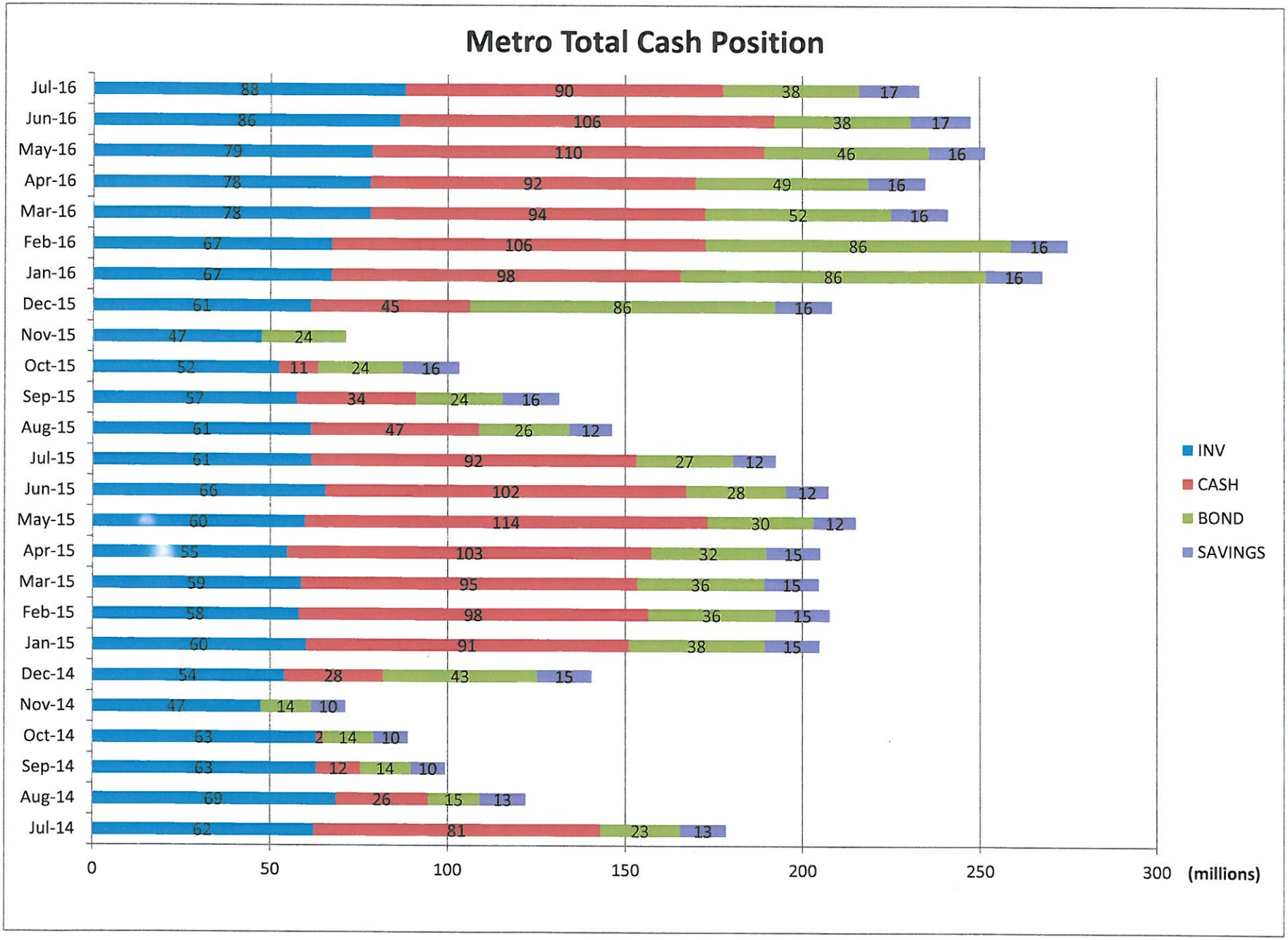
Louisville Metro Investment Council

Louisville METRO

August 15, 2016

PORTFOLIO COMPOSITION


Metro Total Cash Position
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
Sep-14 63 12 14 10
Aug-14 69 26 15 13
Jul-14 62 81 23 13
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

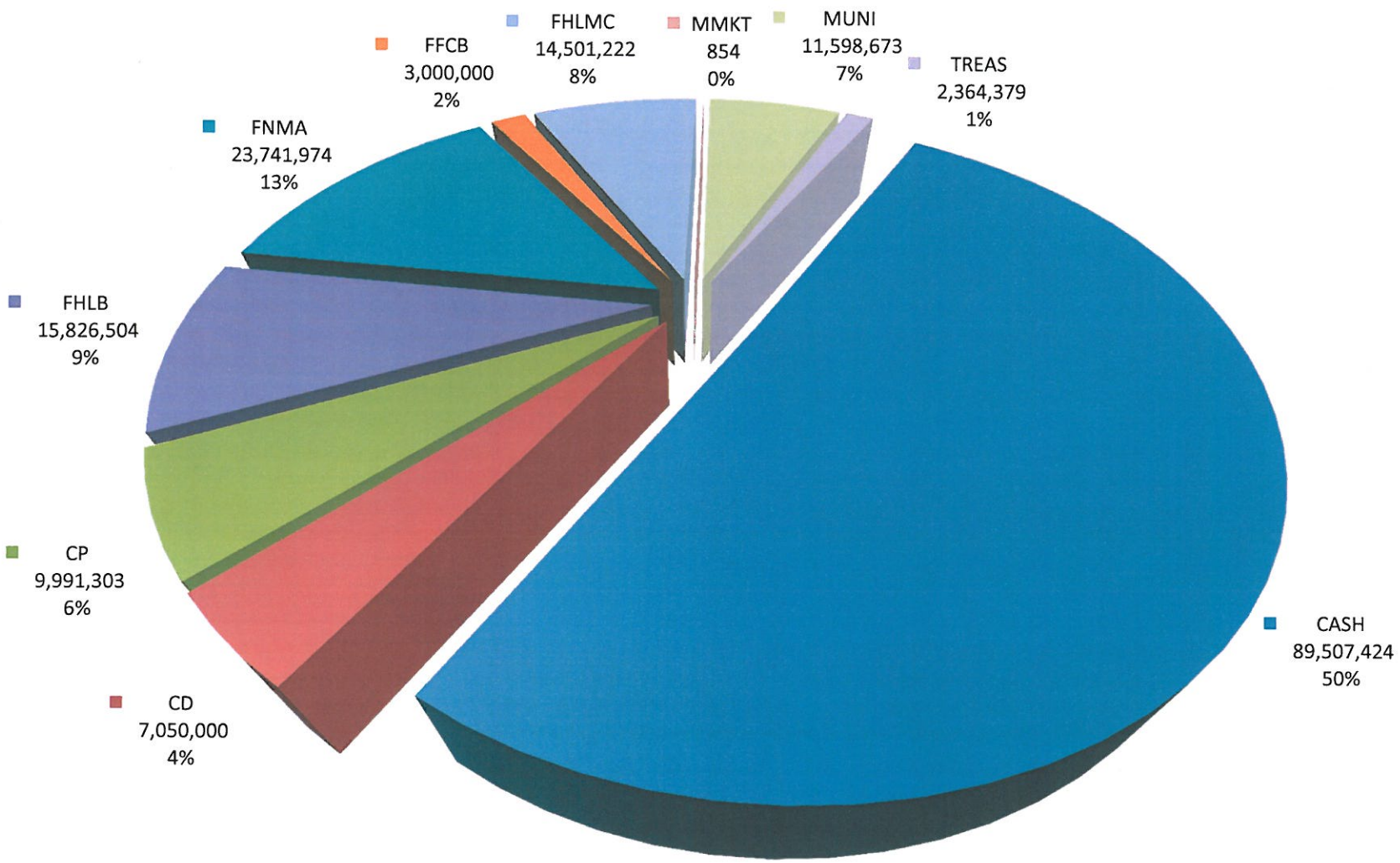
Receipts in Period

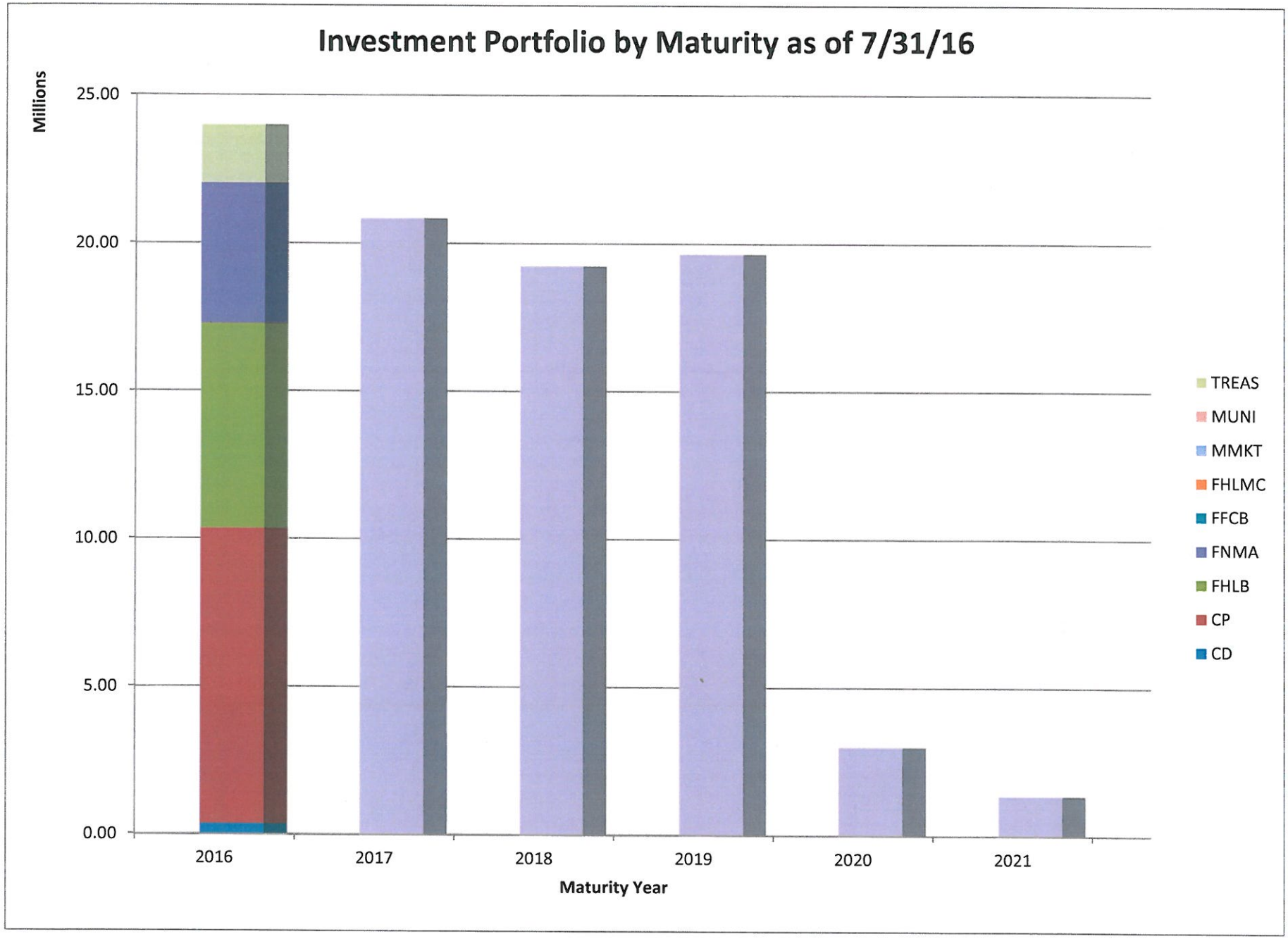
7/31/2016

	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
1 - SHORT TERM	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	1,008,879.29	1,008,879.29	1,008,879.29	0.00	0.00	0.00	0.00	0.00
	AR-0046	METRO CONC 53- 714868609	Cash Account	Open	09/22/08	73,183,264.67	73,183,264.67	73,183,264.67	0.00	0.00	585,452.51	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	12,907,919.92	12,907,919.92	12,907,919.92	0.00	0.00	350,172.31	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					**90,447,228.88**	**90,447,228.88**	**90,447,228.88**	**0.00**	**0.00**	**935,624.82**	**0.00**	**0.00**
	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	337.82	30.00	30.00
	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	211.92	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	835.62	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	200.55	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	410.96	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	0.00	1,725.00	1,725.00
	Certificate of Deposit Total					**7,050,000.00**	**7,050,000.00**	**7,050,000.00**	**0.00**	**0.00**	**1,996.87**	**2,481.10**	**2,481.10**
	16-0061	91820LH86	VF CORP 0.00 08/08/16	Open	06/15/16	1,000,000.00	999,871.56	999,912.07	861.56	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	3,399,778.84	3,399,839.11	2,504.51	0.00	0.00	0.00	0.00
	17-0003	29442KHG8	EQUIFAX INC 0.00 08/16/16	Open	07/12/16	1,500,000.00	1,499,562.33	1,499,776.53	583.16	0.00	0.00	0.00	0.00
	17-0008	37362HLM6	GEORGIA TRANS CORP CP 0.00 11/21/16	Open	07/25/16	4,100,000.00	4,092,090.60	4,096,491.96	493.32	0.00	0.00	0.00	0.00
	Commercial Paper Total					**10,000,000.00**	**9,991,303.33**	**9,996,019.67**	**4,442.55**	**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	1,999,492.77	2,000,260.00	2,072.77	1,944.44	5,000.00	3,416.67	5,361.11
	16-0006	3130A3J70	FHLB 0.625 11/23/16	Open	12/08/15	2,000,000.00	1,999,343.42	2,001,080.00	1,363.42	520.83	6,250.00	2,361.11	2,881.94
	16-0013	3130A3J70	FHLB 0.625 11/23/16	Open	01/11/16	2,940,000.00	2,938,754.14	2,941,587.60	2,223.34	2,450.00	9,187.50	3,470.83	5,920.83
	FHLB Total					**6,940,000.00**	**6,937,590.33**	**6,942,927.60**	**5,659.53**	**4,915.27**	**20,437.50**	**9,248.61**	**14,163.88**
	12-0018	3135G0GY3	FNMA 1.25 01/30/17	Open	06/17/16	5,000,000.00	5,006,059.71	5,019,450.00	-6,096.95	0.00	0.00	31,423.61	55,208.33
	15-0013	3135G0CM3	FNMA 1.25 09/28/16	Open	12/07/15	2,500,000.00	2,502,631.65	2,503,275.00	-13,965.12	0.00	15,625.00	10,677.08	16,666.66
	15-0015	3136FPNA1	FNMA 2.25 10/12/16	Open	12/07/15	1,300,000.00	1,304,363.53	1,304,953.00	-17,731.43	0.00	14,625.00	8,856.25	13,325.00
	16-0015	3135G0CM3	FNMA 1.25 09/28/16	Open	01/11/16	925,000.00	925,786.90	926,211.75	-2,755.85	3,308.16	5,781.25	3,950.52	7,258.68
	16-0024	3135G0PP2	FNMA 1.00 09/20/17	Open	03/11/16	3,000,000.00	3,003,381.23	3,010,860.00	-1,148.77	14,250.00	15,000.00	10,916.67	25,166.67
	FNMA Total					**12,725,000.00**	**12,742,223.02**	**12,764,749.75**	**-41,698.12**	**17,558.16**	**51,031.25**	**65,824.13**	**117,625.34**
	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**
	16-0054	49130TNY8	KY HSG CORP 1.879 01/01/17	Open	06/01/16	1,290,000.00	1,297,171.95	1,295,908.20	-2,864.25	10,099.63	12,119.55	2,019.93	12,119.56
	Municipal Bond Total					**1,290,000.00**	**1,297,171.95**	**1,295,908.20**	**-2,864.25**	**10,099.63**	**12,119.55**	**2,019.93**	**12,119.56**
	16-0014	912828WA4	Treasury Note 0.625 10/15/16	Open	01/11/16	1,975,000.00	1,974,917.35	1,976,402.25	225.94	2,967.90	6,171.88	3,642.42	6,610.32
	Treasury Note Total					**1,975,000.00**	**1,974,917.35**	**1,976,402.25**	**225.94**	**2,967.90**	**6,171.88**	**3,642.42**	**6,610.32**
	1 - SHORT TERM Total					**130,427,388.46**	**130,440,594.44**	**130,473,395.93**	**-34,234.35**	**35,540.96**	**3,971,456.22**	**83,216.24**	**153,000.25**
2 - CORE	AR-0043	INV CLEAR JPM - 707637716	Cash Account	Open	07/01/06	-939,814.27	-939,814.27	-939,814.27	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					**-939,804.83**	**-939,804.83**	**-939,804.83**	**0.00**	**0.00**	**19,947.41**	**0.00**	**0.00**
	17-0010	3133EGNK7	FFCB 1.32 07/27/20	07/27/17	07/27/16	3,000,000.00	3,000,000.00	3,001,470.00	0.00	0.00	0.00	440.00	440.00
	FFCB Total					**3,000,000.00**	**3,000,000.00**	**3,001,470.00**	**0.00**	**0.00**	**0.00**	**440.00**	**440.00**
	16-0062	3130A4KJ0	FHLB 1.375 09/26/18	09/26/16	06/20/16	2,000,000.00	2,002,360.42	2,002,500.00	-1,759.58	0.00	0.00	3,131.94	9,548.61
	16-0063	313383EP2	FHLB 1.25 06/20/18	09/20/16	06/20/16	2,975,776.00	2,979,016.29	2,978,245.89	-2,711.26	0.00	0.00	4,236.35	4,236.35
	16-0071	3130A8JZ7	FHLB 1.22 12/30/19	06/30/17	06/30/16	2,900,000.00	2,900,000.00	2,903,190.00	0.00	0.00	0.00	3,046.61	3,046.61
	17-0005	3130A0HY9	FHLB 1.25 12/26/17	Open	07/20/16	1,000,000.00	1,007,536.50	1,007,960.00	-163.50	0.00	0.00	381.94	1,215.27
	FHLB Total					**8,875,776.00**	**8,888,913.21**	**8,891,895.89**	**-4,634.34**	**0.00**	**0.00**	**10,796.84**	**18,046.84**
	16-0051	3134G9JT5	FHLMC 1.35 11/26/19	08/26/16	05/26/16	1,500,000.00	1,499,854.17	1,500,255.00	379.17	0.00	0.00	3,656.25	3,656.25
	16-0052	3134G9KW6	FHLMC 1.35 11/26/19	08/26/16	05/26/16	2,000,000.00	1,999,388.89	2,000,100.00	1,588.89	0.00	0.00	4,875.00	4,875.00
	16-0053	3134G9NL7	FHLMC 1.18 05/31/19	05/24/17	05/31/16	2,000,000.00	2,000,000.00	2,004,280.00	0.00	0.00	0.00	3,933.33	3,933.33
	16-0059	3134G9NE3	FHLMC 1.20 06/14/19	06/14/17	06/14/16	2,000,000.00	2,000,000.00	2,002,760.00	0.00	0.00	0.00	3,133.33	3,133.33
	16-0066	3134G9XB8	FHLMC 1.00 12/28/18	12/28/16	06/28/16	2,000,000.00	1,999,591.67	2,000,120.00	91.67	0.00	0.00	1,833.33	1,833.33
	16-0068	3134G9VS3	FHLMC 1.00 12/28/18	12/28/16	06/28/16	1,000,000.00	1,000,000.00	1,000,590.00	0.00	0.00	0.00	916.67	916.67
	16-0070	3134G9WJ2	FHLMC 1.20 09/30/19	09/30/16	06/30/16	1,000,000.00	1,000,000.00	1,000,220.00	0.00	0.00	0.00	2,066.67	2,066.67

16-0072	3134G9YA9	FHLMC 1.01 09/28/18	12/28/16	06/30/16	2,000,000.00	2,000,000.00	2,000,020.00	0.00	0.00	0.00	1,739.44	1,795.55
17-0006	3134G45U8	FHLMC 0.85 12/12/17	Open	07/20/16	1,000,000.00	1,002,386.78	1,001,440.00	-53.22	0.00	0.00	259.72	1,156.94
FHLMC Total					**14,500,000.00**	**14,501,221.51**	**14,509,785.00**	**2,006.51**	**0.00**	**0.00**	**22,413.74**	**23,367.07**
15-0021	3136G23N5	FNMA 1.20 11/22/17	08/22/16	01/22/15	2,000,000.00	2,000,298.38	2,000,120.00	-7,701.62	4,000.00	36,000.00	4,600.00	8,600.00
15-0027	3136G2GU5	FNMA 1.125 04/30/18	10/30/15	04/30/15	2,000,000.00	2,000,000.00	2,004,380.00	0.00	0.00	22,500.00	5,687.50	5,687.50
16-0046	3135G0J95	FNMA 1.35 10/28/19	10/28/16	05/19/16	1,000,000.00	999,452.83	1,000,190.00	452.83	0.00	0.00	2,700.00	3,487.50
16-0048	3136G3MQ5	FNMA 1.30 11/25/19	11/25/16	05/25/16	2,000,000.00	2,000,000.00	2,002,000.00	0.00	0.00	0.00	4,766.67	4,766.67
16-0067	3136G3TR6	FNMA 1.05 06/28/19	06/28/17	06/28/16	2,000,000.00	2,000,000.00	2,000,600.00	0.00	0.00	0.00	1,925.00	1,925.00
17-0011	3136G3L37	FNMA 1.125 10/28/19	07/28/17	07/28/16	2,000,000.00	2,000,000.00	2,000,920.00	0.00	0.00	0.00	375.00	375.00
FNMA Total					**11,000,000.00**	**10,999,751.21**	**11,008,210.00**	**-7,248.79**	**4,000.00**	**58,500.00**	**20,054.17**	**24,841.67**
AR-0006	TARC FED - 4485281	Money Market	Open	07/01/99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AR-0025	MMKT JPM - 468885	Money Market	Open	09/19/02	693.94	693.94	693.94	0.00	0.00	47,669.93	0.26	0.26
Money Market Total					**693.94**	**693.94**	**693.94**	**0.00**	**0.00**	**47,669.93**	**0.26**	**0.26**
13-0025	76221RTS2	RHODE ISLAND 1.551 10/01/17	Open	02/25/13	825,000.00	826,436.94	826,617.00	-4,090.56	177.72	39,844.54	4,265.25	4,442.97
15-0010	20772JWV0	CONN ST-A-TXBL 1.60 09/01/18	Open	09/19/14	4,630,000.00	4,621,203.36	4,674,540.60	7,639.86	3,704.00	111,220.07	30,866.67	35,188.00
15-0023	468714EA4	JACEDU 1.693 03/01/18	Open	02/26/15	1,000,000.00	1,002,989.29	1,013,070.00	-2,640.71	0.00	17,682.38	7,054.17	7,054.17
15-0025	581760AC9	MCLAREN CNTY MI 1.964 05/15/18	Open	04/02/15	730,000.00	735,914.81	734,080.70	-4,305.19	0.00	16,129.35	3,026.74	3,106.39
15-0045	613357AF9	MONTG CO 2.44 11/01/19	Open	06/25/15	500,000.00	509,999.20	522,645.00	-3,250.80	1,830.00	12,200.00	3,050.00	4,880.00
16-0007	650035J58	NY URBAN DEV TXBL 1.65 03/15/18	Open	12/08/15	500,000.00	501,991.13	504,225.00	-778.87	1,902.08	4,125.00	3,116.67	5,018.75
16-0065	64971WF39	NYC TRAN FIN AUTH-SUB 1.69 02/01/21	Open	06/23/16	1,350,000.00	1,358,178.73	1,357,938.00	-177.77	0.00	0.00	2,408.25	6,337.50
17-0004	047681NZ0	ATLANTA ETC REC 2.41 12/01/19	Open	07/22/16	720,000.00	744,787.82	747,849.60	-181.78	0.00	0.00	433.80	2,892.00
Municipal Bond Total					**10,255,000.00**	**10,301,501.28**	**10,380,965.90**	**-7,785.82**	**7,613.80**	**201,201.34**	**54,221.55**	**68,919.78**
14-0020	912828VK3	Treasury Note 1.375 06/30/18	Open	04/29/14	390,000.00	389,461.43	395,179.20	619.24	1,762.81	13,406.25	466.30	2,229.11
Treasury Note Total					**390,000.00**	**389,461.43**	**395,179.20**	**619.24**	**1,762.81**	**13,406.25**	**466.30**	**2,229.11**
2 - CORE Total					**47,081,665.11**	**47,141,737.75**	**47,248,395.10**	**-17,043.20**	**13,376.61**	**340,724.93**	**108,392.86**	**137,844.73**

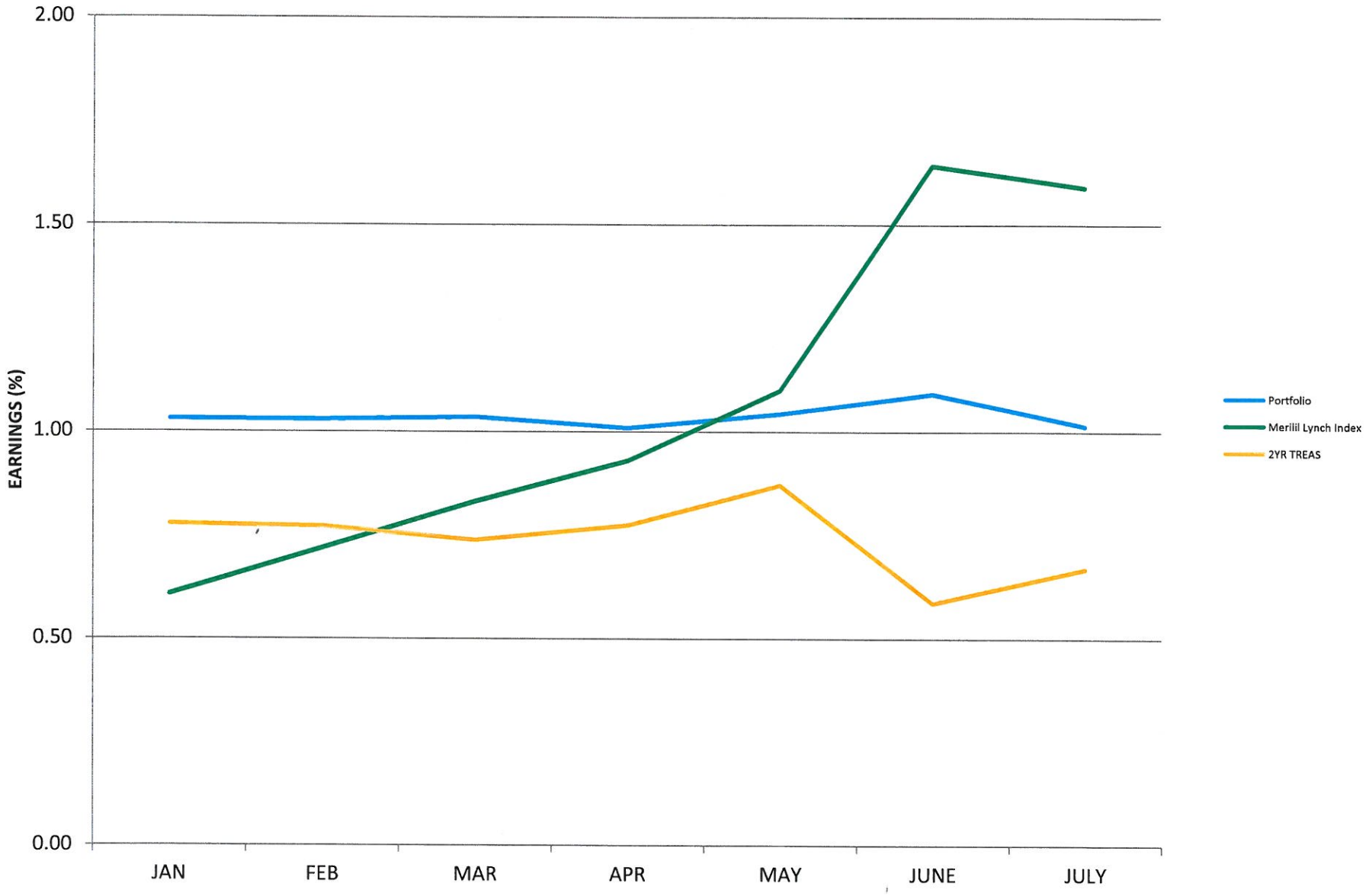
Total Portfolio Asset Allocation as of 7/31/2016




Investment Portfolio by Maturity as of 7/31/16
Millions
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 07/31/16



ECONOMIC UPDATE

ECONOMIC UPDATE

Moderate growth has been seen so far through 2017. The Fed is optimistic that they should reach their objectives in the next year and a half.

Improvements are finally being seen with inflation as it finally appears to be moving in a "healthy" direction and is projected to hit the 2% target by the end of 2017. Couple this news with the fact that we are closing in on full employment and 2017 looks to be poised for a strong 3rd & 4th quarters.

The main concern for some is the failure of business investments to materialize. Plausible explanations include heightened uncertainty, most of which spawning from the presidential election. Despite concerns, some Fed members are not ruling out at least one rate increase in 2017 if the confident outlook "proves to be justified."

As indicated by the chart below, the most likely hike is to come in December but some will not rule out a September hike despite implied probabilities indicating otherwise.

Meeting	Prob Of Hike	Prob of Cut	0.25-0.5	0.5-0.75	0.75-1	1-1.25	1.25-1.5	1.5-1.75	1.75-2
09/21/2016	22.0%	0.0%	78.0%	22.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11/02/2016	25.3%	0.0%	74.7%	24.4%	0.9%	0.0%	0.0%	0.0%	0.0%
12/14/2016	49.0%	0.0%	51.0%	40.3%	8.4%	0.3%	0.0%	0.0%	0.0%
02/01/2017	50.1%	0.0%	49.9%	40.6%	9.0%	0.5%	0.0%	0.0%	0.0%
03/15/2017	57.0%	0.0%	43.0%	41.9%	13.4%	1.7%	0.1%	0.0%	0.0%
05/03/2017	58.9%	0.0%	41.1%	41.9%	14.7%	2.2%	0.1%	0.0%	0.0%
06/14/2017	63.2%	0.0%	36.8%	41.8%	17.5%	3.5%	0.4%	0.0%	0.0%
07/26/2017	64.4%	0.0%	35.6%	41.7%	18.3%	3.9%	0.5%	0.0%	0.0%
09/20/2017	67.2%	0.0%	32.8%	41.2%	20.2%	5.1%	0.7%	0.1%	0.0%
11/01/2017	69.9%	0.0%	30.1%	40.5%	21.9%	6.3%	1.1%	0.1%	0.0%

All in all there appears to finally be some good news despite some of the more disappointing economic data released in previous weeks. To keep things in perspective, 5-year yields are now negative in France, Germany, Sweden, Switzerland, and Japan. In those same markets, the 10-year yields are either negative or slightly positive. In other words, it could always be worse.

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Total Portfolio Shock Table

Lou / Jeff Cty Metro Finance

Effective Interest - Actual Life

Receipts in Period

7/31/2016

Data Category	Down 300	Down 200	Down 100	Current	Up 100	Up 200	Up 300
Current Par	88,000,776.00	88,000,776.00	88,000,776.00	88,000,776.00	88,000,776.00	88,000,776.00	88,000,776.00
Amor. Cost	88,079,118.18	88,079,118.18	88,079,118.18	88,079,118.18	88,079,118.18	88,079,118.18	88,079,118.18
Market Value	87,949,511.14	88,037,511.91	88,125,512.69	88,213,513.46	88,301,514.24	88,389,515.02	88,477,515.79
% 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	99.94	100.04	100.14	100.24	100.34	100.44	100.54
Market Yield	2.5537	1.9819	1.4113	0.8418	0.2735	-0.2938	-0.86
Gain / Loss	-129,607.04	-41,606.27	46,394.51	134,395.28	222,396.06	310,396.84	398,397.61

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.