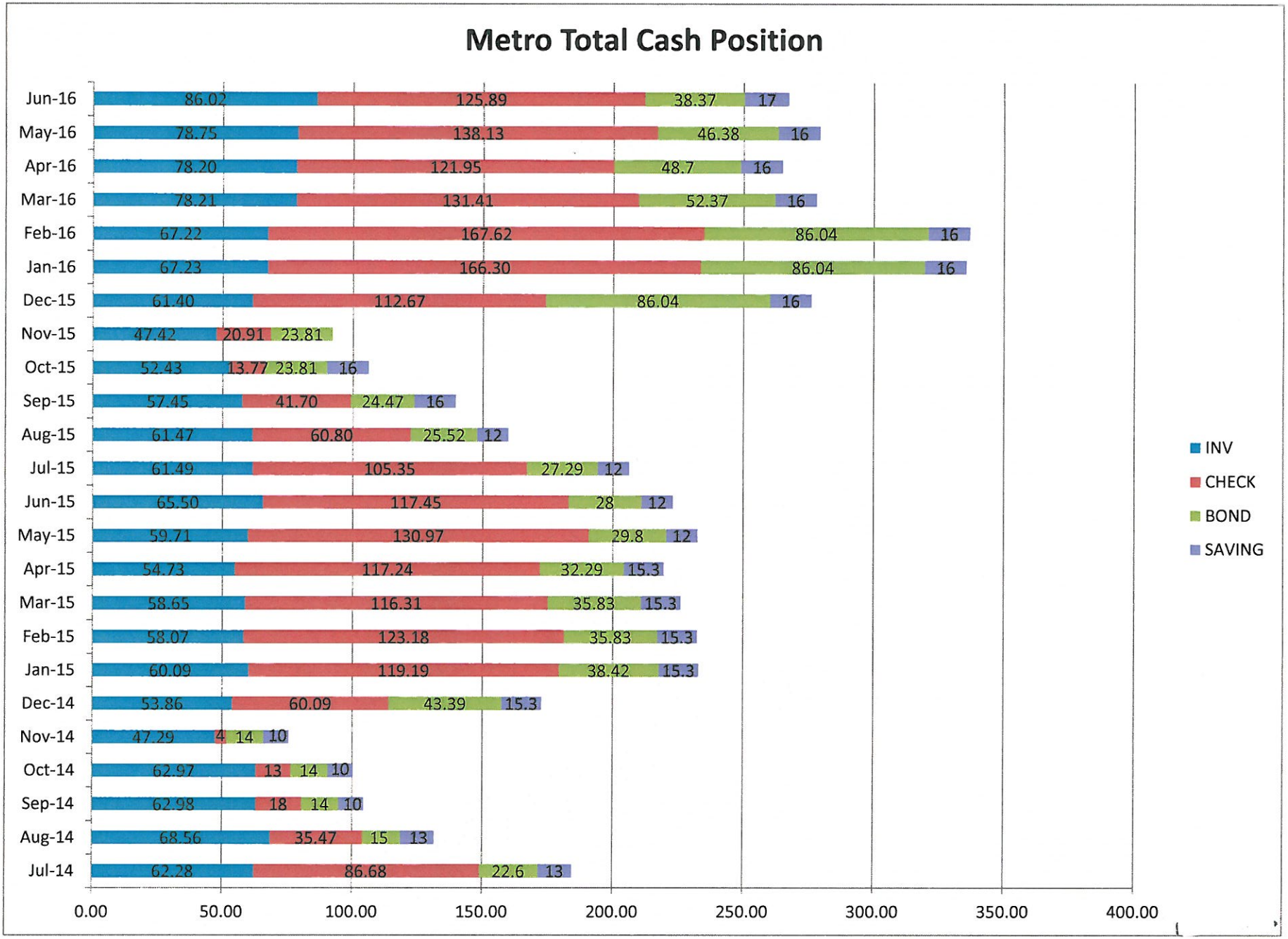
Louisville Metro Investment Council

July 13, 2016

Louisville METRO

PORTFOLIO COMPOSITION


Metro Total Cash Position
Jun-16
May-16
Apr-16
Mar-16
Feb-16
Jan-16
Dec-15
Nov-15
Oct-15
Sep-15
Aug-15
Jul-15
Jun-15
May-15
Apr-15
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Dec-14
Nov-14
Oct-14
Sep-14
Aug-14
Jul-14
86.02
125.89
38.37
17
78.75
138.13
46.38
16
78.20
121.95
48.7
16
78.21
131.41
52.37
16
67.22
167.62
86.04
16
67.23
166.30
86.04
16
61.40
112.67
86.04
16
47.42
20.91
23.81
52.43
13.77
23.81
16
57.45
41.70
24.47
16
61.47
60.80
25.52
12
61.49
105.35
27.29
12
65.50
117.45
28
12
59.71
130.97
29.8
12
54.73
117.24
32.29
15.3
58.65
116.31
35.83
15.3
58.07
123.18
35.83
15.3
60.09
119.19
38.42
15.3
53.86
60.09
43.39
15.3
47.29
4
14
10
62.97
13
14
10
62.98
18
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68.56
35.47
15
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62.28
86.68
22.6
13
0.00
50.00
100.00
150.00
200.00
250.00
300.00
350.00
400.00
INV
CHECK
BOND
SAVING

Acc Int / Amort / Mkt Val

Lou / Jeff Cty Metro Finance

Effective Interest - Callable Life

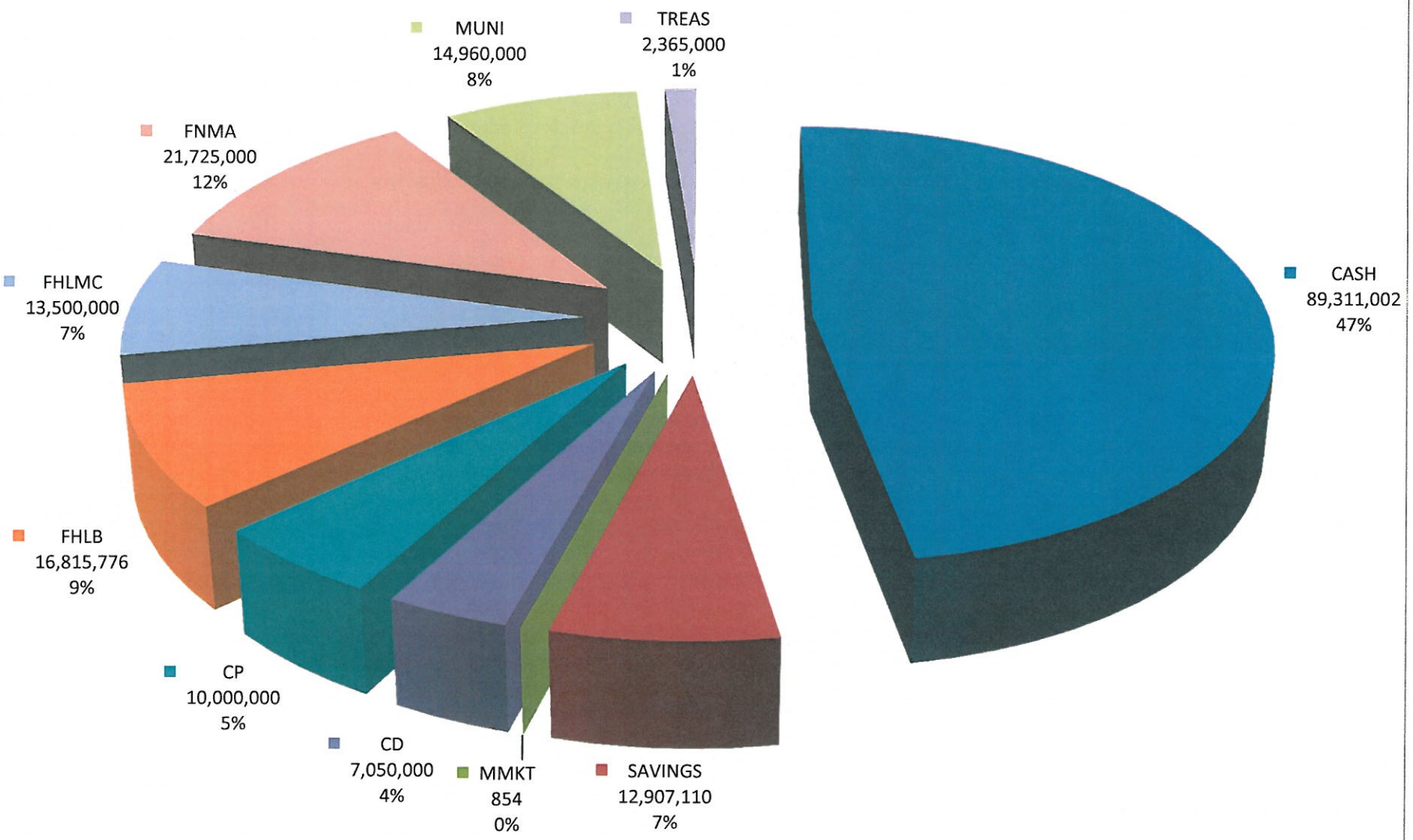
Receipts in Period

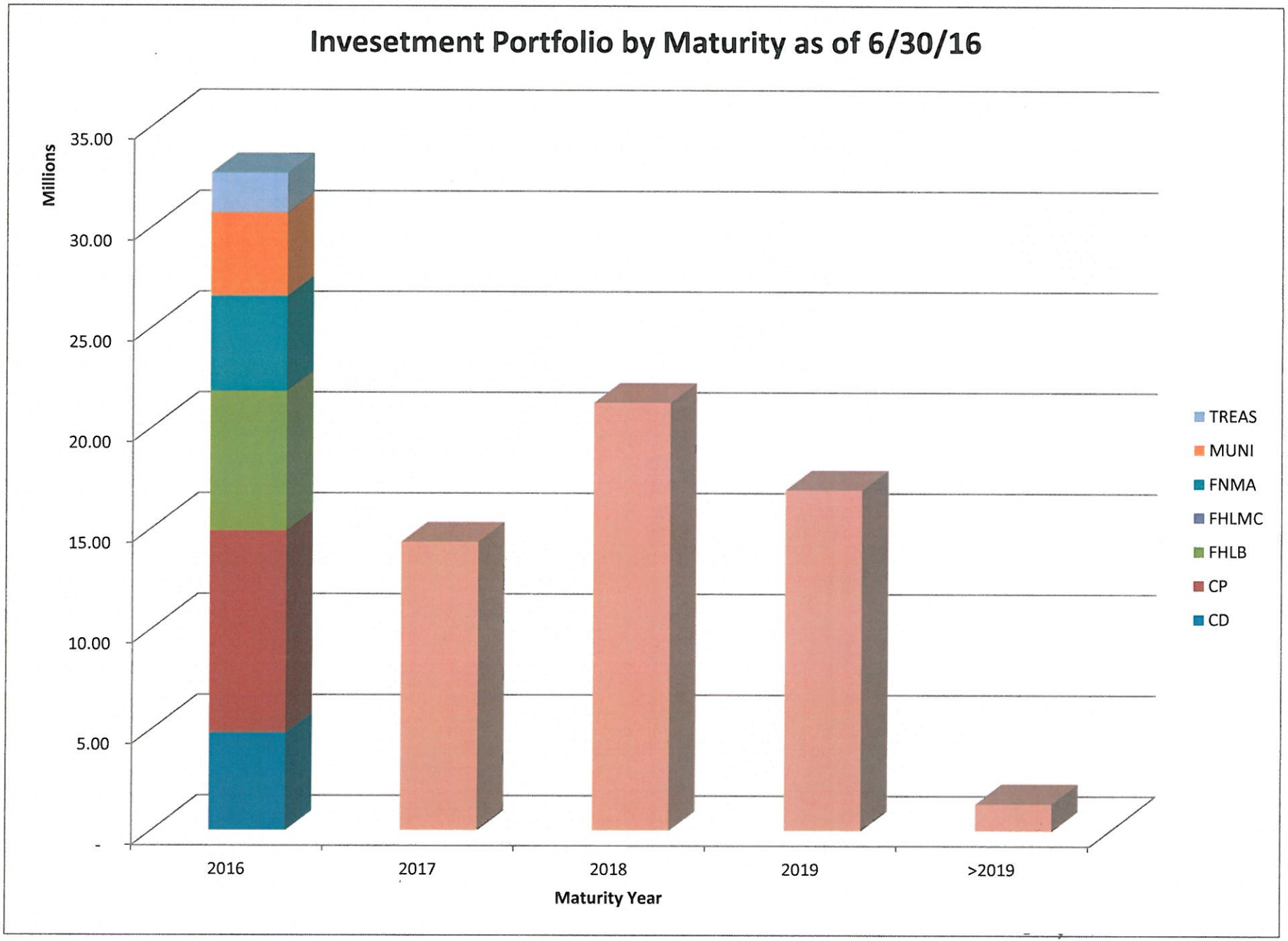
6/30/2016

	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
1 - SHORT TERM	AR-0043	INV CLEAR JPM - 707637716	Cash Account	Open	07/01/06	5,012,690.91	5,012,690.91	5,012,690.91	0.00	0.00	0.00	0.00	0.00
	AR-0046	METRO CONC 53- 714868609	Cash Account	Open	09/22/08	86,198,063.93	86,198,063.93	86,198,063.93	0.00	0.00	573,530.71	0.00	0.00
	AR-0052	METRO CHASE SAV 2950930897	Cash Account	Open	09/22/10	12,907,100.19	12,907,100.19	12,907,100.19	0.00	0.00	349,352.58	0.00	0.00
	Cash Total					**104,117,855.03**	**104,117,855.03**	**104,117,855.03**	**0.00**	**0.00**	**922,883.29**	**0.00**	**0.00**
	15-0019	CD0695	COMM 0.65 07/09/16	Open	08/04/15	4,500,000.00	4,500,000.00	4,500,000.00	0.00	0.00	0.00	29,087.50	45,906.25
	16-0004	CD0772	METRO 0.45 10/07/16	Open	10/07/15	100,000.00	100,000.00	100,000.00	0.00	0.00	300.83	28.75	28.75
	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	176.98	8.26	8.26
	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	424.66	319.44	319.44
	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	101.92	46.67	46.67
	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	0.00	322.58	322.58
	Certificate of Deposit Total					**7,050,000.00**	**7,050,000.00**	**7,050,000.00**	**0.00**	**0.00**	**1,004.39**	**29,813.20**	**46,631.95**
	16-0039	37362HGB6	GEORGIA TRANS CORP 0.00 07/11/16	Open	04/19/16	1,500,000.00	1,499,791.45	1,499,833.29	1,520.62	0.00	0.00	0.00	0.00
	16-0061	91820LH86	VF CORP 0.00 08/08/16	Open	06/15/16	1,000,000.00	999,303.13	999,760.57	293.13	0.00	0.00	0.00	0.00
	16-0064	08465RGR6	BERKSHIRE HATHAWAY 0.00 07/25/16	Open	06/23/16	4,100,000.00	4,098,359.78	4,099,241.21	546.45	0.00	0.00	0.00	0.00
	16-0069	26244HH48	DUKE ENERGY 0.00 08/04/16	Open	06/28/16	3,400,000.00	3,397,495.17	3,399,274.81	220.84	0.00	0.00	0.00	0.00
	Commercial Paper Total					**10,000,000.00**	**9,994,949.53**	**9,998,109.88**	**2,581.04**	**0.00**	**0.00**	**0.00**	**0.00**
	16-0005	3130A2T97	FHLB 0.50 09/28/16	Open	12/08/15	2,000,000.00	1,999,225.81	2,000,780.00	1,805.81	1,944.44	5,000.00	2,583.33	4,527.77
	16-0006	3130A3J70	FHLB 0.625 11/23/16	Open	12/08/15	2,000,000.00	1,999,167.55	2,001,080.00	1,187.55	520.83	6,250.00	1,319.44	1,840.27
	16-0013	3130A3J70	FHLB 0.625 11/23/16	Open	01/11/16	2,940,000.00	2,938,420.42	2,941,587.60	1,889.62	2,450.00	9,187.50	1,939.58	4,389.58
	FHLB Total					**6,940,000.00**	**6,936,813.78**	**6,943,447.60**	**4,882.98**	**4,915.27**	**20,437.50**	**5,842.35**	**10,757.62**
	12-0018	3135G0GY3	FNMA 1.25 01/30/17	Open	06/17/16	5,000,000.00	5,007,070.40	5,022,600.00	-5,086.26	0.00	0.00	26,215.28	50,000.00
	15-0013	3135G0CM3	FNMA 1.25 09/28/16	Open	12/07/15	2,500,000.00	2,504,016.73	2,504,950.00	-12,580.04	0.00	15,625.00	8,072.92	14,062.50
	15-0015	3136FPNA1	FNMA 2.25 10/12/16	Open	12/07/15	1,300,000.00	1,306,207.27	1,306,578.00	-15,887.69	0.00	14,625.00	6,418.75	10,887.50
	16-0015	3135G0CM3	FNMA 1.25 09/28/16	Open	01/11/16	925,000.00	926,201.06	926,831.50	-2,341.69	3,308.16	5,781.25	2,986.98	6,295.14
	16-0024	3135G0PP2	FNMA 1.00 09/20/17	Open	03/11/16	3,000,000.00	3,003,627.78	3,014,130.00	-902.22	14,250.00	15,000.00	8,416.67	22,666.67
	FNMA Total					**12,725,000.00**	**12,747,123.24**	**12,775,089.50**	**-36,797.90**	**17,558.16**	**51,031.25**	**52,110.60**	**103,911.81**
	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	0.01	0.01	0.01	0.00	0.00	1,291,491.06	0.00	0.00
	Money Market Total					**159.58**	**159.58**	**159.58**	**0.00**	**0.00**	**2,944,074.35**	**0.05**	**0.05**
	15-0040	575896JH9	MASS PORT AUTH 5.00 07/01/16	Open	06/03/15	1,150,000.00	1,150,000.00	1,150,000.00	-56,568.50	24,277.78	57,500.00	28,750.00	53,027.78
	15-0043	373384A30	GA ST-B-TXBL 4.00 07/01/16	Open	06/25/15	500,000.00	500,000.00	500,000.00	-17,980.00	9,666.67	20,000.00	10,000.00	19,666.67
	16-0001-01	672240TE8	OAKLAND-TXBL-TRANS-B 1.00 06/30/16	Open	08/05/15	2,485,000.00	2,485,000.00	2,485,000.00	-10,685.50	0.00	24,780.97	0.00	2,346.94
	16-0054	49130TNY8	KY HSG CORP 1.879 01/01/17	Open	06/01/16	1,290,000.00	1,298,606.34	1,297,301.40	-1,429.86	0.00	0.00	2,019.93	12,119.56
	Municipal Bond Total					**5,425,000.00**	**5,433,606.34**	**5,432,301.40**	**-86,663.86**	**33,944.45**	**102,280.97**	**40,769.93**	**87,160.95**
	16-0014	912828WA4	Treasury Note 0.625 10/15/16	Open	01/11/16	1,975,000.00	1,974,883.19	1,976,540.50	191.78	2,967.90	6,171.88	2,596.91	5,564.81
	Treasury Note Total					**1,975,000.00**	**1,974,883.19**	**1,976,540.50**	**191.78**	**2,967.90**	**6,171.88**	**2,596.91**	**5,564.81**
	1 - SHORT TERM Total					**148,233,014.61**	**148,255,390.69**	**148,293,503.49**	**-115,805.96**	**59,385.78**	**4,047,883.63**	**131,133.04**	**254,027.19**
2 - CORE	AR-0043	INV CLEAR JPM - 707637716	Cash Account	Open	07/01/06	-1,899,752.50	-1,899,752.50	-1,899,752.50	0.00	0.00	0.00	0.00	0.00
	AR-0046	METRO CONC 53- 714868609	Cash Account	Open	09/22/08	0.00	0.00	0.00	0.00	0.00	456.08	0.00	0.00
	AR-0052	METRO CHASE SAV 2950930897	Cash Account	Open	09/22/10	9.44	9.44	9.44	0.00	0.00	19,491.33	0.00	0.00
	Cash Total					**-1,899,743.06**	**-1,899,743.06**	**-1,899,743.06**	**0.00**	**0.00**	**19,947.41**	**0.00**	**0.00**
	15-0026	3133EEZF0	FHLB 1.10 04/20/18	04/20/16	04/22/15	2,000,000.00	2,000,000.00	2,000,020.00	0.00	122.22	22,000.00	4,338.89	4,461.11
	16-0062	3130A4KJ0	FHLB 1.375 09/26/18	09/26/16	06/20/16	2,000,000.00	2,003,647.92	2,004,020.00	-472.08	0.00	0.00	840.28	7,256.95
	16-0063	313383EP2	FHLB 1.25 06/20/18	09/20/16	06/20/16	2,975,776.00	2,981,000.14	2,980,001.60	-727.41	0.00	0.00	1,136.58	1,136.58
	16-0071	3130A8JZ7	FHLB 1.22 12/30/19	06/30/17	06/30/16	2,900,000.00	2,900,000.00	2,903,946.90	0.00	0.00	0.00	98.28	98.28
	FHLB Total					**9,875,776.00**	**9,884,648.06**	**9,887,988.50**	**-1,199.49**	**122.22**	**22,000.00**	**6,414.03**	**12,952.92**
	16-0051	3134G9JT5	FHLMC 1.35 11/26/19	08/26/16	05/26/16	1,500,000.00	1,499,679.17	1,500,660.00	204.17	0.00	0.00	1,968.75	1,968.75
	16-0052	3134G9KW6	FHLMC 1.35 11/26/19	08/26/16	05/26/16	2,000,000.00	1,998,655.56	2,001,480.00	855.56	0.00	0.00	2,625.00	2,625.00
	16-0053	3134G9NL7	FHLMC 1.18 05/31/19	05/24/17	05/31/16	2,000,000.00	2,000,000.00	2,005,520.00	0.00	0.00	0.00	1,966.67	1,966.67
	16-0059	3134G9NE3	FHLMC 1.20 06/14/19	06/14/17	06/14/16	2,000,000.00	2,000,000.00	2,003,880.00	0.00	0.00	0.00	1,133.33	1,133.33

16-0066	3134G9XB8	FHLMC 1.00 12/28/18	12/28/16	06/28/16	2,000,000.00	1,999,508.33	2,001,480.00	8.33	0.00	0.00	166.67	166.67
16-0068	3134G9VS3	FHLMC 1.00 12/28/18	12/28/16	06/28/16	1,000,000.00	1,000,000.00	1,000,880.00	0.00	0.00	0.00	83.33	83.33
16-0070	3134G9WJ2	FHLMC 1.20 09/30/19	09/30/16	06/30/16	1,000,000.00	1,000,000.00	1,000,440.00	0.00	0.00	0.00	66.67	66.67
16-0072	3134G9YA9	FHLMC 1.01 09/28/18	12/28/16	06/30/16	2,000,000.00	2,000,000.00	2,001,054.00	0.00	0.00	0.00	56.11	112.22
FHLMC Total					**13,500,000.00**	**13,497,843.06**	**13,515,394.00**	**1,068.06**	**0.00**	**0.00**	**8,066.53**	**8,122.64**
15-0021	3136G23N5	FNMA 1.20 11/22/17	08/22/16	01/22/15	2,000,000.00	2,000,724.64	2,000,420.00	-7,275.36	4,000.00	36,000.00	2,600.00	6,600.00
15-0027	3136G2GU5	FNMA 1.125 04/30/18	10/30/15	04/30/15	2,000,000.00	2,000,000.00	2,000,440.00	0.00	0.00	22,500.00	3,812.50	3,812.50
16-0046	3135G0J95	FNMA 1.35 10/28/19	10/28/16	05/19/16	1,000,000.00	999,264.15	1,000,750.00	264.15	0.00	0.00	1,575.00	2,362.50
16-0048	3136G3MQ5	FNMA 1.30 11/25/19	11/25/16	05/25/16	2,000,000.00	2,000,000.00	2,002,860.00	0.00	0.00	0.00	2,600.00	2,600.00
16-0067	3136G3TR6	FNMA 1.05 06/28/19	06/28/17	06/28/16	2,000,000.00	2,000,000.00	2,004,600.00	0.00	0.00	0.00	175.00	175.00
FNMA Total					**9,000,000.00**	**8,999,988.79**	**9,009,070.00**	**-7,011.21**	**4,000.00**	**58,500.00**	**10,762.50**	**15,550.00**
AR-0025	MMKT JPM - 468885	Money Market	Open	09/19/02	693.94	693.94	693.94	0.00	0.00	47,669.93	0.25	0.25
Money Market Total					**693.94**	**693.94**	**693.94**	**0.00**	**0.00**	**47,669.93**	**0.25**	**0.25**
13-0025	76221RTS2	RHODE ISLAND 1.551 10/01/17	Open	02/25/13	825,000.00	826,538.66	829,248.75	-3,988.84	177.72	39,844.54	3,198.94	3,376.66
15-0010	20772JWV0	CONN ST-A-TXBL 1.60 09/01/18	Open	09/19/14	4,630,000.00	4,620,858.56	4,685,050.70	7,295.06	3,704.00	111,220.07	24,693.33	29,014.66
15-0023	468714EA4	JACEDU 1.693 03/01/18	Open	02/26/15	1,000,000.00	1,003,144.41	1,015,180.00	-2,485.59	0.00	17,682.38	5,643.33	5,643.33
15-0025	581760AC9	MCLAREN CNTY MI 1.964 05/15/18	Open	04/02/15	730,000.00	736,186.90	735,058.90	-4,033.10	0.00	16,129.35	1,831.98	1,911.63
15-0045	613357AF9	MONTG CO 2.44 11/01/19	Open	06/25/15	500,000.00	510,248.23	524,165.00	-3,001.77	1,830.00	12,200.00	2,033.33	3,863.33
16-0007	650035J58	NY URBAN DEV TXBL 1.65 03/15/18	Open	12/08/15	500,000.00	502,092.10	505,175.00	-677.90	1,902.08	4,125.00	2,429.17	4,331.25
16-0065	64971WF39	NYC TRAN FIN AUTH-SUB 1.69 02/01/21	Open	06/23/16	1,350,000.00	1,358,319.08	1,366,456.50	-37.42	0.00	0.00	507.00	4,436.25
Municipal Bond Total					**9,535,000.00**	**9,557,387.94**	**9,660,334.85**	**-6,929.56**	**7,613.80**	**201,201.34**	**40,337.08**	**52,577.11**
14-0020	912828VK3	Treasury Note 1.375 06/30/18	Open	04/29/14	390,000.00	389,437.98	395,928.00	595.79	1,762.81	13,406.25	14.57	1,777.38
Treasury Note Total					**390,000.00**	**389,437.98**	**395,928.00**	**595.79**	**1,762.81**	**13,406.25**	**14.57**	**1,777.38**
2 - CORE Total					**40,401,726.88**	**40,430,256.71**	**40,569,666.23**	**-13,476.41**	**13,498.83**	**362,724.93**	**65,594.96**	**90,980.30**

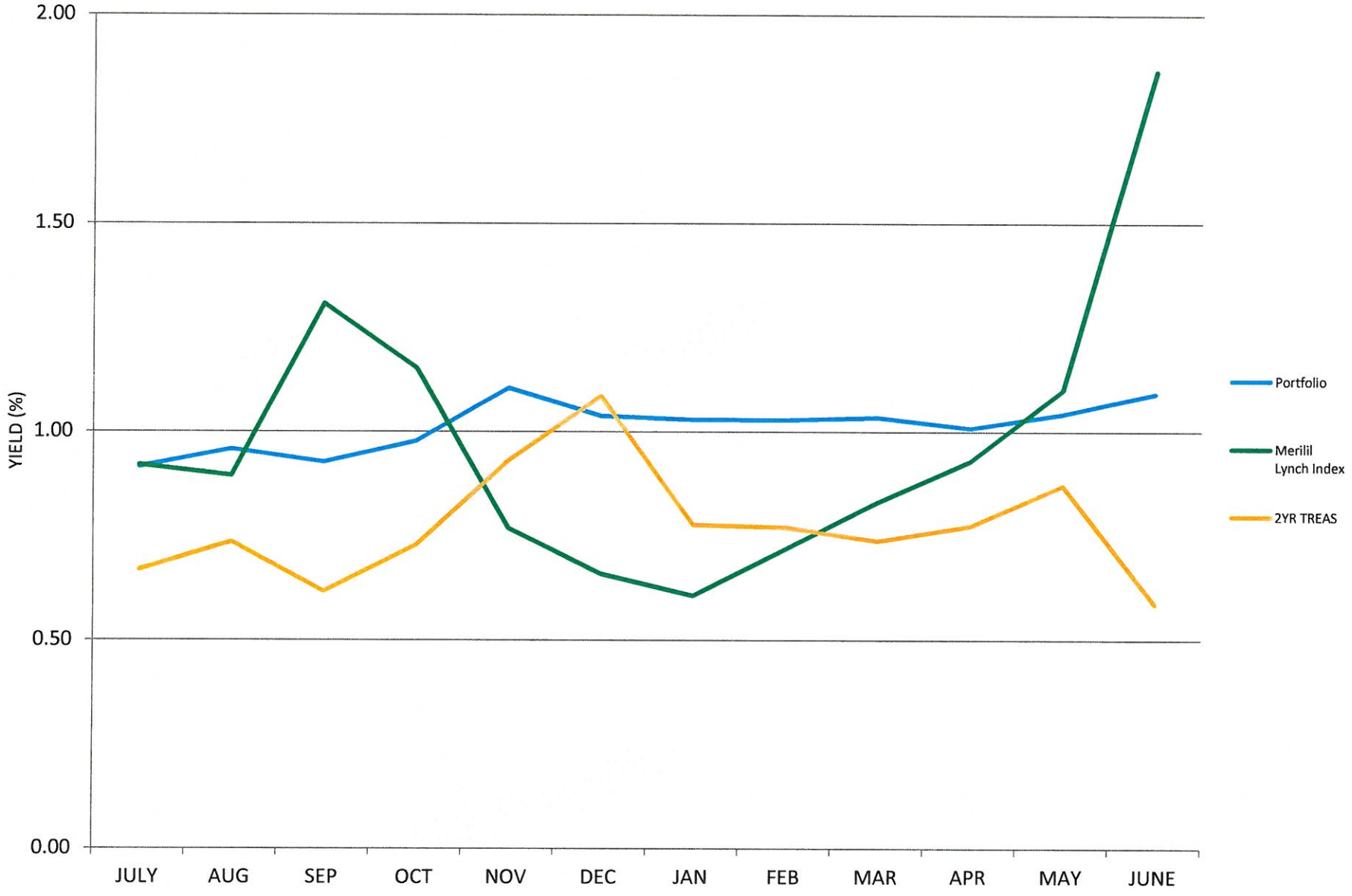
Total Portfolio Asset Allocation as of 6/30/2016




Invesetment Portfolio by Maturity as of 6/30/16
Millions
35.00
30.00
25.00
20.00
15.00
10.00
5.00
-
2016
2017
2018
2019
>2019
Maturity Year
TREAS
MUNI
FNMA
FHLMC
FHLB
CP
CD

PORTFOLIO PERFORMANCE

FY16 TOTAL PORTFOLIO PERFORMANCE



ECONOMIC UPDATE

ECONOMIC UPDATE

MARKET CONDITIONS

The Bond Market began a strong sell off again today as the 10y Treas is back up around 1.5% after an all-time low of 1.33% last week.

The drop is rates last week made it clear that the Bond Market has not been trading on domestic fundamentals but instead has been heavily influenced by global uncertainties such as BREXIT and the growing trend of foreign central bank inspired negative interest rates.

The rise can be attributed to large capital inflows to the US Market thanks to BREXIT and investors seeking higher yields and stability. This comes as great news to those who have been hit hard by cash pilling up from numerous bond calls the past few weeks.

SHORT TERM

Improvements can be seen on the BREXIT front with Home Secretary Theresa May posed to become the next Prime Minister. Her only rival has dropped out of the contest and could expedite the process by two months. The speedy transition does lend hope that stability is returning.

The Bank of England is also expected to announce a cut in rates to offset any BREXIT-related economic fallout.

The Labor Market Conditions Index (LMCI) fell 1.9% for June, worse than expected. This marks the 6th straight month of negative LMCI reports despite a huge improvement of nearly 287,000 in Non-Farm Payroll employment.

LONG TERM

Japan's Prime Minister election results are likely to renew efforts for pro-growth/pro-inflationary policies. If this is successful, expect a reversing of Japanese investment out of US Bond Markets.

St. Louis Fed President James Bullard stated there is "no reason to forecast a recession." While he does expect slow growth over the next 2-3 years, Bullard is also an advocate of raising the Fed Rate to 0.625% (a 25 bps hike) and leaving the rates at that level for the next 2 ½ years. Given the projected outlook of rate hikes, this seems unlikely as the market is not pricing the next rate hike until December 2018.

99) Export Data

World Interest Rate Probability

United States

Instrument Futures: Fed Funds

FED Effective Rate 0.40

1) Overview 2) Future Implied Probability

Current Implied Probabilities

3) Add/Remove I

Dates ◉ Meeting ○ Calculation

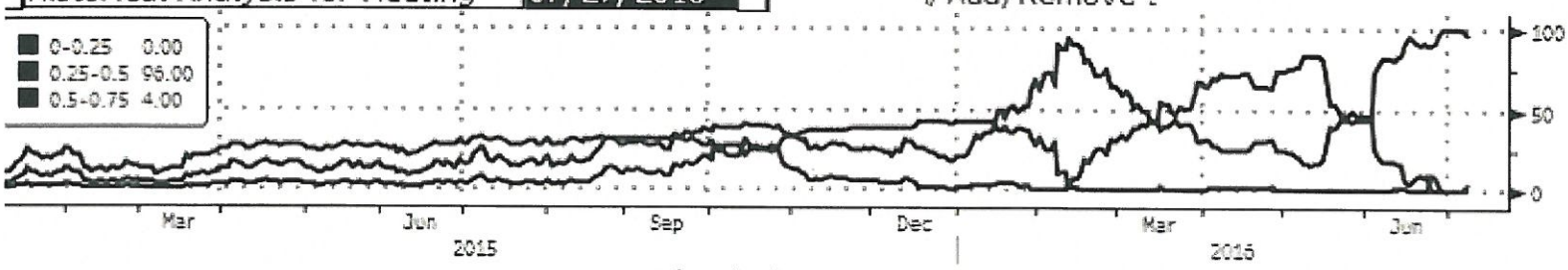
Calculated 07/08/2016

Based on rate 0.25-0.50

Meeting	Prob Of Hike	Prob of Cut	0-0.25	0.25-0.5	0.5-0.75	0.75-1	1-1.25	1.25-1.5	1.5-1.75
07/27/2016	4.0%	0.0%	0.0%	96.0%	4.0%	0.0%	0.0%	0.0%	0.0%
09/21/2016	9.8%	0.0%	0.0%	90.2%	9.5%	0.2%	0.0%	0.0%	0.0%
11/02/2016	9.8%	0.0%	0.0%	90.2%	9.5%	0.2%	0.0%	0.0%	0.0%
12/14/2016	22.4%	0.0%	0.0%	77.6%	20.8%	1.5%	0.0%	0.0%	0.0%
02/01/2017	22.0%	1.6%	1.6%	76.4%	20.4%	1.5%	0.0%	0.0%	0.0%
03/15/2017	28.1%	1.5%	1.5%	70.4%	24.9%	3.0%	0.2%	0.0%	0.0%
05/03/2017	29.7%	1.4%	1.4%	68.9%	25.9%	3.5%	0.2%	0.0%	0.0%
06/14/2017	37.2%	1.3%	1.3%	61.5%	30.6%	6.0%	0.6%	0.0%	0.0%
07/26/2017	36.2%	3.2%	3.2%	60.6%	29.8%	5.8%	0.6%	0.0%	0.0%
09/20/2017	45.9%	2.7%	2.7%	51.4%	34.8%	9.6%	1.4%	0.1%	0.0%

Historical Analysis for Meeting 07/27/2016

4) Add/Remove S



Historical Date

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2016 Bloomberg Finance L.P.
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Total Portfolio Shock Table

Lou / Jeff Cty Metro Finance

Effective Interest - Actual Life

Receipts in Period

6/30/2016

Data Category	Down 300	Down 200	Down 100	Current	Up 100	Up 200	Up 300
Current Par	83,930,776.00	83,930,776.00	83,930,776.00	83,930,776.00	83,930,776.00	83,930,776.00	83,930,776.00
Amor. Cost	83,984,752.33	83,984,752.33	83,984,752.33	83,984,752.33	83,984,752.33	83,984,752.33	83,984,752.33
Market Value	83,907,411.90	83,991,342.68	84,075,273.46	84,159,204.23	84,243,135.01	84,327,065.78	84,410,996.56
% 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	99.97	100.07	100.17	100.27	100.37	100.47	100.57
Market Yield	3.8249	2.8415	1.86	0.8826	-0.0972	-1.073	-2.0468
Gain / Loss	(77,340.43)	6,590.35	90,521.13	174,451.90	258,382.68	342,313.45	426,244.23

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.