

2005	2006	2007	2008	2009	2010
3.90%	5.18%	9.84%	12.15%	3.18%	5.70%
3.62%	5.07%	8.86%	11.33%	2.76%	5.22%
3.07%	4.65%	8.24%	9.01%	2.17%	4.87%
1.77%	4.56%	7.32%	7.05%	1.36%	2.82%
1.75%	4.56%	6.98%	6.61%	1.04%	2.35%
1.67%	4.22%	6.74%	5.17%	0.79%	2.32%
1.58%	3.96%	5.14%	4.33%	0.21%	0.77%
1.14%	3.57%	5.00%	2.79%	(0.87%)	0.36%
0.88%	3.55%	4.99%	2.06%	(1.41%)	0.13%



# City of Colorado Springs

## Investment Performance Review Quarter Ended March 31, 2016



Bob Cheddar, Managing Director ♦ Chris Blackwood, Director  
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PFM Asset Management LLC  
633 17<sup>th</sup> Street, Suite 2250  
Denver, CO 80202  
303-467-1114



# Economic & Market Update



# Economic Summary

## Economic Conditions

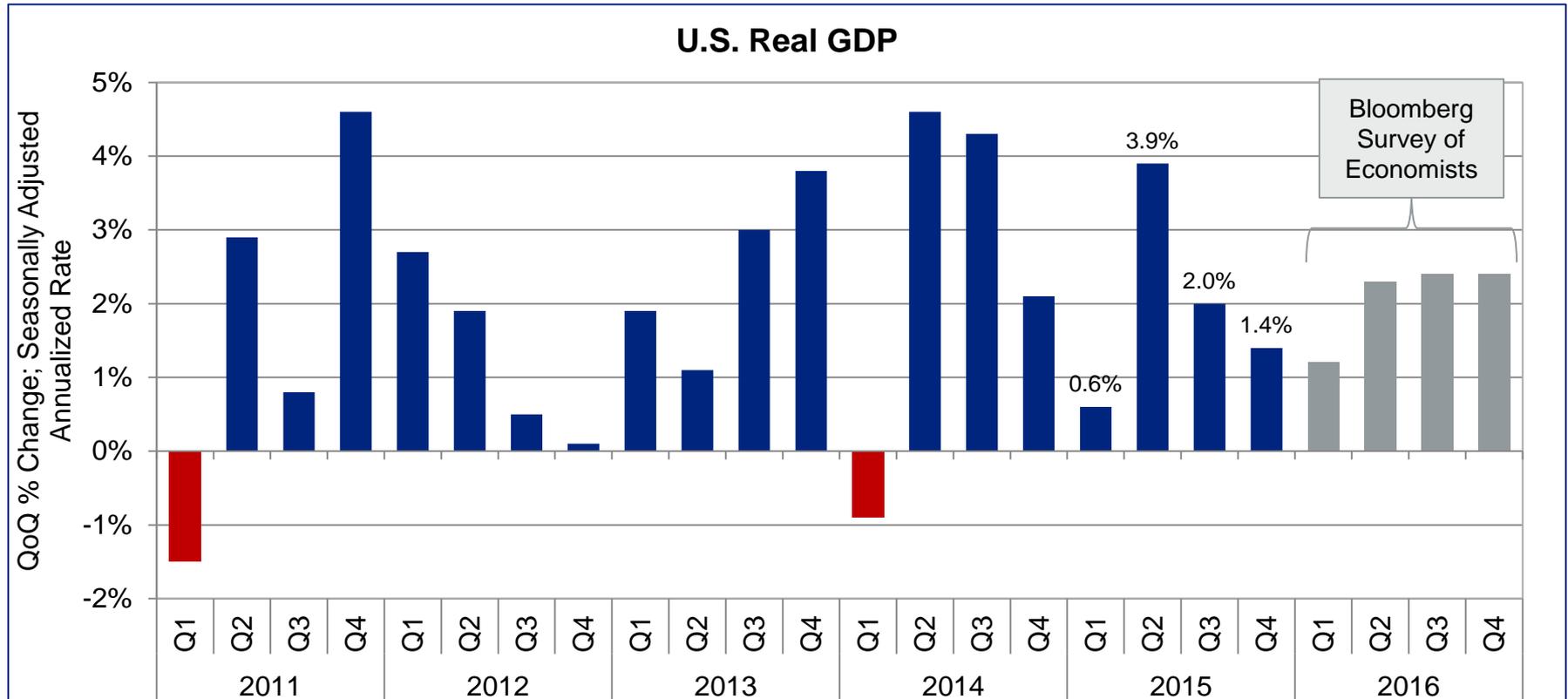
- U.S. gross domestic product (“GDP”) expanded at an annual rate of 1.4% in the fourth quarter of 2015 and 2.4% for all of 2015. Economic growth continued to be fueled by consumer spending, while investment and net exports remained a drag.
- Job growth remained strong as employers added 215,000 in March, a bit above expectations, with gains in retail, construction, and health care. The unemployment rate ticked up to 5.0% as the participation rate increased to 63%, the highest in two years.
- On the inflation front, the core personal consumption expenditure (“PCE”) price index rose 1.7% from a year earlier, the fastest pace since January 2013. Wage growth also continued to modestly improve, with average hourly earnings rising 2.3% year-over-year in March.
- The Federal Reserve (the “Fed”), as expected, kept the target range for the federal funds rate unchanged at its March meeting noting that the U.S. economy was expanding at a moderate pace, household spending increased, and job growth was strong. The Fed also acknowledged that “global economic and financial developments continue to pose risks” to financial stability and will be closely monitored when determining the timing of future policy moves.

## Market Reaction

- Treasury yields, which had been rising since mid-February, reversed strongly following the March 16<sup>th</sup> Fed meeting. Investors interpreted the Fed’s tone as “dovish” and lowered expectations for interest rate hikes in 2016. Year-to-date, intermediate-term Treasury yields are down as much as 30-60 basis points (0.30%-0.60%).
- Federal agency yield spreads retraced the widening that occurred in February, leading to slight outperformance of the agency sector relative to Treasury securities in March. For the first quarter as a whole, agencies underperformed.
- Investment-grade corporate yield spreads tightened throughout March, led by energy firms as oil prices rebounded. Spreads in other industries followed suit. As a result, performance of the corporate sector strongly outpaced government securities.
- Asset-backed securities (“ABS”) and agency mortgage-backed securities (“MBS”) continued to underperform Treasury indexes as the decline in interest rates raised the prospects of increased pre-payments.
- Yields on money market securities, those with maturities of less than one year, were largely unchanged in the month.
- Domestic equities rebounded strongly in March, posting positive returns for the year after declines in January and February.

# U.S. Economy on Moderate Growth Track

- U.S. GDP slowed in the fourth quarter, growing at 1.4% according to the final estimate by the Bureau of Economic Analysis. Real GDP increased by 2.4% in 2015, the same rate as in 2014.
- The increase in real GDP in the fourth quarter reflected positive contributions from personal consumption, residential fixed investment, and federal government spending that were partly offset by negative contributions from nonresidential fixed investment, exports, private inventory investment, and state and local government spending.

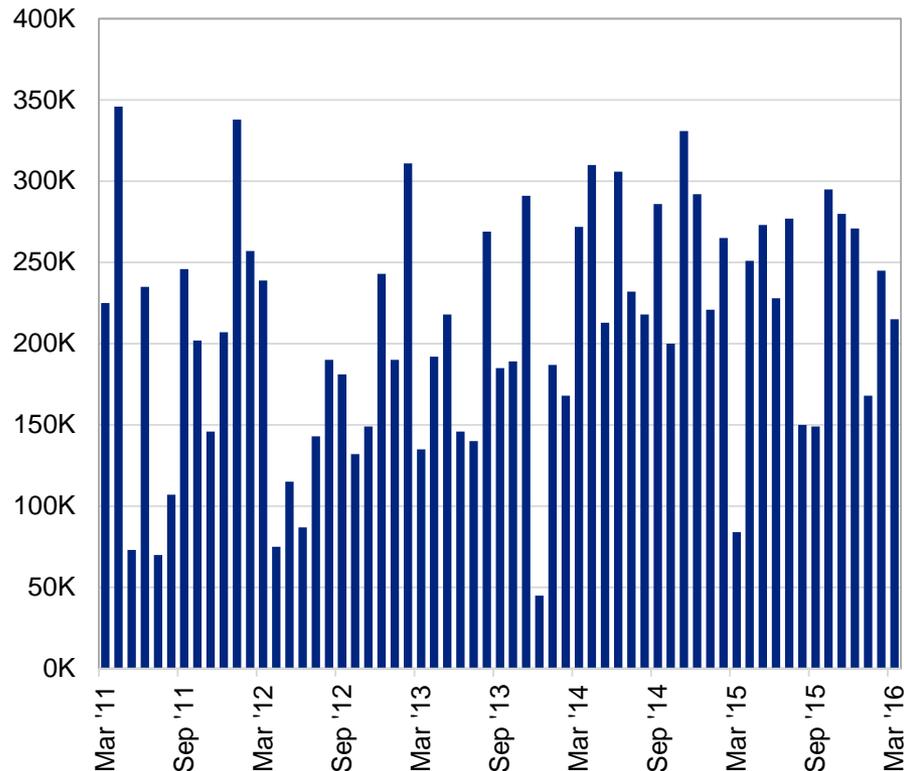


Source: Bureau of Economic Analysis; Bloomberg survey results as of 03/31/2016.

# U.S. Labor Market Close to Full Employment

- The U.S. Labor market added 215,000 jobs in March, modestly exceeding expectations.
- The unemployment rate ticked up to 5.0% as the participation rate rose to 63.0%.
- Average hourly earnings increased by 0.3% month-over-month; annual growth rose to 2.3%.

### Monthly Change in Nonfarm Payrolls



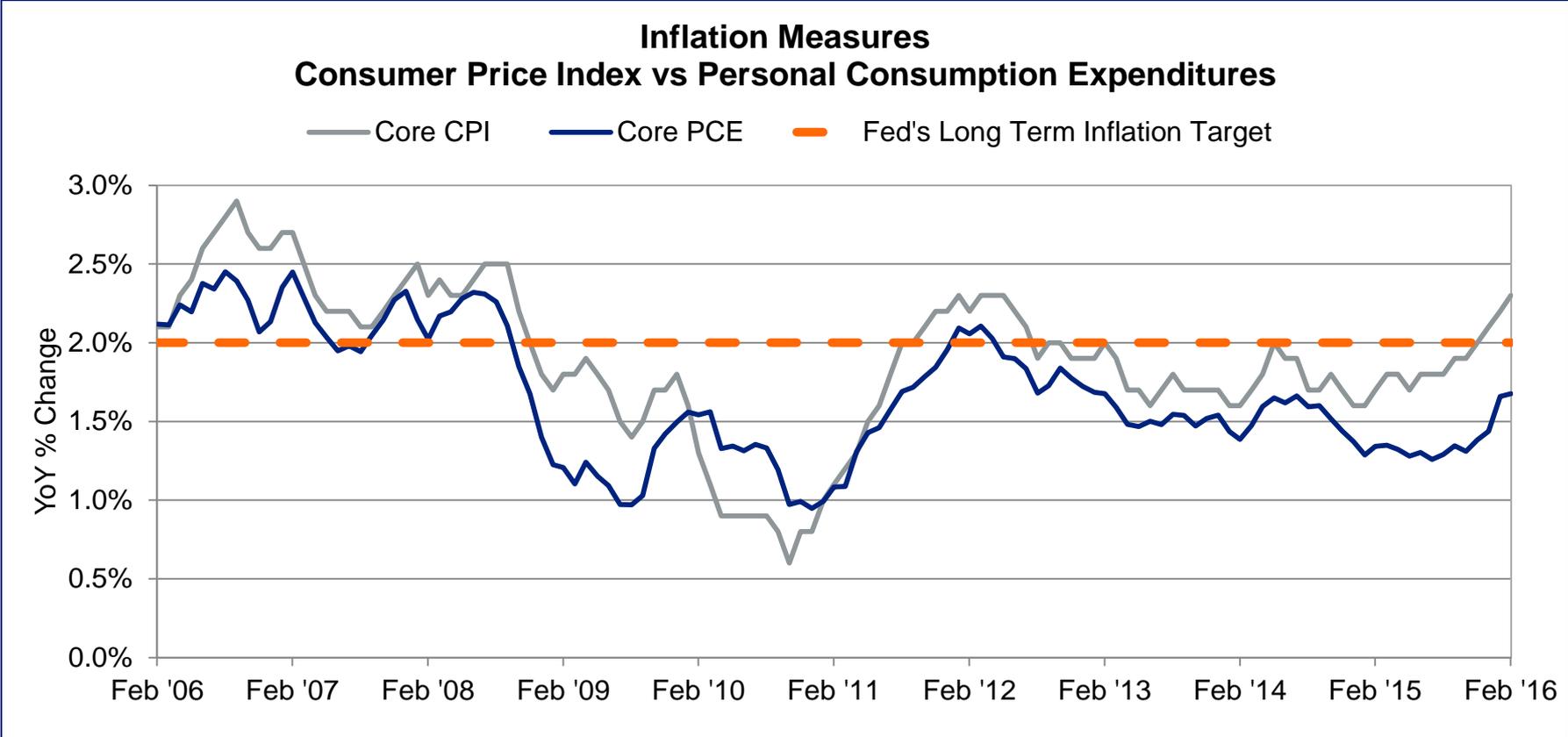
### Unemployment Rate



Source: Bureau of Labor Statistics, as of 03/31/2016.

# Inflation Picking Up

- The core PCE price index, the Fed's preferred gauge of core inflation, advanced to 1.7% year-over-year through February 2016, but continues to undershoot its 2% target.
- Wage growth continues to show modest improvement, while home price increases remain a strong driver of inflation.



Source: Bloomberg as of 02/29/2016.

# The Divergence: Services and Manufacturing

- Manufacturing declined sharply over the past year as energy-related industries cut back on capital investment and hiring.
- The services sector– which is much more important to the U.S. economy – continues to grow, albeit at a modestly slower pace recently.

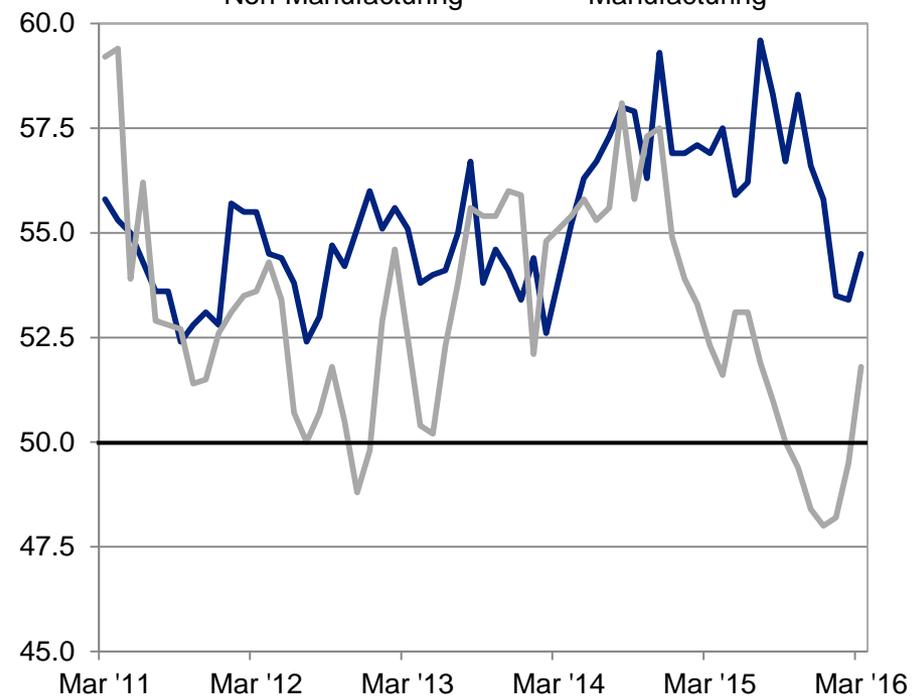
### Private Payrolls

— Services — Manufacturing



### ISM Index

— Non-Manufacturing — Manufacturing



Source: Bloomberg. As of 03/31/2016.

# FOMC Statement Highlights

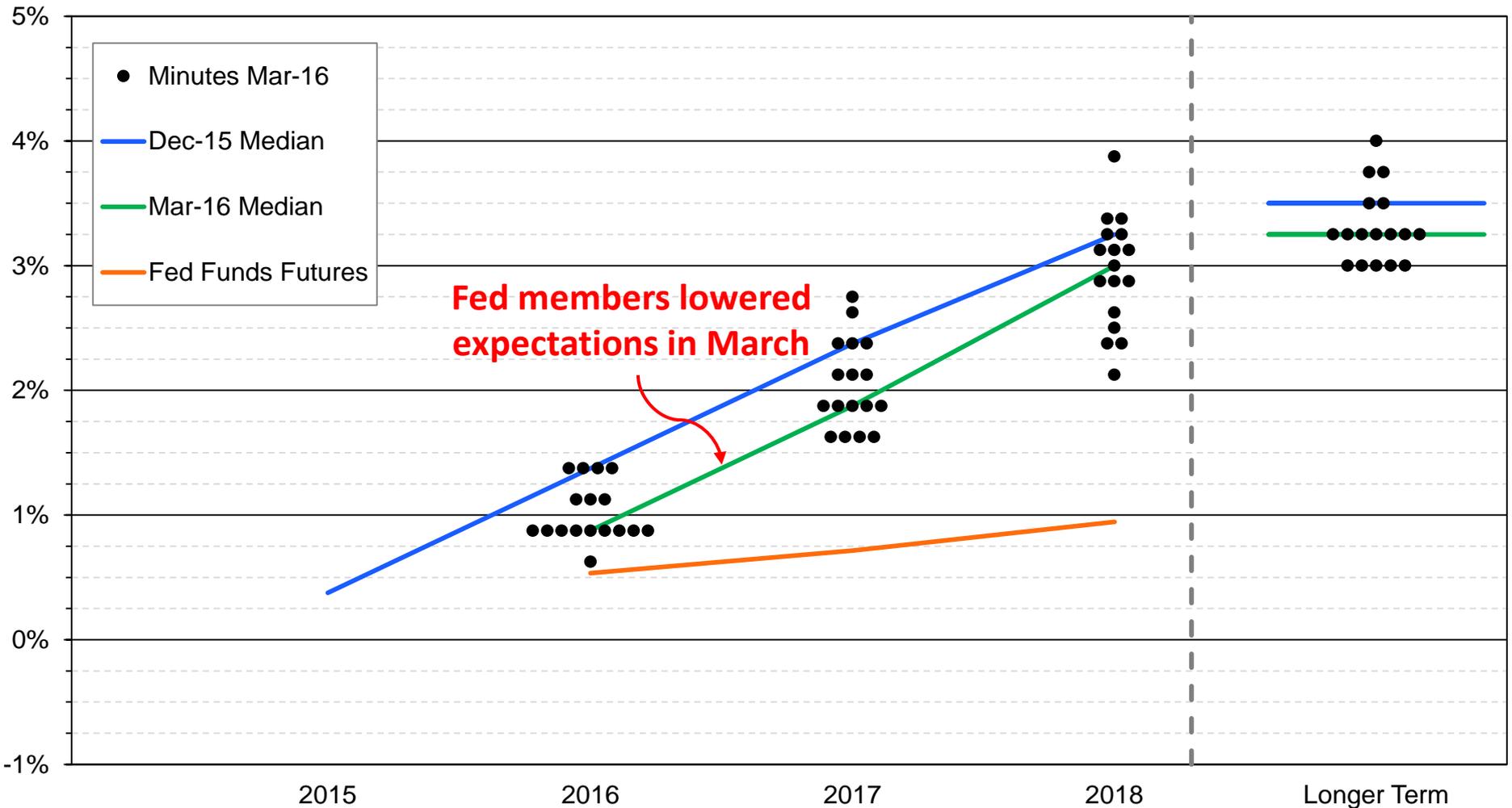
March

16

- Economic activity has been expanding at a moderate pace ***despite the global economic and financial developments of recent months***... a range of recent indicators, including strong job gains, points to ***additional strengthening of the labor market***.
- ***Inflation picked up in recent months***; however, it continued to run below the Committee's 2% longer-run objective, partly reflecting declines in energy prices and in prices of non-energy imports. Market-based measures of inflation compensation remain low... ***inflation is expected to remain low in the near term***... The Committee continues to monitor inflation developments closely.
- ***Global economic and financial developments continue to pose risks.***
- Against this backdrop, ***the Committee decided to maintain the target range for the federal funds rate at 0.25 – 0.50%. The stance of monetary policy remains accommodative***...
- In light of the current shortfall of inflation from 2%, the Committee will carefully monitor actual and expected progress toward its inflation goal. The Committee expects that economic conditions will evolve in a manner that will warrant ***only gradual increases in the federal funds rate***.

Source: Federal Reserve.

# FOMC "Dot Plot" from March Meeting

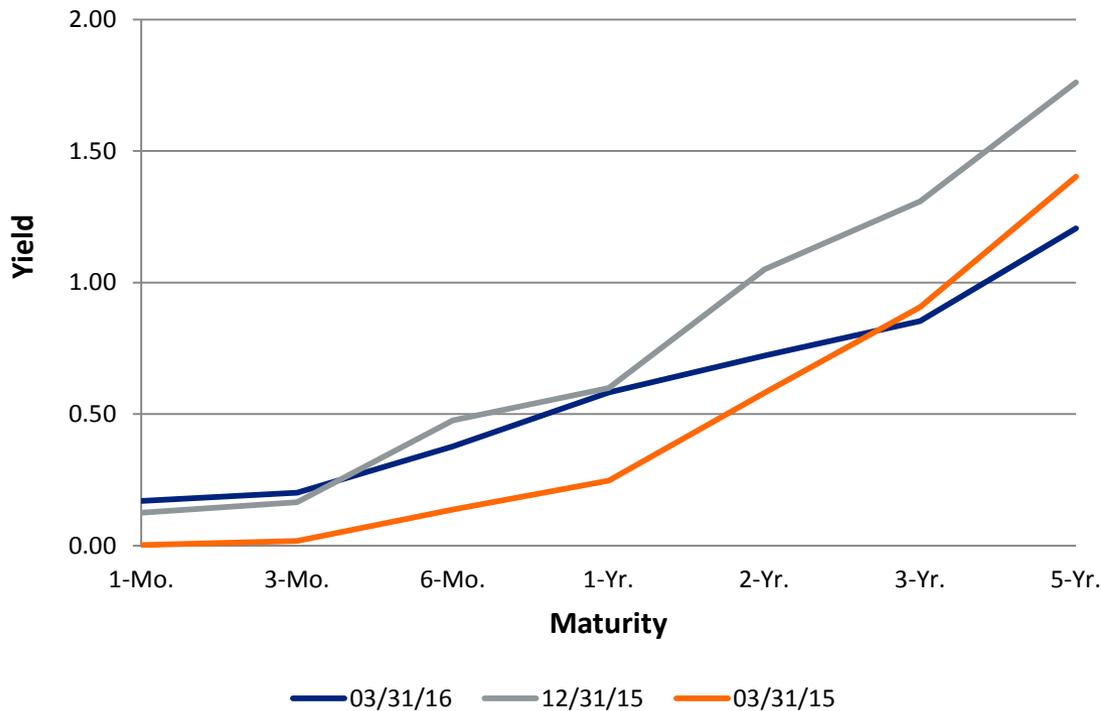


Source: FOMC; Fed Funds Futures as of 3/31/2016. Individual dots represent each of the 17 FOMC members' judgment of the midpoint of the appropriate target range for the federal funds rate.

# U.S. Treasury Curve

- Longer maturity Treasury yields have fallen substantially so far this year.
- Short maturity yields (1 year and under) remain elevated since December's Fed rate hike.

## U.S. Treasury Yield Curve

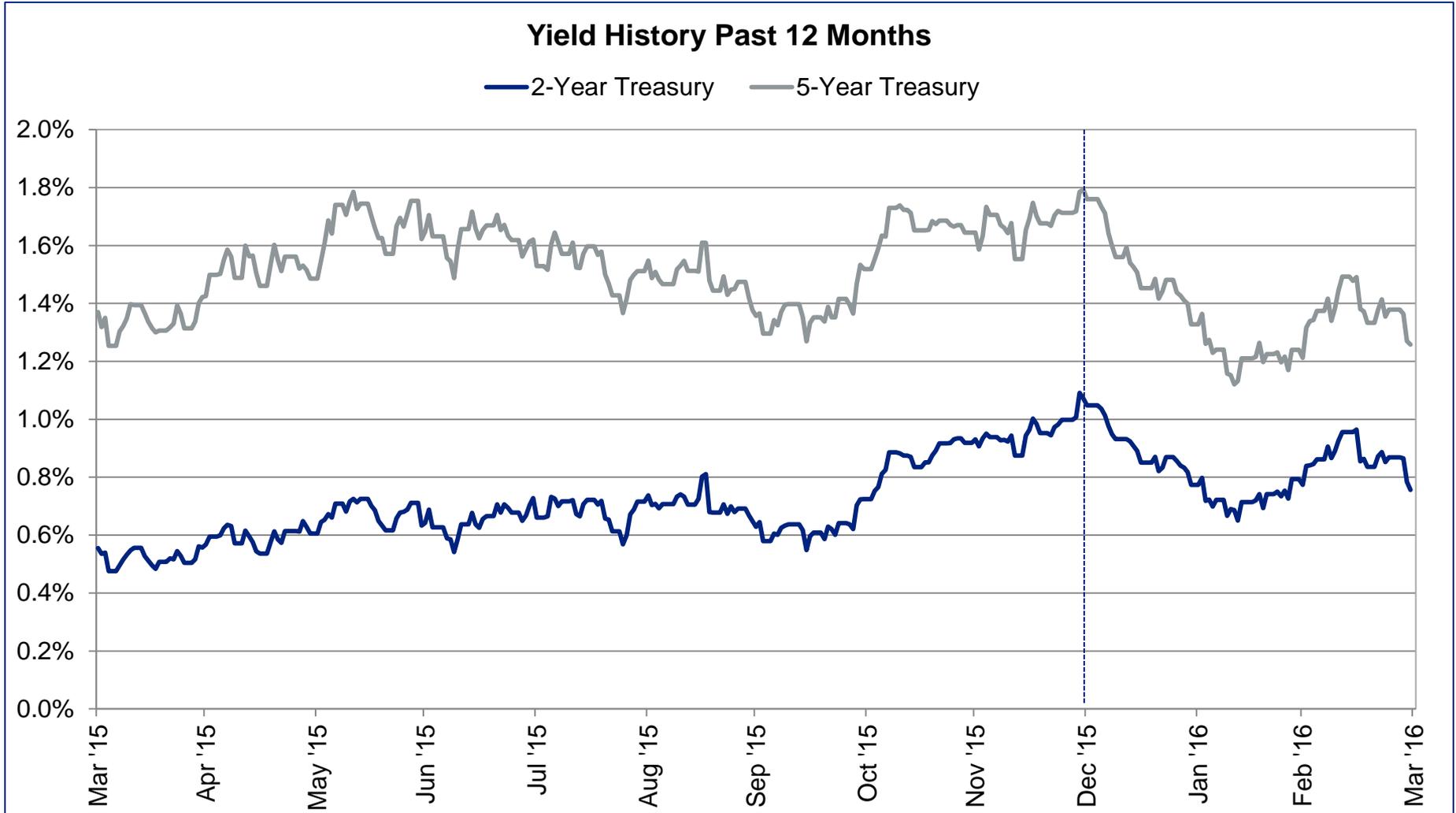


Source: Bloomberg.

## Yield Curve History

	03/31/16	12/31/15	03/31/15
1-Mo.	0.17	0.13	0.00
3-Mo.	0.20	0.17	0.02
6-Mo.	0.38	0.48	0.14
1-Yr.	0.58	0.60	0.25
2-Yr.	0.72	1.05	0.58
3-Yr.	0.85	1.31	0.91
5-Yr.	1.21	1.76	1.40
7-Yr.	1.53	2.09	1.74
10-Yr.	1.77	2.27	1.95
30-Yr.	2.61	3.02	2.55

# U.S. Treasury Yields



Source: Bloomberg, as of 03/31/2016.

# Yield Environment

As of March 31, 2016

Maturity	Treasury	Federal Agency	AA Corporate	A Corporate	AAA Taxable Municipal
3-Month	0.20%	0.34%	0.49%	0.55%	-
6-Month	0.38%	0.43%	0.74%	0.89%	-
1-Year	0.58%	0.59%	0.75%	0.92%	0.66%
2-Year	0.72%	0.76%	1.00%	1.29%	0.94%
3-Year	0.85%	0.97%	1.27%	1.60%	1.18%
5-Year	1.21%	1.34%	1.77%	2.06%	1.57%
10-Year	1.77%	2.34%	2.68%	2.93%	2.51%

Source: Bloomberg BVAL yield curves for Treasury, Corporate and Municipal yields, TradeWeb for Federal Agency yields. 3- and 6-month corporate yields from commercial paper; A-1+ for AA and A-1 for A.



# Portfolio Characteristics and Investment Strategy



### PORTFOLIO RECAP

- The portfolios are structured to comply with the Colorado Revised Statutes, the City's investment policy, and relevant bond documents.
- Treasury yields ended the quarter significantly lower as fears of a global economic slowdown and plummeting oil prices pummeled equity and credit markets around the globe. As fears began to abate in mid-February and volatility subsided, market sentiment for risk assets improved, sending asset prices higher through the end of the quarter. But, the Federal Open Market Committee's (the "FOMC's") stated concern that global financial conditions might affect future policy decisions, the Committee's "dovish" tone in the March meeting statement, and subsequent comments in speeches by Fed officials, all reduced expectations of future rate increases. That kept Treasury yields low even as equities rallied and corporate yield spreads recovered.
- In this volatile environment, PFMAM maintained a duration position near-neutral to benchmarks through January and February. As yields appeared to have bottomed in February, we allowed portfolios to shorten slightly in March.
- The yield relationship between U.S. Treasury and federal agency securities fluctuated throughout the quarter. Agency yield spreads increased to multi-year wide levels in the first half of the quarter, and we increased our allocations through new purchases and swaps from Treasuries. We purchased a number of new issues at very attractive yield spreads. Agency spreads tightened in the second half of the quarter, back to levels typical of prior quarters, which reduced their attractiveness by quarter-end. Certain supranational issues also offered value during the quarter, where permissible.
- The potential impact of slower global economic growth on corporate profits caused yield spreads in the corporate sector to widen significantly in the first half of the quarter. Subsequently, yield spreads on high-grade issues rebounded, ultimately driving the sector's outperformance over Treasuries for the quarter. We maintained an overweight to the corporate sector, but adjusted our allocations to:
  - reduce exposure to the energy sector, and
  - reflect a change in preference to financial issuers over industrials, which we felt offered a better balance of risk and reward.
- Falling long-term interest rates adversely impacted MBS prices, as investors worried about the effect that large interest rate changes could have on prepayments. This caused the MBS sector to underperform Treasuries for the quarter. We held only modest allocations to MBS, where permitted, with most holdings in issues that carry limited interest rate sensitivity.
- We continued to maintain a slight underweight in our allocations to the 1 to 2.5 year portion of the yield curve, as we viewed this area of the curve to be most susceptible to rising rates. Instead, we utilized 6-12 month commercial paper and negotiable certificates of deposit, where permitted, to capitalize on high yields for those sectors in slightly shorter maturities.
- We participated in a number of new issue ABS, where permitted, as we felt shorter, AAA-rated tranches of high quality structures offered value and would further diversify our allocation to "spread products."

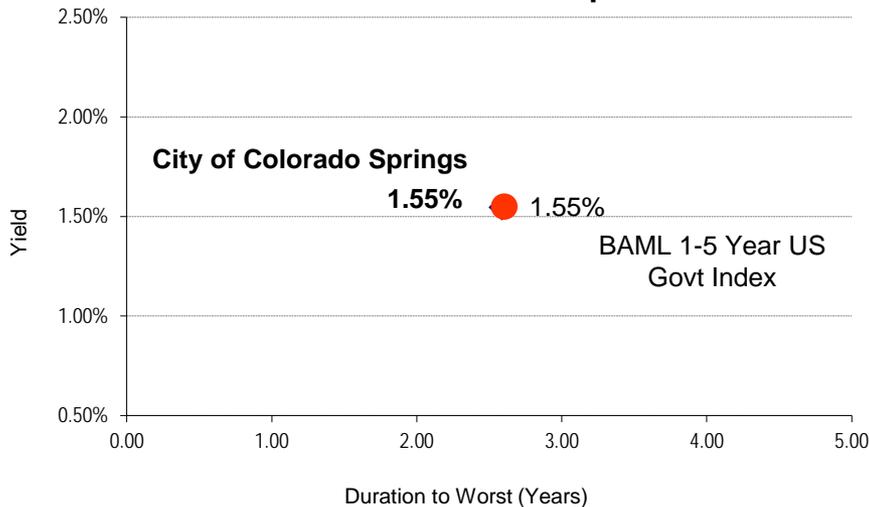
### Operating Reserve Portfolio Portfolio Performance

Total Return <sup>1,2,3,4,5</sup>	Quarter Ended March 31, 2016	Past 1 Year	Past 3 Years	Past 5 Years	Since Inception
<b>City of Colorado Springs</b>	<b>1.55%</b>	<b>1.79%</b>	<b>1.24%</b>	<b>1.59%</b>	<b>2.97%</b>
BAML 1-5 Year U.S. Government Index	1.55%	1.61%	1.15%	1.54%	2.78%

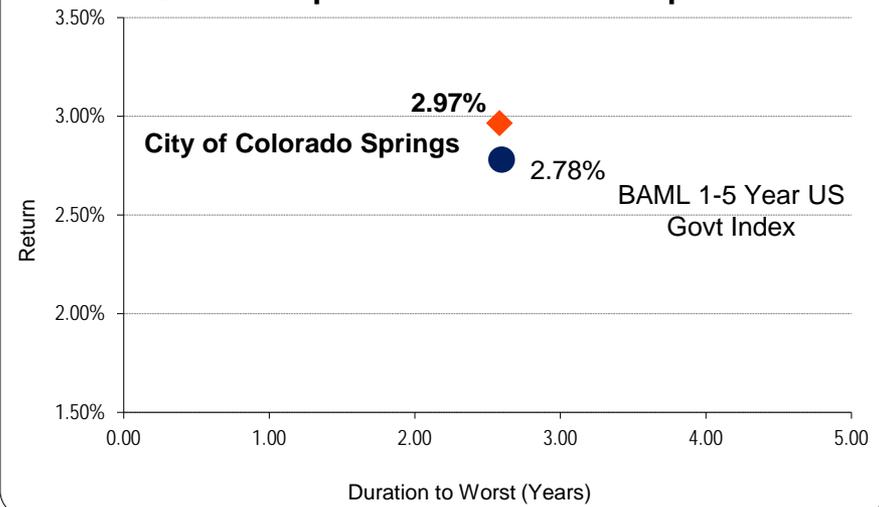
  

Effective Duration <sup>4</sup>	March 31, 2016	December 31, 2015	Yields	March 31, 2016	December 31, 2015
<b>City of Colorado Springs</b>	<b>2.59</b>	2.58	Yield at Cost	<b>1.37%</b>	1.31%
BAML 1-5 Year U.S. Government Index	2.60	2.60	Yield at Market	<b>1.06%</b>	1.42%

**Quarter Total Return Comparison**



**Since Inception Total Return Comparison**

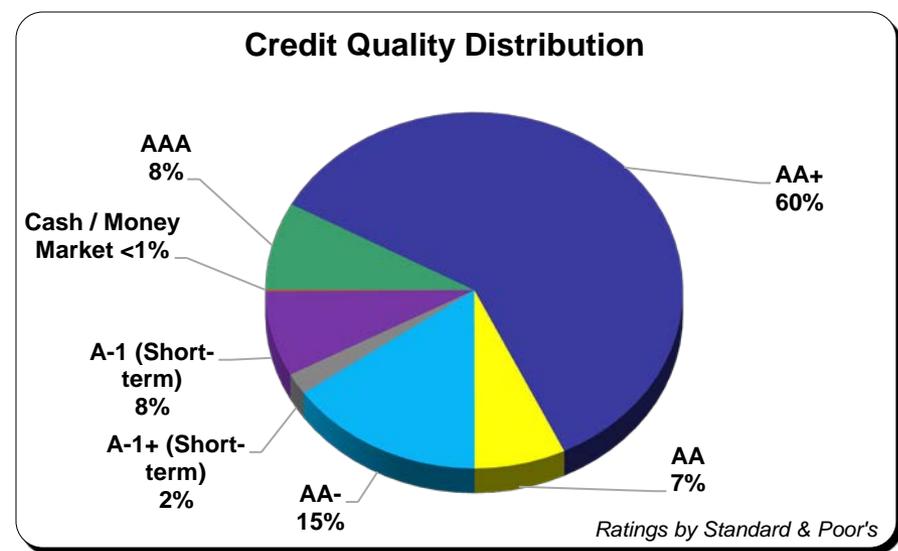
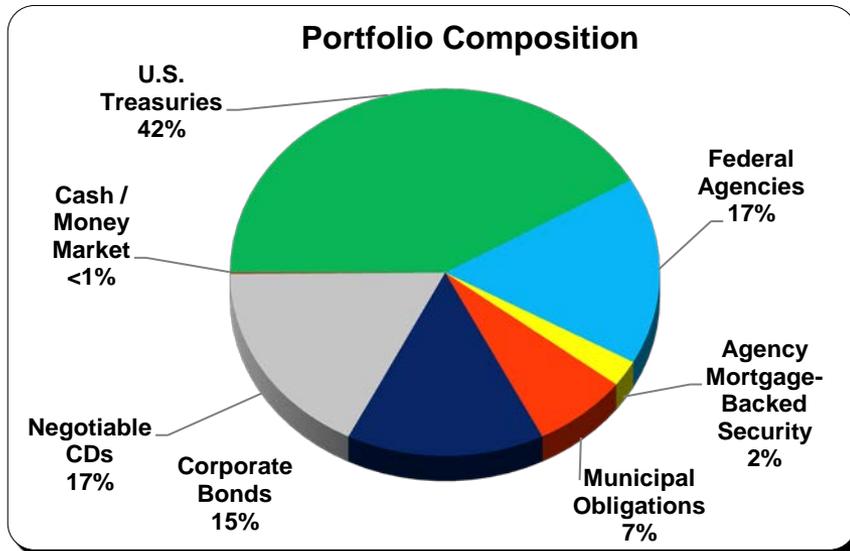


**Notes:**

1. Performance on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Quarterly returns are presented on an unannualized basis. Performance numbers for periods greater than one year are presented on an annualized basis.
3. Bank of America Merrill Lynch Indices ("BAML" Government Indices) provided by Bloomberg Financial Markets. (\*Benchmark changed from BAML 1-3 Year Government Index to BAML 1-5 Year Government Index after 12/31/05.)
4. CSIP included in performance computations but excluded from duration calculations. Please see Disclosures.
5. Inception date of Operating Reserve portfolio is January 2003.

### Operating Reserve Portfolio Portfolio Composition and Credit Quality Characteristics<sup>1,2,3</sup>

Security Type	March 31, 2016	% of Portfolio	December 31, 2015	% of Portfolio	Permitted by Policy
U.S. Treasuries	\$31,199,751	42%	\$33,325,536	45%	100%
Federal Agencies	\$12,353,111	17%	\$10,222,031	14%	85%
Agency Mortgage-Backed Security	\$1,729,326	2%	\$1,719,184	2%	85%
Municipal Obligations	\$5,372,136	7%	\$3,852,766	5%	20%
Corporate Bonds	\$11,162,169	15%	\$13,116,107	18%	35%
Negotiable Certificates of Deposit	\$13,098,242	17%	\$11,591,837	16%	30%
Cash/Money Market	\$83,403	<1%	\$29,232	<1%	100%
<b>Totals</b>	<b>\$74,998,137</b>	<b>100%</b>	<b>\$73,856,693</b>	<b>100%</b>	<b>--</b>

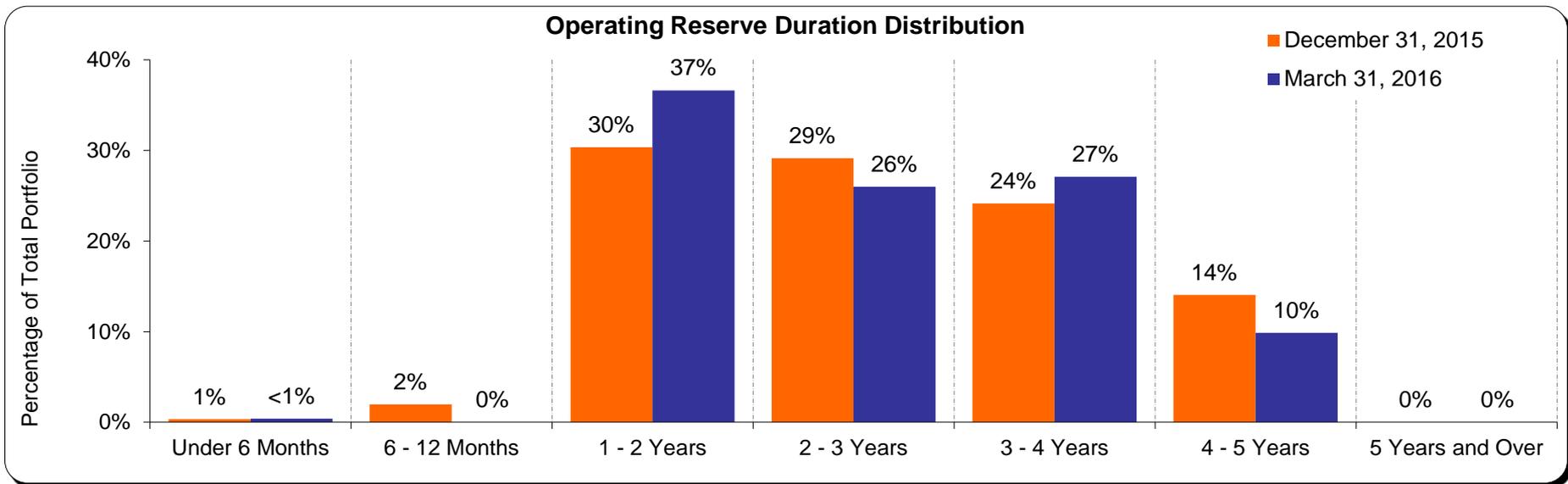


Notes:

- Securities values are end of quarter trade-date market values plus accrued interest and are rounded to the nearest dollar.
- Excludes funds in separate CSIP accounts and any other money market fund, bank account, or other account not under PFMAM's management. Please see Disclosures.
- Totals may not add to 100% due to rounding.

### Operating Reserve Portfolio Portfolio Maturity Distribution<sup>1,2</sup>

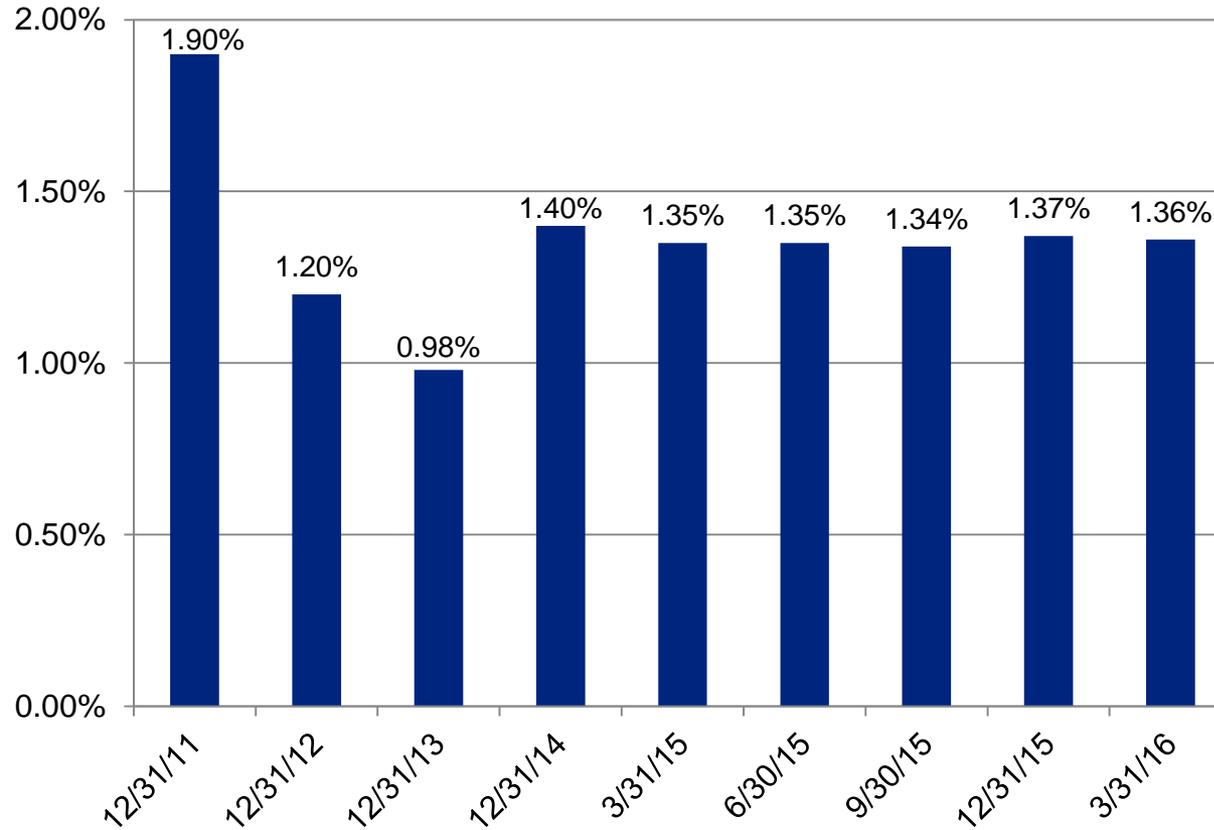
Maturity Distribution	March 31, 2016	December 31, 2015
Under 6 Months	\$294,224	\$239,754
6 - 12 Months	--	\$1,454,147
1 - 2 Years	\$27,478,881	\$22,428,234
2 - 3 Years	\$19,499,060	\$21,513,880
3 - 4 Years	\$20,326,026	\$17,841,692
4 - 5 Years	\$7,399,946	\$10,378,986
5 Years and Over	--	--
<b>Totals</b>	<b>\$74,998,137</b>	<b>\$73,856,693</b>



**Notes:**

1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.
2. Securities values are end of quarter trade-date market values plus accrued interest, exclude funds invested in separate CSIP accounts, and are rounded to the nearest dollar. Please see Disclosures.

### Airport Reserve Portfolio Portfolio Performance Yield at Cost<sup>1,2</sup>



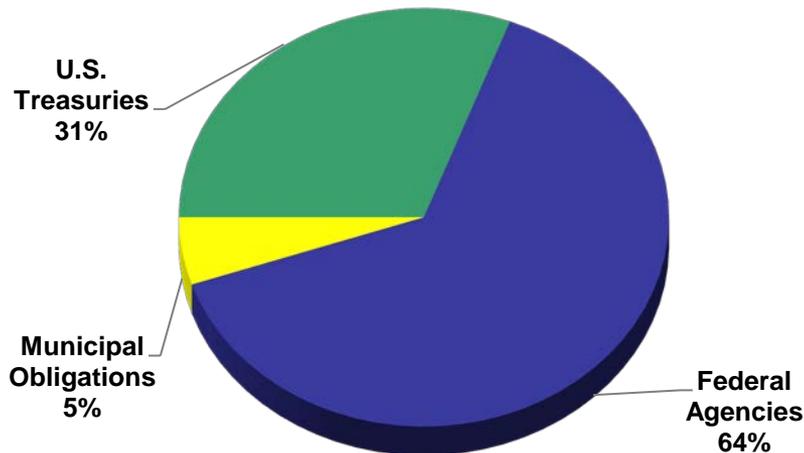
**Notes:**

1. Source: City of Colorado Springs monthly statements.
2. Portfolio yield excludes funds in separate CSIP accounts. Please see Disclosures.

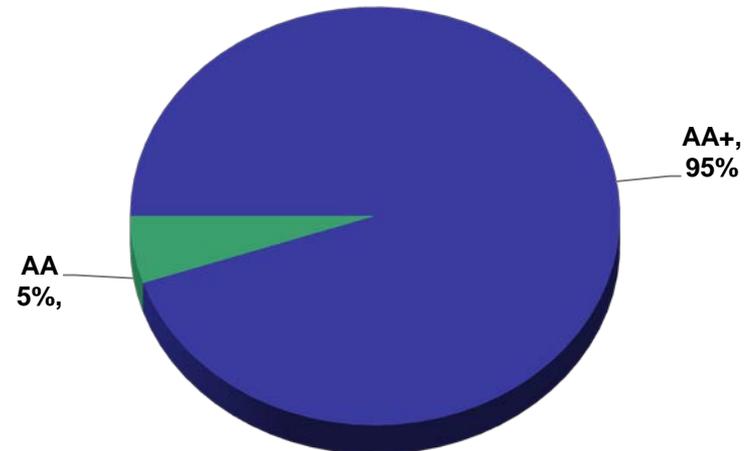
### Airport Reserve Portfolio Portfolio Composition and Credit Quality Characteristics<sup>1,2</sup>

Security Type	March 31, 2016	% of Portfolio	December 31, 2015	% of Portfolio
U.S. Treasuries	\$740,470	31%	\$740,149	31%
Federal Agencies	\$1,544,286	64%	\$1,535,020	64%
Municipal Obligations	\$125,441	5%	\$125,875	5%
<b>Totals</b>	<b>\$2,410,197</b>	<b>100%</b>	<b>\$2,401,044</b>	<b>100%</b>

**Portfolio Composition**



**Credit Quality Distribution**



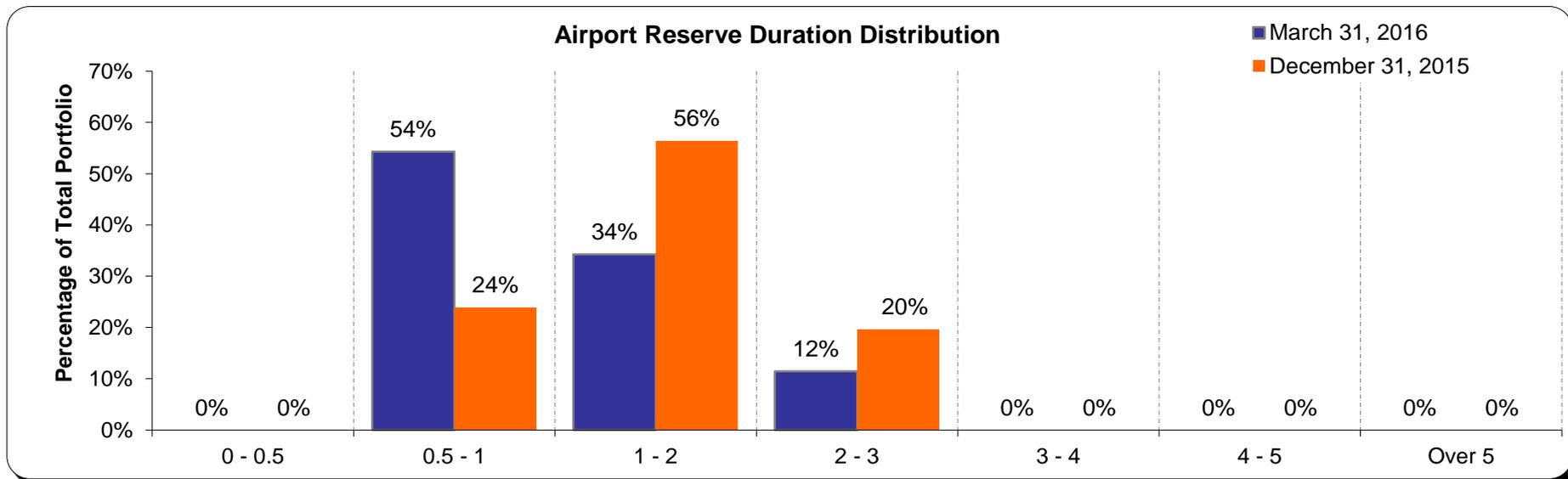
Ratings by Standard & Poor's

Notes:

1. Securities values are end of quarter trade-date market values plus accrued interest and are rounded to the nearest dollar.
2. Excludes funds in separate CSIP accounts and any other money market fund, bank account, or other account not under PFAM's management. Please see Disclosures.

### Airport Reserve Portfolio Portfolio Maturity Distribution<sup>1,2</sup>

Maturity Distribution	March 31, 2016	December 31, 2015
Under 6 Months	--	--
6 - 12 Months	\$1,308,219	\$574,553
1 - 2 Years	\$825,771	\$1,354,650
2 - 3 Years	\$276,207	\$471,840
3 - 4 Years	--	--
4 - 5 Years	--	--
5 Years and Over	--	--
<b>Totals</b>	<b>\$2,410,197</b>	<b>\$2,401,044</b>



**Notes:**

1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.
2. Securities values are end of quarter trade-date market values plus accrued interest, exclude funds invested in separate CSIP accounts, and are rounded to the nearest dollar. Please see Disclosures.

### PORTFOLIO STRATEGY

- We expect the U.S. economy to expand at a moderate pace in 2016 as consumer spending continues to drive positive growth. Outside the U.S., economic prospects are more challenged due to weak commodity prices, slowing growth in China, and various geopolitical risks. The market's concerns about the strength of the global economy will likely keep interest rates lower than previously expected.
- Economic projections released following the FOMC's March meeting indicated that FOMC participants believe that appropriate monetary policy warrants only two fed funds interest rate hikes in 2016, down from four hikes projected in December.
- Given the likelihood that rates will not move significantly higher in the near-term, we will position the maturity distribution of portfolios to generally match the distribution of their benchmarks, except where shifting to short-term credit securities offers better value.
- Because of narrowed yield spreads, federal agencies currently have less appeal relative to comparable-maturity U.S. Treasuries. We will monitor the yield relationship and take advantage of any opportunities that arise — opportunities are most likely to occur with newly-issued federal agency securities.
- Our strategy continues to favor credit sectors, including corporates notes, commercial paper, and negotiable certificates of deposit ("CDs"). We believe the best opportunities are currently with issuers in the financial industry, where capital is strong and spreads are wide. We are also watching the industrial sector, but are being more selective when making investments in industrial companies, especially those with exposure to energy or to slowing overseas economies.
- Yields on commercial paper and negotiable CDs adjusted to the new level of short-term rates in December and have remained elevated. These short-term credit sectors are attractive alternatives to short-term government securities, especially in the 6-12 month maturity range. We will continue to utilize these sectors as part of our overall duration and yield curve strategy, although supply constraints may hinder availability.
- We will continue to evaluate MBS and ABS on an issue-by-issue basis, purchasing only those issues we believe are well structured, offer adequate yield spreads, and which have limited duration variability.



# Operating Reserve Portfolio Holdings

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**Managed Account Detail of Securities Held**

For the Month Ending **March 31, 2016**

**CITY OF COLORADO SPRINGS - 15233500**

<b>Security Type/Description Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 05/31/2012 0.625% 05/31/2017	912828SY7	290,000.00	AA+	Aaa	01/08/16	01/11/16	288,923.83	0.90	609.12	289,095.14	289,830.06
US TREASURY NOTES DTD 11/30/2012 0.625% 11/30/2017	912828UA6	440,000.00	AA+	Aaa	02/26/16	03/01/16	438,796.88	0.78	924.18	438,855.01	439,295.12
US TREASURY NOTES DTD 04/30/2013 0.625% 04/30/2018	912828UZ1	500,000.00	AA+	Aaa	11/03/15	11/04/15	495,625.00	0.98	1,313.53	496,337.54	498,515.50
US TREASURY NOTES DTD 07/31/2013 1.375% 07/31/2018	912828VQ0	600,000.00	AA+	Aaa	02/02/15	02/04/15	609,328.13	0.92	1,382.55	606,268.54	608,015.40
US TREASURY NOTES DTD 07/31/2013 1.375% 07/31/2018	912828VQ0	750,000.00	AA+	Aaa	07/16/15	07/16/15	757,001.95	1.06	1,728.19	755,389.89	760,019.25
US TREASURY NOTES DTD 10/31/2013 1.250% 10/31/2018	912828WD8	525,000.00	AA+	Aaa	10/02/14	10/06/14	520,426.76	1.47	2,758.41	522,069.52	530,700.98
US TREASURY NOTES DTD 12/02/2013 1.250% 11/30/2018	912828A34	605,000.00	AA+	Aaa	07/01/14	07/07/14	598,666.41	1.50	2,541.50	601,116.92	611,735.47
US TREASURY NOTES DTD 12/02/2013 1.250% 11/30/2018	912828A34	1,100,000.00	AA+	Aaa	06/02/14	06/03/14	1,092,308.59	1.41	4,620.90	1,095,380.88	1,112,246.30
US TREASURY NOTES DTD 01/31/2014 1.500% 01/31/2019	912828B33	575,000.00	AA+	Aaa	07/29/14	07/31/14	572,327.15	1.61	1,445.40	573,295.52	585,399.45
US TREASURY NOTES DTD 03/31/2014 1.625% 03/31/2019	912828C65	2,500,000.00	AA+	Aaa	09/02/14	09/04/14	2,502,734.38	1.60	111.00	2,501,821.90	2,554,102.50
US TREASURY NOTES DTD 05/15/2009 3.125% 05/15/2019	912828KO2	1,600,000.00	AA+	Aaa	10/30/14	11/03/14	1,713,375.00	1.50	18,956.04	1,678,879.57	1,710,187.20
US TREASURY NOTES DTD 10/01/2012 1.000% 09/30/2019	912828TR1	750,000.00	AA+	Aaa	04/28/15	04/30/15	740,244.14	1.30	20.49	742,232.77	750,615.00
US TREASURY NOTES DTD 09/30/2014 1.750% 09/30/2019	912828F39	2,525,000.00	AA+	Aaa	03/26/15	03/27/15	2,564,157.23	1.39	120.73	2,555,571.46	2,590,591.93
US TREASURY NOTES DTD 10/01/2012 1.000% 09/30/2019	912828TR1	3,000,000.00	AA+	Aaa	02/26/15	02/27/15	2,944,101.56	1.42	81.97	2,957,068.74	3,002,460.00



## Managed Account Detail of Securities Held

For the Month Ending **March 31, 2016**

### CITY OF COLORADO SPRINGS - 15233500

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 11/30/2012 1.000% 11/30/2019	912828UB4	1,900,000.00	AA+	Aaa	05/28/15	05/29/15	1,863,335.94	1.44	6,385.25	1,870,008.44	1,899,183.00
US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UQ1	170,000.00	AA+	Aaa	11/30/15	12/01/15	167,848.44	1.56	184.78	168,013.74	171,108.91
US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UQ1	1,200,000.00	AA+	Aaa	10/08/15	10/09/15	1,196,625.00	1.32	1,304.35	1,196,988.12	1,207,827.60
US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UQ1	1,750,000.00	AA+	Aaa	11/05/15	11/09/15	1,728,125.00	1.55	1,902.17	1,730,079.54	1,761,415.25
US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UO1	2,650,000.00	AA+	Aaa	09/02/15	09/03/15	2,625,052.73	1.47	2,880.43	2,628,178.02	2,667,285.95
US TREASURY NOTES DTD 07/31/2013 2.000% 07/31/2020	912828VP2	1,375,000.00	AA+	Aaa	12/01/15	12/04/15	1,400,942.38	1.58	4,608.52	1,399,200.65	1,423,823.50
US TREASURY NOTES DTD 09/03/2013 2.125% 08/31/2020	912828VV9	2,475,000.00	AA+	Aaa	12/28/15	12/30/15	2,517,829.10	1.74	4,573.37	2,515,602.82	2,576,514.60
US TREASURY NOTE DTD 12/02/2013 2.000% 11/30/2020	912828A42	1,550,000.00	AA+	Aaa	03/02/16	03/04/16	1,594,259.77	1.38	10,418.03	1,593,571.32	1,605,641.90
US TREASURY NOTES DTD 12/31/2013 2.375% 12/31/2020	912828A83	1,675,000.00	AA+	Aaa	03/30/16	03/31/16	1,759,142.58	1.28	10,054.60	1,759,095.47	1,764,311.00
<b>Security Type Sub-Total</b>		<b>30,505,000.00</b>					<b>30,691,177.95</b>	<b>1.43</b>	<b>78,925.51</b>	<b>30,674,121.52</b>	<b>31,120,825.87</b>
<b>Municipal Bond / Note</b>											
OR ST DEPT ADMIN LOTTERY TXBL REV BONDS DTD 04/16/2013 0.782% 04/01/2016	68607VA70	210,000.00	AAA	Aa2	04/04/13	04/16/13	210,000.00	0.78	821.10	210,000.00	210,000.00
MS ST TXBL GO BONDS DTD 02/18/2015 1.472% 10/01/2018	605581FY8	285,000.00	AA	Aa2	02/04/15	02/18/15	285,000.00	1.47	2,097.60	285,000.00	288,827.55
NYC, NY TXBL GO BONDS DTD 03/31/2015 1.650% 10/01/2018	64966LZC8	415,000.00	AA	Aa2	03/13/15	03/31/15	415,000.00	1.65	3,423.75	415,000.00	420,996.75



## Managed Account Detail of Securities Held

For the Month Ending **March 31, 2016**

### CITY OF COLORADO SPRINGS - 15233500

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Municipal Bond / Note</b>											
CT ST TXBL GO BONDS DTD 03/25/2015 1.974% 03/15/2019	20772JZK1	585,000.00	AA	Aa3	03/13/15	03/25/15	585,000.00	1.97	513.24	585,000.00	592,411.95
NYC, NY TXBL GO BONDS DTD 06/18/2015 1.800% 06/01/2019	64966LN49	1,000,000.00	AA	Aa2	06/03/15	06/18/15	1,000,000.00	1.80	6,000.00	1,000,000.00	1,017,990.00
FL ST BOARD ADMIN FIN CORP TXBL REV BD DTD 03/08/2016 2.163% 07/01/2019	341271AA2	1,450,000.00	AA	Aa3	02/23/16	03/08/16	1,450,000.00	2.16	2,003.78	1,450,000.00	1,459,178.50
MS ST TXBL GO BONDS DTD 02/18/2015 1.679% 10/01/2019	605581FZ5	600,000.00	AA	Aa2	02/04/15	02/18/15	600,000.00	1.68	5,037.00	600,000.00	608,100.00
NYC TRANS FIN AUTH, NY TXBL REV BONDS DTD 04/23/2015 2.750% 02/01/2020	64971WSV3	725,000.00	AAA	Aa1	04/16/15	04/23/15	753,644.75	1.88	3,322.92	748,197.17	751,411.75
<b>Security Type Sub-Total</b>		<b>5,270,000.00</b>					<b>5,298,644.75</b>	<b>1.85</b>	<b>23,219.39</b>	<b>5,293,197.17</b>	<b>5,348,916.50</b>
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNMA SERIES 2015-M1 ASQ2 DTD 01/15/2015 1.626% 02/01/2018	3136AMKW8	390,000.00	AA+	Aaa	01/15/15	01/30/15	393,897.08	1.26	528.45	392,134.15	392,541.20
FNMA SERIES 2015-M7 ASQ2 DTD 04/01/2015 1.550% 04/01/2018	3136ANJY4	340,000.00	AA+	Aaa	04/15/15	04/30/15	343,398.78	0.83	439.17	342,160.05	341,260.07
FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	310,000.00	AA+	Aaa	11/06/15	11/30/15	313,099.97	1.20	490.34	312,704.24	313,595.38
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	675,000.00	AA+	Aaa	10/07/15	10/30/15	681,759.38	1.08	925.88	680,923.25	679,545.11
<b>Security Type Sub-Total</b>		<b>1,715,000.00</b>					<b>1,732,155.21</b>	<b>1.09</b>	<b>2,383.84</b>	<b>1,727,921.69</b>	<b>1,726,941.76</b>
<b>Federal Agency Bond / Note</b>											
FREDDIE MAC GLOBAL NOTES DTD 05/14/2012 1.000% 06/29/2017	3137EADH9	385,000.00	AA+	Aaa	08/11/14	08/13/14	385,367.29	0.97	983.89	385,160.41	386,145.38
FREDDIE MAC GLOBAL NOTES DTD 05/14/2012 1.000% 06/29/2017	3137EADH9	1,470,000.00	AA+	Aaa	08/11/14	08/13/14	1,471,719.90	0.96	3,756.67	1,470,750.79	1,474,373.25



## Managed Account Detail of Securities Held

For the Month Ending **March 31, 2016**

### CITY OF COLORADO SPRINGS - 15233500

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Federal Agency Bond / Note</b>											
FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	1,055,000.00	AA+	Aaa	07/30/12	07/31/12	1,062,057.95	0.86	1,846.25	1,056,902.85	1,058,811.72
FANNIE MAE GLOBAL NOTES DTD 07/20/2012 0.875% 08/28/2017	3135G0MZ3	1,075,000.00	AA+	Aaa	09/06/12	09/10/12	1,077,666.00	0.82	862.24	1,075,767.14	1,077,421.98
FNMA NOTE DTD 03/04/2016 0.875% 03/28/2018	3135G0J61	1,825,000.00	AA+	Aaa	03/02/16	03/04/16	1,821,350.00	0.97	133.07	1,821,479.06	1,828,102.50
FANNIE MAE GLOBAL NOTES DTD 04/15/2013 0.875% 05/21/2018	3135G0WJ8	1,000,000.00	AA+	Aaa	05/24/13	05/31/13	984,850.00	1.19	3,159.72	993,374.52	1,001,229.00
FANNIE MAE GLOBAL NOTES DTD 04/15/2013 0.875% 05/21/2018	3135G0WJ8	1,750,000.00	AA+	Aaa	05/22/13	05/24/13	1,735,212.50	1.05	5,529.51	1,743,569.91	1,752,150.75
FANNIE MAE GLOBAL NOTES DTD 10/01/2013 1.625% 11/27/2018	3135G0YT4	1,880,000.00	AA+	Aaa	10/22/14	10/23/14	1,897,860.00	1.39	10,522.78	1,891,701.98	1,917,271.00
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	1,825,000.00	AA+	Aaa	02/19/16	02/23/16	1,820,693.00	1.08	1,774.31	1,820,841.68	1,829,036.90
<b>Security Type Sub-Total</b>		<b>12,265,000.00</b>					<b>12,256,776.64</b>	<b>1.06</b>	<b>28,568.44</b>	<b>12,259,548.34</b>	<b>12,324,542.48</b>
<b>Corporate Note</b>											
CHEVRON CORP NOTE DTD 11/18/2014 1.345% 11/15/2017	166764AL4	885,000.00	AA-	Aa1	11/10/14	11/18/14	885,000.00	1.35	4,496.78	885,000.00	890,331.24
GENERAL ELECTRIC CO NOTES DTD 12/06/2007 5.250% 12/06/2017	369604BC6	1,350,000.00	AA+	A1	12/01/14	12/08/14	1,504,426.50	1.34	22,640.63	1,437,408.60	1,446,693.75
TOYOTA MOTOR CREDIT CORP NOTE DTD 01/12/2015 1.450% 01/12/2018	89236TCA1	480,000.00	AA-	Aa3	01/07/15	01/12/15	479,342.40	1.50	1,527.33	479,606.26	482,444.16
IBM CORP NOTES DTD 02/06/2015 1.125% 02/06/2018	459200HZ7	1,825,000.00	AA-	Aa3	02/03/15	02/06/15	1,819,433.75	1.23	3,136.72	1,821,549.07	1,828,294.13
WAL MART STORES INC. CORP NOTES DTD 08/24/2007 5.800% 02/15/2018	931142CJ0	600,000.00	AA	Aa2	06/09/15	06/12/15	670,705.80	1.30	4,446.67	649,744.89	654,724.20
CHEVRON CORP NOTES DTD 03/03/2015 1.365% 03/02/2018	166764AV2	625,000.00	AA-	Aa1	02/24/15	03/03/15	625,000.00	1.37	687.24	625,000.00	627,225.63



### Managed Account Detail of Securities Held

For the Month Ending **March 31, 2016**

#### CITY OF COLORADO SPRINGS - 15233500

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
EXXON MOBIL CORP NOTES DTD 03/06/2015 1.305% 03/06/2018	30231GAL6	1,450,000.00	AAA	Aaa	03/04/15	03/06/15	1,450,000.00	1.31	1,314.06	1,450,000.00	1,456,511.95
TOYOTA MOTOR CREDIT CORP DTD 07/13/2015 1.550% 07/13/2018	89236TCP8	755,000.00	AA-	Aa3	07/08/15	07/13/15	754,358.25	1.58	2,535.54	754,508.92	761,728.56
3M COMPANY CORP NOTE DTD 08/07/2015 1.375% 08/07/2018	88579YAP6	975,000.00	AA-	A1	08/04/15	08/07/15	973,264.50	1.44	2,010.94	973,634.44	986,556.68
MICROSOFT CORP NOTES DTD 11/03/2015 1.300% 11/03/2018	594918BF0	1,345,000.00	AAA	Aaa	10/29/15	11/03/15	1,343,655.00	1.33	7,188.28	1,343,836.27	1,358,078.78
JOHNSON & JOHNSON CORP NOTES DTD 03/01/2016 1.125% 03/01/2019	478160BR4	400,000.00	AAA	Aaa	02/26/16	03/01/16	399,952.00	1.13	375.00	399,953.32	401,074.40
BERKSHIRE HATHAWAY INC NOTES DTD 03/15/2016 1.700% 03/15/2019	084664CG4	215,000.00	AA	Aa2	03/08/16	03/15/16	214,836.60	1.73	162.44	214,838.97	217,983.56
<b>Security Type Sub-Total</b>		<b>10,905,000.00</b>					<b>11,119,974.80</b>	<b>1.35</b>	<b>50,521.63</b>	<b>11,035,080.74</b>	<b>11,111,647.04</b>
<b>Certificate of Deposit</b>											
CANADIAN IMPERIAL BANK NY YCD DTD 04/10/2015 1.010% 04/06/2017	13606JYY9	1,450,000.00	A-1	P-1	04/06/15	04/10/15	1,450,000.00	1.01	7,119.10	1,450,000.00	1,447,665.50
RABOBANK NEDERLAND NV CERT DEPOS DTD 04/27/2015 1.070% 04/21/2017	21684BXH2	1,450,000.00	A-1	P-1	04/22/15	04/27/15	1,450,000.00	1.07	6,895.56	1,450,000.00	1,448,006.25
NORDEA BANK FINLAND NY CD DTD 05/29/2015 1.150% 05/26/2017	65558LFA5	1,450,000.00	AA-	Aa3	05/27/15	05/29/15	1,450,000.00	1.15	5,882.57	1,450,000.00	1,446,730.25
US BANK NA CINCINNATI (CALLABLE) CD DTD 09/11/2014 1.375% 09/11/2017	90333VPF1	1,450,000.00	AA-	A1	09/09/14	09/11/14	1,447,665.50	1.41	1,107.64	1,448,875.35	1,452,491.10
BANK OF NOVA SCOTIA HOUSTON YCD DTD 11/09/2015 1.560% 11/06/2017	06417GAS7	1,450,000.00	A-1	P-1	11/06/15	11/09/15	1,450,000.00	1.55	8,922.33	1,450,000.00	1,454,509.50
SKANDINAVISKA ENSKILDA BANKEN NY CD DTD 11/17/2015 1.480% 11/16/2017	83050FBG5	1,450,000.00	A-1	P-1	11/16/15	11/17/15	1,450,000.00	1.48	8,107.11	1,450,000.00	1,442,539.75



**Managed Account Detail of Securities Held**

For the Month Ending **March 31, 2016**

**CITY OF COLORADO SPRINGS - 15233500**

<b>Security Type/Description</b>	<b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Certificate of Deposit</b>												
HSBC BANK USA NA CD	DTD 11/18/2015 1.540% 11/17/2017	40428AR58	1,450,000.00	A-1+	P-1	11/17/15	11/18/15	1,450,000.00	1.54	8,373.75	1,450,000.00	1,449,782.50
ROYAL BANK OF CANADA NY CD	DTD 03/11/2016 1.700% 03/09/2018	78009NZZ2	1,450,000.00	AA-	Aa3	03/11/16	03/15/16	1,450,000.00	1.69	1,437.92	1,450,000.00	1,457,438.50
TORONTO DOMINION BANK NY CD	DTD 03/14/2016 1.720% 03/14/2018	89113E5E2	1,450,000.00	AA-	Aa1	03/14/16	03/16/16	1,450,000.00	1.72	1,247.00	1,450,000.00	1,449,985.50
<b>Security Type Sub-Total</b>			<b>13,050,000.00</b>					<b>13,047,665.50</b>	<b>1.40</b>	<b>49,092.98</b>	<b>13,048,875.35</b>	<b>13,049,148.85</b>
<b>Managed Account Sub-Total</b>			<b>73,710,000.00</b>					<b>74,146,394.85</b>	<b>1.37</b>	<b>232,711.79</b>	<b>74,038,744.81</b>	<b>74,682,022.50</b>
<b>Money Market Fund</b>												
PFM Funds - Prime, Colorado Invest			19,356,379.23	AAAm	NR			19,356,379.23		0.00	19,356,379.23	19,356,379.23
<b>Money Market Sub-Total</b>			<b>19,356,379.23</b>					<b>19,356,379.23</b>		<b>0.00</b>	<b>19,356,379.23</b>	<b>19,356,379.23</b>
<b>Securities Sub-Total</b>			<b>\$93,066,379.23</b>					<b>\$93,502,774.08</b>	<b>1.37%</b>	<b>\$232,711.79</b>	<b>\$93,395,124.04</b>	<b>\$94,038,401.73</b>
<b>Accrued Interest</b>												<b>\$232,711.79</b>
<b>Total Investments</b>												<b>\$94,271,113.52</b>



# **Airport Reserve Portfolio Holdings**

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**Managed Account Detail of Securities Held**

For the Month Ending **March 31, 2016**

**CITY OF COLORADO SPRINGS AIRPORT RESERVE - 15233510**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 02/29/2012 0.875% 02/28/2017	912828SJ0	119,000.00	AA+	Aaa	03/26/15	03/27/15	119,595.00	0.61	90.54	119,282.86	119,255.61
US TREASURY NOTES DTD 02/29/2012 0.875% 02/28/2017	912828SJ0	470,000.00	AA+	Aaa	02/18/15	02/23/15	471,523.83	0.71	357.61	470,693.54	471,009.56
US TREASURY NOTES DTD 07/31/2012 0.500% 07/31/2017	912828TG5	150,000.00	AA+	Aaa	08/14/12	08/15/12	148,271.48	0.74	125.69	149,529.47	149,630.85
<b>Security Type Sub-Total</b>		<b>739,000.00</b>					<b>739,390.31</b>	<b>0.70</b>	<b>573.84</b>	<b>739,505.87</b>	<b>739,896.02</b>
<b>Municipal Bond / Note</b>											
NYC, NY TXBL GO BONDS DTD 08/15/2013 1.080% 08/01/2016	64966KL68	125,000.00	AA	Aa2	07/25/13	08/15/13	125,000.00	1.08	225.00	125,000.00	125,216.25
<b>Security Type Sub-Total</b>		<b>125,000.00</b>					<b>125,000.00</b>	<b>1.08</b>	<b>225.00</b>	<b>125,000.00</b>	<b>125,216.25</b>
<b>Federal Agency Bond / Note</b>											
FANNIE MAE GLOBAL NOTES DTD 01/09/2012 1.250% 01/30/2017	3135G0GY3	140,000.00	AA+	Aaa	09/06/12	09/10/12	143,362.80	0.69	296.53	140,644.14	140,656.88
FREDDIE MAC GLOBAL NOTES DTD 05/14/2012 1.000% 06/29/2017	3137EADH9	373,000.00	AA+	Aaa	11/02/15	11/02/15	374,805.32	0.71	953.22	374,357.02	374,109.68
FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	100,000.00	AA+	Aaa	07/30/12	07/31/12	100,669.00	0.86	175.00	100,180.37	100,361.30
FREDDIE MAC GLOBAL NOTES DTD 01/17/2013 0.875% 03/07/2018	3137EADP1	200,000.00	AA+	Aaa	03/26/13	03/27/13	199,472.00	0.93	116.67	199,790.75	200,298.80
FANNIE MAE GLOBAL NOTES DTD 04/15/2013 0.875% 05/21/2018	3135G0WJ8	100,000.00	AA+	Aaa	05/24/13	05/31/13	98,485.00	1.19	315.97	99,337.45	100,122.90
FANNIE MAE GLOBAL NOTES DTD 04/15/2013 0.875% 05/21/2018	3135G0WJ8	175,000.00	AA+	Aaa	05/22/13	05/24/13	173,521.25	1.05	552.95	174,356.99	175,215.08
FNMA (CALLABLE) GLOBAL NOTES DTD 10/18/2006 5.450% 10/18/2021	31359MZ22	430,000.00	AA+	Aaa	07/20/10	07/21/10	493,996.90	3.81	10,610.85	436,069.24	440,500.17



**Managed Account Detail of Securities Held**

For the Month Ending **March 31, 2016**

CITY OF COLORADO SPRINGS AIRPORT RESERVE - 15233510											
Security Type/Description			S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	CUSIP	Par	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
<b>Security Type Sub-Total</b>		<b>1,518,000.00</b>					<b>1,584,312.27</b>	<b>1.71</b>	<b>13,021.19</b>	<b>1,524,735.96</b>	<b>1,531,264.81</b>
<b>Managed Account Sub-Total</b>		<b>2,382,000.00</b>					<b>2,448,702.58</b>	<b>1.36</b>	<b>13,820.03</b>	<b>2,389,241.83</b>	<b>2,396,377.08</b>
<b>Securities Sub-Total</b>		<b>\$2,382,000.00</b>					<b>\$2,448,702.58</b>	<b>1.36%</b>	<b>\$13,820.03</b>	<b>\$2,389,241.83</b>	<b>\$2,396,377.08</b>
<b>Accrued Interest</b>											<b>\$13,820.03</b>
<b>Total Investments</b>											<b>\$2,410,197.11</b>

**Important Disclosures****Important Disclosures**

This statement is for general information purposes only and is not intended to provide specific advice or recommendations. PFM Asset Management LLC ("PFM") is an investment advisor registered with the Securities and Exchange Commission, and is required to maintain a written disclosure statement of our background and business experience. If you would like to receive a copy of our current disclosure statement, please contact Service Operations at the address below.

**Proxy Voting** PFM does not normally receive proxies to vote on behalf of its clients. However, it does on occasion receive consent requests. In the event a consent request is received the portfolio manager contacts the client and then proceeds according to their instructions. PFM's Proxy Voting Policy is available upon request by contacting Service Operations at the address below.

**Questions About an Account** PFM's monthly statement is intended to detail our investment advisory activity as well as the activity of any accounts held by clients in pools that are managed by PFM. The custodian bank maintains the control of assets and executes (i.e., settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. PFM recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the PFM statement should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference.

**Account Control** PFM does not have the authority to withdraw funds from or deposit funds to the custodian. Our clients retain responsibility for their internal accounting policies; implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

**Market Value** Generally, PFM's market prices are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg or Telerate. Where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFM believes the prices to be reliable, the values of the securities do not always represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for money market and TERM funds is contained in the appropriate fund information statement.

**Amortized Cost** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

**Tax Reporting** Cost data and realized gains / losses are provided for informational purposes only. Please review for accuracy and consult your tax advisor to determine the tax consequences of your security transactions. PFM does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information that may be required to be reported to federal, state or other taxing authorities.

**Financial Situation** In order to better serve you, PFM should be promptly notified of any material change in your investment objective or financial situation.

**Callable Securities** Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented.

**Portfolio** The securities in this portfolio, including shares of mutual funds, are not guaranteed or otherwise protected by PFM, the FDIC (except for certain non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested.

**Rating** Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed. Shares of some money market and TERM funds are marketed through representatives of PFM's wholly owned subsidiary, PFM Fund Distributors, Inc. PFM Fund Distributors, Inc. is registered with the SEC as a broker/dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). You may reach the FINRA by calling the FINRA Regulator Public Disclosure Hotline at 1-888-289-9999 or at the FINRA Regulation Internet website address [www.nasd.com](http://www.nasd.com). A brochure describing the FINRA Regulation Public Disclosure Program is also available from the FINRA upon request.

**Key Terms and Definitions**

**Dividends** on money market funds consist of interest earned, plus any discount ratably amortized to the date of maturity, plus all realized gains and losses on the sale of securities prior to maturity, less ratably amortization of any premium and all accrued expenses to the fund. Dividends are accrued daily and may be paid either monthly or quarterly. The monthly earnings on this statement represent the estimated dividend accrued for the month for any program that distributes earnings on a quarterly basis. There is no guarantee that the estimated amount will be paid on the actual distribution date.

**Current Yield** is the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical fund account with a balance of one share over the seven-day base period including the statement date, expressed as a percentage of the value of one share (normally \$1.00 per share) at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7. The yields quoted should not be considered a representation of the yield of the fund in the future, since the yield is not fixed.

**Average maturity** represents the average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. The stated maturity date of mortgage backed or callable securities are used in this statement. However the actual maturity of these securities could vary depending on the level or prepayments on the underlying mortgages or whether a callable security has or is still able to be called.

**Monthly distribution yield** represents the net change in the value of one share (normally \$1.00 per share) resulting from all dividends declared during the month by a fund expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

**YTM at Cost** The yield to maturity at cost is the expected rate of return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis.

**YTM at Market** The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.

**Managed Account** A portfolio of investments managed discretely by PFM according to the client's specific investment policy and requirements. The investments are directly owned by the client and held by the client's custodian.

**Unsettled Trade** A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.

Please review the detail pages of this statement carefully. If you think your statement is wrong, missing account information, or if you need more information about a transaction, please contact PFM within 60 days of receipt. If you have other concerns or questions regarding your account you should contact a member of your client management team or PFM Service Operations at the address below.

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# Disclaimer

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## **CSIP Disclosure**

*CSIP is the marketing name used to describe the PFM Funds, Prime Series - Colorado Investors Class of shares. The information herein is not an offer to sell, or to solicit an offer to purchase, any securities by anyone in any jurisdiction in which such offer or solicitation is not authorized, or in which PFMAM or the person making such offer is not qualified to do so, or to anyone to whom it is unlawful to make such an offer or solicitation, or to anyone in any jurisdiction outside the United States. Investors should consider the investment objectives, risks, charges and expenses before investing in the Fund. This and other information about the Fund is available in the current PFM Funds, Prime Series Prospectus, which should be read carefully before investing. Investments in the Fund are offered only by means of the current Prospectus, copies of which are available online at [www.csipinvest.com](http://www.csipinvest.com) or by sending a request to the Fund's Distributor at: Colorado Statewide Investment Program c/o PFM Fund Distributors, Inc., One Keystone Plaza, Suite 300, North Front & Market Streets, Harrisburg, PA 17101.*

*An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of investments at \$1.00 per share, it is possible to lose money by investing in the Fund. **PFM Fund Distributors, Inc.**, a registered member of the Financial Industry Regulatory Authority (FINRA) ([www.finra.org](http://www.finra.org)) and Securities Investor Protection Corporation (SIPC) ([www.sipc.org](http://www.sipc.org)), serves as the Fund's Distributor. PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC.*