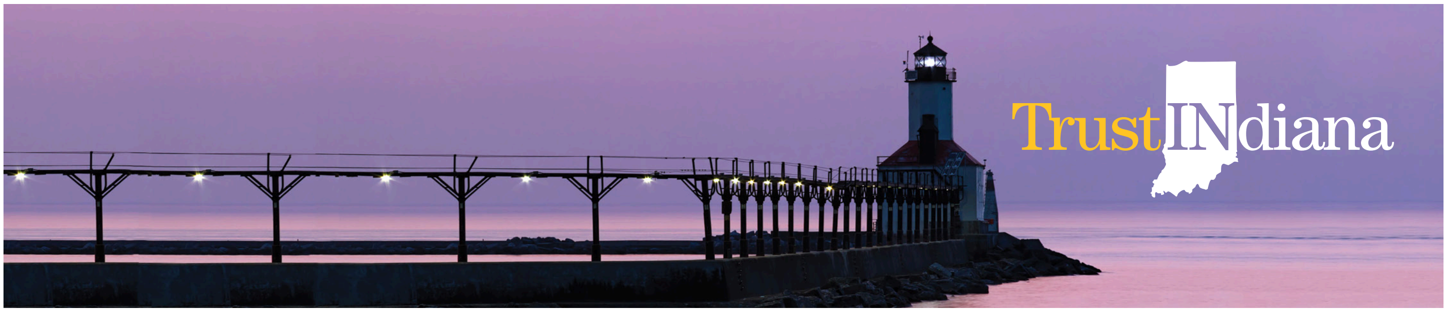
TheINVESTOR

November 2016



Local Government Investment Pool

What can TrustINdiana expect from the Federal Open Market Committee (FOMC) this December?

As you may recall from the TrustINdiana August Investor, we have been tracking and discussing the meetings of the FOMC in regards to raising the Fed funds target rate. Over the course of the past year, the Fed has been hesitant to act. This hesitation however does not indicate that the Fed will pass on raising the federal funds target rate before the end of 2016. In August, market based indicators placed the probability of a December rate hike at 50%. By our read, there is now a much higher probability, closer to 80%, that the Fed will raise its target rate at the conclusion of the December 13 and 14 meeting. As you can see from the chart, fed funds futures contracts predict a 78% probability that the Fed will raise rates at the December meeting.

12/14/2016	78.0%
02/01/2017	79.4%
03/15/2017	81.4%
05/03/2017	82.6%
06/14/2017	85.7%
07/26/2017	85.9%
09/20/2017	87.3%
11/01/2017	87.9%
12/13/2017	89.8%

Although it is more than likely that the FOMC will act by the end of the year, there are a few things between now and December that could deter the Fed from raising rates.

1) The U.S. Presidential election has taken place and the results caught the markets by surprise. President-Elect Donald Trump and his potential policies present a greater unknown to the markets than his opponent Hillary Clinton would have had she succeeded in her bid to be president. As a result, the market has experienced much more volatility, similar to the "Brexit" vote, which raises many more questions for investors and markets to ponder.
2) A large, negative shock to the financial markets, election related or otherwise, could deter the Fed from increasing rates. The Fed would prefer a stable, "all clear" sign from the market in order to raise its target rate.
3) Negative changes in economic data, such as nonfarm payroll or inflation expectations, could delay and deter any potential rate hike.

The United States was at the vanguard of enacting stimulative monetary policy in the wake of the 2007-08 Global Financial Crisis. As such, inflation has picked up considerably when comparing the U.S. to its global peers, sitting at about 1.7%, slightly below the Fed's 2% target. Although Fed Chair Janet Yellen has indicated that the Fed may let the economy run a bit "hot" to ensure its long-term health, the recent uplift in prices bolsters the Fed's case to raise its target rate by year-end.

All things considered, we expect the Fed to raise the federal funds target rate 25 basis points this December without significant interference of any of the aforementioned events. The increase in rates should directly influence the returns for TrustINdiana in a positive manner. However, we anticipate the Fed to sit back for some time before considering raising rates again after the December meeting. The fragile state of the global economy will require the Fed to move cautiously as it looks to tighten monetary policy again next year.

For more information on the most recent FOMC meeting, please click **here**.

TheECONOMY

Jobs, Inflation and Growth

Payrolls in October increased by 161,000 new jobs; this compares to market expectations of 173,000 new jobs. In what has become a trend over the previous few months, the September number was revised higher to 191,000 new jobs from the previously reported 156,000 new jobs. The unemployment rate decreased to 4.9%, as the participation rate also decreased from 62.9% to 62.8% in August. These labor metrics are not weak enough to reverse the market belief that December will be the next Fed rate hike.

The presidential election has had a muted effect on Fed fund futures, with the implied probability of a hike in December at 80%. This is in line with the readings pre-election.

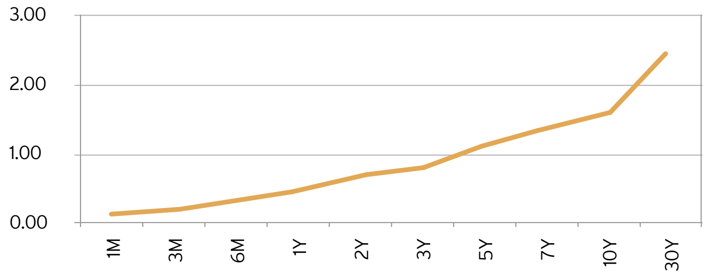
Inflation metrics appear to be moving towards the Federal Reserve's targets and have increased since the election. The five-year inflation swap has been trending higher since June and is now above the long-term inflation target of 2%. This swap is a common measure used by central banks and dealers to look at future inflation expectations.

The Atlanta Federal Reserve measure of GDP growth, GDPNow, shows an expected fourth quarter GDP print of 3.10%. This is up from the initial third quarter GDP print of 2.9%. The growth numbers are not stellar but appear to be solid enough to allow the Federal Reserve a chance to hike rates.

Portfolio Strategy

The Fed chose not to raise interest rates at its November meeting, a move that was widely anticipated by the market. October's money-market reform has provided higher yielding investment opportunities, and as the December meeting date approaches, we will look for continued higher yields.

US Treasury Curve



Source: Bloomberg

Treasury Yields

MATURITY	11/8/16	10/7/16	CHANGE
3 Month	0.413%	0.315%	0.097%
6 Month	0.549%	0.452%	0.097%
1 -Year	0.642%	0.631%	0.010%

Source: Bloomberg

Agency Yields

MATURITY	11/8/16	10/7/16	CHANGE
3 Month	0.420%	0.353%	0.067%
6 Month	0.474%	0.379%	0.095%
1 -Year	0.582%	0.437%	0.145%

Source: Bloomberg

Commercial Paper Yields (A-1/P-1)

MATURITY	11/8/16	10/7/16	CHANGE
1 Month	0.550%	0.500%	0.050%
3 Month	0.820%	0.810%	0.010%
6 Month	1.100%	1.200%	-0.100%
9 Month	1.260%	1.340%	-0.080%

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q3 '16	2.90%
US Unemployment	Oct '16	4.90%
ISM Manufacturing	Oct '16	51.50%
PPI YoY	Sep '16	-0.10%
CPI YoY	Sep '16	1.50%
Fed Funds Target	Nov 10 '16	0.25% - 0.50%

Source: Bloomberg

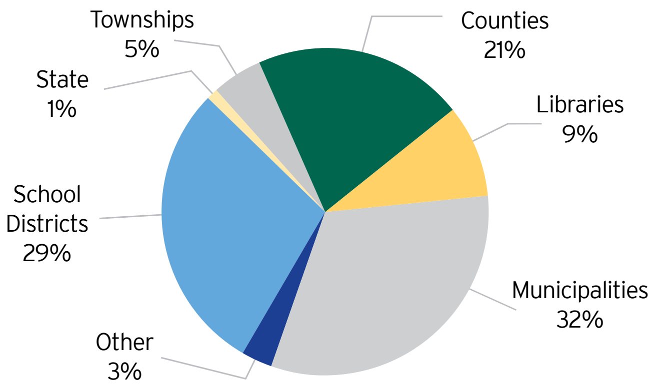
TrustINdiana

TheINVESTOR November 2016

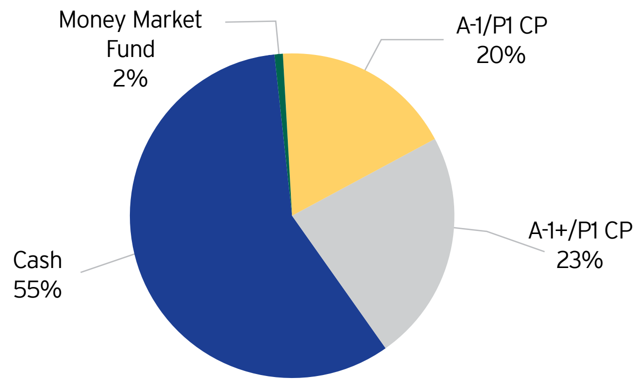
TheFUND

Fund Highlights as of October 31, 2016 (Unaudited)

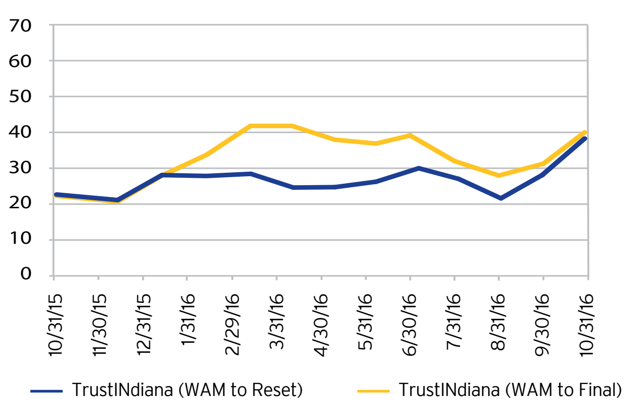
Participant Breakdown



Portfolio Distribution

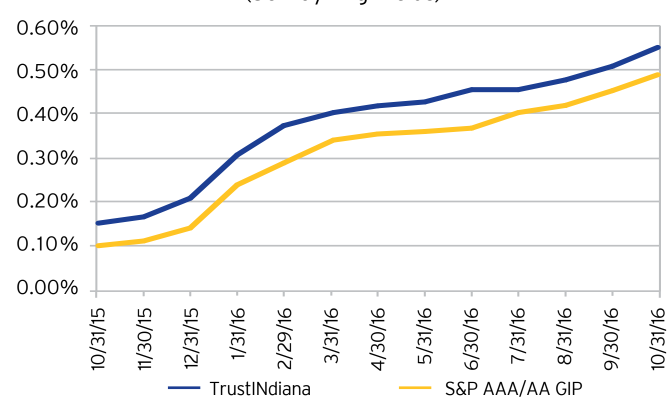


Weighted Average Maturity



TrustINdiana vs S&P AAA/AA GIP*

(30 Day Avg Yields)



Month	Avg Daily Yields**	WAM (to Reset)***	NAV	Month Ending Net Assets
Aug-16	0.48%	22	1.00	$579,765,839.89
Sep-16	0.51%	28	1.00	$596,222,778.51
Oct-16	0.55%	38	1.00	$645,179,716.31

*** 30 day yield as of the last day of the month *** As of the end of the last day of the month*

Public Trust Advisors, LLC took over the management and advisory services effective May 1, 2015. All data prior to this date is from the previous Investment Advisor. As both Investment Advisors adhered to the investment policy there may be variances in yield, weighted average maturities and portfolio composition due to differing investment style.

Data Unaudited. All comments and discussion presented are purely based on opinion and assumptions, not fact, and these assumptions may or may not be correct based on foreseen and unforeseen events. The information above is not a recommendation to buy, sell, implement or change any securities or investment strategy, function or process. Any financial and/or investment decision should be made only after considerable research, consideration and involvement with an experienced professional engaged for the specific purpose. Additionally, past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.

*The benchmark, the S&P US AAA & AA Rated GIP All 30 Day Net Yield (LGIP30D) is a performance indicator of rated GIPs that maintain a stable net asset value of $1.00 per share and is an unmanaged market index representative of the LGIP universe. The S&P benchmark utilized in this comparison is a composite of all rated stable net asset value pools. GIPs in the index include only those rated based on Standard & Poor's money market criteria. Pools rated 'AAAm' provide excellent safety and a superior capacity to maintain principal value while those rated 'AAm' offer very good safety and a strong capacity to maintain principal value (Source: Standard & Poor's website.) The comparison between this index and the portfolio may differ in holdings, duration and percentage composition of each holding. Such differences may account for variances in yield.