



GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account

12/31/2016

City of Franklin - Core Investment Fund

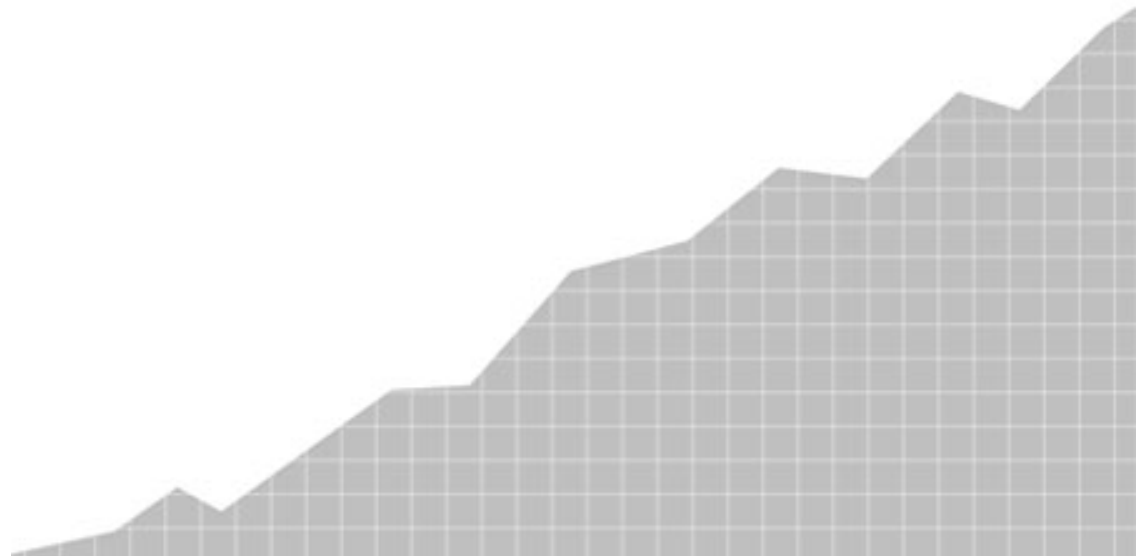




Table of Contents

Market Commentary.....1

Account Summary.....2

Portfolio Summary3

Accrual Earnings and Activity Report4

Total Return5

Period Performance6

Maturity & Duration Distribution.....7

Ratings Distribution8

Cash Flow Projection9

Transaction Summary10

Portfolio Holdings12

Disclaimer14

MONTH END COMMENTARY – DECEMBER 2016

Yields continued to move up with an expected Fed tightening, stronger than anticipated economic news and the robust stock market rally. Market participants continue to believe that the Trump victory will pave the way for additional fiscal stimulus in the form of lower taxes and fewer regulations. Bonds continued to sell off while the Dow Jones reached its record level of 19,974.62, just shy of 20,000. After suffering a tough six-week stretch following the November election, the Treasury market rallied slightly in the last two weeks of 2016. Yields reached their year-to-date highs across the curve on December 15th. The 2-year Treasury note increased to 1.19% from 1.12% at the end of November. Five year U.S. Treasury prices also fell with the yield increasing from 1.84% to 1.93%. The 10-year Treasury note increased from 2.38% to 2.44%.

FOMC: The dollar gained and two-year Treasury yields reached the highest yield since 2009 after the Fed raised interest rates for the first time in a year and increased its forecast for hikes in 2017-2019. The forecast only increased by a quarter-point in each year, which means just one additional rate hike in a three year span than expected in September.

Major changes in the Fed's outlook at the 12/14/16 meeting:

- The unemployment rate has declined. (Was "little changed.")
- Inflation has increased. (Was "increased somewhat.")
- Market-based measure of inflation expectations have moved up considerably, but still are low. (Was "have moved up but remain low.")
- "In view of realized and expected labor market conditions and inflation, the Committee decided to raise the target range for the federal funds rate."
- "The stance of monetary policy remains accommodative, thereby supporting further strengthening (was "improvement") in labor market conditions and a return to 2 percent inflation."
- There were no dissents.

The current Fed Funds futures is predicting a 12.4% probability of another rate hike at the February 1, 2017 meeting.

Non-farm Payrolls/Unemployment: Total nonfarm payroll employment increased by 178,000 jobs in November, very close to the 180,000 consensus, while October was revised down 19,000. The big surprise was a significant drop in the unemployment rate from 4.9% to 4.6%.

GDP: Real GDP increased at an annual rate of 3.5% in the third quarter of 2016, according to the "third" estimate. In the second quarter, real GDP increased 1.4%. In the "second" estimate, the increase in real GDP was 3.2%. With this third estimate, nonresidential fixed investment, personal consumption expenditures, and state and local government spending increased more than previously estimated, but the general picture of economic growth remains the same.

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

3month bill	.33
1 year note	.81
2 year note	.66
3 year note	.86
5 year note	.54

*Source: Bloomberg

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	.04%	1.45
BAML 0-5 Year Treasury	.03%	2.25
BAML 1-3 Year Treasury	.03%	1.89
BAML 1-5 Year Treasury	.02%	2.70

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

	12/31/15	11/30/16	12/31/16	Change in December	Change from Prior Year
3 month bill	.16	.48	.50	+.02	+.34
6 month bill	.48	.61	.61	unch	+.13
2 year note	1.05	1.12	1.19	+.07	+.14
3 year note	1.31	1.39	1.45	+.06	+.14
5 year note	1.76	1.84	1.93	+.09	+.17
10 year	2.27	2.38	2.44	+.06	+.17

*Source: Bloomberg



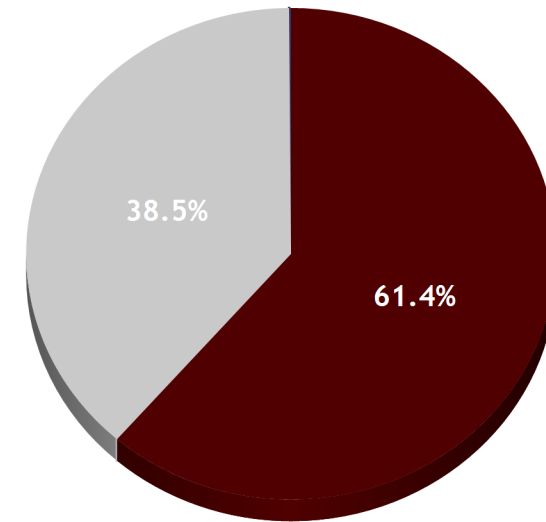
Weighted Averages

Book Yield	1.06
Maturity	1.64
Coupon	1.07
Moody	Aaa
S&P	AA+

Fixed Income Totals

Par Value	32,538,466
Market Value	32,458,380.59
Amortized Book Value	32,537,025.22
Unrealized Gain/Loss	-78,644.63
Estimated Annual Cash Flow	347,038.47

Fixed Income Allocation



	Security Type	Market Value	% Assets
	US Agency (USD)	19,932,575.00	61.4
	US Treasury (USD)	12,487,340.00	38.5
	Bank or Cash Deposit (USD)	38,465.59	0.1
	Fixed Income Total	32,458,380.59	100.0

Portfolio Summary

December 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	32,538,466	32,545,602.63	32,537,025.22	32,458,380.59	-78,644.63	1.06	1.61	1.48	1.45	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	32,538,466	32,545,602.63	32,537,025.22	32,458,380.59	-78,644.63	1.06	1.61	1.48	1.45	



Cost Basis Summary

	Month End Ending 12/31/2016	Fiscal Year-to-Date 12/31/2015
Beginning Amortized Cost	32,500,882.38	25,092,330.78
Investment Purchases	2,501,650.00	14,965,649.53
Investment Maturities/Sells/Calls	(2,500,000.00)	(7,500,000.00)
Amortization	(175.98)	(2,428.95)
Change in Cash Equivalents	34,668.82	(18,526.15)
Realized Gains / Losses	0.00	0.00
Ending Amortized Costs	32,537,025.22	32,537,025.22

Accrual Earnings Summary

	Month End Ending 12/31/2016	Fiscal Year-to-Date 12/31/2015
Amortization/Accretion	(175.98)	(2,428.95)
Interest Earned	29,208.82	279,761.55
Realized Gain (Loss)	0.00	0.00
Total Income	29,032.84	277,332.61
Average Portfolio Balance	32,535,129.56	29,255,561.37
Earnings Yield	1.05%	0.95%

MarketValue Summary

	As of 12/31/2016
Ending Market Value	32,458,380.59
Unrealized Gain/Loss	(78,644.63)

Interest Earnings Summary

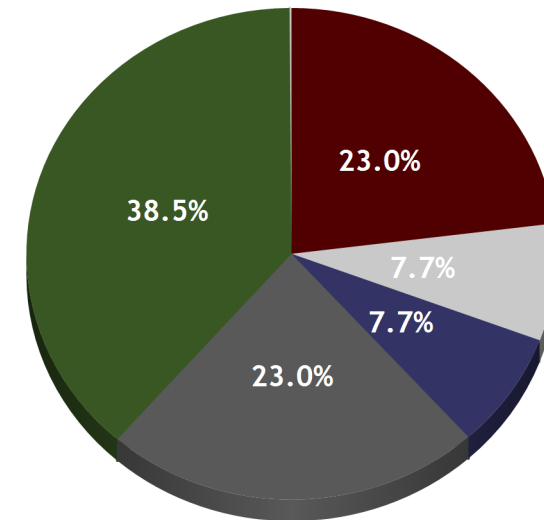
	Month End Ending 12/31/2016	Fiscal Year-to-Date 12/31/2015
Beginning Accrued Interest	92,683.91	56,159.75
Coupons Paid	33,834.44	266,801.29
Purchased Accrued Interest	(11,328.13)	(45,891.42)
Sold Accrued Interest	7,812.50	23,437.50
Ending Accrued Interest	91,573.93	91,573.93
Interest Earned	29,208.82	279,761.55



Total Return For Period

	Since 11/30/2016
Beginning Principal Value	32,438,961.77
Beginning Accrued Interest	92,683.91
Net Contributions/Withdrawals	6,000.01
Market Value Change	-16,900.00
Interest Earnings	29,208.82
Ending Principal Value	32,458,380.59
Accrued Interest	91,573.93
Total Return	12,308.82
Advisory Fees for Period	-2,083.34
Net Total Return	10,225.48

Portfolio Allocation as of 12/31/2016



Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	7,472,805.00	23.0	1.2
FEDERAL HOME LOAN BANKS	2,498,870.00	7.7	1.0
FEDERAL FARM CR BKS	2,484,372.50	7.7	0.8
FEDERAL HOME LN MTG CORP	7,476,527.50	23.0	1.1
UNITED STATES TREAS NTS	12,487,340.00	38.5	1.0
FIFTH THIRD BK CINCINNATI STN	38,465.59	0.1	0.1
Total	32,458,380.59	100.0	1.1

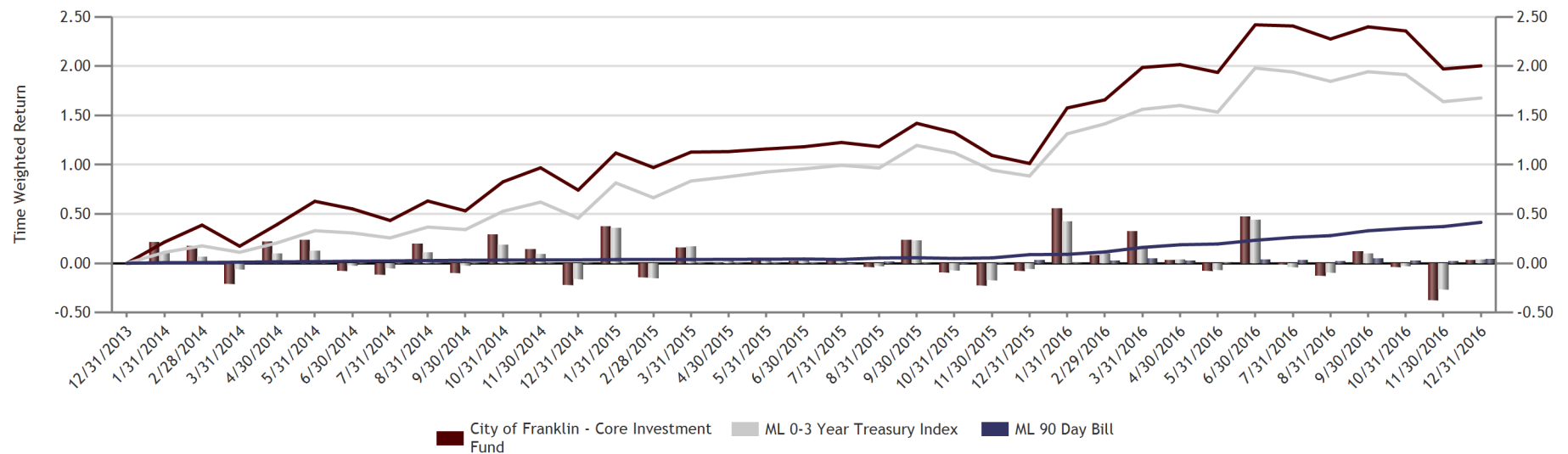


Performance History

Portfolio	Month To Date	Quarter To Date	Annualized Fiscal Year To Date	Annualized Inception To Date
Account	0.03	-0.39	0.98	0.66

Index	Month To Date	Quarter To Date	Annualized Fiscal Year To Date	Annualized Inception To Date
ML 0-3 Year Treasury Index	0.04	-0.26	0.78	0.56
ML 90 Day Bill	0.04	0.09	0.33	0.14

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

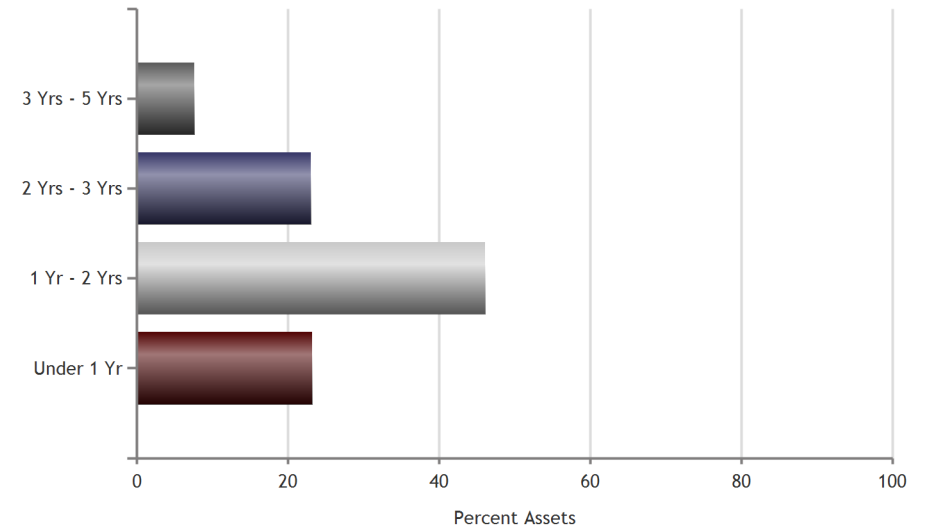




Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	4	7,543,460.59	23.2	0.8	0.788%	0.3
1 Yr - 2 Yrs	6	14,969,915.00	46.1	1.1	1.050%	1.5
2 Yrs - 3 Yrs	3	7,469,165.00	23.0	1.2	1.210%	2.5
3 Yrs - 5 Yrs	1	2,475,840.00	7.6	1.6	1.580%	3.3

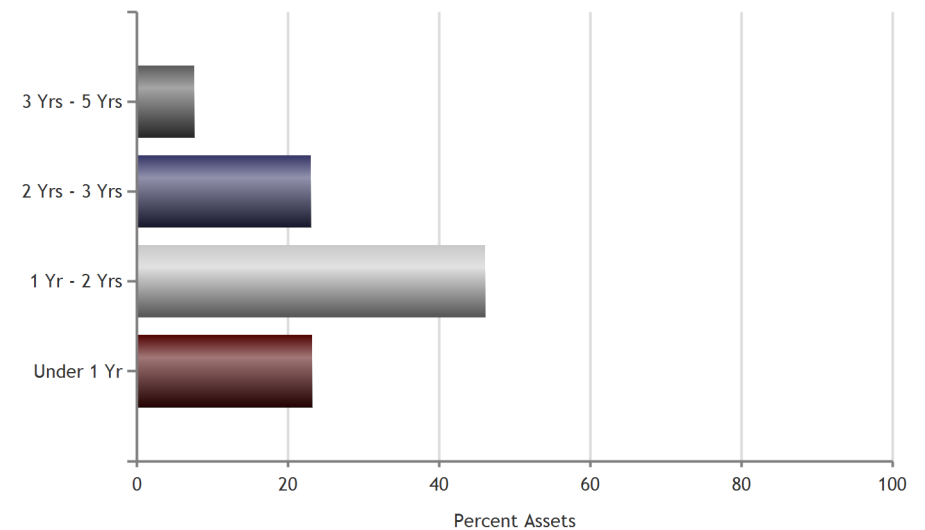
Distribution by Maturity



Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
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Distribution by Duration

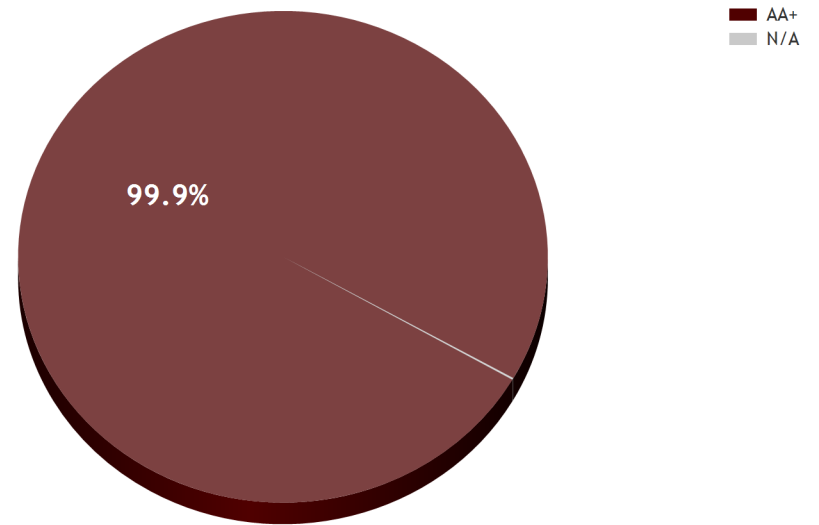




Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	13	32,419,915.00	99.9	1.1	1.068%	1.6
N/A	1	38,465.59	0.1	0.1	0.100%	0.1

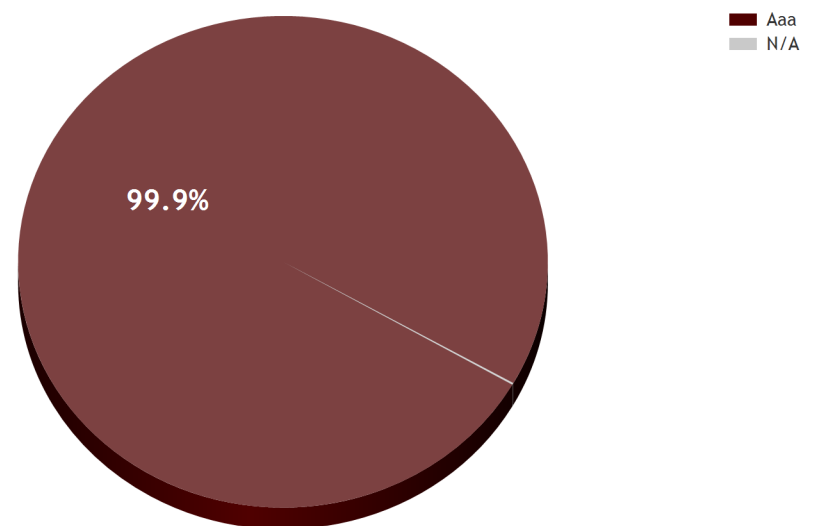
Distribution by S&P Rating

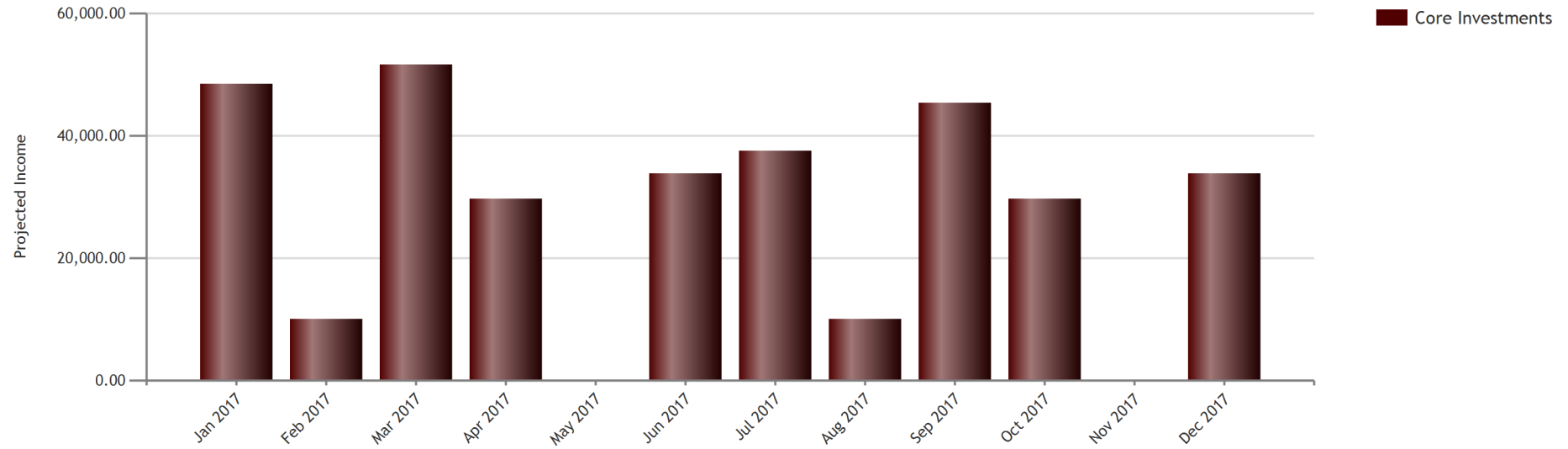


Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	13	32,419,915.00	99.9	1.1	1.068%	1.6
N/A	1	38,465.59	0.1	0.1	0.100%	0.1

Distribution by Moody Rating





	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017
Core Investments	48,437.50	10,000.00	51,562.50	29,687.50	0.00	33,812.50	37,500.00	10,000.00	45,312.50	29,687.50	0.00	33,812.50
US Agency (USD)	26,562.50	10,000.00	26,562.50	29,687.50	0.00	19,750.00	26,562.50	10,000.00	26,562.50	29,687.50	0.00	19,750.00
US Treasury (USD)	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	0.00	14,062.50
Total	48,437.50	10,000.00	51,562.50	29,687.50	0.00	33,812.50	37,500.00	10,000.00	45,312.50	29,687.50	0.00	33,812.50
Grand Total	329,812.50											

**Purchases**

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost
12/9/2016	12/15/2016	2,500,000	3135G0E33	FEDERAL NATL MTG ASSN 1.125% Due 07-20-18	100.07	2,501,650
Total Purchases						2,501,650

Interest

Trade Date	Settle Date	Symbol	Security	Amount
12/1/2016	12/1/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.100% Due 01-29-17	22
12/1/2016	12/1/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.100% Due 01-29-17	0
12/14/2016	12/14/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.100% Due 01-29-17	0
12/9/2016	12/15/2016	3135G0E33	FEDERAL NATL MTG ASSN 1.125% Due 07-20-18	-11,328
12/15/2016	12/15/2016	3136G3SK2	FEDERAL NATL MTG ASSN 1.580% Due 06-15-20	19,750
12/15/2016	12/15/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.100% Due 01-29-17	0
12/15/2016	12/15/2016	912828A59	UNITED STATES TREAS NTS 0.625% Due 12-15-16	7,813
12/15/2016	12/15/2016	912828XF2	UNITED STATES TREAS NTS 1.125% Due 06-15-18	14,063
Total Interest				30,319

Maturities

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost	Amort. or Accretion	Unit Price	Proceeds	Gain/Loss
12/15/2016	12/15/2016	2,500,000	912828A59	UNITED STATES TREAS NTS 0.625% Due 12-15-16	99.96	2,499,121	879	100.00	2,500,000	0
Total Maturities						2,499,121	879		2,500,000	0



Expenses

Trade Date	Settle Date	Symbol	Security	Amount
12/31/2016	12/31/2016	manfee	Management Fee	2,083
Total Expenses				2,083

Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
12/1/2016	12/1/2016	22	0000FIFTH3	FIFTH THIRD BANK MMF 0.100% Due 01-29-17	100.00	22
12/14/2016	12/14/2016		cash	CASH ACCOUNT		5,166
12/14/2016	12/14/2016	834	0000FIFTH3	FIFTH THIRD BANK MMF 0.100% Due 01-29-17	100.00	834
12/15/2016	12/15/2016	33,813	0000FIFTH3	FIFTH THIRD BANK MMF 0.100% Due 01-29-17	100.00	33,813
Total Contributions						39,834

Portfolio Holdings

City of Franklin - Core Investment Fund
December 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															
912828SC5	2,500,000	UNITED STATES TREAS NTS		03-27-14	100.00	0.84	100.0398	0.40	2,500,995.00	9,094.77	2,510,089.77	933.05	7.7	0.08	0.08
		0.875% Due 01-31-17													
912828J92	2,500,000	UNITED STATES TREAS NTS		07-24-15	99.97	0.60	100.0046	0.48	2,500,115.00	3,159.34	2,503,274.34	741.31	7.7	0.25	0.24
		0.500% Due 03-31-17													
912828XF2	2,500,000	UNITED STATES TREAS NTS		08-18-15	100.15	1.02	100.0977	1.06	2,502,442.50	1,236.26	2,503,678.76	-1,330.84	7.7	1.44	1.43
		1.125% Due 06-15-18													
912828SN1	2,500,000	UNITED STATES TREAS NTS		11-16-15	100.45	1.30	100.5117	1.27	2,512,792.50	9,478.02	2,522,270.52	1,630.39	7.7	2.20	2.19
		1.500% Due 03-31-19													
912828TH3	2,500,000	UNITED STATES TREAS NTS		03-10-16	99.18	1.20	98.8398	1.33	2,470,995.00	9,094.77	2,480,089.77	-8,529.45	7.6	2.53	2.53
		0.875% Due 07-31-19													
	12,500,000					0.99		0.91	12,487,340.00	32,063.16	12,519,403.16	-6,555.53	38.5	1.30	1.29
US Agency Bullet															
3137EADJ5	2,500,000	FEDERAL HOME LN MTG CORP		12-18-13	100.01	0.99	100.1554	0.72	2,503,885.00	10,625.00	2,514,510.00	3,709.31	7.7	0.57	0.56
		1.000% Due 07-28-17													
3130A5PE3	2,500,000	FEDERAL HOME LOAN BANKS		07-24-15	100.13	1.02	99.9548	1.16	2,498,870.00	7,187.50	2,506,057.50	-4,381.99	7.7	1.23	1.22
		1.125% Due 03-29-18													
3135G0E33	2,500,000	FEDERAL NATL MTG ASSN		12-09-16	100.06	1.08	100.0016	1.12	2,500,040.00	12,578.12	2,512,618.12	-1,561.87	7.7	1.53	1.52
		1.125% Due 07-20-18													
3133EGQY4	2,500,000	FEDERAL FARM CR BKS		08-11-16	99.93	0.85	99.3749	1.19	2,484,372.50	7,555.56	2,491,928.06	-13,805.92	7.7	1.60	1.59
		0.800% Due 08-15-18													
3135G0E58	2,500,000	FEDERAL NATL MTG ASSN		10-06-15	100.27	0.97	99.8770	1.19	2,496,925.00	5,625.00	2,502,550.00	-9,895.10	7.7	1.78	1.77
		1.125% Due 10-19-18													
3137EADM8	2,500,000	FEDERAL HOME LN MTG CORP		03-10-16	99.78	1.33	99.4151	1.47	2,485,377.50	7,725.69	2,493,103.19	-9,189.41	7.7	2.69	2.69
		1.250% Due 10-02-19													
	15,000,000					1.04		1.14	14,969,470.00	51,296.87	15,020,766.87	-35,124.98	46.1	1.57	1.56

Portfolio Holdings

City of Franklin - Core Investment Fund
December 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	09-28-17	10-17-16	100.03	0.98	99.4906	1.29	2,487,265.00	6,458.33	2,493,723.33	-13,406.66	7.7	1.72	1.56
		1.000% Due 09-28-18													
3136G3SK2	2,500,000	FEDERAL NATL MTG ASSN	03-15-17	11-14-16	99.98	1.59	99.0336	1.87	2,475,840.00	1,755.56	2,477,595.56	-23,557.46	7.6	3.35	1.86
		1.580% Due 06-15-20													
	5,000,000					1.28		1.58	4,963,105.00	8,213.89	4,971,318.89	-36,964.12	15.3	2.53	1.71
Money Market Fund															
0000FIFTH	38,466	FIFTH THIRD BANK MMF		03-31-16	100.00	0.10	100.0000	0.10	38,465.59	0.00	38,465.59	0.00	0.1	0.08	0.05
		0.100% Due 01-29-17													
TOTAL	32,538,466					1.06		1.12	32,458,380.59	91,573.93	32,549,954.52	-78,644.63	100.0	1.61	1.48



Disclaimer & Terms

12/31/2016

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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.

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.