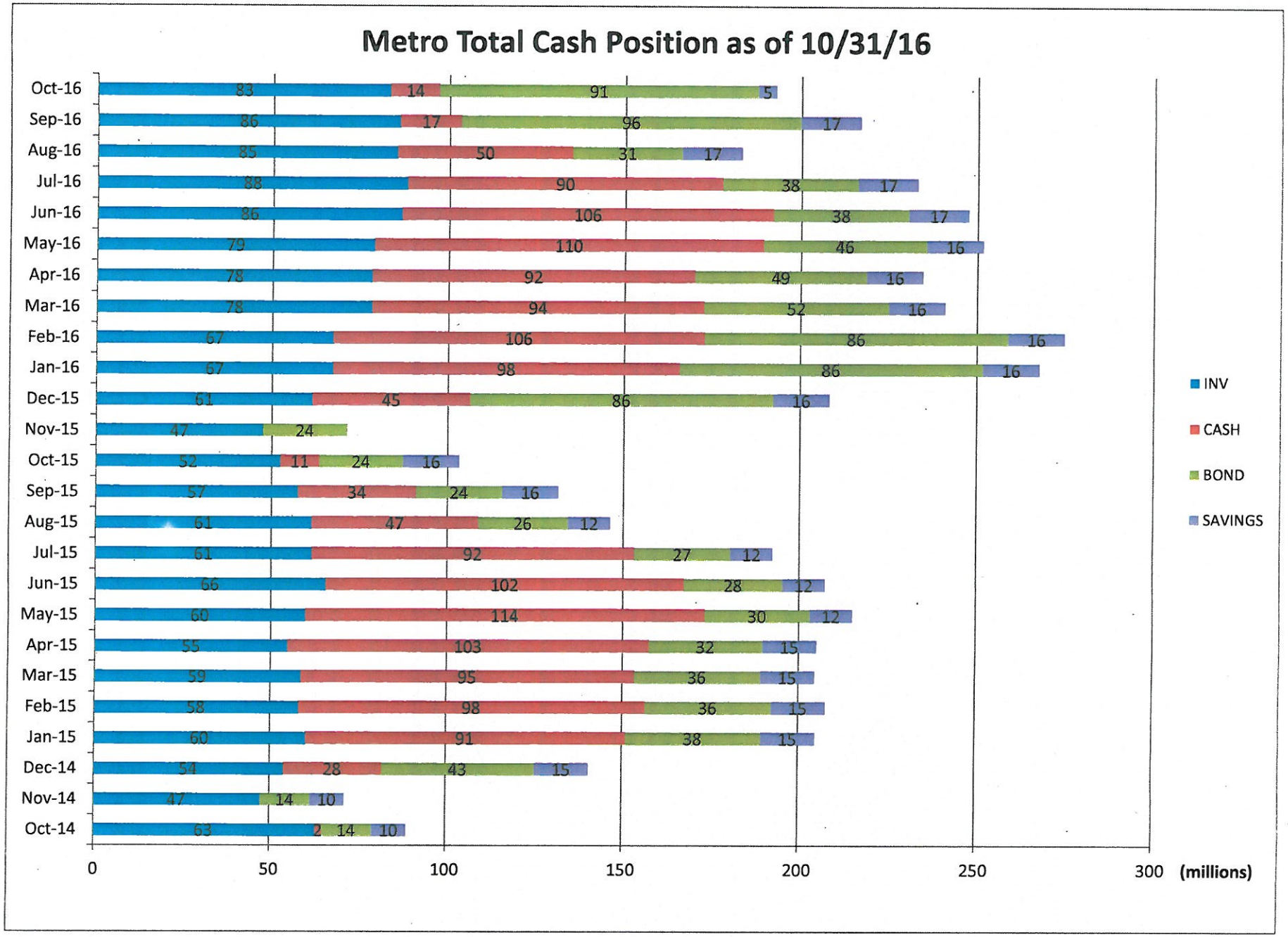
# Louisville Metro Investment Council

Louisville METRO

November 17, 2016

# PORTFOLIO COMPOSITION


Metro Total Cash Position as of 10/31/16
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
Oct-15 52 11 24 16
Sep-15 57 34 24 16
Aug-15 61 47 26 12
Jul-15 61 92 27 12
Jun-15 66 102 28 12
May-15 60 114 30 12
Apr-15 55 103 32 15
Mar-15 59 95 36 15
Feb-15 58 98 36 15
Jan-15 60 91 38 15
Dec-14 54 28 43 15
Nov-14 47 14 10
Oct-14 63 2 14 10
0
50
100
150
200
250
300
(millions)
INV
CASH
BOND
SAVINGS

# Acc Int / Amort / Mkt Val

## Lou / Jeff Cty Metro Finance

Effective Interest - Callable Life

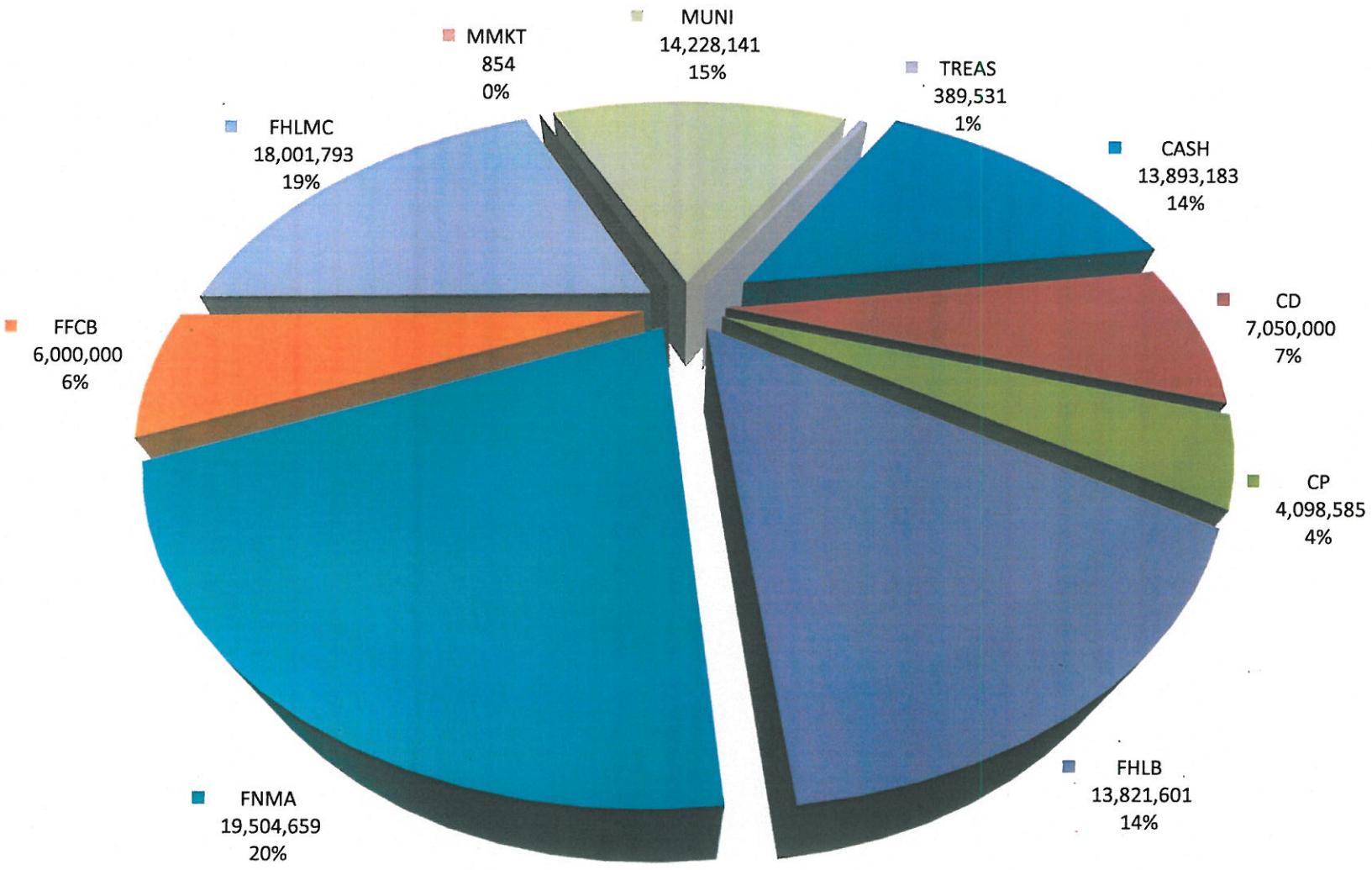
Receipts in Period

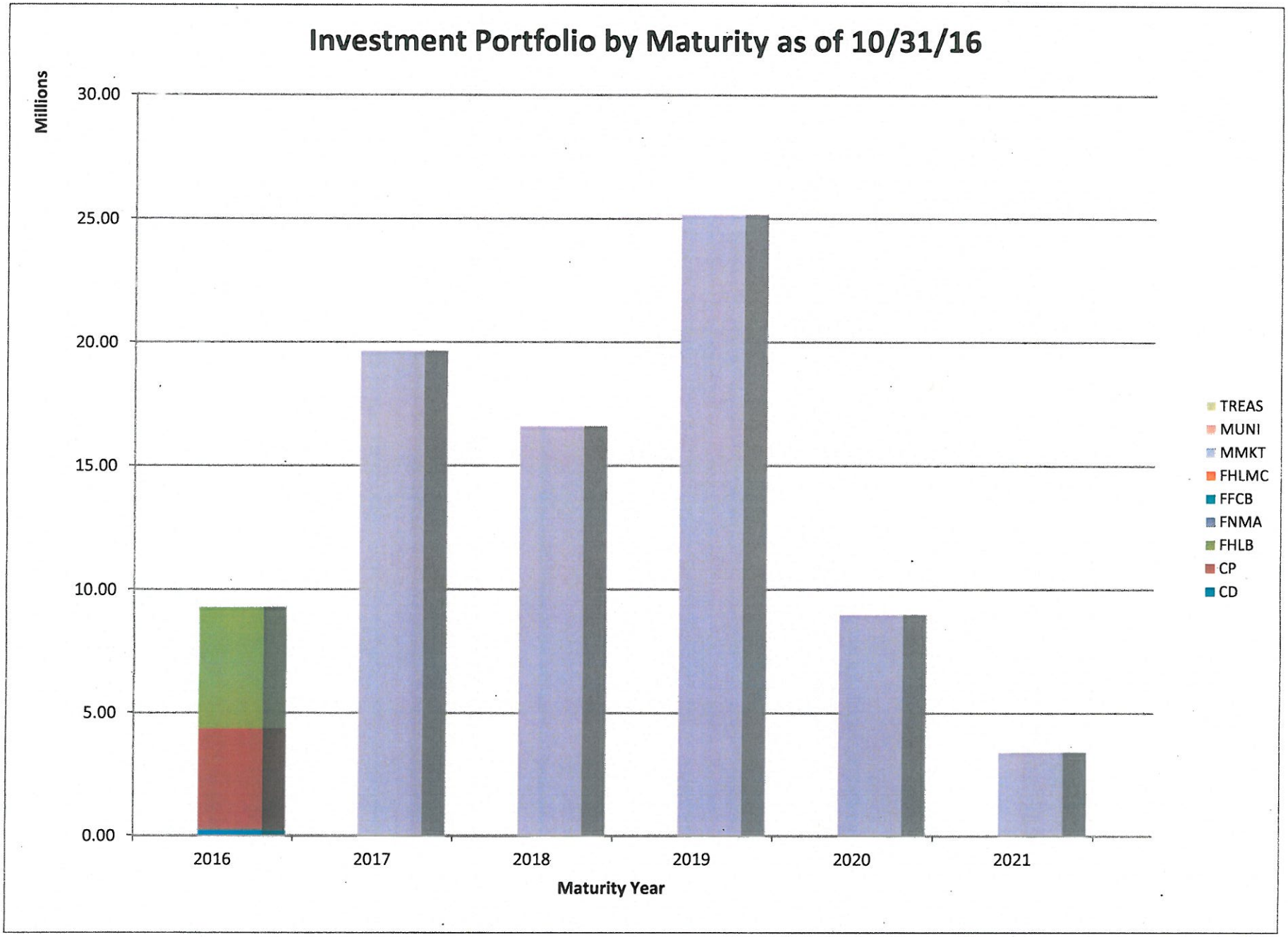
10/31/2016

| | 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 | 4,775,361.58 | 4,775,361.58 | 4,775,361.58 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | AR-0046 | METRO CONC 53- 714868609 | Cash Account | Open | 09/22/08 | 2,860,639.06 | 2,860,639.06 | 2,860,639.06 | 0.00 | 0.00 | 594,925.47 | 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 | 2,910,017.37 | 2,910,017.37 | 2,910,017.37 | 0.00 | 0.00 | 371,751.65 | 0.00 | 0.00 |
| | 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 |
| | **Cash Total** | | | | | **13,893,183.01** | **13,893,183.01** | **13,893,183.01** | **0.00** | **0.00** | **966,677.12** | **0.00** | **0.00** |
| Certificate of Deposit | 16-0020 | CD1499 | YCB 0.17 12/23/16 | Open | 01/23/16 | 250,000.00 | 250,000.00 | 250,000.00 | 0.00 | 0.00 | 310.89 | 9.44 | 9.44 |
| | 16-0040 | CD423 | METRO 0.50 05/07/17 | Open | 05/10/16 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 0.00 | 0.00 | 2,095.90 | 333.33 | 333.33 |
| | 16-0047 | CD864 | COMM 0.60 05/16/17 | Open | 05/16/16 | 200,000.00 | 200,000.00 | 200,000.00 | 0.00 | 0.00 | 503.01 | 50.00 | 50.00 |
| | 16-0057 | CD075 | METRO 0.50 06/07/17 | Open | 06/07/16 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 0.00 | 0.00 | 1,671.24 | 333.33 | 333.33 |
| | 17-0007 | CD0695 | COMM 0.60 07/09/17 | Open | 07/09/16 | 4,500,000.00 | 4,500,000.00 | 4,500,000.00 | 0.00 | 0.00 | 6,793.38 | 1,650.00 | 1,650.00 |
| | 17-0031 | CD0772 | METRO 0.50 10/07/17 | Open | 10/07/16 | 100,000.00 | 100,000.00 | 100,000.00 | 0.00 | 0.00 | 0.00 | 34.72 | 34.72 |
| | **Certificate of Deposit Total** | | | | | **7,050,000.00** | **7,050,000.00** | **7,050,000.00** | **0.00** | **0.00** | **11,374.42** | **2,410.82** | **2,410.82** |
| Commercial Paper | 17-0008 | 37362HLM6 | GEORGIA TRANS CORP CP 0.00 11/21/16 | Open | 07/25/16 | 4,100,000.00 | 4,098,585.37 | 4,099,307.59 | 6,988.09 | 0.00 | 0.00 | 0.00 | 0.00 |
| | **Commercial Paper Total** | | | | | **4,100,000.00** | **4,098,585.37** | **4,099,307.59** | **6,988.09** | **0.00** | **0.00** | **0.00** | **0.00** |
| FFCB | 17-0010 | 3133EGNK7 | FFCB 1.32 07/27/20 | 07/27/17 | 07/27/16 | 3,000,000.00 | 3,000,000.00 | 2,978,730.00 | 0.00 | 0.00 | 0.00 | 10,340.00 | 10,340.00 |
| | 17-0022 | 3133EGVJ1 | FFCB 1.16 09/26/19 | 09/26/17 | 09/27/16 | 3,000,000.00 | 3,000,000.00 | 2,989,020.00 | 0.00 | 0.00 | 0.00 | 3,286.67 | 3,383.34 |
| | **FFCB Total** | | | | | **6,000,000.00** | **6,000,000.00** | **5,967,750.00** | **0.00** | **0.00** | **0.00** | **13,626.67** | **13,723.34** |
| FHLB | 16-0006 | 3130A3J70 | FHLB 0.625 11/23/16 | Open | 12/08/15 | 2,000,000.00 | 1,999,871.03 | 2,000,380.00 | 1,891.03 | 520.83 | 6,250.00 | 5,486.11 | 6,006.94 |
| | 16-0013 | 3130A3J70 | FHLB 0.625 11/23/16 | Open | 01/11/16 | 2,940,000.00 | 2,939,755.28 | 2,940,558.60 | 3,224.48 | 2,450.00 | 9,187.50 | 8,064.58 | 10,514.58 |
| | 16-0063 | 313383EP2 | FHLB 1.25 06/20/18 | 09/20/16 | 06/20/16 | 2,975,776.00 | 2,975,776.00 | 2,977,799.53 | -5,951.55 | 0.00 | 0.00 | 13,535.65 | 13,535.65 |
| | 16-0071 | 3130A8JZ7 | FHLB 1.22 12/30/19 | 06/30/17 | 06/30/16 | 2,900,000.00 | 2,900,000.00 | 2,892,431.00 | 0.00 | 0.00 | 0.00 | 11,891.61 | 11,891.61 |
| | 17-0005 | 3130A0HY9 | FHLB 1.25 12/26/17 | Open | 07/20/16 | 1,000,000.00 | 1,006,198.74 | 1,004,320.00 | -1,501.26 | 0.00 | 0.00 | 3,506.94 | 4,340.27 |
| | 17-0034 | 3130A8RP0 | FHLB 1.05 10/26/18 | 10/26/16 | 10/11/16 | 2,000,000.00 | 2,000,000.00 | 1,998,700.00 | 400.00 | 4,812.50 | 5,250.00 | 291.67 | 4,666.67 |
| | **FHLB Total** | | | | | **13,815,776.00** | **13,821,601.05** | **13,814,189.13** | **-1,937.30** | **7,783.33** | **20,687.50** | **42,776.56** | **50,955.72** |
| FHLMC | 16-0051 | 3134G9JT5 | FHLMC 1.35 11/26/19 | 08/26/16 | 05/26/16 | 1,500,000.00 | 1,500,000.00 | 1,500,060.00 | 525.00 | 0.00 | 0.00 | 8,718.75 | 8,718.75 |
| | 16-0052 | 3134G9KW6 | FHLMC 1.35 11/26/19 | 08/26/16 | 05/26/16 | 2,000,000.00 | 2,000,000.00 | 1,997,660.00 | 2,200.00 | 0.00 | 0.00 | 11,625.00 | 11,625.00 |
| | 16-0053 | 3134G9NL7 | FHLMC 1.18 05/31/19 | 05/24/17 | 05/31/16 | 2,000,000.00 | 2,000,000.00 | 2,000,720.00 | 0.00 | 0.00 | 0.00 | 9,833.33 | 9,833.33 |
| | 16-0059 | 3134G9NE3 | FHLMC 1.20 06/14/19 | 06/14/17 | 06/14/16 | 2,000,000.00 | 2,000,000.00 | 1,997,880.00 | 0.00 | 0.00 | 0.00 | 9,133.33 | 9,133.33 |
| | 16-0066 | 3134G9XB8 | FHLMC 1.00 12/28/18 | 12/28/16 | 06/28/16 | 2,000,000.00 | 1,999,841.67 | 1,993,980.00 | 341.67 | 0.00 | 0.00 | 6,833.33 | 6,833.33 |
| | 16-0068 | 3134G9VS3 | FHLMC 1.00 12/28/18 | 12/28/16 | 06/28/16 | 1,000,000.00 | 1,000,000.00 | 999,790.00 | 0.00 | 0.00 | 0.00 | 3,416.67 | 3,416.67 |
| | 16-0070 | 3134G9WJ2 | FHLMC 1.20 09/30/19 | 09/30/16 | 06/30/16 | 1,000,000.00 | 1,000,000.00 | 998,020.00 | 0.00 | 0.00 | 3,000.00 | 1,033.33 | 1,033.33 |
| | 16-0072 | 3134G9YA9 | FHLMC 1.01 09/28/18 | 12/28/16 | 06/30/16 | 2,000,000.00 | 2,000,000.00 | 1,994,140.00 | 0.00 | 2,581.11 | 5,050.00 | 1,851.67 | 1,907.78 |
| | 17-0006 | 3134G45U8 | FHLMC 0.85 12/12/17 | Open | 07/20/16 | 1,000,000.00 | 1,001,951.34 | 1,000,810.00 | -488.66 | 0.00 | 0.00 | 2,384.72 | 3,281.94 |
| | 17-0016 | 3134G9W37 | FHLMC 1.45 08/10/20 | 11/10/16 | 08/10/16 | 1,500,000.00 | 1,500,000.00 | 1,490,430.00 | 0.00 | 0.00 | 0.00 | 4,893.75 | 4,893.75 |
| | 17-0035 | 3134GAPV0 | FHLMC 1.03 10/12/18 | 01/12/17 | 10/12/16 | 2,000,000.00 | 2,000,000.00 | 1,997,340.00 | 0.00 | 0.00 | 0.00 | 1,087.22 | 1,087.22 |
| | **FHLMC Total** | | | | | **18,000,000.00** | **18,001,793.01** | **17,970,830.00** | **2,578.01** | **2,581.11** | **8,050.00** | **60,811.10** | **61,764.43** |
| FNMA | 12-0018 | 3135G0GY3 | FNMA 1.25 01/30/17 | Open | 06/17/16 | 5,000,000.00 | 5,003,012.93 | 5,010,250.00 | -9,143.73 | 0.00 | 31,250.00 | 15,798.61 | 39,583.33 |
| | 15-0027-01 | 3136G2GU5 | FNMA 1.125 04/30/18 | 10/30/15 | 04/30/15 | 2,000,000.00 | 2,000,000.00 | 2,000,000.00 | 0.00 | 0.00 | 33,750.00 | 11,250.00 | 11,250.00 |
| | 16-0024 | 3135G0PP2 | FNMA 1.00 09/20/17 | Open | 03/11/16 | 3,000,000.00 | 3,002,640.08 | 3,007,620.00 | -1,889.92 | 14,250.00 | 30,000.00 | 3,416.67 | 17,666.67 |
| | 16-0046 | 3135G0J95 | FNMA 1.35 10/28/19 | 10/28/16 | 05/19/16 | 1,000,000.00 | 1,000,000.00 | 1,000,770.00 | 1,000.00 | 787.50 | 6,750.00 | 112.50 | 900.00 |
| | 16-0048 | 3136G3MQ5 | FNMA 1.30 11/25/19 | 11/25/16 | 05/25/16 | 2,000,000.00 | 2,000,000.00 | 2,000,160.00 | 0.00 | 0.00 | 0.00 | 11,266.67 | 11,266.67 |
| | 16-0067 | 3136G3TR6 | FNMA 1.05 06/28/19 | 06/28/17 | 06/28/16 | 2,000,000.00 | 2,000,000.00 | 1,991,260.00 | 0.00 | 0.00 | 0.00 | 7,175.00 | 7,175.00 |
| | 17-0011 | 3136G3L37 | FNMA 1.125 10/28/19 | 07/28/17 | 07/28/16 | 2,000,000.00 | 2,000,000.00 | 1,989,160.00 | 0.00 | 0.00 | 0.00 | 5,812.50 | 5,812.50 |
| | 17-0025 | 3136G34K8 | FNMA 1.125 09/09/19 | 03/09/17 | 09/28/16 | 2,500,000.00 | 2,499,006.21 | 2,486,100.00 | 256.21 | 0.00 | 0.00 | 2,578.13 | 4,062.51 |
| | **FNMA Total** | | | | | **19,500,000.00** | **19,504,659.22** | **19,485,320.00** | **-9,777.44** | **15,037.50** | **101,750.00** | **57,410.08** | **97,716.68** |
| 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 | 0.05 | 0.05 |
| | AR-0006 | TARC FED - 4485281 | Money Market | Open | 07/01/99 | 1.22 | 1.22 | 1.22 | 0.00 | 0.00 | 30.61 | 0.00 | 0.00 |
| | AR-0025 | MMKT JPM - 468885 | Money Market | Open | 09/19/02 | 693.95 | 693.95 | 693.95 | 0.00 | 0.00 | 1,339,160.99 | 0.28 | 0.28 |
| | **Money Market Total** | | | | | **853.52** | **853.52** | **853.52** | **0.00** | **0.00** | **2,991,744.28** | **0.33** | **0.33** |
| Municipal Bond | 13-0025 | 76221RTS2 | RHODE ISLAND 1.551 10/01/17 | Open | 02/25/13 | 825,000.00 | 826,131.07 | 825,486.75 | -4,396.43 | 177.72 | 46,242.41 | 1,066.31 | 1,244.03 |
| | 15-0023 | 468714EA4 | JACEDU 1.693 03/01/18 | Open | 02/26/15 | 1,000,000.00 | 1,002,521.62 | 1,009,560.00 | -3,108.38 | 0.00 | 26,147.38 | 2,821.67 | 2,821.67 |
| | 15-0025 | 581760AC9 | MCLAREN CNTY MI 1.964 05/15/18 | Open | 04/02/15 | 730,000.00 | 735,098.55 | 731,474.60 | -5,121.45 | 0.00 | 16,129.35 | 6,611.04 | 6,690.69 |
| | 15-0045 | 613357AF9 | MONTG CO 2.44 11/01/19 | Open | 06/25/15 | 500,000.00 | 509,252.13 | 517,655.00 | -3,997.87 | 1,830.00 | 12,200.00 | 6,100.00 | 7,930.00 |
| | 16-0007 | 650035J58 | NY URBAN DEV TXBL 1.65 03/15/18 | Open | 12/08/15 | 500,000.00 | 501,687.13 | 503,825.00 | -1,082.87 | 1,902.08 | 8,250.00 | 1,054.17 | 2,956.25 |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 16-0065 | 64971WF39 | NYC TRAN FIN AUTH-SUB 1.69 02/01/21 | Open | 06/23/16 | 1,350,000.00 | 1,357,738.26 | 1,348,960.50 | -618.24 | 4,999.58 | 6,337.49 | 5,703.75 | 9,633.00 |
| | 17-0004 | 047681NZ0 | ATLANTA ETC REC 2.41 12/01/19 | Open | 07/22/16 | 720,000.00 | 742,970.03 | 739,850.40 | -1,999.57 | 0.00 | 0.00 | 4,771.80 | 7,230.00 |
| | 17-0012 | 555542LS6 | MACON-BIBB CNTY GA 3.00 12/01/20 | Open | 08/01/16 | 425,000.00 | 451,024.28 | 447,359.25 | -1,541.22 | 0.00 | 0.00 | 3,187.50 | 5,312.50 |
| | 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 | 989,510.00 | 0.00 | 0.00 | 0.00 | 947.22 | 1,375.00 |
| | 17-0028 | 64990EEL7 | NYS DORM AUTH C-TXBL 2.12 03/15/21 | Open | 09/30/16 | 2,000,000.00 | 2,047,985.47 | 2,040,600.00 | -914.53 | 0.00 | 0.00 | 3,651.11 | 5,417.78 |
| | 17-0029 | 64971WN97 | NY TRANSITION TXBL 1.35 08/01/20 | Open | 09/30/16 | 2,625,000.00 | 2,644,205.65 | 2,588,381.25 | -429.35 | 0.00 | 0.00 | 3,051.56 | 3,839.06 |
| | 17-0032 | 597137GZ5 | MIDDLETOWN OH 2.053 12/01/20 | Open | 10/07/16 | 400,000.00 | 409,526.35 | 405,968.00 | -149.65 | 0.00 | 0.00 | 547.47 | 3,239.18 |
| | 17-0037 | 64972CXJ7 | NYC HSG DEV 0.85 05/01/17 | Open | 10/18/16 | 2,000,000.00 | 2,000,000.00 | 1,999,900.00 | 0.00 | 0.00 | 0.00 | 572.54 | 572.54 |
| | **Municipal Bond Total** | | | | | **14,075,000.00** | **14,228,140.54** | **14,148,530.75** | **-23,359.56** | **8,909.38** | **115,306.63** | **40,086.14** | **58,261.70** |
| Treasury Note | 14-0020 | 912828VK3 | Treasury Note 1.375 06/30/18 | Open | 04/29/14 | 390,000.00 | 389,531.02 | 393,490.50 | 688.83 | 1,762.81 | 13,406.25 | 1,806.93 | 3,569.74 |
| | **Treasury Note Total** | | | | | **390,000.00** | **389,531.02** | **393,490.50** | **688.83** | **1,762.81** | **13,406.25** | **1,806.93** | **3,569.74** |
| | **Investment Total** | | | | | **96,824,812.53** | **96,988,346.74** | **96,823,454.50** | **-24,819.37** | **36,074.13** | **4,228,996.20** | **218,928.63** | **288,402.76** |

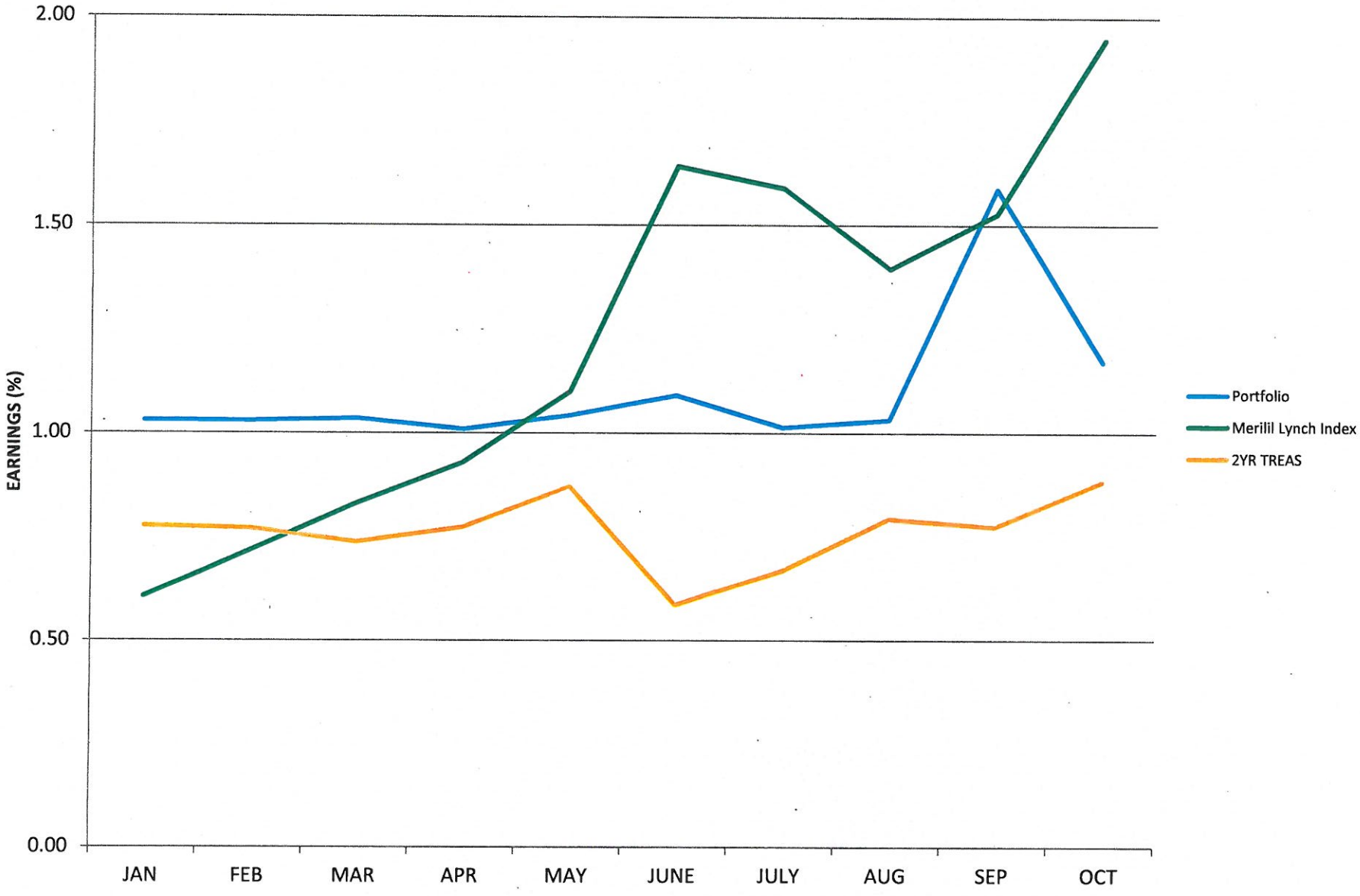
# Total Portfolio Asset Allocation as of 10/31/2016




Investment Portfolio by Maturity as of 10/31/16
Millions
30.00
25.00
20.00
15.00
10.00
5.00
0.00
2016
2017
2018
2019
2020
2021
Maturity Year
TREAS
MUNI
MMKT
FHLMC
FFCB
FNMA
FHLB
CP
CD

# PORTFOLIO PERFORMANCE

# Portfolio Performance as of 10/31/16



# ECONOMIC UPDATE

# ECONOMIC OUTLOOK

The race is finally over and it looks like Trump has emerged the victor despite nearly all "expert" projections otherwise. Markets have fluctuated wildly post-election but not necessarily in the way most had expected. Trump was labeled as being bad for the market as he would be the more volatile and unpredictable of the two candidates. However, if the election has taught us anything, it's to expect the unexpected.

Rates have actually risen in recent weeks with the 10-year Treasury peaking at 1.95%; nearly equally the high from April of this year. To go along with that, the 2-year and 5-year Treasury are also at/near highs across the curve. This corresponds to strong economic numbers amidst recent months of poor numbers. Housing data posted its best numbers since August 2007 and retail numbers show consumer confidence and spending are on the rise.

These numbers provide further evidence of progress toward the Fed's objectives and the probability of a December rate hike has increased to 90% as a result. If there was any doubt of an increase, it could be argued that Chair Yellen squashed that as she all but confirmed the hike stating that the strong numbers supported their objectives and that the rate hike would be appropriate "relatively soon." It had always been assumed that December 2016 was the most likely time for a rate hike and the improved economic numbers suggest that this is the case.

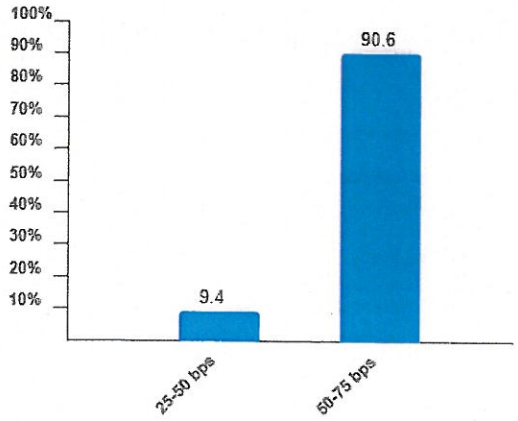
The strong economic numbers have also impacted the US Dollar as it rose to 100.87 – the highest level since January 2003. This rally is based on more positive economic outlook that stems from the expected policies for lower tax rates and higher infrastructure spending under President-elect Trump. This will be interesting to watch as the looser fiscal policy that is expected from Trump and a Republican Congress could lead to higher inflation in the coming years.

| 14 Dec 2016 | 1 Feb 2017 | 15 Mar 2017 | 3 May 2017 | 14 Jun 2017 | 26 Jul 2017 | 20 Sep 2017 | 1 Nov 2017 |
|---|---|---|---|---|---|---|---|

Meeting date: Wednesday, 14 Dec 2016

Futures Expiry: December 2016
Futures Price: 99.475

**Previous Day**
Volume: 7,408
Open Interest: 79,986




| Target Rate (bps) | Current Probability % | Previous Day Probability % |
|---|---|---|
| 25-50 | 9.4 | 9.4 |
| 50-75 | 90.6 | 90.6 |

*18 Nov 2016, 11:05:41 am CT*

10/5/2016 9:50

# Total Portfolio Shock Table

## Lou / Jeff Cty Metro Finance

Effective Interest - Actual Life

Receipts in Period

9/30/2016

| Data Category | Down 300 | Down 200 | Down 100 | Current | Up 100 | Up 200 | Up 300 |
|---|---|---|---|---|---|---|---|
| Current Par | 80,930,776.00 | 80,930,776.00 | 80,930,776.00 | 80,930,776.00 | 80,930,776.00 | 80,930,776.00 | 80,930,776.00 |
| Amor. Cost | 81,095,043.31 | 81,095,043.31 | 81,095,043.31 | 81,095,043.31 | 81,095,043.31 | 81,095,043.31 | 81,095,043.31 |
| Market Value | 80,686,625.64 | 80,767,556.42 | 80,848,487.19 | 80,929,417.97 | 81,010,348.74 | 81,091,279.52 | 81,172,210.30 |
| % 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 | 99.7 | 99.8 | 99.9 | 100 | 100.1 | 100.2 | 100.3 |
| Market Yield | 1.7957 | 1.5459 | 1.2967 | 1.0479 | 0.7996 | 0.5518 | 0.3044 |
| Gain / Loss | -408,417.67 | -327,486.89 | -246,556.12 | -165,625.34 | -84,694.57 | -3,763.79 | 77,166.99 |

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.