid	29,701.80	232,895.66
Purchased Accrued Interest	(1,458.33)	(18,104.96)
Sold Accrued Interest	7,812.50	15,625.00
Ending Accrued Interest	50,618.73	50,618.73
Interest Earned	24,547.03	224,874.68



Total Return For Period

	Since 9/30/2016
Beginning Principal Value	30,291,932.94
Beginning Accrued Interest	62,127.66
Net Contributions/Withdrawals	-1,250.00
Market Value Change	-34,677.50
Interest Earnings	24,547.03
Ending Principal Value	30,292,061.41
Accrued Interest	50,618.73
Total Return	-10,130.47
Advisory Fees for Period	-2,083.33
Net Total Return	-12,213.80

Portfolio Allocation as of 10/31/2016



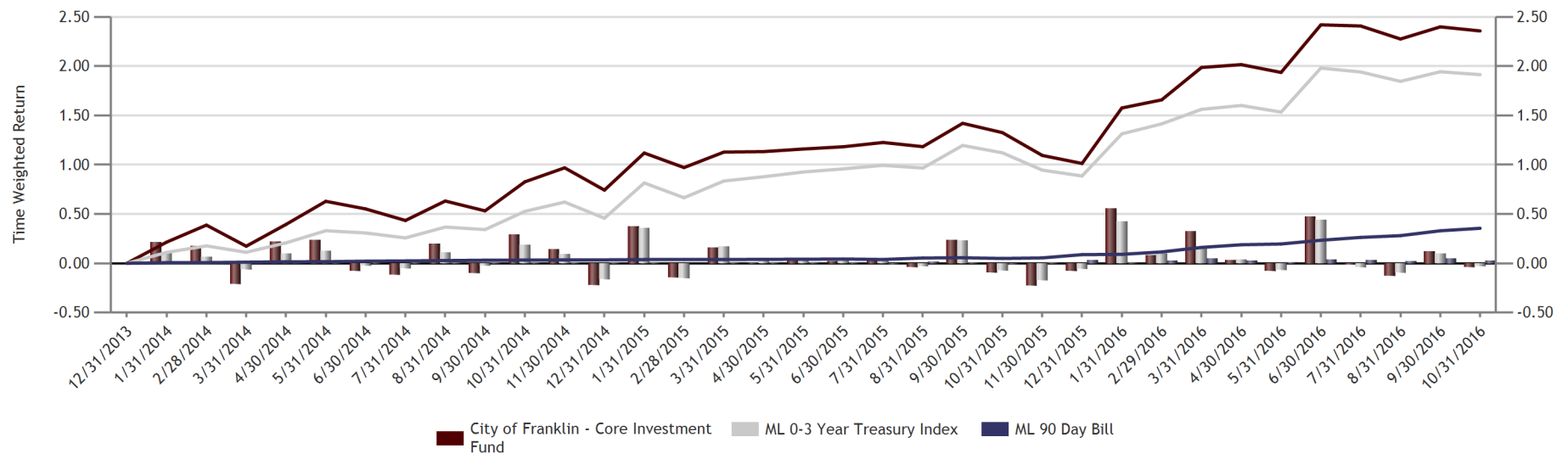
Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	2,509,627.50	8.3	1.0
FEDERAL HOME LOAN BANKS	2,508,877.50	8.3	1.0
FEDERAL FARM CR BKS	2,495,657.50	8.2	0.8
FEDERAL HOME LN MTG CORP	7,520,112.50	24.8	1.1
UNITED STATES TREAS NTS	15,044,227.50	49.7	0.9
FIFTH THIRD BK CINCINNATI STN	213,558.91	0.7	0.0
Total	30,292,061.41	100.0	1.0



Performance History

Portfolio Account	Month To Date	Quarter To Date	Fiscal Year To Date	Annualized Inception To Date
	-0.04	-0.04	1.33	0.83
Index				
ML 0-3 Year Treasury Index	-0.03	-0.03	1.02	0.67
ML 90 Day Bill	0.03	0.03	0.27	0.13

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

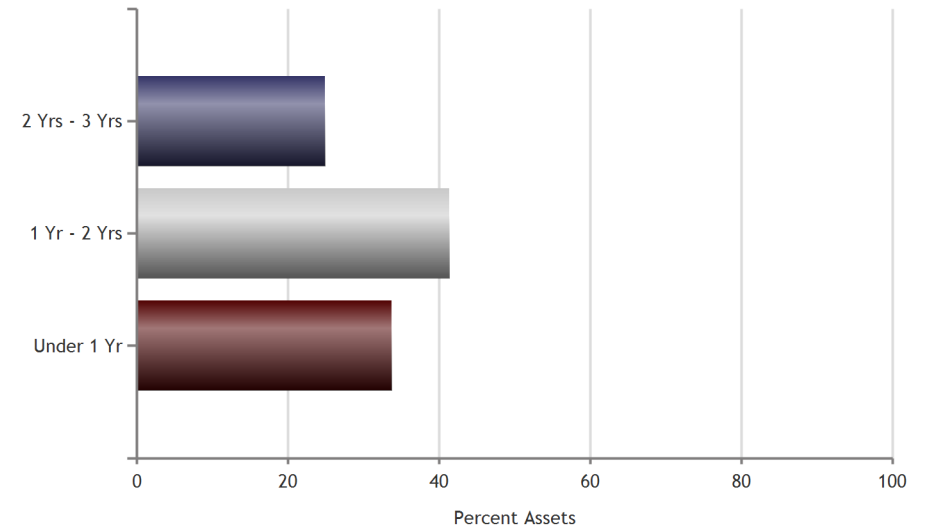




Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	5	10,226,301.41	33.8	0.7	0.735%	0.4
1 Yr - 2 Yrs	5	12,526,492.50	41.4	1.0	1.035%	1.7
2 Yrs - 3 Yrs	3	7,539,267.50	24.9	1.2	1.210%	2.6

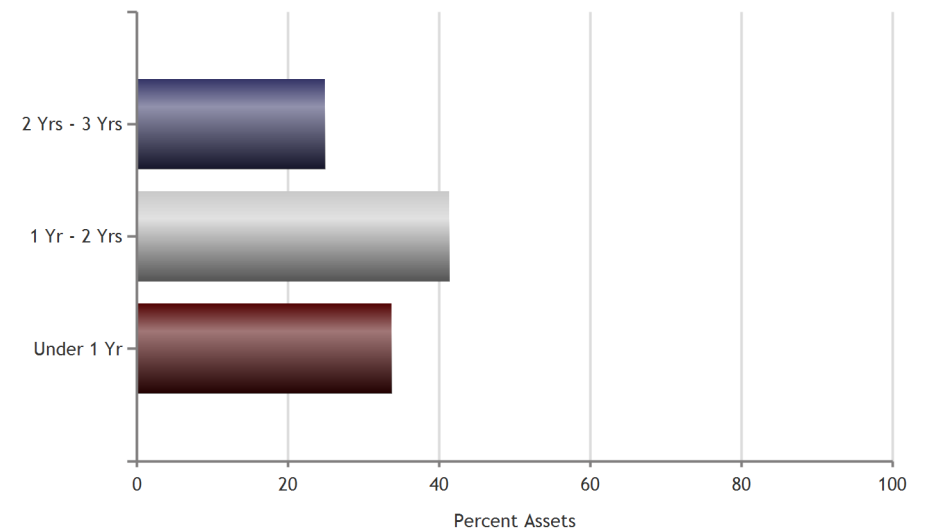
Distribution by Maturity



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Distribution by Duration

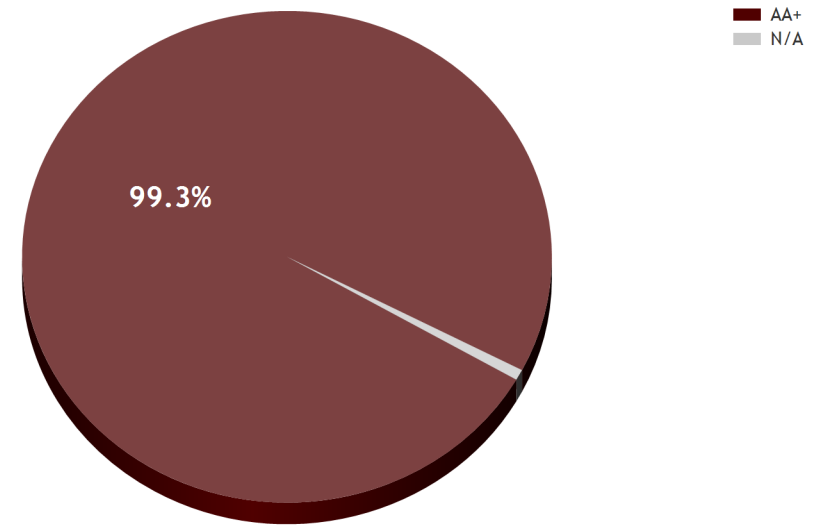




Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	12	30,078,502.50	99.3	0.8	0.984%	1.5
N/A	1	213,558.91	0.7	0.0	0.010%	0.1

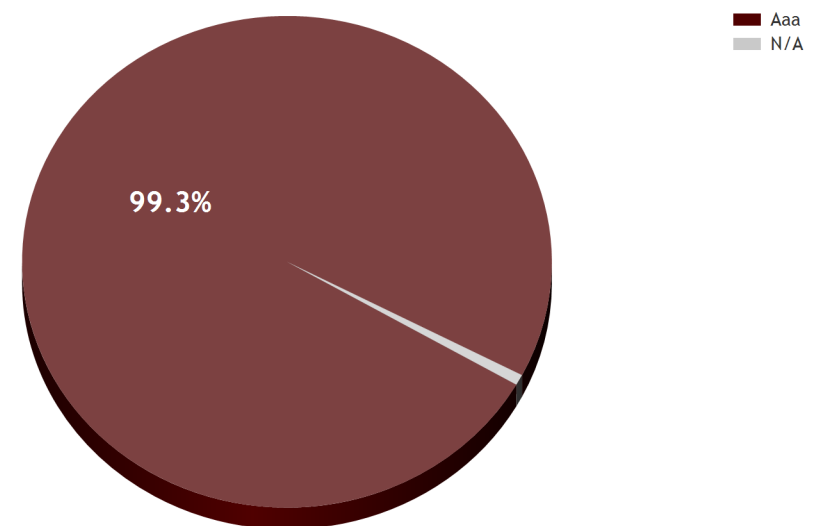
Distribution by S&P Rating

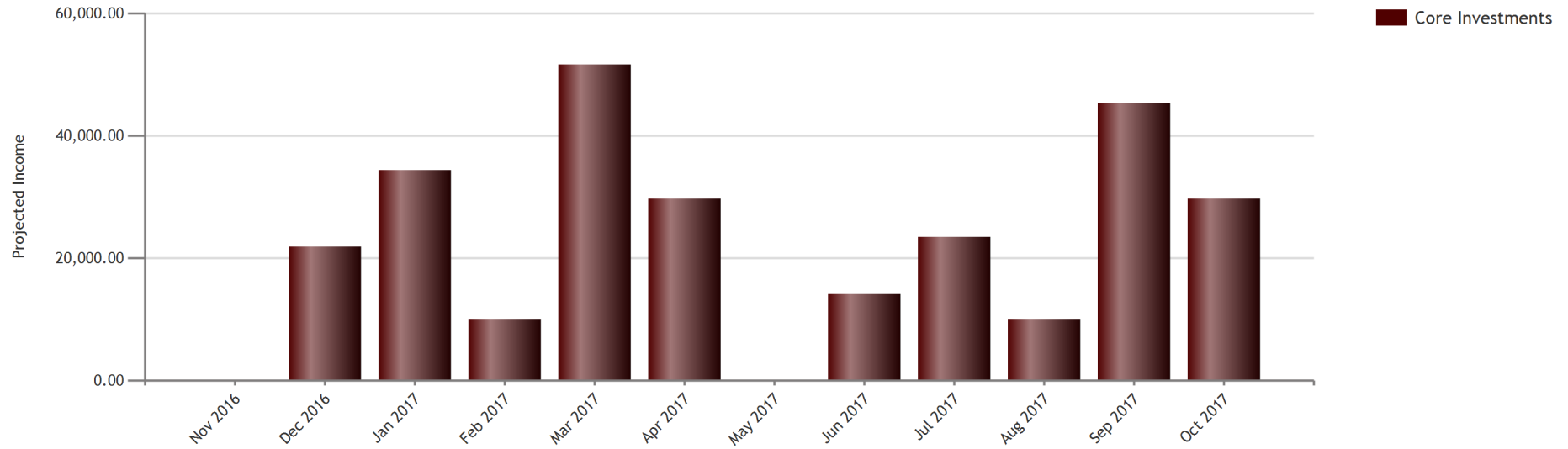


Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	12	30,078,502.50	99.3	0.8	0.984%	1.5
N/A	1	213,558.91	0.7	0.0	0.010%	0.1

Distribution by Moody Rating





	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017
Core Investments	0.00	21,875.00	34,375.00	10,000.00	51,562.50	29,687.50	0.00	14,062.50	23,437.50	10,000.00	45,312.50	29,687.50
US Agency (USD)	0.00	0.00	12,500.00	10,000.00	26,562.50	29,687.50	0.00	0.00	12,500.00	10,000.00	26,562.50	29,687.50
US Treasury (USD)	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	18,750.00	0.00
Total	0.00	21,875.00	34,375.00	10,000.00	51,562.50	29,687.50	0.00	14,062.50	23,437.50	10,000.00	45,312.50	29,687.50
Grand Total	270,000.00											



Purchases

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost
10/17/2016	10/19/2016	2,500,000	3134GAMV3	FEDERAL HOME LN MTG CORP 1.000% Due 09-28-18	100.03	2,500,750
Total Purchases						2,500,750

Interest

Trade Date	Settle Date	Symbol	Security	Amount
10/2/2016	10/2/2016	3137EADM8	FEDERAL HOME LN MTG CORP 1.250% Due 10-02-19	15,625
10/3/2016	10/3/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 11-29-16	14
10/3/2016	10/3/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 11-29-16	0
10/15/2016	10/15/2016	912828WA4	UNITED STATES TREAS NTS 0.625% Due 10-15-16	7,813
10/17/2016	10/19/2016	3134GAMV3	FEDERAL HOME LN MTG CORP 1.000% Due 09-28-18	-1,458
10/19/2016	10/19/2016	3135G0E58	FEDERAL NATL MTG ASSN 1.125% Due 10-19-18	14,063
10/19/2016	10/19/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 11-29-16	0
10/20/2016	10/20/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 11-29-16	0
Total Interest				36,056

Maturities

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost	Amort. or Accretion	Unit Price	Proceeds	Gain/Loss
10/15/2016	10/15/2016	2,500,000	912828WA4	UNITED STATES TREAS NTS 0.625% Due 10-15-16	99.80	2,495,117	4,883	100.00	2,500,000	0
Total Maturities						2,495,117	4,883		2,500,000	0



Expenses

Trade Date	Settle Date	Symbol	Security	Amount
10/31/2016	10/31/2016	manfee	Management Fee	2,083
Total Expenses				2,083

Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
10/3/2016	10/3/2016	15,639	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 11-29-16	100.00	15,639
10/19/2016	10/19/2016	19,667	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 11-29-16	100.00	19,667
Total Contributions						35,306

Withdrawals

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
10/19/2016	10/19/2016		cash	CASH ACCOUNT		5,604
10/20/2016	10/20/2016	1,250	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 11-29-16	100.00	1,250
Total Withdrawals						6,854

Portfolio Holdings

City of Franklin - Core Investment Fund
October 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															
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	100.00	0.64	100.0450	0.26	2,501,125.00	5,891.39	2,507,016.39	1,160.39	8.3	0.12	0.11
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.01	0.84	100.1444	0.30	2,503,610.00	5,468.75	2,509,078.75	3,422.08	8.3	0.25	0.24
912828J92	2,500,000	UNITED STATES TREAS NTS 0.500% Due 03-31-17		07-24-15	99.96	0.60	100.0328	0.42	2,500,820.00	1,064.56	2,501,884.56	1,875.59	8.3	0.41	0.40
912828XF2	2,500,000	UNITED STATES TREAS NTS 1.125% Due 06-15-18		08-18-15	100.17	1.02	100.4883	0.82	2,512,207.50	10,604.51	2,522,812.01	8,000.09	8.3	1.60	1.59
912828SN1	2,500,000	UNITED STATES TREAS NTS 1.500% Due 03-31-19		11-16-15	100.48	1.30	101.3398	0.94	2,533,495.00	3,193.68	2,536,688.68	21,503.71	8.4	2.37	2.36
912828TH3	2,500,000	UNITED STATES TREAS NTS 0.875% Due 07-31-19		03-10-16	99.13	1.20	99.7188	0.98	2,492,970.00	5,468.75	2,498,438.75	14,773.79	8.2	2.70	2.70
	15,000,000					0.93		0.62	15,044,227.50	31,691.64	15,075,919.14	50,735.65	49.7	1.24	1.24
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	100.2875	0.61	2,507,187.50	6,458.33	2,513,645.83	6,960.55	8.3	0.74	0.73
3130A5PE3	2,500,000	FEDERAL HOME LOAN BANKS 1.125% Due 03-29-18		07-24-15	100.15	1.02	100.3551	0.87	2,508,877.50	2,500.00	2,511,377.50	5,186.94	8.3	1.40	1.39
3133EGQY4	2,500,000	FEDERAL FARM CR BKS 0.800% Due 08-15-18		08-11-16	99.92	0.85	99.8263	0.90	2,495,657.50	4,222.22	2,499,879.72	-2,332.91	8.2	1.77	1.76
3135G0E58	2,500,000	FEDERAL NATL MTG ASSN 1.125% Due 10-19-18		10-06-15	100.30	0.97	100.3851	0.93	2,509,627.50	937.50	2,510,565.00	2,173.01	8.3	1.94	1.93
3137EADM8	2,500,000	FEDERAL HOME LN MTG CORP 1.250% Due 10-02-19		03-10-16	99.77	1.33	100.5121	1.07	2,512,802.50	2,517.36	2,515,319.86	18,565.97	8.3	2.86	2.86
	12,500,000					1.03		0.87	12,534,152.50	16,635.42	12,550,787.92	30,553.56	41.4	1.74	1.73

Portfolio Holdings

City of Franklin - Core Investment Fund

October 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 Agency Callable															
3134GAMV3	2,500,000	FEDERAL HOME LN MTG CORP 1.000% Due 09-28-18	09-28-17	10-17-16	100.03	0.98	100.0049	1.00	2,500,122.50	2,291.67	2,502,414.17	-613.74	8.3	1.89	1.48
Money Market Fund															
0000FIFTH	213,559	FIFTH THIRD BANK MMF 0.010% Due 11-29-16		03-31-16	100.00	0.01	100.0000	0.01	213,558.91	0.00	213,558.91	0.00	0.7	0.08	0.05
TOTAL	30,213,559					0.97		0.75	30,292,061.41	50,618.73	30,342,680.14	80,675.47	100.0	1.50	1.45



Disclaimer & Terms

10/31/2016

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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.

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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.