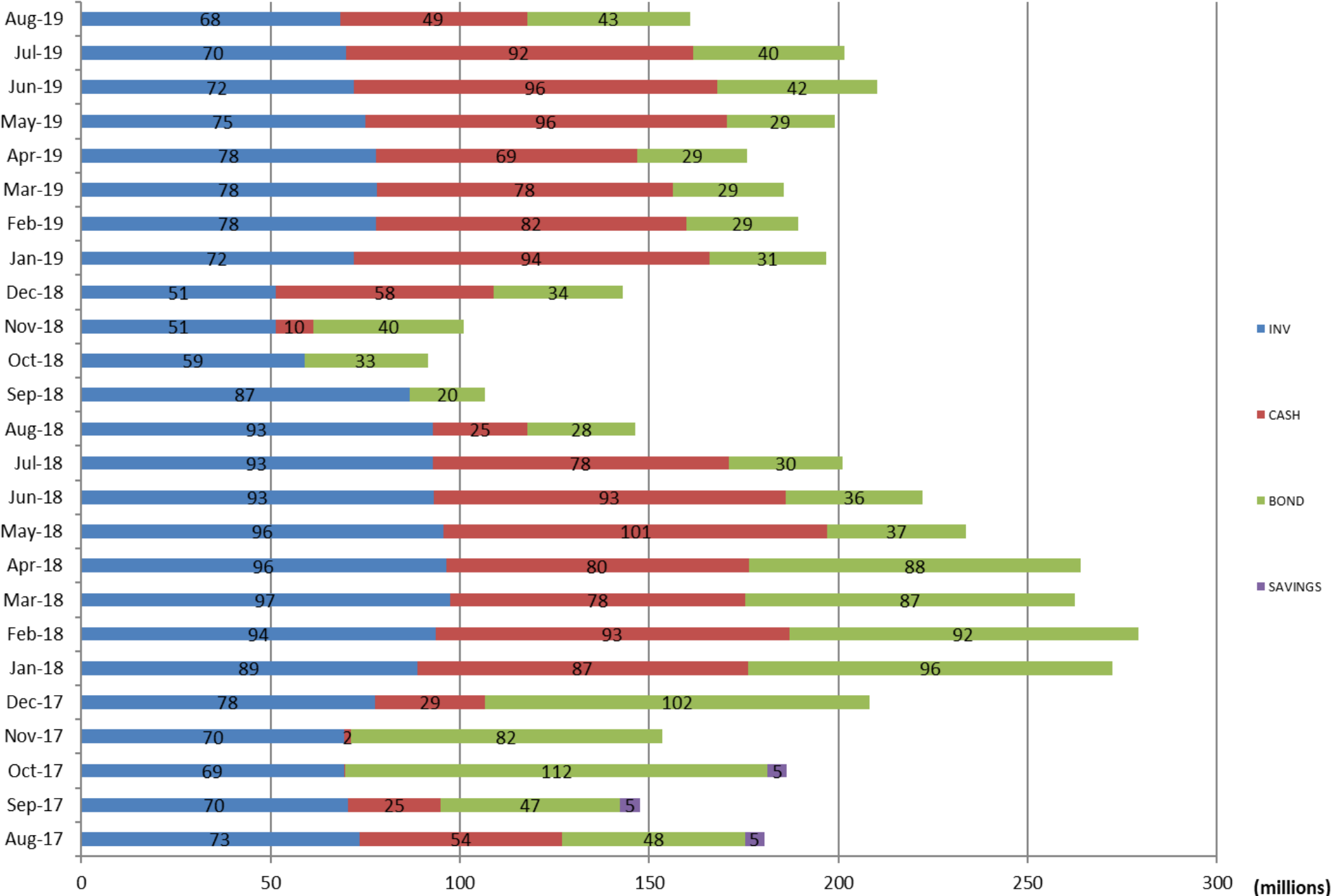


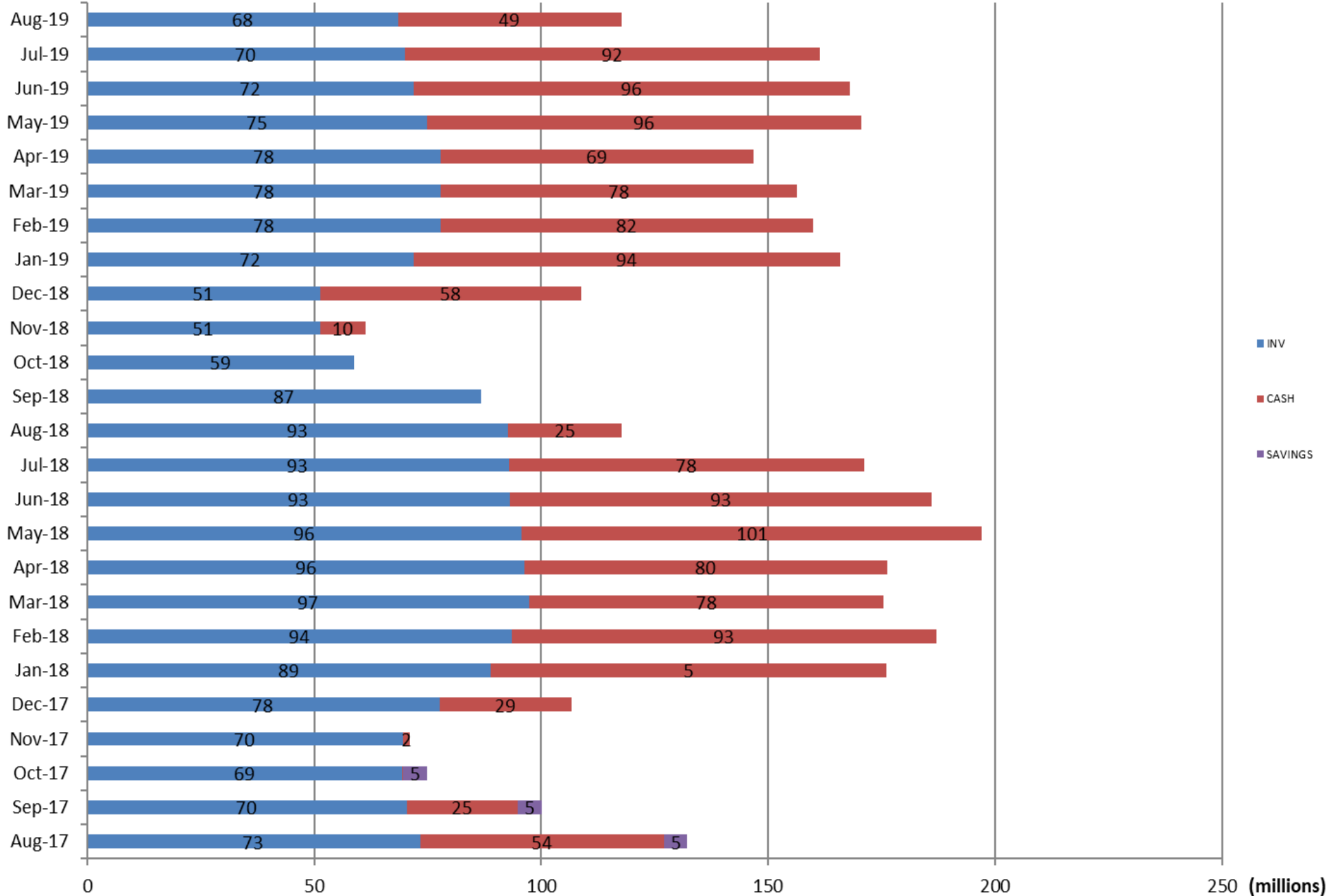
Louisville Metro Investment Council

PORTFOLIO COMPOSITION

Metro Total Cash Position as of 8/31/19



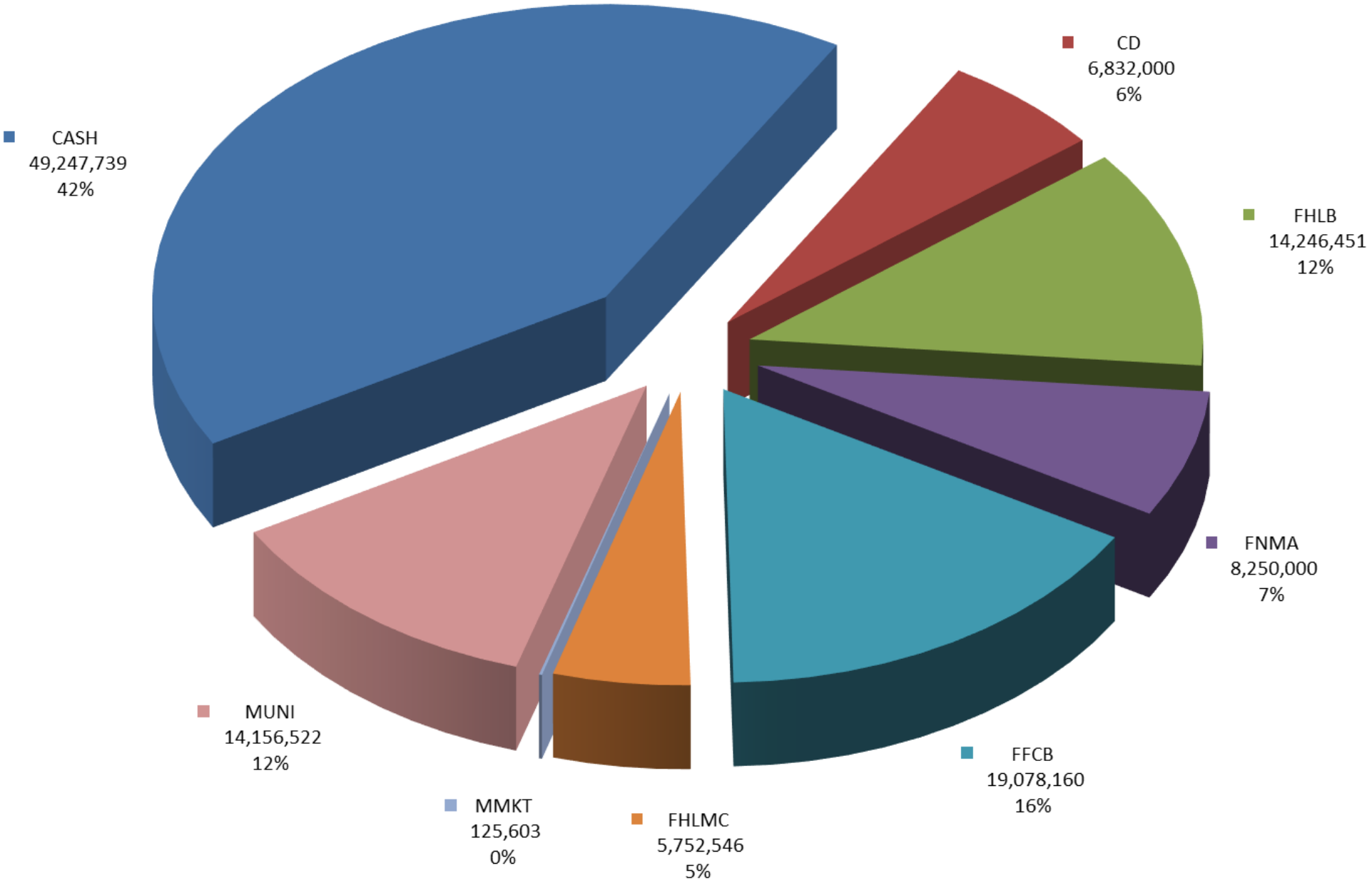
Metro Cash Position (Excluding Bond Proceeds) as of 8/31/19



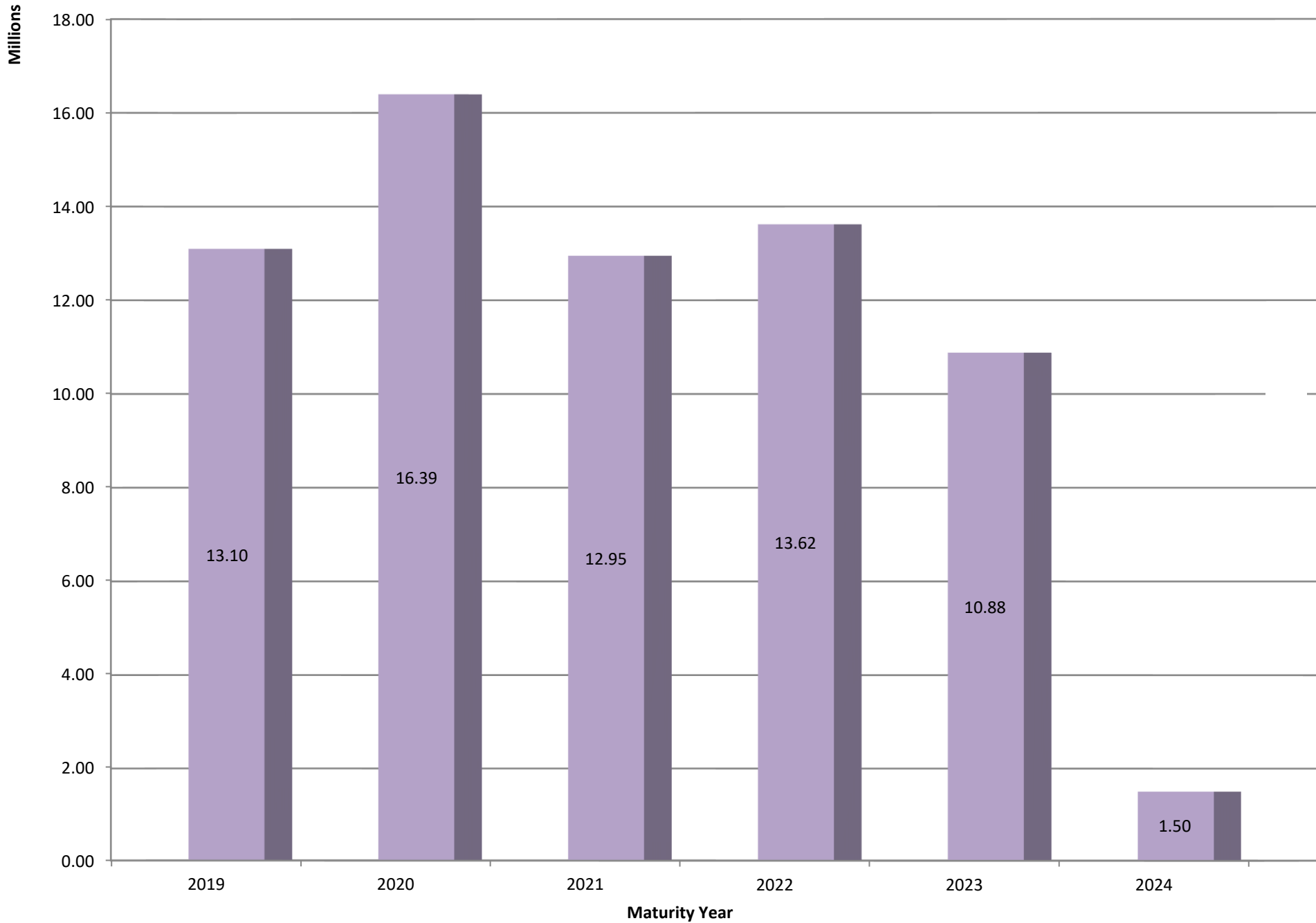
Acc Int / Amort / Mkt Val
Lou / Jeff Cty Metro Finance
 Effective Interest - Callable Bond
 Receipts in Period
 8/31/2019

	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-0046	METRO CONC 53- 714868609	Cash Account	Open	09/22/08	38,706,634.24	38,706,634.24	38,706,634.24	0.00	0.00	2,181,918.27	0.00	0.00
	AR-0054	METRO SAFEKEEPING - 1050996303	Cash Account	Open	12/30/16	10,541,104.87	10,541,104.87	10,541,104.87	0.00	0.00	91,757.87	18,086.30	18,086.30
	Cash Total					49,247,739.11	49,247,739.11	49,247,739.11	0.00	0.00	2,649,572.87	18,086.35	18,086.35
Certificate of Deposit	18-0057	02007GAQ6	ALLY BK UTAH 2.25 01/27/20	Open	01/25/18	250,000.00	250,000.00	250,000.00	0.00	0.00	8,414.38	593.75	593.75
	18-0058	211163GW4	CONT BANK UTAH 2.10 07/26/21	Open	01/26/18	250,000.00	250,000.00	250,000.00	0.00	0.00	7,853.42	539.58	539.58
	18-0059	55266CYB6	MB FINL BK ILL 2.35 01/26/22	Open	01/26/18	250,000.00	250,000.00	250,000.00	0.00	0.00	9,287.33	81.60	81.60
	18-0060	58404DBA8	MEDALLION BK UTAH 2.40 01/26/22	Open	01/26/18	250,000.00	250,000.00	250,000.00	0.00	0.00	9,484.93	83.33	83.33
	18-0061	857894WJ4	STEARNS BK MINN 2.20 01/26/21	Open	01/26/18	250,000.00	250,000.00	250,000.00	0.00	0.00	8,694.46	76.39	76.39
	18-0062	27113PCG4	EAST BOSTON SVGS 2.30 07/30/21	Open	01/30/18	250,000.00	250,000.00	250,000.00	0.00	0.00	8,601.37	527.08	527.08
	18-0065	501798LQ3	LCA BANK CORPORATION 2.60 02/28/22	Open	02/28/18	246,000.00	246,000.00	246,000.00	0.00	0.00	9,567.71	71.07	71.07
	18-0067	856285JS1	ST BK IND NYC 3.00 03/06/23	Open	03/06/18	246,000.00	246,000.00	246,000.00	0.00	0.00	7,380.00	3,669.50	3,669.50
	18-0068	254673MW3	DISCOVER BANK 2.65 03/08/21	Open	03/07/18	246,000.00	246,000.00	246,000.00	0.00	0.00	6,519.00	3,205.17	3,205.17
	18-0070	75272LAD8	RANDOLPH SAVINGS BANK 2.60 03/09/22	Open	03/09/18	246,000.00	246,000.00	246,000.00	0.00	0.00	6,396.00	3,126.93	3,126.93
	19-0003	CD772	METRO 1.50 10/07/19	Open	10/07/18	100,000.00	100,000.00	100,000.00	0.00	0.00	1,249.34	100.00	100.00
	19-0004	CD1499	YCB 0.149 09/23/19	Open	10/23/18	250,000.00	250,000.00	250,000.00	0.00	0.00	217.67	103.47	103.47
	19-0020	86789VXR3	SUNTRUST SILC 3.00 08/12/22	Open	02/12/20	248,000.00	248,000.00	248,000.00	0.00	0.00	3,689.42	407.67	407.67
	19-0021	38148P5B9	GOLDMAN SACHS NYC 3.10 02/13/24	Open	02/14/19	250,000.00	250,000.00	250,000.00	0.00	21.23	3,843.15	403.42	424.65
	19-0022	61690UEH9	MORGAN STANLEY, SALT LK CITY 3.05 02/14/24	Open	02/14/19	250,000.00	250,000.00	250,000.00	0.00	0.00	3,781.16	376.03	376.03
	19-0023	949763XQ4	WELLS FARGO SIOUX FALLS 3.10 02/13/24	Open	02/14/19	250,000.00	250,000.00	250,000.00	0.00	20.50	3,843.16	387.50	408.73
	19-0025	06426KBA5	BANK OF NEW ENGLAND SALEM 2.85 02/15/24	Open	02/15/19	250,000.00	250,000.00	250,000.00	0.00	0.00	3,533.22	312.33	312.33
	19-0026	17312Q2V0	CITIBANK SIOUX FALLS 3.00 02/15/24	Open	02/15/19	250,000.00	250,000.00	250,000.00	0.00	0.00	3,719.18	349.32	349.32
	19-0028	48128HGA0	JPMORGAN CHASE COLUMBUS 3.00 02/15/23	Open	02/15/19	250,000.00	250,000.00	250,000.00	0.00	0.00	3,719.18	349.32	349.32
	19-0029	87270LBU6	TIAA FSB JACKSONVILLE 3.00 02/22/24	Open	02/22/19	250,000.00	250,000.00	250,000.00	0.00	0.00	3,719.18	205.48	205.48
	19-0038	CD423	METRO 2.00 05/07/20	Open	05/07/19	1,000,000.00	1,000,000.00	1,000,000.00	0.00	0.00	5,041.10	1,333.33	1,333.33
	19-0040	CD075	METRO 2.00 06/07/20	Open	06/07/19	1,000,000.00	1,000,000.00	1,000,000.00	0.00	0.00	3,342.47	1,333.33	1,333.33
	Certificate of Deposit Total					6,832,000.00	6,832,000.00	6,832,000.00	0.00	41.73	121,896.83	17,635.60	17,678.06
FFCB	17-0010	3133EGNK7	FFCB 1.32 07/27/20	Open	07/27/17	3,000,000.00	3,000,000.00	2,981,288.61	0.00	0.00	118,800.00	3,740.00	3,740.00
	17-0022	3133EGVJ1	FFCB 1.16 09/26/19	Open	09/26/17	3,000,000.00	3,000,000.00	2,986,464.60	0.00	96.67	87,000.00	14,983.33	15,080.00
	17-0077	3133EHMG5	FFCB 1.80 03/12/21	Open	09/12/17	2,000,000.00	2,000,000.00	2,006,494.90	1,400.00	5,000.00	63,000.00	16,900.00	17,900.00
	18-0052	3133EHL43	FFCB 2.15 07/26/22	Open	01/29/18	1,850,000.00	1,850,000.00	1,894,095.16	20,442.50	9,778.02	69,606.25	3,867.01	13,479.30
	18-0053	3133EHLR9	FFCB 2.00 07/19/21	Open	07/19/18	1,769,000.00	1,769,000.00	1,787,240.39	12,383.00	393.11	53,070.00	4,127.67	4,520.78
	19-0011	3133EHP55	FFCB 2.30 08/23/23	Open	02/04/19	1,500,000.00	1,500,000.00	1,557,470.42	30,750.00	14,950.00	34,500.00	766.67	15,716.67
	19-0012	3133EFM38	FFCB 2.23 03/14/23	Open	02/04/19	2,000,000.00	2,000,000.00	2,063,651.56	42,000.00	16,725.00	22,300.00	20,689.44	37,414.44
	19-0014	3133EJP60	FFCB 3.00 05/02/23	Open	01/29/19	2,000,000.00	2,022,789.56	2,127,889.88	-3,410.44	14,500.00	30,000.00	19,833.33	34,333.33
	19-0017	3133EGJ22	FFCB 2.00 11/16/23	Open	01/29/19	2,000,000.00	1,936,370.61	2,053,301.56	8,370.61	8,111.11	20,000.00	11,666.67	19,777.78
	FFCB Total					19,119,000.00	19,078,160.17	19,457,897.08	111,935.67	69,553.91	498,276.25	96,574.12	161,962.30
FHLB	16-0071	3130A8JZ7	FHLB 1.22 12/30/19	Open	06/30/17	2,900,000.00	2,900,000.00	2,883,678.95	0.00	0.00	106,140.00	5,994.94	5,994.94
	17-0046	3130AAQV3	FHLB 1.67 04/30/20	Open	01/30/18	2,400,000.00	2,400,000.00	2,396,152.80	0.00	6,828.44	100,200.00	3,451.33	3,674.00
	17-0066	3130AAQB7	FHLB 2.00 08/16/21	Open	02/16/18	2,000,000.00	2,000,000.00	2,022,112.08	0.00	0.00	100,000.00	1,666.67	1,666.67
	19-0006	3130AFE78	FHLB 3.00 12/09/22	Open	01/29/19	2,000,000.00	2,021,378.49	2,115,856.00	-3,621.51	9,861.11	35,500.00	13,666.67	27,500.00
	19-0008	3130AQR2	FHLB 2.375 12/13/19	Open	01/29/19	1,000,000.00	999,485.74	1,003,471.62	1,075.74	3,034.72	11,875.00	5,145.83	8,180.55
	19-0009	3130AQR2	FHLB 2.375 12/13/19	Open	01/29/19	1,000,000.00	999,469.43	1,003,471.62	1,109.43	3,034.72	11,875.00	5,145.83	8,180.55
	19-0015	3130AFAP2	FHLB 3.50 10/30/23	Open	10/30/19	1,000,000.00	1,001,317.05	1,093,860.14	-4,682.95	8,652.78	17,500.00	11,763.89	20,416.67
	19-0018	3130A9BK6	FHLB 1.80 09/01/23	Open	01/29/19	2,000,000.00	1,924,799.90	2,033,571.42	10,399.90	14,800.00	18,000.00	18,000.00	32,800.00
	FHLB Total					14,300,000.00	14,246,450.61	14,552,174.63	4,280.61	46,211.77	401,090.00	64,835.16	108,413.38
FHLMC	16-0051	3134G9JT5	FHLMC 1.35 11/26/19	Open	08/26/16	1,500,000.00	1,500,000.00	1,493,551.73	525.00	0.00	60,750.00	5,343.75	5,343.75
	17-0016	3134G9W37	FHLMC 1.45 08/10/20	Open	11/10/16	1,500,000.00	1,500,000.00	1,493,289.53	0.00	0.00	65,250.00	1,268.75	1,268.75
	19-0010	3134GSTN5	FHLMC 3.00 08/17/22	Open	08/17/20	1,250,000.00	1,252,546.16	1,316,367.33	-1,516.34	16,875.00	37,500.00	1,458.33	18,333.33
	19-0031	3134GSW43	FHLMC 2.70 02/28/22	Open	02/28/20	1,500,000.00	1,500,000.00	1,562,288.25	0.00	0.00	20,250.00	113.13	113.13
	FHLMC Total					5,750,000.00	5,752,546.16	5,865,496.84	-991.34	16,875.00	183,750.00	8,183.96	25,058.96
FNMA	17-0011	3136G3L37	FNMA 1.125 10/28/19	Open	07/28/17	2,000,000.00	2,000,000.00	1,989,423.74	0.00	0.00	67,500.00	2,062.50	2,062.50
	17-0048	3136G4KD4	FNMA 1.75 06/29/20	Open	06/29/17	2,000,000.00	2,000,000.00	1,999,116.44	0.00	3,305.56	87,500.00	6,027.78	9,333.34
Step Coupon	18-0054	3134G95P8	FNMA STEP 1.625 08/25/21	Open	02/25/18	2,000,000.00	2,000,000.00	2,004,394.10	15,000.00	13,631.94	72,500.00	708.33	14,069.44
	18-0056	3136G4QE6	FNMA 2.20 10/26/22	Open	10/26/18	2,250,000.00	2,250,000.00	2,312,392.25	30,143.48	11,962.50	74,250.00	17,187.50	29,150.00
	FNMA Total					8,250,000.00	8,250,000.00	8,305,326.53	45,143.48	28,900.00	301,750.00	25,986.11	54,615.28
Money Market	AR-0001	MMKT FED - 5000638	Money Market	Open	07/01/99	164.43	164.43	164.43	0.00	0.00	1,652,558.77	0.00	0.00
	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-0058	JPMORGAN MMKT - 00005017334	Money Market	Open	12/19/17	23,871.27	23,871.27	23,871.27	0.00	0.00	23,871.26	0.00	0.00
	AR-0059	GOLDMAN SACHS MMKT - 0188506760	Money Market	Open	12/19/17	39,666.07	39,666.07	39,666.07	0.00	0.00	39,666.07	0.00	0.00
	AR-0060	FEDERATED MMKT - 06090498885	Money Market	Open	12/19/17	23,986.00	23,986.00	23,986.00	0.00	0.00	23,985.98	0.00	0.00
	AR-0061	DREYFUS MMKT - 0616753258	Money Market	Open	12/19/17	37,914.82	37,914.82	37,914.82	0.00	0.00	37,914.82	0.00	0.00

Total Portfolio Asset Allocation as of 8/31/2019

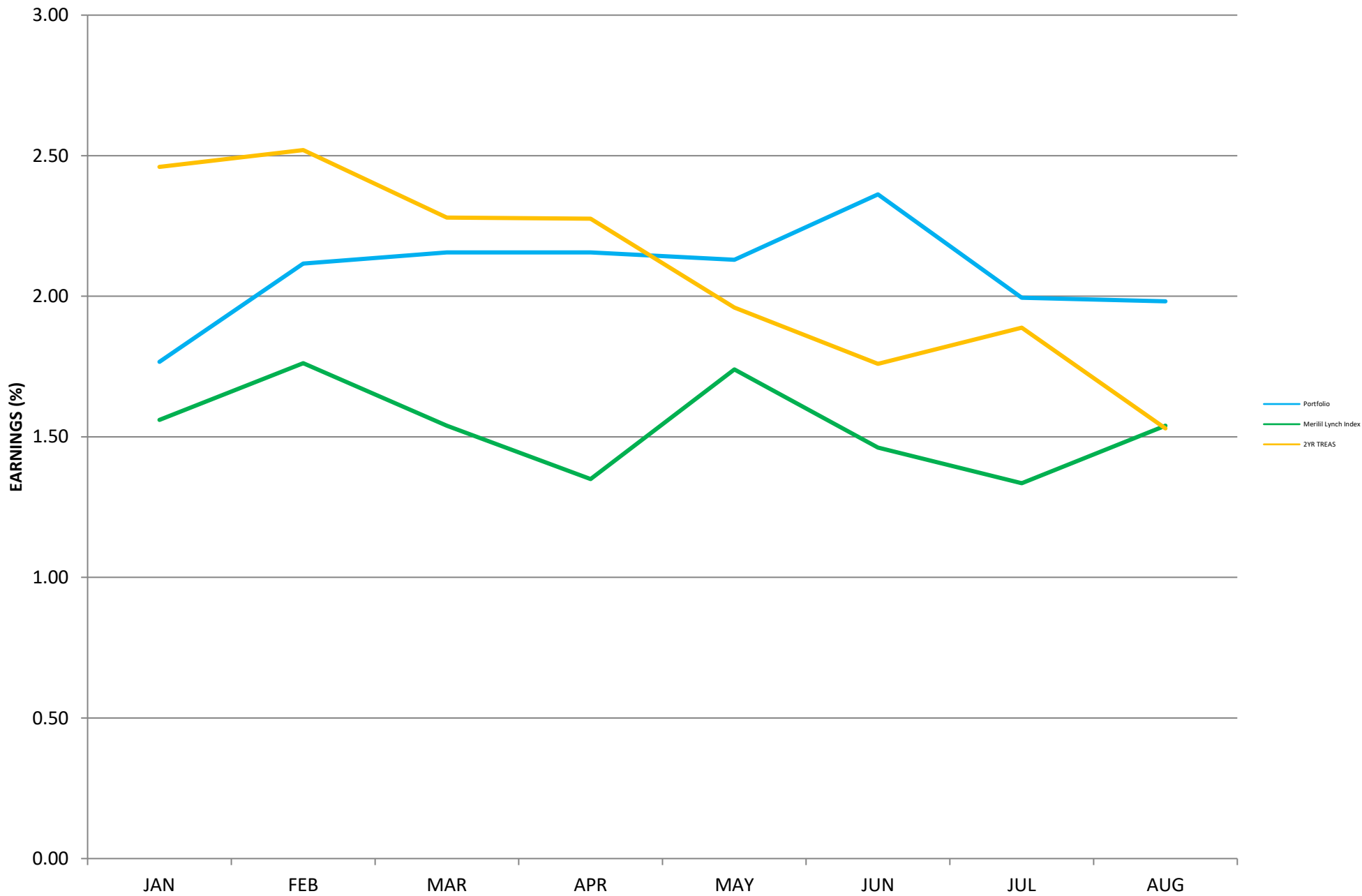


Investment Portfolio by Maturity as of 8/31/19



PORTFOLIO PERFORMANCE

Portfolio Performance as of 8/31/19



DATA ANALYSIS

Metro Cash Position

Cash levels fell this month which was expected as the Revenue Commission begins to hold funds for Metro's debt service payments. Metro's cash position for August year-over-year is the same which is encouraging considering the recent cuts and increased pension obligations. Metro appears to be in a stable position moving forward.

Asset Allocation

There was activity to report for the month of August:

Calls:	\$250,000	BMO HARRIS BANK CD	3.00	02/15/23 – Called on 8/15/19
	\$1,250,000	FFCB	2.80	08/15/22 – Called on 8/15/19

It is likely that if rates continue to fall, more calls will follow.

Maturity Distribution

There was no significant change to maturity distribution for the month of August.

Portfolio Performance

Portfolio yield remained constant this month. With rates decreasing this month and projected to be cut later in the year, it is likely that more calls could follow, and drive portfolio yield lower as Metro would be forced to reinvest in lower yielding securities. Metro should focus on investing these idle funds as soon as possible as more rate cuts are predicted in the coming months.

ECONOMIC UPDATE

ECONOMIC UPDATE

As expected, the Fed voted to cut rates by 25bps again moving the Fed Funds rate to 1.75-2%. The vote was not unanimous however but not for the reasons you would think. Two of the votes were to maintain the target range at 2-2.25% but the other vote (James Bullard) preferred a more aggressive approach of lowering the range to 1.5-1.75% (50bps cut). The language at the meeting was much of the same that we heard from the July meeting with the minor differences regarding household spending rising at a strong pace and the statement that business fixed investments and exports have weakened.

The explanation for the rate cut remained the same citing that the action supports the Committee's view that sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's 2 percent objective are the most likely outcomes, but uncertainties about this outlook remain; specifically the implications of trade war, global economic conditions, and muted inflation pressures. These are the same concerns the Fed has been pointing to for months now and that doesn't seem to be changing anytime soon.

New plot charts project another 5 cuts thru early 2021 which would put the target range near zero. What's interesting is that the Fed is facing increasing political pressure to move rates near zero at a much faster pace. President Trump has made no secret that he wants rates "down to ZERO, or less," to spur more borrowing and economic activity. It's widely believed that it would take a recession for this to happen but unlike the 2008 downturn, it doesn't need to be a deep recession. That's mostly because rates are already historically low.

Like anything, there are pros and cons to consider with rates at, or near zero. A Fed rate at zero doesn't mean consumers wouldn't have borrowing costs, but it would mean very low interest costs for home buyers, as well as businesses and other borrowers. The problem is that if the economy is viewed to be in a recession, fewer consumers and business will be eager to take out loans. There's also the issue from the banking side. As mentioned before, a zero rate doesn't mean you don't have borrowing costs because the bank still needs to make a profit. These low rates just mean that the bank passes the costs to consumers elsewhere with increased fees and penalties.

The scenario is similar if the Fed were to lower rates below zero. Borrowers would have very little borrowing costs but it's not to say that the bank would pay borrowers to take out a loan. They would still pass the costs to depositors in various fees. The main difference is that this would be exaggerated as the bank would have to pay a fee each month to park some money at the Fed which is a reversal of how a bank typically works. The positive is that it makes lending more attractive to the bank which would hopefully lead to increased economic activity but again the view of a recession can impact the number of consumers and business looking to borrow.

We've seen near zero and negative rates in other countries before. Sweden, Denmark, and Japan have had negative rates for years to jump-start their economies. These rates have stimulated some lending but have also led to other benefits that indirectly boost economic growth such as lowering the cost of government debt and devaluation of their currency which makes exports more attractive. It can be dangerous though as it drives investors to other assets like gold and commercial real estate which could lead to bubbles that pop and worsen the situation.

Which route the Fed takes remains to be seen. One thing that does seem to be becoming clearer is that a recession may be closer than thought in years past and many are pointing to the current and expected future cuts as proof.

Total Portfolio Shock Table
Lou / Jeff Cty Metro Finance
Effective Interest - Actual Life
Receipts in Period
8/31/2019

<i>Data Category</i>	<i>Down 300</i>	<i>Down 200</i>	<i>Down 100</i>	<i>Current</i>	<i>Up 100</i>	<i>Up 200</i>	<i>Up 300</i>
Current Par	68,471,602.59	68,471,602.59	68,471,602.59	68,471,602.59	68,471,602.59	68,471,602.59	68,471,602.59
Amor. Cost	68,333,345.70	68,333,345.70	68,333,345.70	68,333,345.70	68,333,345.70	68,333,345.70	68,333,345.70
Market Value	69,211,540.45	69,279,886.45	69,348,232.45	69,416,578.45	69,484,924.45	69,553,270.45	69,621,616.45
% 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	101.08	101.18	101.28	101.38	101.48	101.58	101.68
Market Yield	2.5642	2.3927	2.2215	2.0507	1.8801	1.7099	1.54
Gain / Loss	878,194.75	946,540.75	1,014,886.75	1,083,232.75	1,151,578.75	1,219,924.75	1,288,270.75

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