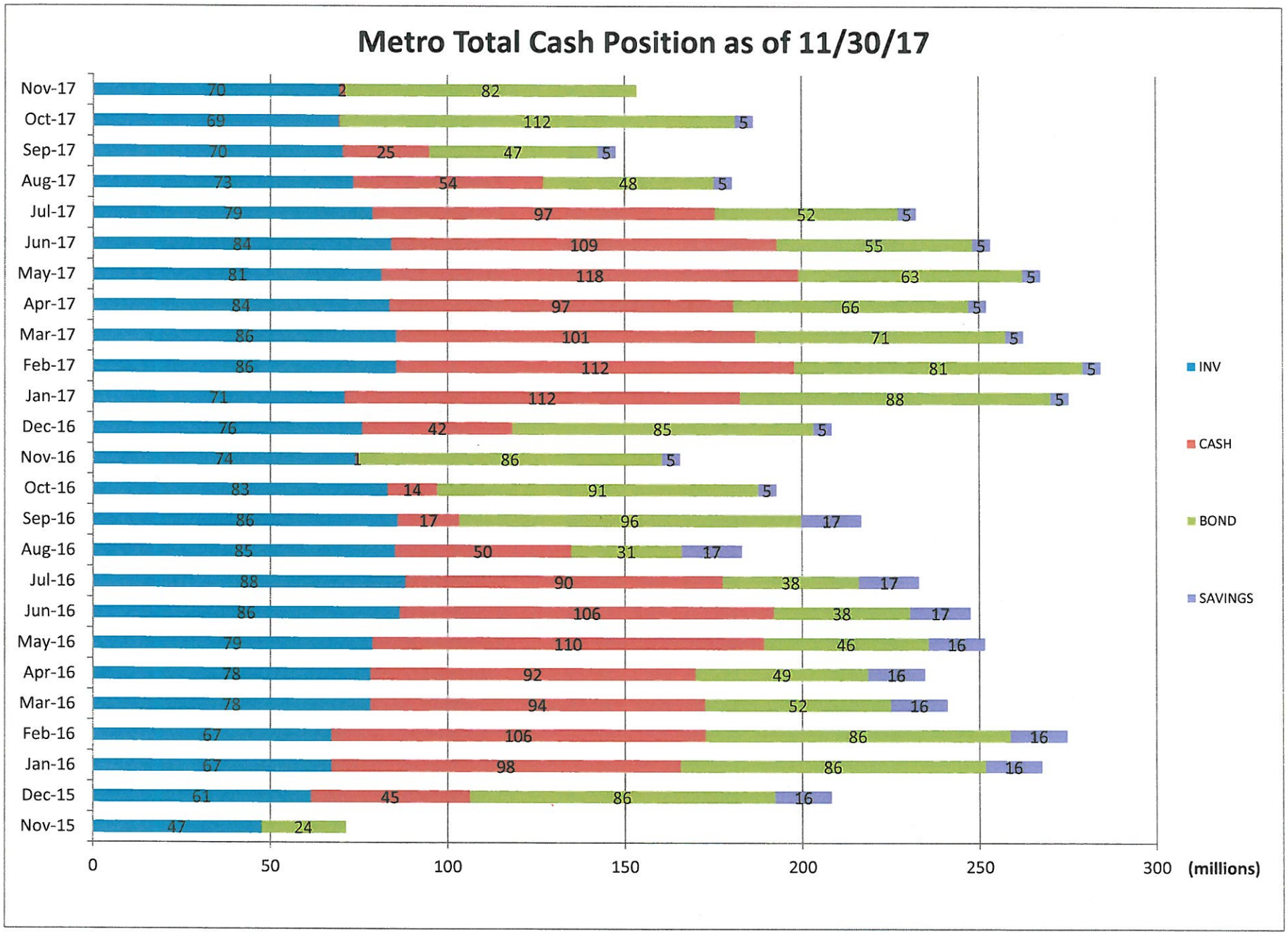
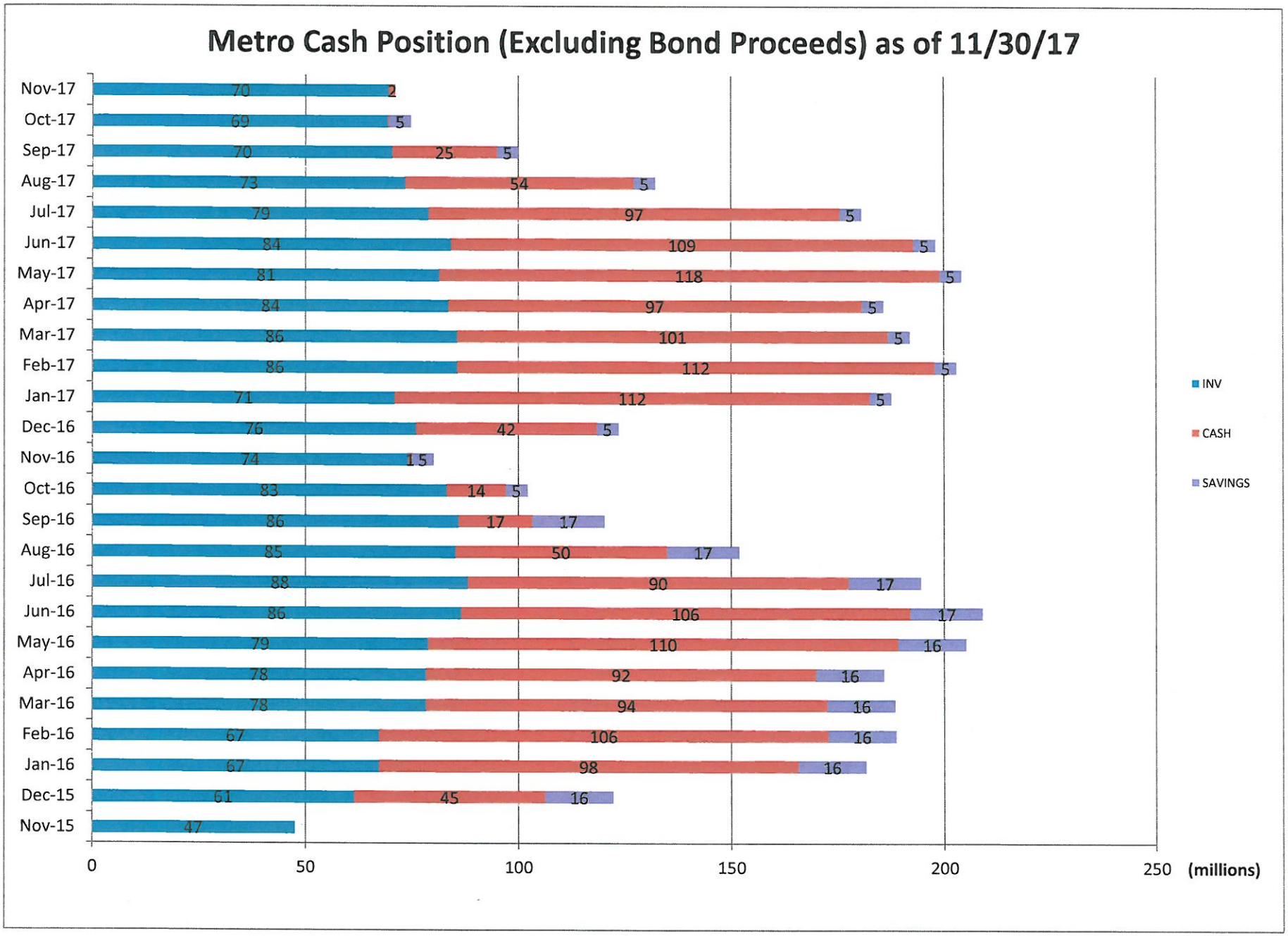
Louisville Metro Investment Council

Louisville METRO

December 13, 2017

PORTFOLIO COMPOSITION


Metro Total Cash Position as of 11/30/17
Nov-17 70 2 82
Oct-17 69 112 5
Sep-17 70 25 47 5
Aug-17 73 54 48 5
Jul-17 79 97 52 5
Jun-17 84 109 55 5
May-17 81 118 63 5
Apr-17 84 97 66 5
Mar-17 86 101 71 5
Feb-17 86 112 81 5
Jan-17 71 112 88 5
Dec-16 76 42 85 5
Nov-16 74 1 86 5
Oct-16 83 14 91 5
Sep-16 86 17 96 17
Aug-16 85 50 31 17
Jul-16 88 90 38 17
Jun-16 86 106 38 17
May-16 79 110 46 16
Apr-16 78 92 49 16
Mar-16 78 94 52 16
Feb-16 67 106 86 16
Jan-16 67 98 86 16
Dec-15 61 45 86 16
Nov-15 47 24
0
50
100
150
200
250
300
(millions)
INV
CASH
BOND
SAVINGS


Metro Cash Position (Excluding Bond Proceeds) as of 11/30/17
Nov-17
Oct-17
Sep-17
Aug-17
Jul-17
Jun-17
May-17
Apr-17
Mar-17
Feb-17
Jan-17
Dec-16
Nov-16
Oct-16
Sep-16
Aug-16
Jul-16
Jun-16
May-16
Apr-16
Mar-16
Feb-16
Jan-16
Dec-15
Nov-15
70 2
69 5
70 25 5
73 54 5
79 97 5
84 109 5
81 118 5
84 97 5
86 101 5
86 112 5
71 112 5
76 42 5
74 15
83 14 5
86 17 17
85 50 17
88 90 17
86 106 17
79 110 16
78 92 16
78 94 16
67 106 16
67 98 16
61 45 16
47
0
50
100
150
200
250
(millions)
INV
CASH
SAVINGS

Acc Int / Amort / Mkt Val

Lou / Jeff Cty Metro Finance

Effective Interest - Callable Life

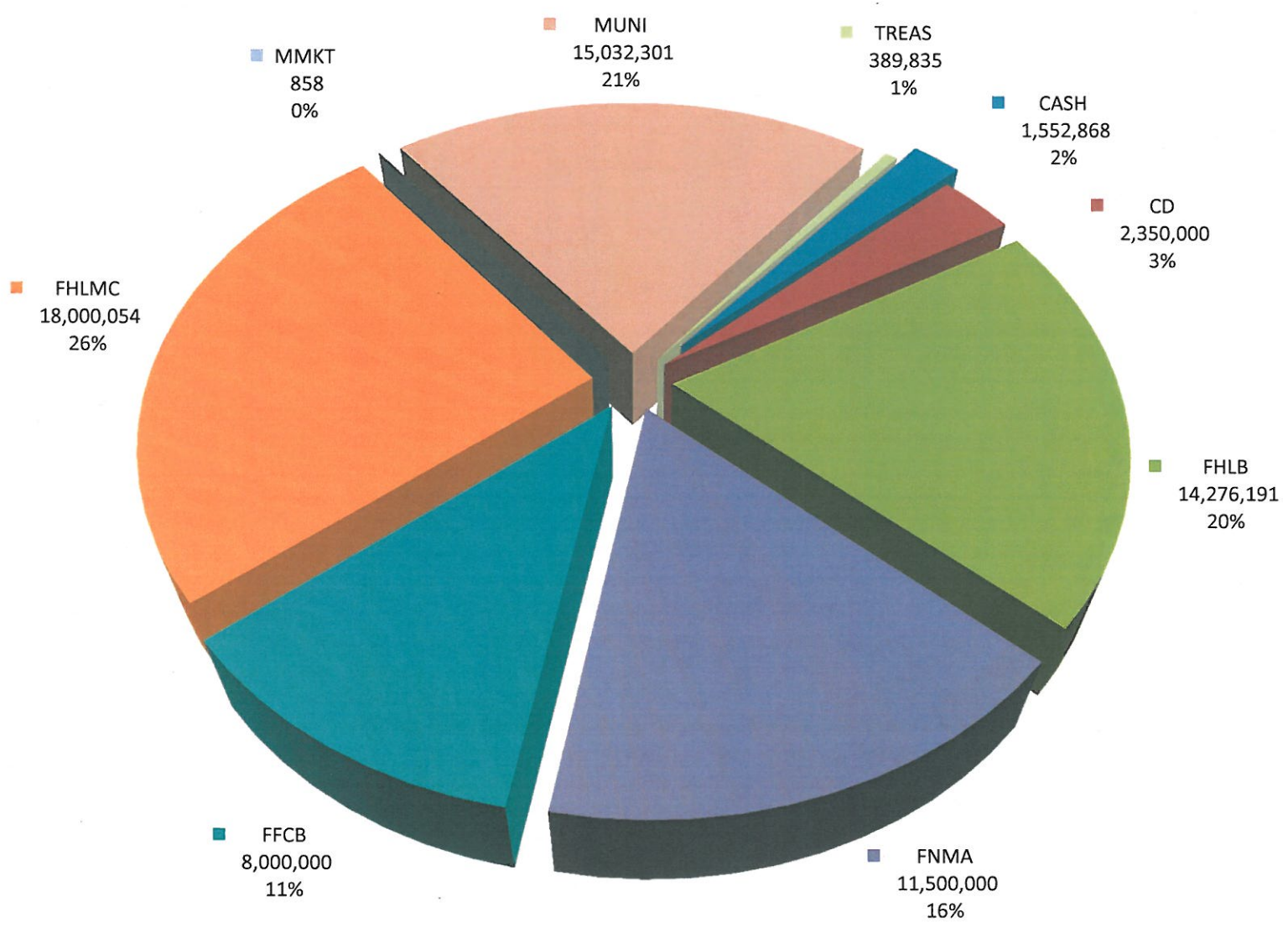
Receipts in Period

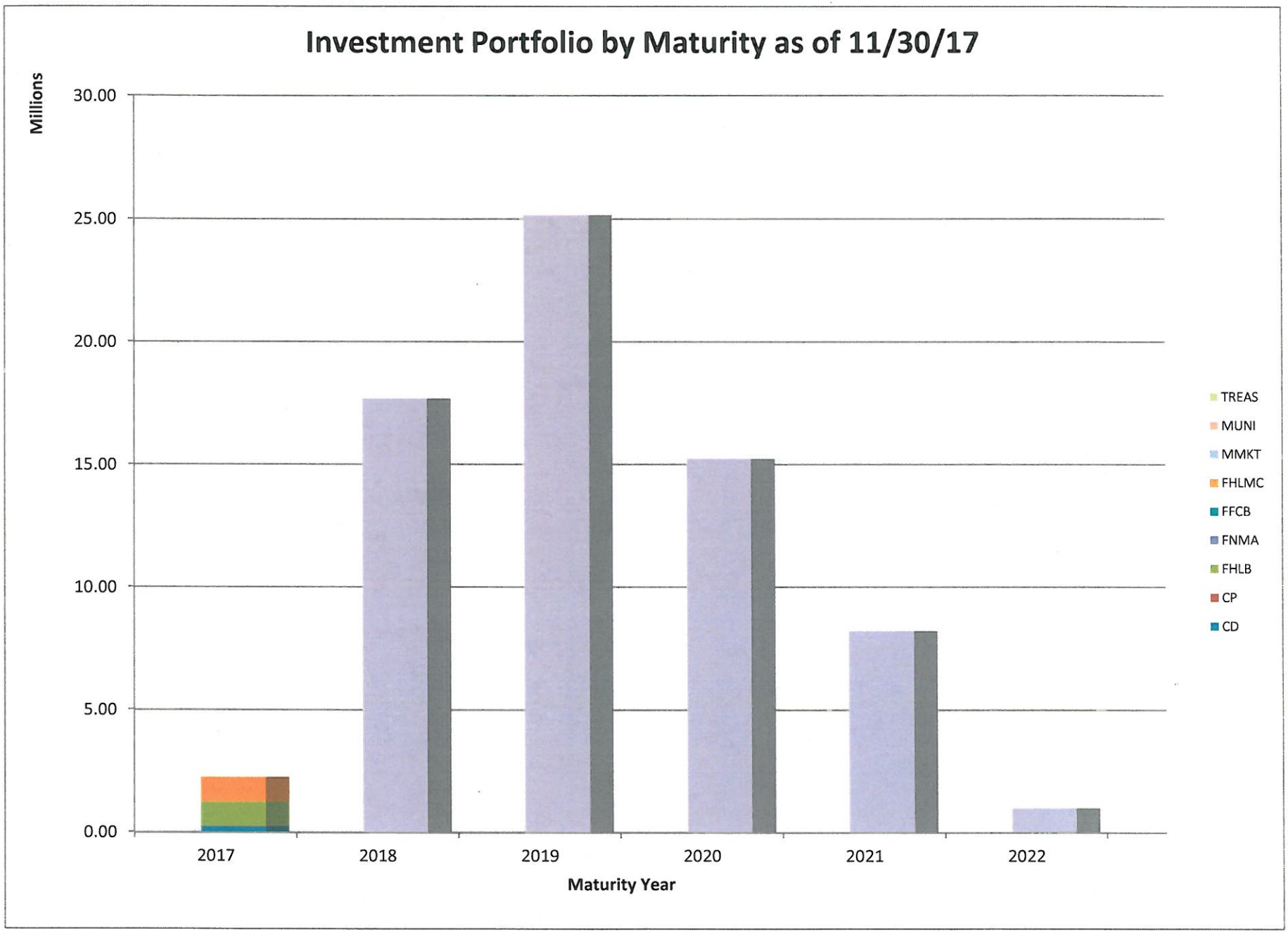
11/30/2017

	Invest Number	CUSIP	Security Description	Call Date	Purchase Date	Ending Par Val/Shares	Ending Amor Val/Cost	Ending Market Val	Amortization Purch/Date	PTD Purch Received	Int/Div Rec Purch/Date	Int/Div Accrued Purch/Date	Purch Int + Acc Int
Cash	AR-0035	TARC OPS FED - 4537544	Cash Account	Open	04/02/03	3,347,165.00	3,347,165.00	3,347,165.00	0.00	0.00	0.00	0.00	0.00
	AR-0043	INV CLEAR JPM - 707637716	Cash Account	Open	07/01/06	1,232.88	1,232.88	1,232.88	0.00	0.00	0.00	0.00	0.00
	AR-0046	METRO CONC 53- 714868609	Cash Account	Open	09/22/08	-2,334,246.93	-2,334,246.93	-2,334,246.93	0.00	0.00	705,939.20	0.00	0.00
	AR-0047	LAGIT 53 - 714868674	Cash Account	Open	10/01/08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	AR-0049	REVCOM 53- 7141868757	Cash Account	Open	11/01/08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	AR-0052	METRO CHASE SAV 2950930897	Cash Account	Open	09/22/10	0.00	0.00	0.00	0.00	0.00	375,666.88	114.96	114.96
	AR-0053	REVCOM CHASE SAV 2950930772	Cash Account	Open	09/14/10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	AR-0054	METRO SAFEKEEPING - 1050996303	Cash Account	Open	12/30/16	538,717.50	538,717.50	538,717.50	0.00	0.00	0.00	0.00	0.00
	Cash Total					**1,552,868.45**	**1,552,868.45**	**1,552,868.45**	**0.00**	**0.00**	**1,081,606.08**	**114.96**	**114.96**
Certificate of Deposit	17-0044	CD1499	YCB 0.1499 11/23/17	Open	12/23/16	250,000.00	250,000.00	250,000.00	0.00	0.00	312.10	32.27	32.27
	17-0071	CD423	METRO 0.75 05/07/18	Open	05/07/17	1,000,000.00	1,000,000.00	1,000,000.00	0.00	0.00	3,780.84	479.17	479.17
	17-0074	CD075	METRO 0.75 06/07/18	Open	06/07/17	1,000,000.00	1,000,000.00	1,000,000.00	0.00	0.00	3,143.85	479.17	479.17
	18-0050	772	METRO 1.05 10/07/18	Open	10/06/17	100,000.00	100,000.00	100,000.00	0.00	0.00	89.18	67.08	67.08
	Certificate of Deposit Total					**2,350,000.00**	**2,350,000.00**	**2,350,000.00**	**0.00**	**0.00**	**7,325.97**	**1,057.69**	**1,057.69**
FFCB	17-0010	3133EGNK7	FFCB 1.32 07/27/20	07/27/17	07/27/16	3,000,000.00	3,000,000.00	2,927,790.00	0.00	0.00	39,600.00	13,640.00	13,640.00
	17-0022	3133EGVJ1	FFCB 1.16 09/26/19	09/26/17	09/27/16	3,000,000.00	3,000,000.00	2,956,590.00	0.00	96.67	34,800.00	6,283.33	6,380.00
	17-0077	3133EHMG5	FFCB 1.80 03/12/21	09/12/17	06/22/17	2,000,000.00	2,000,000.00	1,974,660.00	1,400.00	5,000.00	9,000.00	7,900.00	8,900.00
	FFCB Total					**8,000,000.00**	**8,000,000.00**	**7,859,040.00**	**1,400.00**	**5,096.67**	**83,400.00**	**27,823.33**	**28,920.00**
FHLB	16-0063	313383EP2	FHLB 1.25 06/20/18	09/20/16	06/20/16	2,975,776.00	2,975,776.00	2,966,640.37	-5,951.55	0.00	37,197.16	16,635.41	16,635.41
	16-0071	3130A8JZ7	FHLB 1.22 12/30/19	06/30/17	06/30/16	2,900,000.00	2,900,000.00	2,859,081.00	0.00	0.00	35,380.00	14,839.94	14,839.94
	17-0005	3130A0HY9	FHLB 1.25 12/26/17	Open	07/20/16	1,000,000.00	1,000,374.36	1,000,090.00	-7,325.64	833.33	12,500.00	5,381.94	6,215.27
	17-0034	3130A8RP0	FHLB 1.05 10/26/18	10/26/16	10/11/16	2,000,000.00	2,000,000.00	1,987,880.00	400.00	4,812.50	26,250.00	2,041.67	6,416.67
	17-0046	3130AAQV3	FHLB 1.67 04/30/20	01/30/18	02/02/17	2,400,000.00	2,400,000.00	2,384,424.00	0.00	6,828.44	20,040.00	13,471.33	13,694.00
	17-0049	3130A4Z54	FHLB 0.95 04/27/18	Open	02/06/17	1,000,000.00	1,000,040.78	998,370.00	-79.22	2,612.50	9,500.00	897.22	3,509.72
	17-0066	3130AAQB7	FHLB 2.00 08/16/21	02/16/18	02/16/17	2,000,000.00	2,000,000.00	1,983,140.00	0.00	0.00	20,000.00	11,666.67	11,666.67
	FHLB Total					**14,275,776.00**	**14,276,191.14**	**14,179,625.37**	**-12,956.41**	**15,086.77**	**160,867.16**	**64,934.18**	**72,977.68**
FHLMC	16-0051	3134G9JT5	FHLMC 1.35 11/26/19	08/26/16	05/26/16	1,500,000.00	1,500,000.00	1,478,760.00	525.00	0.00	30,375.00	281.25	281.25
	16-0052	3134G9KW6	FHLMC 1.35 11/26/19	08/26/16	05/26/16	2,000,000.00	2,000,000.00	1,978,740.00	2,200.00	0.00	40,500.00	375.00	375.00
	16-0053	3134G9NL7	FHLMC 1.18 05/24/19	05/24/17	05/31/16	2,000,000.00	2,000,000.00	1,982,740.00	0.00	63.37	35,006.66	458.89	458.89
	16-0059	3134G9NE3	FHLMC 1.20 06/14/19	06/14/17	06/14/16	2,000,000.00	2,000,000.00	1,982,440.00	0.00	0.00	24,000.00	11,133.33	11,133.33
	16-0066	3134G9XB8	FHLMC 1.00 12/28/18	12/28/16	06/28/16	2,000,000.00	2,000,000.00	1,985,100.00	500.00	0.00	20,000.00	8,500.00	8,500.00
	16-0068	3134G9VS3	FHLMC 1.00 12/28/18	12/28/16	06/28/16	1,000,000.00	1,000,000.00	992,550.00	0.00	0.00	10,000.00	4,250.00	4,250.00
	16-0070	3134G9WJ2	FHLMC 1.20 09/30/19	09/30/16	06/30/16	1,000,000.00	1,000,000.00	983,490.00	0.00	0.00	15,000.00	2,033.33	2,033.33
	16-0072	3134G9YA9	FHLMC 1.01 09/28/18	12/28/16	06/30/16	2,000,000.00	2,000,000.00	1,990,460.00	0.00	2,581.11	25,250.00	3,535.00	3,591.11
	17-0006	3134G45U8	FHLMC 0.85 12/12/17	Open	07/20/16	1,000,000.00	1,000,053.65	999,910.00	-2,386.35	897.22	8,500.00	3,990.28	4,887.50
	17-0016	3134G9W37	FHLMC 1.45 08/10/20	11/10/16	08/10/16	1,500,000.00	1,500,000.00	1,478,310.00	0.00	0.00	21,750.00	6,706.25	6,706.25
	17-0035	3134GAPV0	FHLMC 1.03 10/12/18	01/12/17	10/12/16	2,000,000.00	2,000,000.00	1,988,860.00	0.00	0.00	20,600.00	2,803.89	2,803.89
	FHLMC Total					**18,000,000.00**	**18,000,053.65**	**17,841,360.00**	**838.65**	**3,541.70**	**250,981.66**	**44,067.22**	**45,020.55**
FNMA	16-0046	3135G0J95	FNMA 1.35 10/28/19	10/28/16	05/19/16	1,000,000.00	1,000,000.00	988,300.00	1,000.00	787.50	20,250.00	1,237.50	2,025.00
	16-0048	3136G3MQ5	FNMA 1.30 11/25/19	11/25/16	05/25/16	2,000,000.00	2,000,000.00	1,973,680.00	0.00	0.00	39,000.00	433.33	433.33
	16-0067	3136G3TR6	FNMA 1.05 06/28/19	06/28/17	06/28/16	2,000,000.00	2,000,000.00	1,976,640.00	0.00	0.00	21,000.00	8,925.00	8,925.00
	17-0011	3136G3L37	FNMA 1.125 10/28/19	07/28/17	07/28/16	2,000,000.00	2,000,000.00	1,973,660.00	0.00	0.00	22,500.00	7,687.50	7,687.50
	17-0025	3136G34K8	FNMA 1.125 09/09/19	03/09/17	09/28/16	2,500,000.00	2,500,000.00	2,466,650.00	1,250.00	1,484.38	28,125.00	6,406.25	7,890.63
	17-0048	3136G4KD4	FNMA 1.75 06/29/20	06/29/17	02/03/17	2,000,000.00	2,000,000.00	1,984,560.00	0.00	3,305.56	17,500.00	14,777.78	18,083.34
	FNMA Total					**11,500,000.00**	**11,500,000.00**	**11,363,490.00**	**2,250.00**	**5,577.44**	**148,375.00**	**39,467.36**	**45,044.80**
Money Market	AR-0001	MMKT FED - 5000638	Money Market	Open	07/01/99	158.35	158.35	158.35	0.00	0.00	1,652,552.68	0.07	0.07
	AR-0006	TARC FED - 4485281	Money Market	Open	07/01/99	0.00	0.00	0.00	0.00	0.00	30.61	0.00	0.00
	AR-0025	MMKT JPM - 468885	Money Market	Open	09/19/02	700.07	700.07	700.07	0.00	0.00	1,339,161.00	0.13	0.13
	Money Market Total					**858.42**	**858.42**	**858.42**	**0.00**	**0.00**	**2,991,744.29**	**0.20**	**0.20**
Municipal Bond	15-0023	468714EA4	JACEDU 1.693 03/01/18	Open	02/26/15	1,000,000.00	1,000,475.90	999,840.00	-5,154.10	0.00	43,077.38	4,232.50	4,232.50
	15-0025	581760AC9	MCLAREN CNTY MI 1.964 05/15/18	Open	04/02/15	730,000.00	731,521.20	728,401.30	-8,698.80	0.00	37,635.15	637.21	716.86
	15-0045	613357AF9	MONTG CO 2.44 11/01/19	Open	06/25/15	500,000.00	505,967.47	505,180.00	-7,282.53	1,830.00	30,500.00	1,016.67	2,846.67
	16-0007	650035J58	NY URBAN DEV TXBL 1.65 03/15/18	Open	12/08/15	500,000.00	500,357.44	500,160.00	-2,412.56	1,902.08	16,500.00	1,741.67	3,643.75
	16-0065	64971WF39	NYC TRAN FIN AUTH-SUB 1.69 02/01/21	Open	06/23/16	1,350,000.00	1,355,813.60	1,325,673.00	-2,542.90	4,999.58	29,152.49	7,605.00	11,534.25
	17-0004	047681NZ0	ATLANTA ETC REC 2.41 12/01/19	Open	07/22/16	720,000.00	735,009.48	722,037.60	-9,960.12	2,440.96	17,291.17	8,676.00	11,134.20
	17-0012	555542LS6	MACON-BIBB CNTY GA 3.00 12/01/20	Open	08/01/16	425,000.00	444,270.44	433,478.75	-8,295.06	2,104.72	12,689.17	6,375.00	8,500.00
	17-0027	64990E4G9	NY DORM AUTH C-TXBL 1.10 02/15/20	Open	09/30/16	1,000,000.00	1,000,000.00	980,370.00	0.00	1,138.20	10,052.78	3,238.89	3,666.67

	17-0028	64990EEL7	NYS DORM AUTH C-TXBL 2.12 03/15/21	Open	09/30/16	2,000,000.00	2,036,396.76	1,995,700.00	-12,503.24	1,766.67	42,400.00	8,951.11	10,717.78
	17-0029	64971WN97	NY TRANSITION TXBL 1.35 08/01/20	Open	09/30/16	2,625,000.00	2,638,746.71	2,569,507.50	-5,888.29	4,162.27	30,417.19	11,812.50	12,600.00
	17-0032	597137GZ5	MIDDLETOWN OH 2.053 12/01/20	Open	10/07/16	400,000.00	407,054.82	398,580.00	-2,621.18	2,831.62	8,151.17	4,106.00	6,797.71
	17-0051	696624AV7	CA PDTDEV 2.75 10/01/22	Open	02/06/17	1,000,000.00	997,752.65	994,680.00	372.65	3,235.92	18,409.72	4,583.33	5,041.66
	17-0059	485429Y32	KANSAS ST DEV AUTH 2.608 04/15/20	Open	02/08/17	775,000.00	787,664.10	778,774.25	-4,207.65	6,344.32	20,212.00	2,582.64	8,926.96
	17-0075	041042ZV7	ARKANSAS ST 2.875 06/01/21	Open	06/09/17	800,000.00	828,279.64	814,464.00	-3,720.36	0.00	0.00	10,988.89	11,500.00
	17-0076	64966HYC8	NEW YORK GO 4.774 03/01/20	Open	06/27/17	1,000,000.00	1,062,990.90	1,059,780.00	-11,669.10	15,382.89	23,870.00	11,935.00	27,317.89
	Municipal Bond Total					**14,825,000.00**	**15,032,301.11**	**14,806,626.40**	**-84,583.24**	**48,139.23**	**340,358.22**	**88,482.41**	**129,176.90**
Treasury Note	14-0020	912828VK3	Treasury Note 1.375 06/30/18	Open	04/29/14	390,000.00	389,834.76	389,742.60	992.57	1,762.81	18,768.75	2,244.09	4,006.90
	Treasury Note Total					**390,000.00**	**389,834.76**	**389,742.60**	**992.57**	**1,762.81**	**18,768.75**	**2,244.09**	**4,006.90**
	Investment Total					**70,894,502.87**	**71,102,107.53**	**70,343,611.24**	**-92,058.43**	**79,204.62**	**5,083,427.13**	**268,191.44**	**326,319.68**

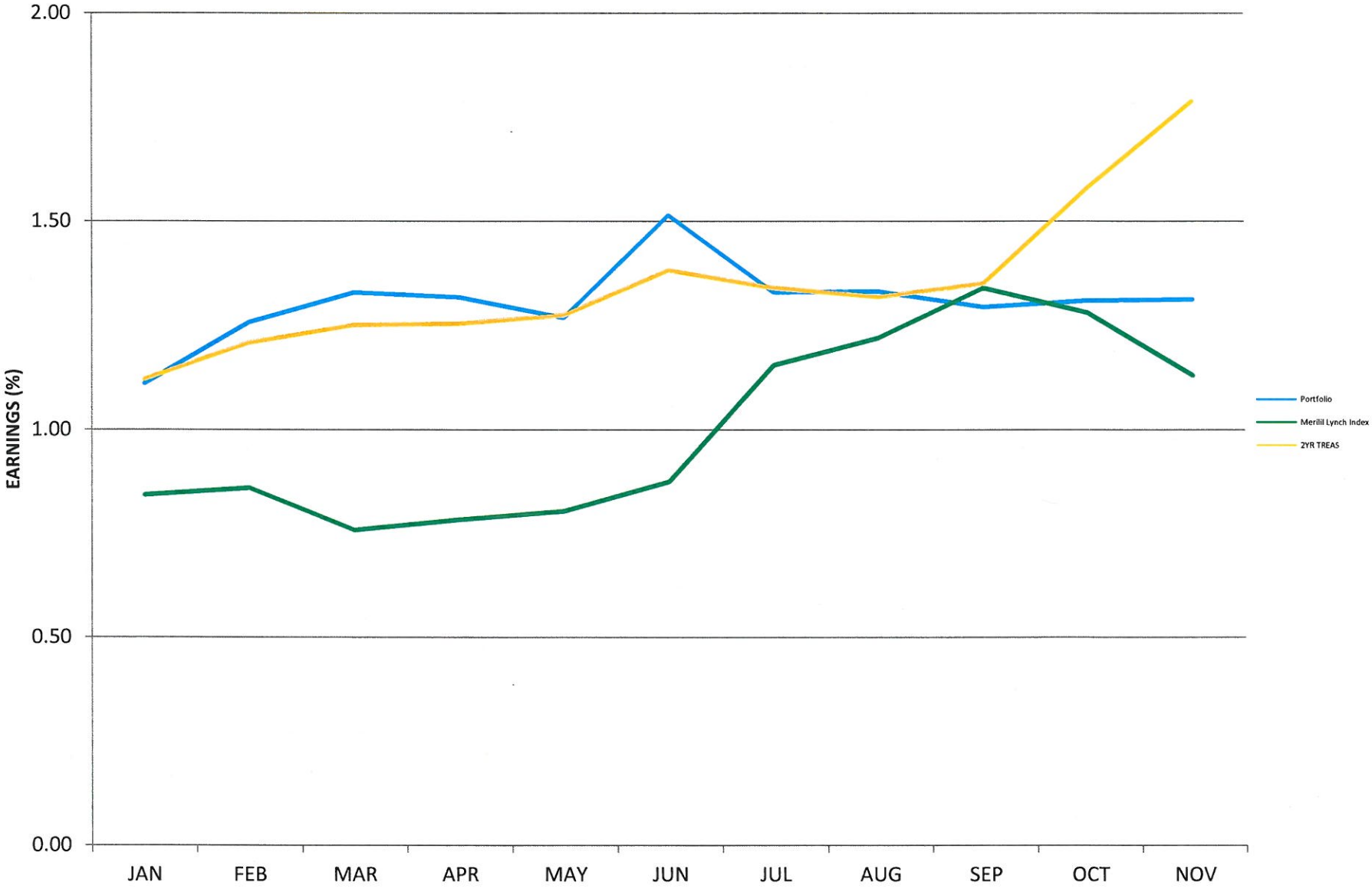
Total Portfolio Asset Allocation as of 11/30/2017




Investment Portfolio by Maturity as of 11/30/17
Millions
30.00
25.00
20.00
15.00
10.00
5.00
0.00
2017
2018
2019
2020
2021
2022
Maturity Year
TREAS
MUNI
MMKT
FHLMC
FFCB
FNMA
FHLB
CP
CD

PORTFOLIO PERFORMANCE

Portfolio Performance as of 11/30/17



DATA ANALYSIS

Metro Cash Position

Balanced decreased for the month of November but this is due mainly to bond funds being spent. The investment portfolio had no significant change to report nor did our cash balance. Savings diminished this month due to funds needed for capital projects and the account will be closed moving forward. Given the addition of the money market portal and current rate climate, we are better served placing our funds there at this point in time.

Asset Allocation

No significant change to report over last month.

Maturity Distribution

No significant change to report as there were no purchases or maturities/calls.

Portfolio Performance

Performance remains steady although the gap is widening between the portfolio and 2-year Treasury benchmark. This is the result of not having any additional funds to invest and capitalize on the rising rates. As additional funds become available for reimbursement, we should begin to see a rise in the portfolio yield.

ECONOMIC UPDATE

ECONOMIC OUTLOOK

There's quite a bit of mixed data this month. We had better than expected GDP for the third quarter coming in over 3%. Unemployment has held below 5% for over a year and sank as low as 4.1% in November, the lowest level in over a decade. Holding at this level for a period of time has led many economists to believe we are near full employment. Jobs also remain solid when factoring in hurricane-related fluctuations but not all news is positive.

Inflation continues to run below the 2% target and CPI (Consumer Price Index) dropped to 1.7%. Add the fact that PCE (Personal Consumption Expenditures) increased 1.4% yoy and you can see why the Fed is somewhat cautious. Still, their message remains generally positive as evident by the decision to raise rates moving the target rate between 1.25% and 1.50%.

This was the final act for Fed Chair Janet Yellen who is set to be replaced in February. In her final address Yellen indicated the Fed is predicting stronger growth in the next three years and revised the forecast for 2018 up to 2.5% from the original forecast of 2.1%. This is good news for the Trump Administrations tax plan as it claims to be paid for by economic growth but Yellen cautions to say the revised estimates included other factors and "should not be viewed as an estimate of the impact of the tax package."

Yellen's replacement is slated to be current board member Jerome Powell. It will be an interesting choice if confirmed given Trump's relationship with Yellen. Powell will not be a change candidate as Powell has consistently voted with Yellen during her term. It's an even more unusual choice considering his background as a lawyer. If confirmed, he would be the first Fed Chairman in three decades without a PhD in economics. However, Powell has stated on several occasions he would like to loosen the government's grip on the financial sector which may explain why he's Trump's pick.

Moving forward, the change will be something to keep an eye on but as for now the forecast remains largely unchanged. The Fed is still projecting 3 rate hikes for 2018 the first of which is projected for March. Currently, there is a 68% chance that a rate hike will come at that time which the market is currently pricing in but only time will tell when the others will come.

Total Portfolio Shock Table

Lou / Jeff Cty Metro Finance

Effective Interest - Actual Life

Receipts in Period

11/30/2017

Data Category	Down 300	Down 200	Down 100	Current	Up 100	Up 200	Up 300
Current Par	69,090,776.00	69,090,776.00	69,090,776.00	69,090,776.00	69,090,776.00	69,090,776.00	69,090,776.00
Amor. Cost	69,295,549.13	69,295,549.13	69,295,549.13	69,295,549.13	69,295,549.13	69,295,549.13	69,295,549.13
Market Value	68,332,612.04	68,401,702.82	68,470,793.59	68,539,884.37	68,608,975.14	68,678,065.92	68,747,156.70
% Change	-0.30 (0.10)	-0.20 (0.10)	-0.10 (0.10)	0.00 (0.10)	0.10 (0.10)	0.20 (0.10)	0.30 (0.10)
Market Price	98.9	99	99.1	99.2	99.3	99.4	99.5
Market Yield	2.3103	2.176	2.0418	1.9079	1.7743	1.6408	1.5076
Gain / Loss	-962,937.09	-893,846.31	-824,755.54	-755,664.76	-686,573.99	-617,483.21	-548,392.43

The table above represents the interest rate risk of the investment portfolio of individual fixed incomesecurities. By adjusting current market rates and by using the matrix pricing technique, the portfolio wassubjected to an immediate interest rate shock of plus or minus 300 basis points. The results in weightedaverage total is presented above which details the projected market value, market price, total unrealizedgain (loss) and percentage market value change from the current interest rate environment.