



Performance Review prepared for:

City of Colorado Springs Cemetery Endowment Fund

First Quarter 2016

Financial Markets Review



Quarterly Commentary

First Quarter 2016

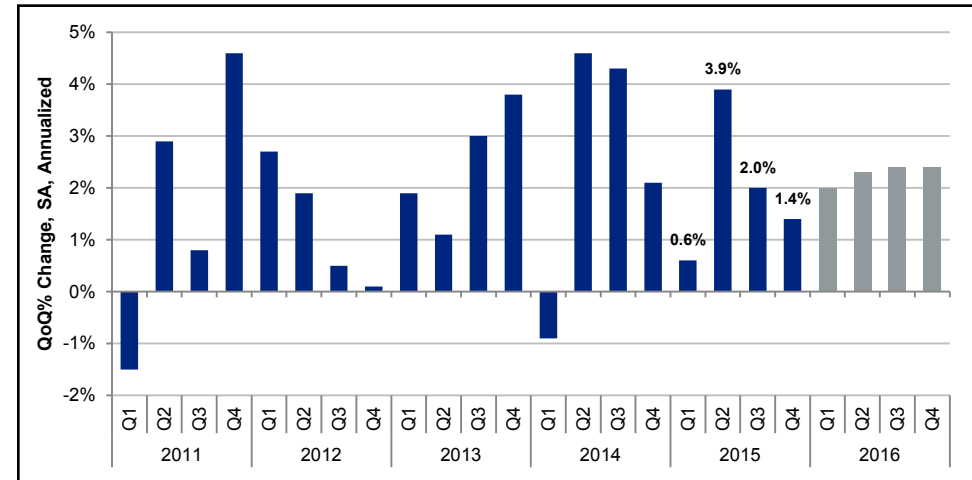
Multi-Asset Class Management

The Economy

- Markets around the globe kicked off 2016 with heightened volatility caused by concerns over the health of the global economy marked by slower growth, a tightening Federal Reserve (Fed), persistently low oil prices, and continued concerns over China. However, moderate global economic data, mixed with further easing from international central banks and the Fed cutting its outlook on the amount of interest rate hikes, turned markets around during the quarter.
- Fourth-quarter gross domestic product (GDP) came in at 1.4%, putting 2015 GDP growth at 2.4%, matching 2014. This muted but still respectable growth rate was supported by strong household spending on services, and was negatively affected by a number of factors, including decreased exports. There was much variation in each of the revisions, with the first reading coming in at a relatively weak 0.7% while the second was just 1%.
- Consumer Price Index (CPI) readings released during the quarter showed progress of moving toward the Federal Open Market Committee's (FOMC's) 2% target. There also were slight inflationary surprises as Core CPI (ex Food & Energy) topped economists' surveys, and currently sits at 2.3% year-over-year (YoY) while Headline CPI currently sits at 1%. Employment continued to be a strength of the U.S. economy during the quarter, as 228,000 jobs were added to non-farm payrolls in March.
- Global central bank activity was a big storyline of the first quarter. The Bank of Japan (BoJ) made a surprise decision to implement negative interest rates on new reserves held at the central bank in the hope to spur economic growth after decades of deflation and stagnation. The European Central Bank (ECB) surprised markets with a bigger-than-expected stimulus package expansion, with overnight rates being cut even further to -0.4%.

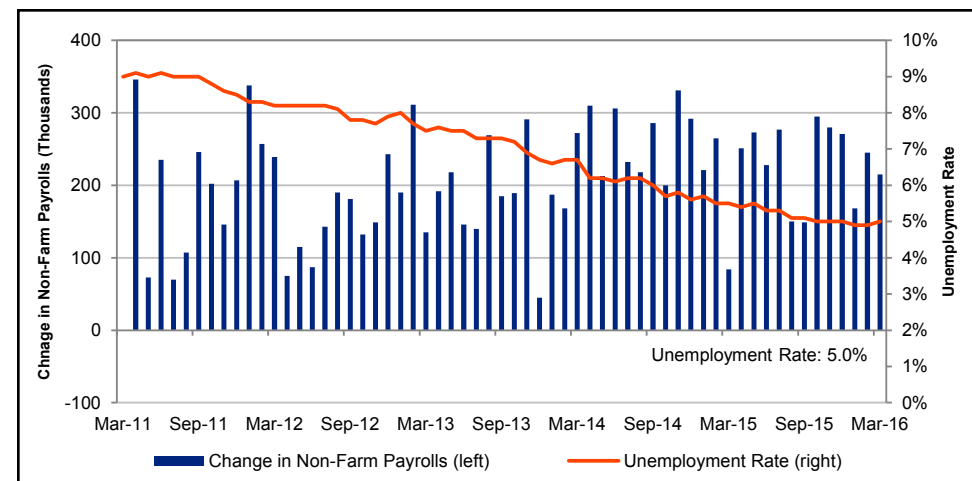
U.S. Real GDP Growth

(Seasonally Adjusted)



Source: Bureau of Economic Analysis. Dark blue bars indicate actual numbers; gray bars indicate forecasted estimates.

Change in Non-Farm Payrolls



Source: Bureau of Labor Statistics.



Quarterly Commentary

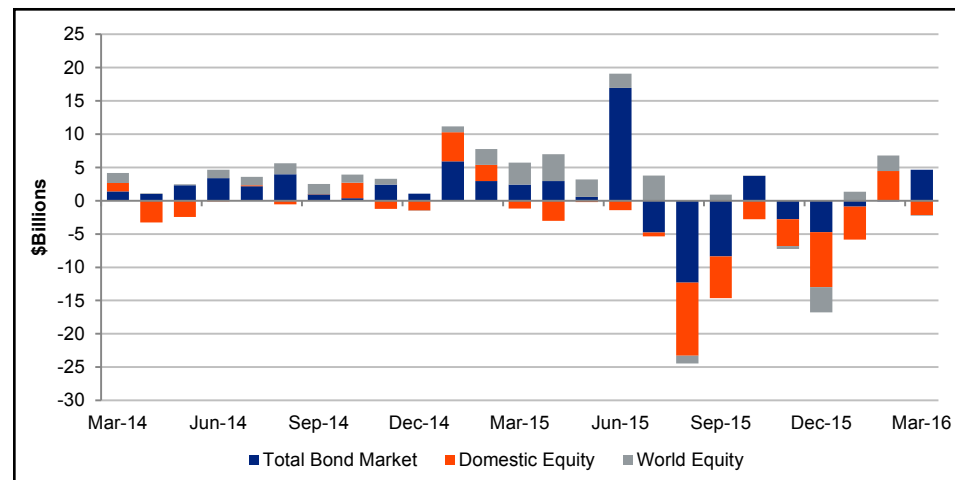
First Quarter 2016

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What We're Watching

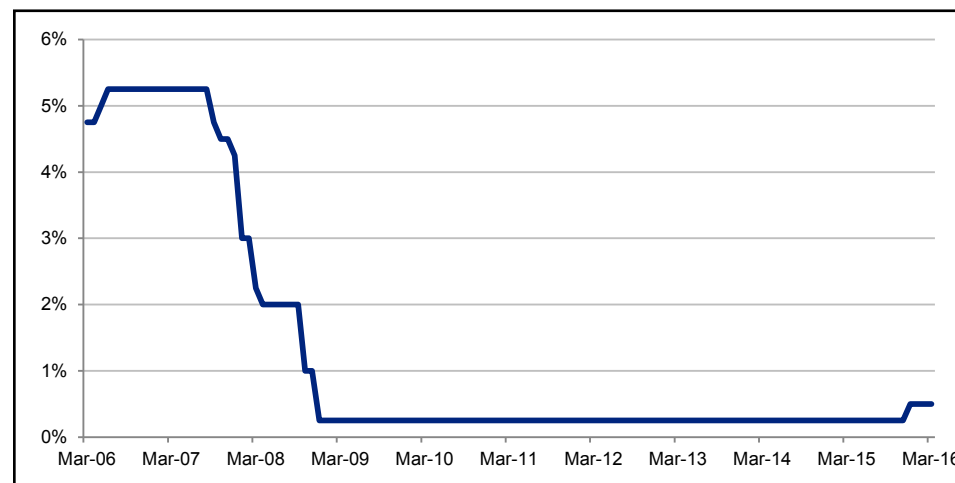
- After the third consecutive decline last quarter, the S&P 500 Index (S&P) earnings picture for the first quarter is looking just as grim, with downward revisions to estimates well above recent averages. As of April 1, the estimated earnings decline for the first quarter is -8.5%, which would be the largest YoY decline since 2009. Some factors affecting earnings, such as the strong dollar and lower oil prices, may be stabilizing. However, weak global growth and lackluster U.S. economic data may continue to hold down earnings, putting further pressure on markets in the coming months.
- As global central banks continue to ease, there is increased pressure on the Fed to reduce the pace of rate hikes. Market expectations, based on the Federal Funds Futures market, have gradually lessened to just one projected rate hike for the rest of 2016. March FOMC minutes expressed that “global economic and financial developments continue to pose risks,” and paired with Fed Chair Janet Yellen’s continued dovish comments, has led to the belief that a second-quarter hike is not very likely.
- Oil prices, which began to fall in June 2014 and hit 12-year lows earlier this year, staged a rally midway through the quarter. However, it remains to be seen if the rally will continue, given that many believe fundamentals (e.g., excess supply) supporting low oil prices remain. Given the increasing correlation with broader equity markets, as well as the commodity’s impact on the global economy, the price of oil likely will remain important in coming months.
- Election season began to really get underway during the quarter. Hillary Clinton holds a lead for the Democrats with 59% of delegates, as she appears primed to take the nomination. While Donald Trump currently holds the lead on the Republican side with a near-majority of delegates, many speculate the race could lead to an open convention. If this is reached for either party, the parties’ national conventions, held in mid-to-late July, could have implications for the next U.S. President and ultimately the capital markets.

Weekly Mutual Fund Flows



Source: Bloomberg.

Fed Funds Target Rate



Source: Bloomberg.



Quarterly Commentary

First Quarter 2016

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Market Index Performance

As of March 31, 2016

	1 Quarter	Year To Date	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
DOMESTIC EQUITY								
Russell 3000 Index	0.97	0.97	-0.34	5.82	11.15	11.01	17.09	6.90
Russell 1000 Value Index	1.64	1.64	-1.54	3.75	9.38	10.25	16.31	5.72
S&P 500	1.35	1.35	1.78	7.12	11.82	11.58	16.97	7.01
Russell 1000 Growth Index	0.74	0.74	2.52	9.09	13.61	12.38	17.94	8.28
Russell Midcap Value Index	3.92	3.92	-3.39	3.88	9.88	10.52	19.48	7.23
Russell Midcap Index	2.24	2.24	-4.04	4.44	10.45	10.30	19.12	7.45
Russell Midcap Growth Index	0.58	0.58	-4.75	4.92	10.99	9.99	18.71	7.43
Russell 2500 Index	0.39	0.39	-7.31	1.01	8.16	8.58	17.84	6.47
Russell 2000 Value Index	1.70	1.70	-7.72	-1.84	5.73	6.67	15.54	4.42
Russell 2000 Index	-1.52	-1.52	-9.76	-1.18	6.84	7.20	16.42	5.26
Russell 2000 Growth Index	-4.68	-4.68	-11.84	-0.61	7.91	7.70	17.23	6.00
INTERNATIONAL EQUITY								
MSCI EAFE (net)	-3.01	-3.01	-8.27	-4.67	2.23	2.29	9.69	1.80
MSCI AC World Index (net)	0.24	0.24	-4.34	0.42	5.54	5.22	12.55	4.08
MSCI AC World ex USA (Net)	-0.38	-0.38	-9.19	-5.19	0.32	0.31	9.18	1.94
MSCI AC World ex USA Small Cap (Net)	0.68	0.68	-0.60	-2.12	3.67	2.39	14.01	3.89
MSCI EM (net)	5.71	5.71	-12.03	-6.00	-4.50	-4.13	8.21	3.02
ALTERNATIVES								
FTSE NAREIT Equity REIT Index	6.00	6.00	4.43	13.77	10.47	11.89	23.90	6.55
FTSE EPRA/NAREIT Developed Index	5.43	5.43	1.27	8.41	6.29	8.46	18.62	4.57
Bloomberg Commodity Index Total Return	0.39	0.39	-19.59	-23.40	-16.87	-14.15	-4.54	-6.16
FIXED INCOME								
Barclays Aggregate	3.03	3.03	1.96	3.82	2.50	3.78	4.52	4.90
Barclays U.S. Government/Credit	3.47	3.47	1.75	3.79	2.42	4.04	4.70	4.93
Barclays Intermediate U.S. Gov/Credit	2.45	2.45	2.06	2.82	1.83	3.01	3.79	4.34
Barclays U.S. Treasury: 1-3 Year	0.90	0.90	0.92	0.98	0.78	0.88	1.07	2.49
Barclays US Corp: High Yield	3.35	3.35	-3.69	-0.89	1.84	4.93	12.43	7.01
Credit Suisse Leveraged Loan index	1.33	1.33	-1.11	0.84	2.22	3.49	8.85	4.00
BofA Merrill Lynch Global HY Constrained (USD)	3.92	3.92	-0.75	-1.65	1.76	4.63	12.70	7.09
Barclays Global Aggregate Ex USD	8.26	8.26	6.69	-2.05	-0.32	0.39	3.11	3.89
JPM EMBI Global Diversified	5.04	5.04	4.19	4.91	3.44	6.22	9.72	7.20
CASH EQUIVALENT								
90 Day U.S. Treasury Bill	0.06	0.06	0.08	0.06	0.05	0.06	0.09	1.12

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.



Quarterly Commentary

First Quarter 2016

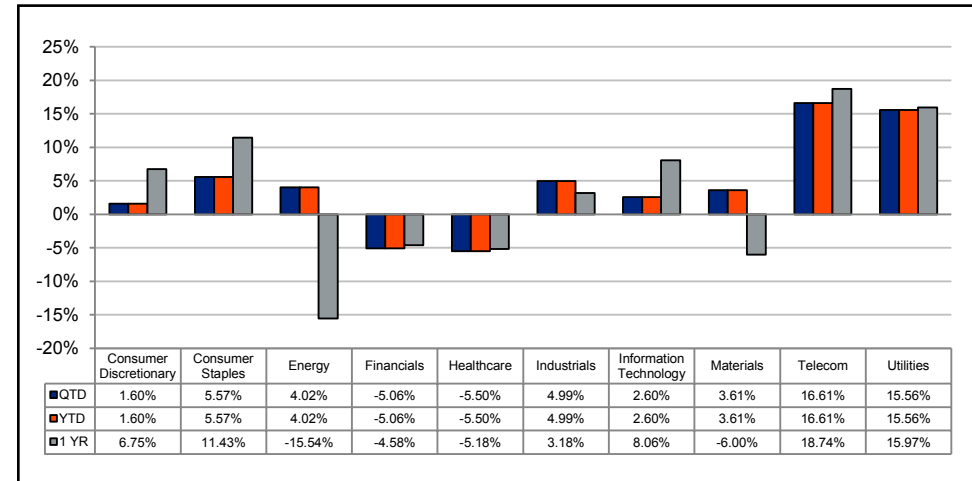
Multi-Asset Class Management

U.S. Equity

- The first quarter proved to be a very volatile time for U.S. equity markets, as measured by the S&P. Immediately following the New Year, markets sold off considerably and continued to do so through mid-February. Markets finally hit their trough on February 11 when the S&P closed with a year-to-date (YTD) return of -10.3%. However, the S&P rebounded from that point forward, finishing the quarter in the black with a respectable 1.4% return. Despite this, economic fundamentals continue to be mixed with relatively weak corporate earnings, as markets continue to be heavily influenced by central bank activity.
- Despite first-quarter volatility, all but two S&P sectors (Healthcare, -5.5%, and Financials, -5.1%) finished the month in the black. Defensive sectors led the way, with Telecommunications and Utilities returning 16.6% and 15.6% for the quarter, respectively. When markets bottomed on February 11, these sectors still proved to be strong performers, returning 6.4% and 5.7% quarter to date (QTD), respectively. Despite much-publicized lower oil prices and very weak January and February months, the Energy sector managed to post 4% for the quarter due to a strong March.
- There was a large dispersion of returns between equity market capitalizations. Mid-cap stocks, measured by the Russell Midcap Index, returned 2.2% for the quarter followed by large-cap (Russell 1000 Index, 1.2%), and small-cap (Russell 2000 Index, -1.5%) stocks. Small-cap stocks were the worst performer in both January and March, and nearly edged out large-caps in February.
- Value-oriented stocks outperformed growth stocks within every market capitalization segment, as investors favored higher-dividend-paying firms during the volatile first quarter. While the gap was much closer within large-cap stocks (1.6% for value vs. 0.7% for growth), the difference was much more pronounced within mid-cap (3.9% vs. 0.6%) and small-cap (1.7% vs. -4.7%) stocks.

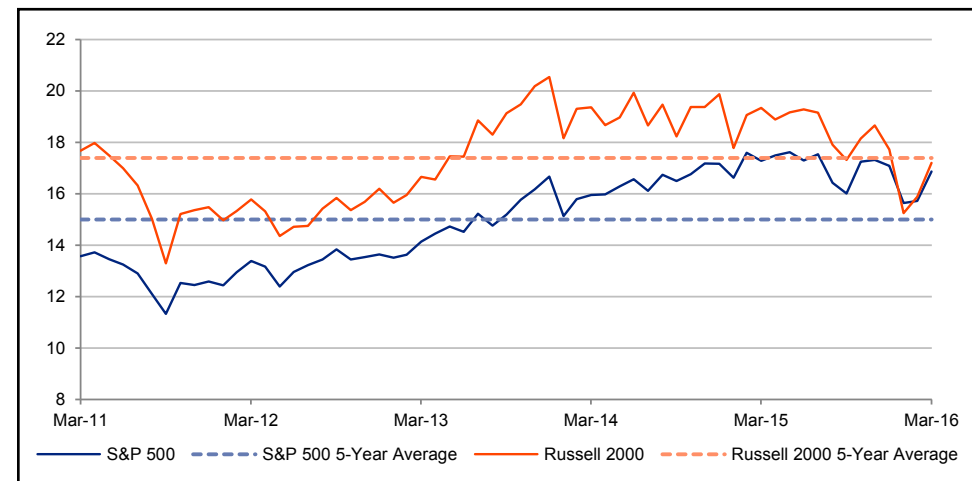
S&P 500 Index Performance by Sector

Periods Ended March 31, 2016



Source: Standard & Poor's.

P/E Ratios of Major Stock Indices*



Source: Bloomberg.

*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.



Quarterly Commentary

First Quarter 2016

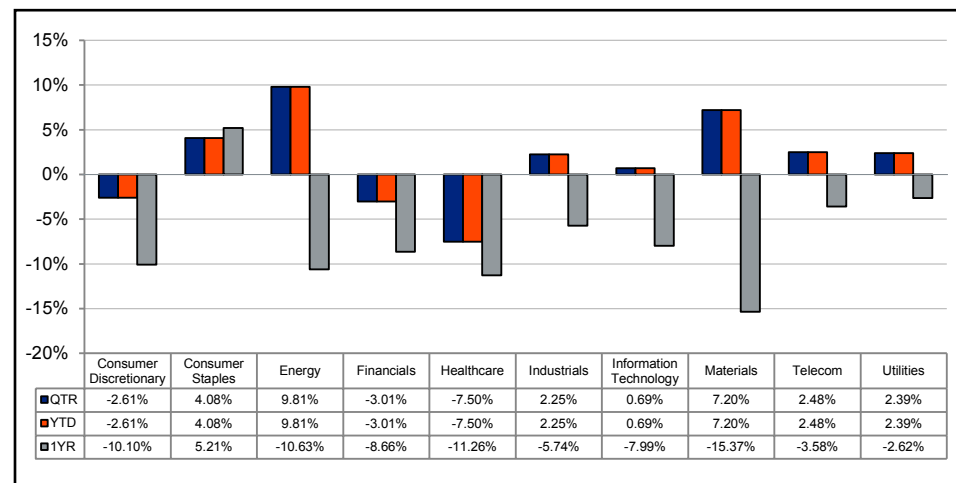
Multi-Asset Class Management

Non-U.S. Equity

- Developed markets outside of North America fell 3%, as measured by the MSCI EAFE Index (net) in U.S. dollars (USD), in the volatile first quarter. Concerns over slowing global growth and the falling price of oil sent markets deep into the red, but a rally in March helped regain some of the early-quarter losses. New Zealand (11.6%) and Canada (11.3%) were the best-performing countries within developed markets. Italy (-11.7%), Israel (-10.2%), and Japan (-6.5%) were the worst-performing countries.
- Emerging markets (EM), as measured by the MSCI EM Index, were also in the red after volatility in the first two months of the quarter, but rebounded strongly in March amid a commodity-price rally and a falling dollar. EM ended the quarter up 5.7% after being down 6.6% at the end of February. Greece (-12.2%) was the biggest laggard during the quarter, followed by Egypt (-5.9%), China (-4.8%), and India (-2.5%). All other countries were positive, with Brazil (28.5%) displaying the strongest performance as investors responded optimistically to news that the country's president is up for impeachment. Fellow South American countries, Peru (27%) and Colombia (22.5%), followed suit with strong gains.
- Within the MSCI All Country World Index (ACWI) ex-US, which includes both developed and EM, the top performers for the first quarter were the biggest laggards from the previous quarter — Energy (9.8%) and Materials (7.2%) — which both staged a strong rally in March. Three sectors saw declines for the quarter: Healthcare (-7.5%), Financials (-3%), and Consumer Discretionary (-2.6%).
- Small-cap stocks outperformed large-cap stocks during the quarter, with the MSCI ACWI ex-US Small Cap Index up 0.6%, while the MSCI ACWI ex-US Index fell 0.4%. Growth stocks outperformed value stocks within developed markets, with the MSCI EAFE Growth Index returning -2.1% versus the MSCI EAFE Value's -4.0%. The opposite was true in emerging countries, with the MSCI EM Value gaining 7.8%, beating the MSCI EM Growth's 3.7% return.

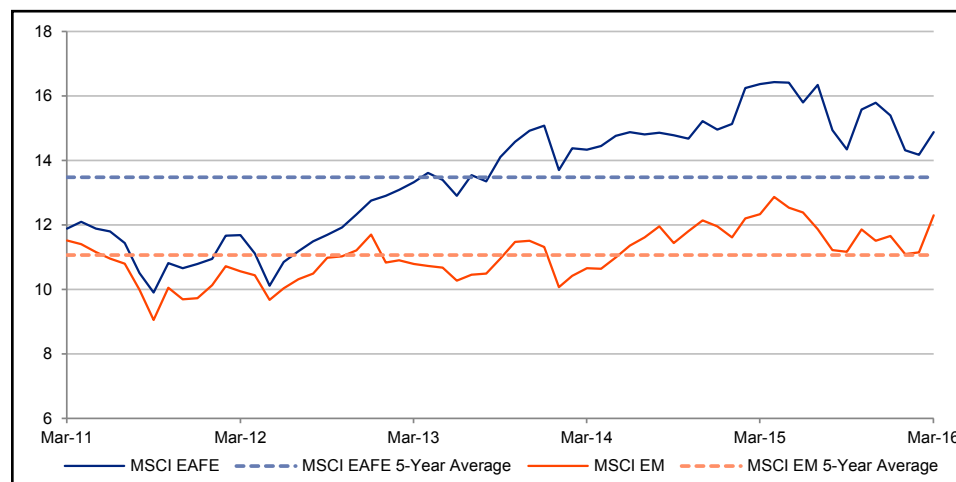
MSCI ACWI ex-US Sectors

Periods Ended March 31, 2016



Source: MSCI.

P/E Ratios of MSCI Equity Indices*



Source: Bloomberg.

*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.



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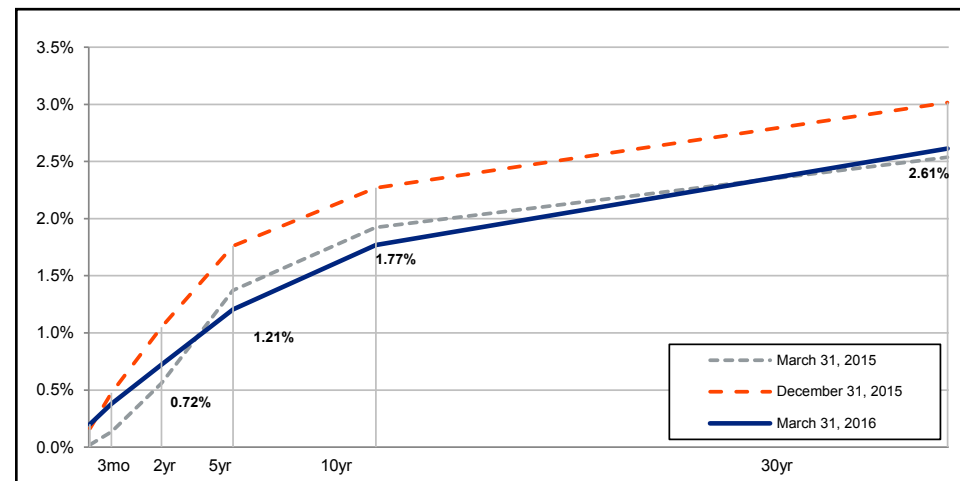
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Multi-Asset Class Management

Fixed Income

- Compared to the beginning of the quarter, yields among almost all U.S. Treasury maturities fell, with the exception of the three-month bill. The curve flattened as modest expectations kept rates relatively up on the shorter-end and depressed economic outlook pushed rates further down on the longer-end. The 10-year U.S. Treasury's yield dropped to 1.8% from 2.3% for the quarter, and the spread between the 10-year and two-year Treasuries fell to 1%, its lowest reading since early 2008.
- As expected, large yield drops on the U.S. Treasury yield curve proved to be beneficial for the fixed-income market. For the quarter, the Barclays U.S. Aggregate Bond Index (Aggregate) gained 3%, almost matching the Barclays U.S. Universal Bond Index's return of 3.1%. The Barclays U.S. Corporate High Yield Index returned 3.4% for the quarter. While these returns may appear closely linked on the surface, the fixed-income market told two stories during the quarter, with higher-quality instruments performing better during the first half of the quarter while instruments with more credit risk performed better during the latter half.
- Within the Aggregate, the investment-grade Barclays U.S. Corporate Index performed relatively well, beating the Barclays U.S. Corporate High Yield Index, and returning 4% for the month. Relative performance among specific composite ratings were mixed, led by bonds rated AAA (4.7%), BBB (4.1%), A (3.9%), and AA (3.6%).
- The fixed-rate mortgage market, as measured by the Barclays U.S. Mortgage-Backed Securities (MBS) Index, gained 2%, while the Barclays U.S. CMBS Index (measuring commercial MBS) gained 3.6%.
- USD-denominated EM debt gained 4.5%, as measured by the Barclays EM USD Aggregate Index.

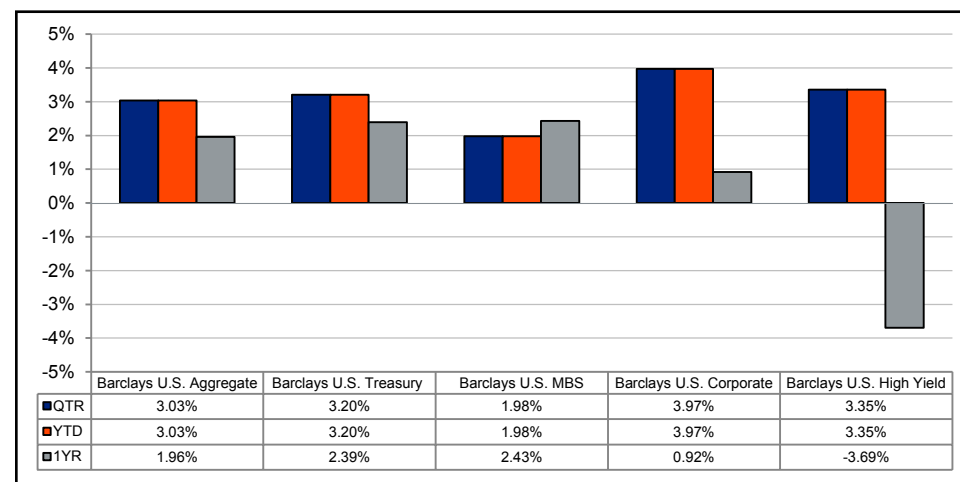
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended March 31, 2016



Source: Bloomberg.



Quarterly Commentary

First Quarter 2016

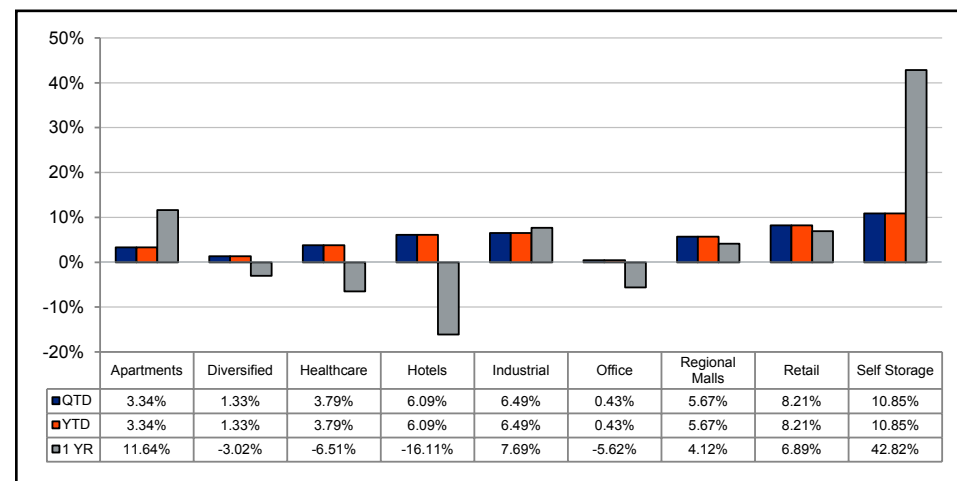
Multi-Asset Class Management

Alternative Asset Classes

- U.S. Real Estate Investment Trusts (REITs)**, as measured by the FTSE NAREIT Equity REIT Index, gained 6% in the first quarter. REITs had a slow start to the year amid broad market volatility, falling 3.3% in January and 0.4% in February before rebounding strongly in March with a 10.1% gain. Every property sector displayed positive returns for the quarter, with the exception of Single Family Homes, a subsector of the Residential sector (3.5%), which fell 1%. Specialty REITs (14.8%), Data Centers (14.3%) and Self Storage REITs (10.9%) were the top-performing sectors.
- Private real estate**, as measured by the NCREIF Index of 7,225 properties nationwide, increased 2.9% during the last quarter of 2015 (first-quarter data not yet available). A value appreciation of 1.7% supplemented a 1.2% income gain.
- Commodities** saw a modest gain, as prices rallied along with broad markets in the second half of the quarter. After two consecutive quarters deep in the red, commodities, as measured by the Bloomberg Commodity Index of 19 raw materials futures, rose 0.4% in the first quarter of the year. The index is down 19.6% over the trailing 12-month period. Commodity-related equities, as measured by the S&P North American Natural Resources Sector Index, gained 6.3% after a rebound in March reversed the strongly negative trend of the previous year.
- Hedge funds** fell 0.8% during the first quarter. The HFRI Fund Weighted Composite Index, a global index of more than 2,000 hedge funds, is down 4.1% over a trailing 12-month period.
- Private equity** fundraising in the first quarter of 2016 was down relative to the fourth quarter of 2015. According to Preqin, private equity funds raised \$71 billion globally in the first quarter, with 151 funds reaching a final close. Venture and Real Estate were the two most active private capital sectors on a global basis, with 54 and 44 funds closing within each sector, respectively, while Buyout followed with 42 fund closings. North America-focused private equity funds led the way, closing 88 funds representing capital commitments of \$38 billion. Europe followed, with 37 funds closing on \$28 billion of capital.

FTSE NAREIT Sectors

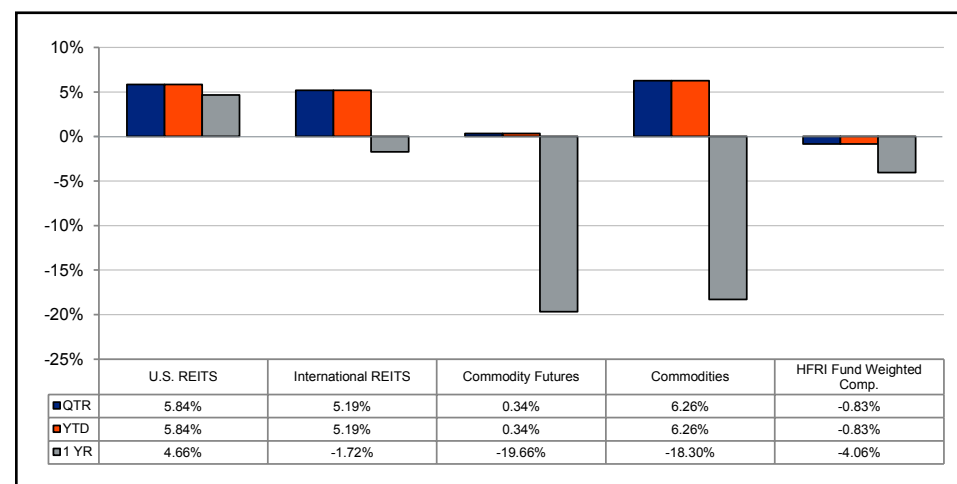
Quarter Ended March 31, 2016



Source: Bloomberg.

Returns for Alternative Assets

Periods Ended March 31, 2016



Sources: Bloomberg and Hedge Fund Research, Inc.



Quarterly Commentary

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Multi-Asset Class Management

PFMAM Investment Strategy Overview For Second Quarter 2016

Asset Class	PFMAM Investment Preference	Comments
U.S. Equities	Large Caps	Positive fundamentals should support modest returns in U.S. equities. There is a risk of emerging markets (EM) spillover. Small-cap equities may be somewhat insulated from global forces and thus may offer more relative value.
	Small Caps	
Non-U.S. Equities	Developed Markets	Modest improvement in developed markets economies, central bank easing, and attractive valuations should support returns. EM equities have attractive valuations but are threatened by deteriorating fundamentals. China is a possible risk, shifting to a consumer-based economy and slowing from its historic growth pace.
	Non-U.S. Small Caps	
	Emerging Markets	
Fixed Income	Long Duration, Interest-Rate-Sensitive Sectors	We see modest rises in short and intermediate rates in tandem with the Federal Reserve's (Fed's) measured tightening.
	Credit-Sensitive Sectors	Credit should be well-supported by continued (slow) expansion of the economy, but we are cautious on sectors exposed to commodities and EM. Real return strategies, including Treasury Inflation-Protected Securities (TIPS) offer opportunity.
Real Estate		Returns from real estate are expected to be more muted going forward, as prices have fully recovered and face headwinds from rising interest rates.
Alternatives	Hedge Funds	Due to rising assets under management and the proliferation of hedge funds and private equity funds, the relative performance from alternatives is unlikely to significantly outperform publicly traded markets.
	Private Equity	

Please refer to the last page of this document for important disclosures. Blue bars represent our current outlook, while gray bars reflect our outlook one year ago.

■ Current outlook ■ Outlook one year ago



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First Quarter 2016

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Disclosures

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Plan Performance Review



Asset Allocation & Performance
City of Colorado Springs Cemetery Endowment Fund
As of March 31, 2016

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Total Fund	9,499,713	100.00	2.34	2.34	N/A	N/A	N/A	1.36	12/01/2015
<i>Blended Benchmark</i>			<i>1.89</i>	<i>1.89</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>0.71</i>	<i>12/01/2015</i>
Domestic Equity									
Vanguard Total Stock Market Index	2,288,273	24.09	0.94	0.94	-0.45	11.11	10.99	-1.11	12/01/2015
<i>Russell 3000 Index</i>			<i>0.97</i>	<i>0.97</i>	<i>-0.34</i>	<i>11.15</i>	<i>11.01</i>	<i>-1.10</i>	<i>12/01/2015</i>
Vanguard Dividend Growth	769,066	8.10	2.82	2.82	4.66	11.84	12.33	1.75	12/01/2015
<i>S&P 500</i>			<i>1.35</i>	<i>1.35</i>	<i>1.78</i>	<i>11.82</i>	<i>11.58</i>	<i>-0.25</i>	<i>12/01/2015</i>
International Equity									
Vanguard Developed Markets Index	820,698	8.64	-2.02	-2.02	-7.35	2.54	2.52	-3.79	12/01/2015
<i>MSCI EAFE (net)</i>			<i>-3.01</i>	<i>-3.01</i>	<i>-8.27</i>	<i>2.23</i>	<i>2.29</i>	<i>-4.31</i>	<i>12/01/2015</i>
J. O. Hambro International Select	319,152	3.36	1.63	1.63	-11.79	8.11	6.85	1.63	01/01/2016
<i>MSCI AC World ex USA (Net)</i>			<i>-0.38</i>	<i>-0.38</i>	<i>-9.19</i>	<i>0.32</i>	<i>0.31</i>	<i>-0.38</i>	<i>01/01/2016</i>
Oppenheimer Int'l Small Mid Company	235,249	2.48	-2.35	-2.35	5.55	14.42	11.42	-1.65	12/01/2015
<i>MSCI AC World ex USA Smid Cap Index (Net)</i>			<i>1.03</i>	<i>1.03</i>	<i>-2.46</i>	<i>3.30</i>	<i>2.05</i>	<i>0.28</i>	<i>12/01/2015</i>
Other Growth Assets									
Vanguard REIT Index	347,529	3.66	6.27	6.27	3.91	10.35	11.76	N/A	04/01/2016
<i>MSCI US REIT Index</i>			<i>6.31</i>	<i>6.31</i>	<i>4.05</i>	<i>10.45</i>	<i>11.85</i>	<i>N/A</i>	<i>04/01/2016</i>
Fixed Income									
Metropolitan West Total Return	1,306,927	13.76	2.43	2.43	1.31	2.69	4.87	2.10	12/01/2015
Baird Core Plus	1,313,097	13.82	3.06	3.06	1.38	2.66	4.49	2.39	12/01/2015
<i>Barclays Aggregate</i>			<i>3.03</i>	<i>3.03</i>	<i>1.96</i>	<i>2.50</i>	<i>3.78</i>	<i>2.70</i>	<i>12/01/2015</i>
Vanguard Intermediate-Term Investment Grade	1,225,606	12.90	3.57	3.57	2.90	3.12	5.09	3.03	12/01/2015
<i>Barclays U.S. Credit: 5-10 Yr</i>			<i>4.07</i>	<i>4.07</i>	<i>2.08</i>	<i>3.16</i>	<i>5.57</i>	<i>3.17</i>	<i>12/01/2015</i>

Returns are net of mutual fund fees.
Returns are expressed as percentages.



Asset Allocation & Performance
City of Colorado Springs Cemetery Endowment Fund
As of March 31, 2016

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Federated Ultrashort Bond Instl	90	0.00	0.41	0.41	0.36	0.63	1.16	0.31	12/01/2015
<i>Barclays Short-term Government/Corporate</i>			<i>0.26</i>	<i>0.26</i>	<i>0.43</i>	<i>0.29</i>	<i>0.31</i>	<i>0.26</i>	<i>12/01/2015</i>
Vanguard High Yield Corporate	254,439	2.68	2.32	2.32	-1.02	2.81	5.56	N/A	04/01/2016
<i>Barclays US Corp: High Yield</i>			<i>3.35</i>	<i>3.35</i>	<i>-3.69</i>	<i>1.84</i>	<i>4.93</i>	<i>N/A</i>	<i>04/01/2016</i>
Wells Fargo Short Term High Yield Bond	168,851	1.78	1.39	1.39	1.84	2.34	3.29	N/A	04/01/2016
<i>Barclays U.S. High Yield Ba/B 1-5 Year Index</i>			<i>2.06</i>	<i>2.06</i>	<i>-2.45</i>	<i>1.92</i>	<i>4.60</i>	<i>N/A</i>	<i>04/01/2016</i>
Real Return Assets									
Vanguard Inflation Protected Fund	427,589	4.50	4.56	4.56	1.51	-0.77	2.99	3.60	12/01/2015
<i>Barclays U.S. Treasury: U.S. TIPS</i>			<i>4.46</i>	<i>4.46</i>	<i>1.51</i>	<i>-0.71</i>	<i>3.02</i>	<i>3.63</i>	<i>12/01/2015</i>
Cash Equivalent									
First American Government Obligation	23,147	0.24	0.00	0.00	0.01	0.01	0.01	0.00	12/01/2015

Returns are net of mutual fund fees.
Returns are expressed as percentages.



Comparative Performance
City of Colorado Springs Cemetery Endowment Fund
As of March 31, 2016

	2015	2014	2013	2012	2011
Total Fund	N/A	N/A	N/A	N/A	N/A
<i>Blended Benchmark</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Domestic Equity					
Vanguard Total Stock Market Index	0.39	12.56	33.52	16.38	1.08
<i>Russell 3000 Index</i>	<i>0.48</i>	<i>12.56</i>	<i>33.55</i>	<i>16.42</i>	<i>1.03</i>
Vanguard Dividend Growth	2.67	11.85	31.53	10.39	9.43
<i>S&P 500</i>	<i>1.38</i>	<i>13.69</i>	<i>32.39</i>	<i>16.00</i>	<i>2.11</i>
International Equity					
Vanguard Developed Markets Index	-0.18	-5.66	22.06	18.56	-12.51
<i>MSCI EAFE (net)</i>	<i>-0.81</i>	<i>-4.90</i>	<i>22.78</i>	<i>17.32</i>	<i>-12.14</i>
J. O. Hambro International Select	-4.05	5.35	38.21	15.48	-15.24
<i>MSCI AC World ex USA (Net)</i>	<i>-5.66</i>	<i>-3.87</i>	<i>15.29</i>	<i>16.83</i>	<i>-13.71</i>
Oppenheimer Int'l Small Mid Company	15.15	0.38	45.26	23.17	-20.08
<i>MSCI AC World ex USA Smid Cap Index (Net)</i>	<i>0.44</i>	<i>-3.05</i>	<i>17.79</i>	<i>17.98</i>	<i>-16.90</i>
Other Growth Assets					
Vanguard REIT Index	2.39	30.32	2.42	17.69	8.62
<i>MSCI US REIT Index</i>	<i>2.52</i>	<i>30.38</i>	<i>2.47</i>	<i>17.78</i>	<i>8.68</i>
Fixed Income					
Metropolitan West Total Return	0.29	5.99	0.50	11.55	5.52
Baird Core Plus	0.14	6.59	-1.32	7.95	7.89
<i>Barclays Aggregate</i>	<i>0.55</i>	<i>5.97</i>	<i>-2.02</i>	<i>4.21</i>	<i>7.84</i>
Vanguard Intermediate-Term Investment Grade	1.63	5.91	-1.27	9.25	7.63
<i>Barclays U.S. Credit: 5-10 Yr</i>	<i>0.69</i>	<i>7.38</i>	<i>-2.05</i>	<i>11.26</i>	<i>8.21</i>

Returns are net of mutual fund fees.
Returns are expressed as percentages.



Comparative Performance
City of Colorado Springs Cemetery Endowment Fund
As of March 31, 2016

	2015	2014	2013	2012	2011
Federated Ultrashort Bond Instl	0.32	0.88	0.63	2.81	1.32
<i>Barclays Short-term Government/Corporate</i>	<i>0.26</i>	<i>0.18</i>	<i>0.25</i>	<i>0.36</i>	<i>0.37</i>
Vanguard High Yield Corporate	-1.30	4.69	4.64	14.47	7.24
<i>Barclays US Corp: High Yield</i>	<i>-4.47</i>	<i>2.45</i>	<i>7.44</i>	<i>15.81</i>	<i>4.98</i>
Wells Fargo Short Term High Yield Bond	2.29	0.68	3.75	6.53	3.64
<i>Barclays U.S. High Yield Ba/B 1-5 Year Index</i>	<i>-2.73</i>	<i>1.79</i>	<i>7.18</i>	<i>13.74</i>	<i>4.56</i>
Real Return Assets					
Vanguard Inflation Protected Fund	-1.69	3.97	-8.86	6.90	13.29
<i>Barclays U.S. Treasury: U.S. TIPS</i>	<i>-1.44</i>	<i>3.64</i>	<i>-8.61</i>	<i>6.98</i>	<i>13.56</i>
Cash Equivalent					
First American Government Obligation	0.01	0.01	0.01	0.01	0.00

Returns are net of mutual fund fees.
Returns are expressed as percentages.



Account Reconciliation
City of Colorado Springs Cemetery Endowment Fund
As of March 31, 2016

QTR

	Market Value As of 01/01/2016	Net Flows	Return On Investment	Market Value As of 03/31/2016
Total Fund	9,729,241	(439,541)	210,013	9,499,713

YTD

	Market Value As of 01/01/2016	Net Flows	Return On Investment	Market Value As of 03/31/2016
Total Fund	9,729,241	(439,541)	210,013	9,499,713

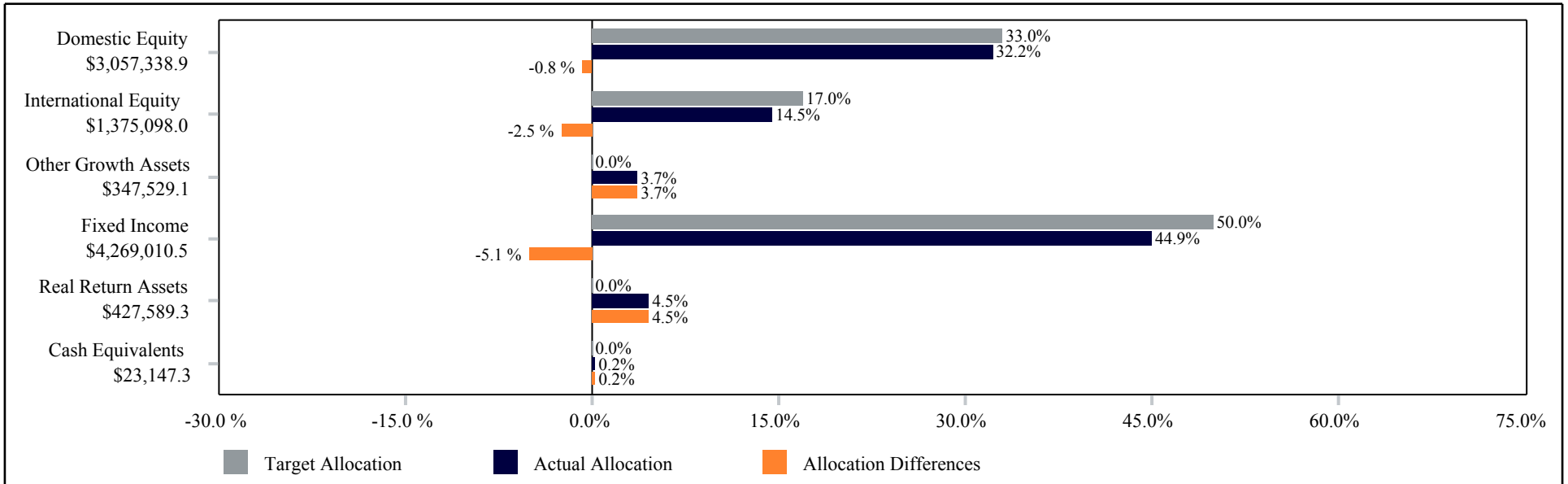
1 Year

	Market Value As of 04/01/2015	Net Flows	Return On Investment	Market Value As of 03/31/2016
Total Fund	-	9,408,969	90,744	9,499,713



Asset Allocation Compliance
City of Colorado Springs Cemetery Endowment Fund
As of March 31, 2016

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
Total Fund	100.0	100.0	N/A	N/A	0.0
Domestic Equity	32.2	33.0	10.0	60.0	-0.8
International Equity	14.5	17.0	0.0	40.0	-2.5
Other Growth Assets	3.7	0.0	0.0	20.0	3.7
Fixed Income	44.9	50.0	20.0	80.0	-5.1
Real Return Assets	4.5	0.0	0.0	20.0	4.5
Cash Equivalents	0.2	0.0	0.0	20.0	0.2



Historical Hybrid Composition
Blended Benchmark
City of Colorado Springs Cemetery Endowment Fund
As of March 31, 2016

Allocation Mandate	Weight (%)
Dec-2015	
Russell 3000 Index	33.0
MSCI AC World ex USA (Net)	17.0
Barclays Aggregate	50.0

Investment Manager Review



- **Vanguard Total Stock Market Index**

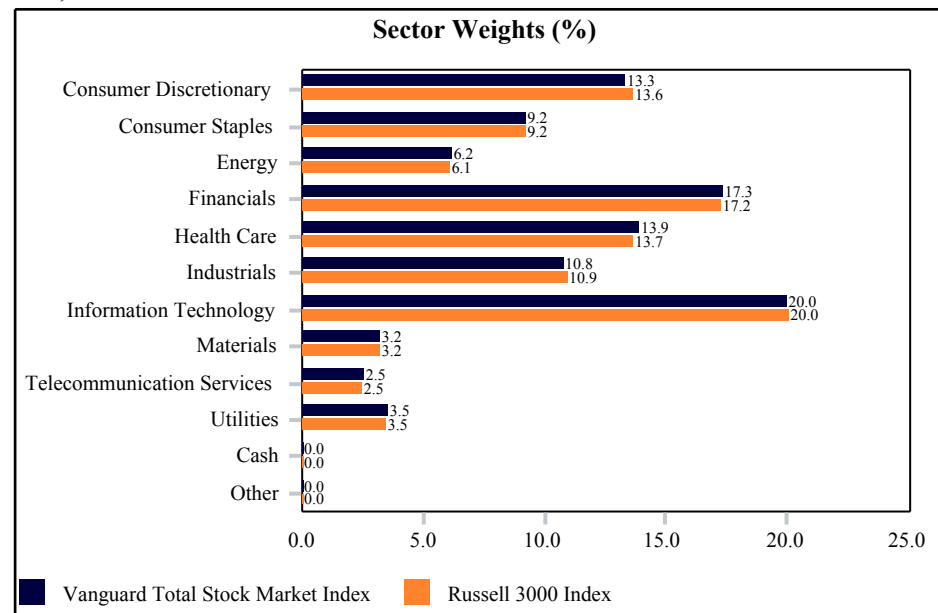
- **Management:** Gerard C. O'Reilly has managed the Fund since its inception. Joseph Brennan, CFA, Principal of Vanguard and global head of Vanguard's Equity Index Group, has oversight responsibility for all equity index funds managed by the Equity Investment Group.
- **Objective:** The Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.
- **Strategy:** The Fund employs a "passive management" – or indexing – investment approach designed to track the performance of the CRSP US Total Market Index. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

- **Vanguard Dividend Growth**

- **Management:** The Fund has been sub-advised by Wellington Management Company, LLC since 1992. Donald J. Kilbride has advised the fund since 2006.
- **Objective:** The Fund seeks long-term capital appreciation and current income.
- **Strategy:** The Fund invests in a diversified array of stable, well-managed companies that have a history of or a potential for growing dividends over time. Valuation is key to security selection, with the Fund preferring stocks that trade at a discount to the market or that possess an attractive risk/reward profile. The Fund is not constrained by a traditional value or growth mandate, but is permitted sufficient style latitude to search a broad investment universe for quality stocks.

Portfolio Characteristics
Vanguard Total Stock Market Index vs. Russell 3000 Index
As of March 31, 2016

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	113,896	114,799
Median Mkt. Cap (\$M)	815	1,375
Price/Earnings ratio	19.45	19.35
Price/Book ratio	3.06	3.07
5 Yr. EPS Growth Rate (%)	7.96	7.87
Current Yield (%)	2.08	2.08
Beta (5 Years, Monthly)	1.00	1.00
Number of Stocks	3,665	2,979



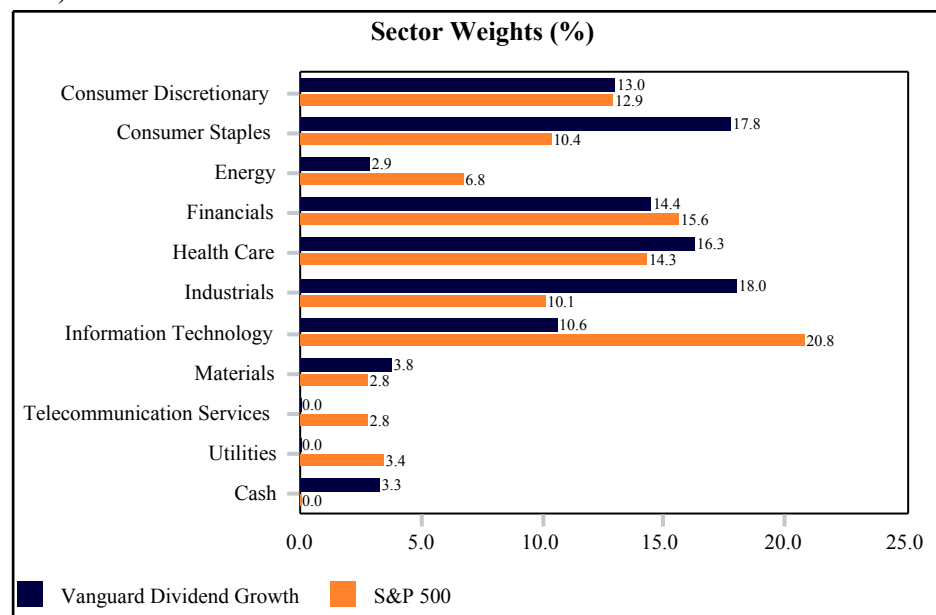
Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	2.66	2.85	-0.19	4.10
Microsoft Corp	1.92	2.03	-0.11	0.25
Exxon Mobil Corp	1.61	1.59	0.02	8.21
General Electric Co	1.39	1.36	0.03	2.86
Johnson & Johnson	1.38	1.36	0.02	6.09
Berkshire Hathaway Inc	1.21	1.20	0.01	7.45
Facebook Inc	1.15	1.12	0.03	9.02
AT&T Inc	1.11	1.08	0.03	15.44
Amazon.com Inc	1.03	1.03	0.00	-12.17
Procter & Gamble Co (The)	1.03	1.01	0.02	4.56
% of Portfolio	14.49	14.63		

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Celator Pharmaceuticals Inc	0.00	0.00	0.00	526.70
Centrus Energy Corp	0.00	0.00	0.00	241.67
Argos Therapeutics Inc	0.00	0.00	0.00	177.05
Skyline Corp	0.00	0.00	0.00	160.42
Nxt-ID Inc	0.00	0.00	0.00	141.66
Town Sports International Holdings Inc	0.00	0.00	0.00	141.18
Cardica Inc	0.00	0.00	0.00	130.72
Vericel Corp	0.00	0.00	0.00	127.13
Coeur Mining Inc	0.00	0.00	0.00	126.61
Golden Minerals Co	0.00	0.00	0.00	124.89
% of Portfolio	0.00	0.00		



Portfolio Characteristics
Vanguard Dividend Growth vs. S&P 500 Index
As of March 31, 2016

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	107,410	137,949
Median Mkt. Cap (\$M)	72,790	18,411
Price/Earnings ratio	21.67	19.34
Price/Book ratio	3.98	3.21
5 Yr. EPS Growth Rate (%)	8.12	7.24
Current Yield (%)	2.29	2.19
Beta (5 Years, Monthly)	0.81	1.00
Number of Stocks	46	504



Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	3.31	2.43	0.88	0.25
CASH	3.31	0.00	3.31	N/A
United Parcel Service Inc	3.15	0.41	2.74	10.48
Costco Wholesale Corp	3.01	0.39	2.62	-2.16
Nike Inc	2.93	0.46	2.47	-1.39
TJX Companies Inc (The)	2.74	0.29	2.45	10.82
Colgate-Palmolive Co	2.74	0.35	2.39	6.68
Accenture PLC	2.73	0.40	2.33	10.43
Chubb Ltd	2.68	0.31	2.37	2.54
Marsh & McLennan Companies Inc.	2.68	0.18	2.50	10.29
% of Portfolio	29.28	5.22		

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Canadian National Railway Co	2.56	0.00	2.56	13.25
Praxair Inc.	2.50	0.18	2.32	12.56
Oracle Corp	2.08	0.72	1.36	12.46
Public Storage	1.80	0.23	1.57	12.09
TJX Companies Inc (The)	2.74	0.29	2.45	10.82
United Parcel Service Inc	3.15	0.41	2.74	10.48
Accenture PLC	2.73	0.40	2.33	10.43
Marsh & McLennan Companies Inc.	2.68	0.18	2.50	10.29
Unitedhealth Group Inc	2.52	0.68	1.84	10.02
Coca-Cola Co (The)	2.53	1.01	1.52	8.82
% of Portfolio	25.29	4.10		



- **Vanguard Developed Markets Index**

- **Management:** Christine Franquin of Vanguard’s Global Investment Group. Ms. Franquin has managed this Fund since 2013 and has been with Vanguard since 2000.
- **Objective:** The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in the major markets of Europe and Pacific regions.
- **Strategy:** The Fund employs a “passive management” – or indexing – investment approach that seeks to track the investment performance of the FTSE Developed ex North America Index, an unmanaged benchmark representing developed markets in Europe and the Pacific region.

- **J O Hambro International Select**

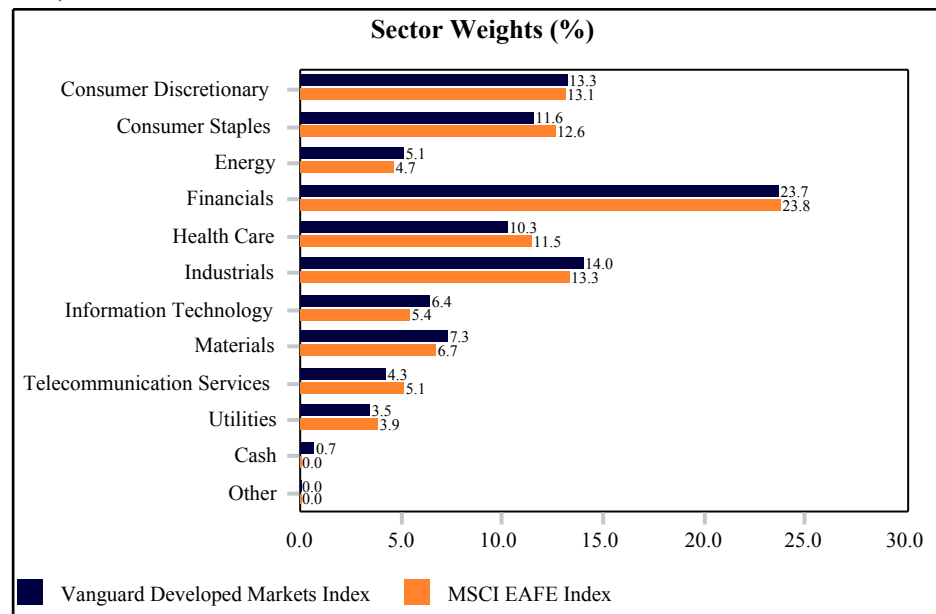
- **Management:** The fund is managed by Christopher Lees and Nudgem Richyal. Both the senior fund managers joined the firm in 2008, having previously worked together at Baring Asset Management.
- **Objective:** The fund managers aim to exploit market anomalies via an investment process that combines both top-down and bottom-up research.
- **Strategy:** The fund managers target multiple sources of performance, looking for stocks, sectors, and countries with rising earnings estimates, rising or high and sustainable return on equity, appropriate valuation, and attractive mean reversion and momentum characteristics. They evaluate the correlation between each stock and its sector or country in order to avoid buying “good stocks in bad neighborhoods”. A ruthless sell discipline is employed, whereby a stock is immediately sold to zero weight when its fundamentals or technicals deteriorate, or when there is contagion from deteriorating fundamentals or technicals in a stock’s sector or country.

- **Oppenheimer International Small-Mid Company Fund**

- **Management:** Rezo Kanovich has been the portfolio manager for this fund since 2012 and previously served as an analyst on Oppenheimer’s Global Equity Fund since 2005. He is part of Oppenheimer’s Global Equity Team, which consists of 21 portfolio managers, analysts and traders.
- **Objective:** The Fund seeks capital appreciation.
- **Strategy:** The Fund invests primarily in small- and mid-cap companies domiciled outside the U.S. that offer opportunities for growth. Rigorous, fundamental analysis is employed to identify future leaders that operate in industries driven by structural growth and high barriers to entry. The Fund seeks companies with meaningful competitive advantages such as technological leadership, intellectual property, strong brands, or industries favoring natural monopolies. Oppenheimer’s Global Equity Team uses several secular growth themes as a way to focus attention on certain segments of the global marketplace, which they refer to as MANTRA (Mass Affluence, New Technology, Restructuring and Aging).

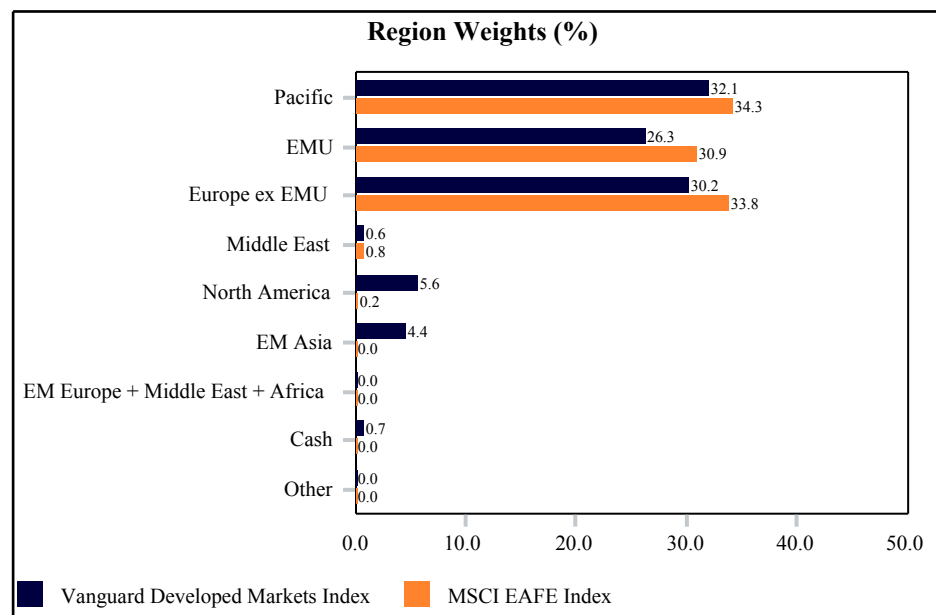
Portfolio Characteristics
Vanguard Developed Markets Index vs. MSCI EAFE Index
As of March 31, 2016

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	46,373	53,306
Median Mkt. Cap (\$M)	1,559	8,936
Price/Earnings ratio	15.05	15.43
Price/Book ratio	2.12	2.17
5 Yr. EPS Growth Rate (%)	6.37	5.99
Current Yield (%)	3.21	3.37
Beta (5 Years, Monthly)	0.98	1.00
Number of Stocks	3,768	928



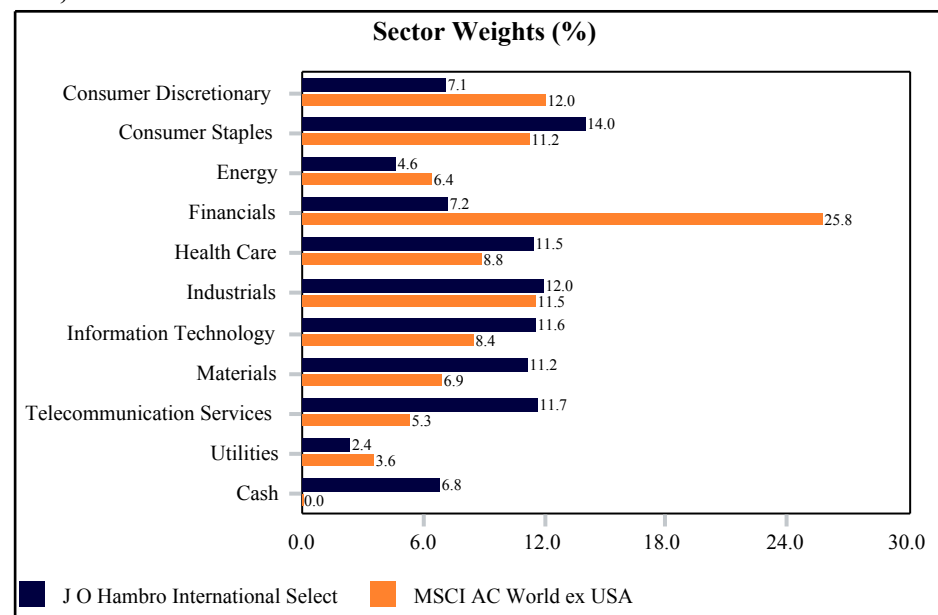
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Nestle SA, Cham Und Vevey	1.61	2.00	-0.39	0.72
Roche Holding AG	1.19	1.45	-0.26	-7.62
Novartis AG	1.06	1.39	-0.33	-12.91
Toyota Motor Corp	0.99	1.20	-0.21	-13.33
HSBC Holdings PLC	0.83	1.02	-0.19	-18.47
British American Tobacco PLC	0.75	0.92	-0.17	8.53
Novo Nordisk A/S	0.69	0.89	-0.20	-4.99
Glaxosmithkline PLC	0.68	0.83	-0.15	3.44
Anheuser-Busch InBev SA/NV	0.68	0.84	-0.16	0.20
CASH	0.68	0.00	0.68	N/A
% of Portfolio	9.16	10.54		



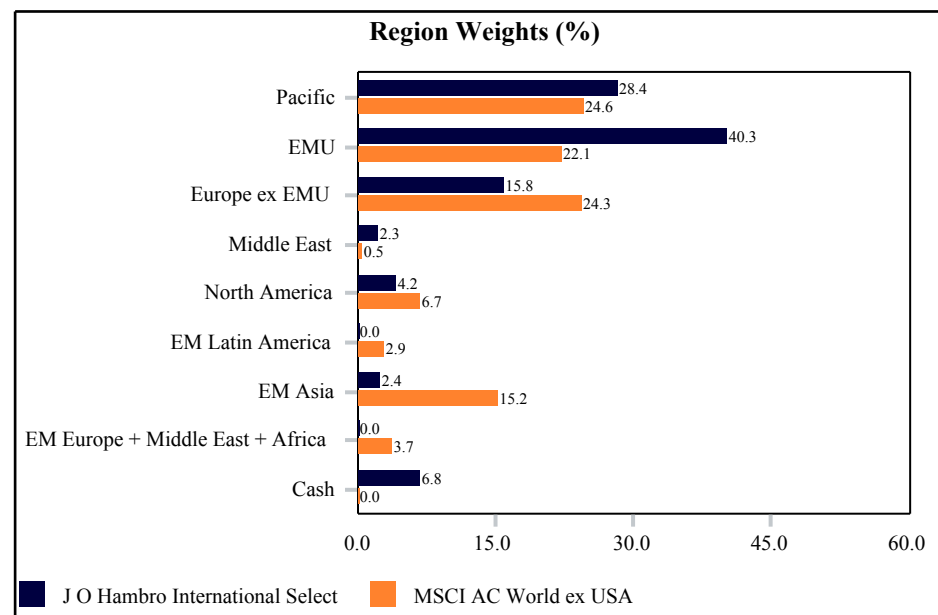
Portfolio Characteristics
J O Hambro International Select vs. MSCI AC World ex USA
As of March 31, 2016

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	38,410	49,490
Median Mkt. Cap (\$M)	18,849	6,912
Price/Earnings ratio	21.13	14.64
Price/Book ratio	2.48	2.16
5 Yr. EPS Growth Rate (%)	7.45	6.50
Current Yield (%)	2.03	3.26
Number of Stocks	42	1,856



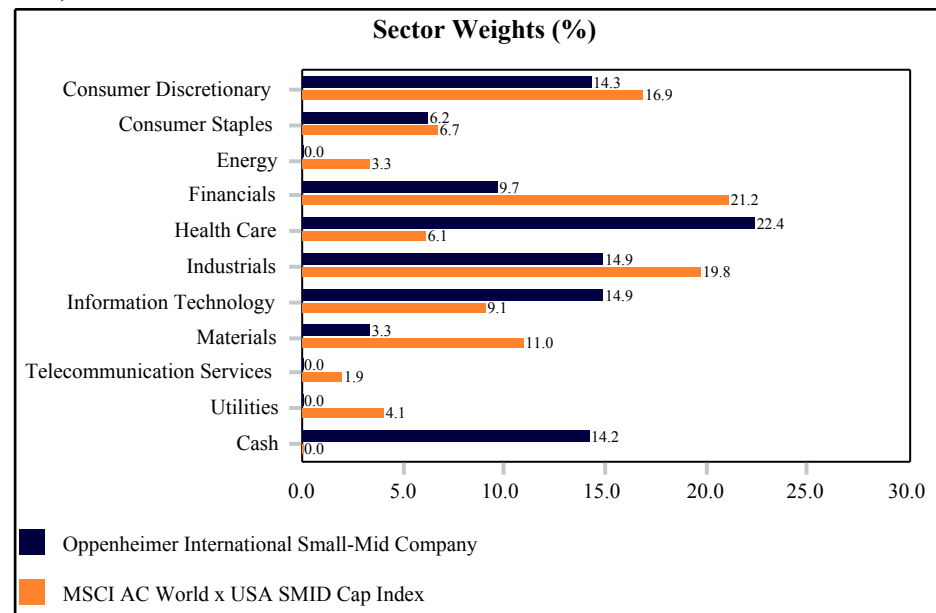
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	6.81	0.00	6.81	N/A
Daiichi Sankyo Company Ltd	2.57	0.09	2.48	7.96
GEA Group AG	2.55	0.05	2.50	20.64
Henkel AG & Co KGAA	2.49	0.06	2.43	2.26
Kddi Corp	2.48	0.28	2.20	2.99
Grifols S.A.	2.46	0.04	2.42	-3.66
Gamesa Corporacion Tecnologica SA	2.45	0.00	2.45	15.18
SAP AG Systeme Anwendungen Produkte	2.44	0.48	1.96	1.67
Givaudan AG Vernier	2.43	0.11	2.32	11.29
Deutsche Boerse AG, Frankfurt Am Main	2.43	0.10	2.33	-3.32
% of Portfolio	29.11	1.21		



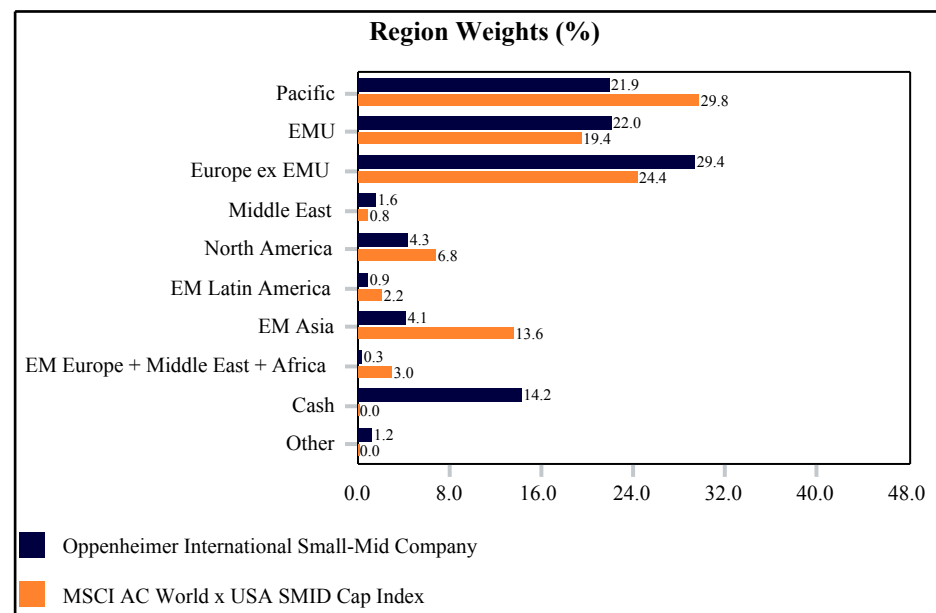
Portfolio Characteristics
Oppenheimer International Small-Mid Company vs. MSCI AC World x USA SMID Cap Index
As of March 31, 2016

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	3,510	4,874
Median Mkt. Cap (\$M)	2,911	922
Price/Earnings ratio	23.81	15.18
Price/Book ratio	2.94	2.20
5 Yr. EPS Growth Rate (%)	11.99	7.95
Current Yield (%)	1.50	2.76
Beta (5 Years, Monthly)	0.79	1.00
Number of Stocks	154	5,212



Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	14.23	0.00	14.23	N/A
Lonza Group AG, Zuerich	2.10	0.15	1.95	4.25
Ocado Group PLC	1.65	0.03	1.62	-6.95
Nice Systems Ltd	1.56	0.06	1.50	13.33
Askul Corp	1.36	0.01	1.35	1.18
Ariake Japan Co Ltd	1.32	0.02	1.30	5.83
Obic Co Ltd	1.21	0.06	1.15	-0.35
Britvic Plc	1.21	0.04	1.17	-4.74
Ossur HF	1.15	0.00	1.15	4.31
H Lundbeck A/S	1.14	0.00	1.14	-3.47
% of Portfolio	26.93	0.37		

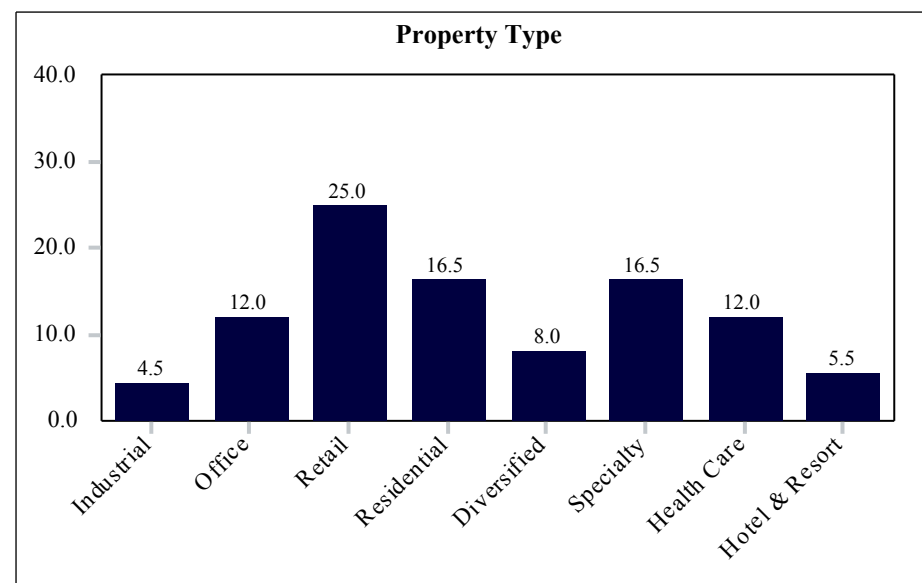


- **Vanguard REIT Index**

- **Management:** Gerald C. O'Reilly, Principal of Vanguard, has managed the Fund since its inception in 1996.
- **Objective:** The Fund seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity REITs.
- **Strategy:** The Fund normally invests 98% of its assets in stocks issued by equity real estate investment trusts (known as REITs) in an attempt to track investment performance of the Morgan Stanley Capital International (MSCI) REIT Index. The Fund invests in stocks that make up the index; the remaining assets are allocated to cash investments.

Portfolio Characteristics
Vanguard REIT
As of March 31, 2016

Portfolio Characteristics	
	Portfolio
Wtd. Avg. Mkt. Cap (\$M)	18,353
Median Mkt. Cap (\$M)	2,790
Price/Earnings ratio	32.58
Price/Book ratio	2.55
5 Yr. EPS Growth Rate (%)	24.64
Current Yield (%)	3.82
Number of Stocks	151



Top Ten Equity Holdings	
	Portfolio Weight (%)
Simon Property Group Inc.	8.25
Public Storage	5.21
Equity Residential	3.51
AvalonBay Communities Inc.	3.34
Welltower Inc	3.15
ProLogis Inc	2.97
Equinix Inc	2.83
Ventas Inc.	2.69
Boston Properties Inc	2.51
General Growth Properties Inc	2.19
% of Portfolio	36.65

Ten Best Performers	
	Quarterly Return (%)
DuPont Fabros Technology Inc	28.96
Rouse Properties Inc	27.96
Iron Mountain Inc	27.56
Seritage Growth Properties	24.85
CoreSite Realty Corp	24.37
Senior Housing Properties Trust	23.84
Corrections Corp of America	23.03
CyrusOne Inc	22.99
GEO Group Inc (The)	22.91
Realty Income Corp.	22.31



- **Metropolitan West Total Return**

- **Management:** Tad Rivelle, Steve Kane and Laird Landmann form the senior management team assigned to the Fund. All three have managed the Fund since its inception, having co-founded Metropolitan West Asset Management (MetWest) in 1996. Bryan Whalen joined them as a generalist portfolio manager in 2004. TCW acquired MetWest in 2009.
- **Objective:** The Fund seeks to maximize long-term total return.
- **Strategy:** The Fund seeks to outperform the Barclays Capital Aggregate Index while maintaining overall risk similar to the index. The Fund will maintain an average duration between 2 and 8 years, and is normally expected to be within one year of the duration of the Barclays Capital Aggregate Index. Investments can include government and corporate debt securities, mortgage- and asset-backed securities, money market instruments, and derivatives. The Fund can invest up to 20% in issues rated below BBB but no lower than B.

- **Baird Core Plus**

- **Management:** The Fund is managed by a team of six portfolio managers (including 4 CFAs) that have been managing the fund since 2000 and each have more than 20 years of experience managing fixed income portfolios.
- **Objective:** The Fund seeks to maximize long-term total return and achieve an annual return that exceeds its benchmark.
- **Strategy:** The Fund normally invests at least 80% of assets in the following types of U.S. dollar-denominated debt securities: U.S. government, U.S. government agencies, asset-backed and mortgage-backed obligations of U.S. issuers and corporate debt of U.S. and foreign issuers. It invests primarily in investment-grade debt securities, but can invest up to 20% of net assets in non-investment grade securities.

- **Vanguard Intermediate-Term Investment Grade**

- **Management:** Gregory Davis, CFA, principal and global head of Fixed Income Group, has direct oversight responsibility for all money market, bond, and stable value portfolios managed by the Fixed Income Group. He has managed investment portfolios since 2000 and has been with Vanguard since 1999. Gregory S. Nassour, CFA, Principal at Vanguard serves as the portfolio manager for the Fund. He has been advising the Fund since 2008 and has worked in the investment management industry since 1992.
- **Objective:** The Fund seeks to provide a moderate and sustainable level of current income.
- **Strategy:** The Fund invests in a variety of high-quality and, to a lesser extent, medium-quality fixed income securities, at least 80% of which will be short- and intermediate-term investment-grade securities. High-quality fixed income securities are those rated the equivalent of A3 or better by Moody's Investors Service, Inc., or another independent rating agency; medium-quality fixed income securities are those rated the equivalent of Baa1, Baa2, or Baa3 by Moody's, or another independent rating agency. Investment-grade fixed income securities are those rated the equivalent of Baa3 and above by Moody's. The fund is expected to maintain a dollar-weighted average maturity of 5 to 10 years.

- **Vanguard High-Yield Corporate Fund**

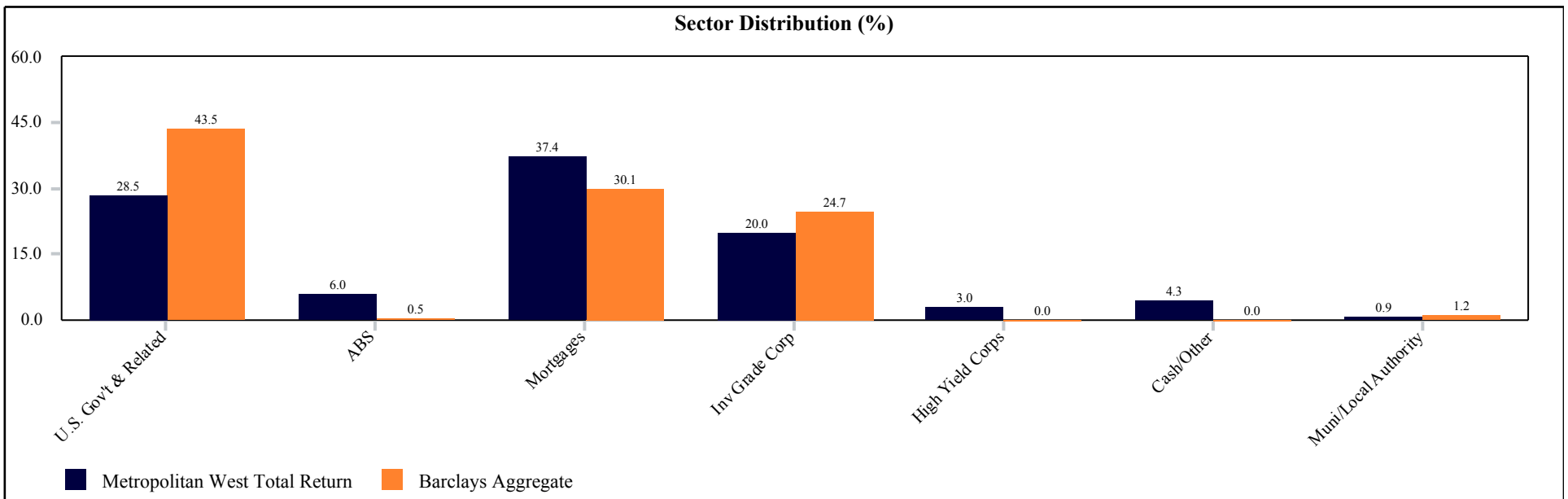
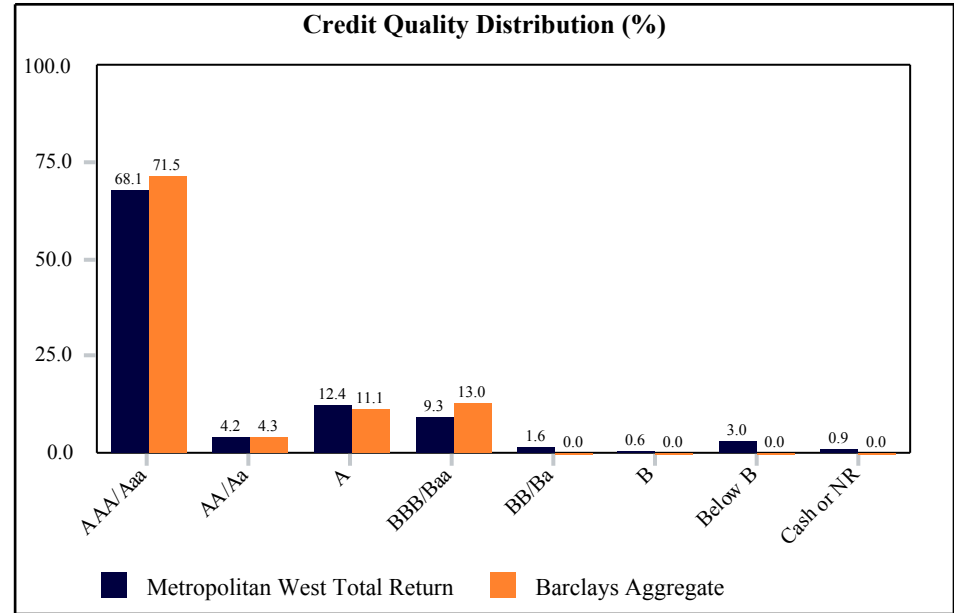
- **Management:** The Fund is managed by Michael L. Hong, CFA, Vice President and Portfolio Manager of Wellington Management Company, LLP. Mr. Hong, CFA, leads the firm's high-yield credit research team and has worked in investment management with Wellington since 1997.
- **Objective:** The Fund seeks to provide a high level of current income.
- **Strategy:** The Vanguard High-Yield Corporate Fund invests in a diversified portfolio of medium- and lower-quality corporate bonds, often referred to as "junk bonds." Created in 1978, this fund seeks to purchase what the advisor considers higher-rated junk bonds. This approach aims to capture consistent income and minimize defaults and principal loss. Although this is a bond fund, high-yield bonds tend to have volatility similar to that of the stock market. The Fund's internal benchmark includes a 5% target to shorter maturity treasuries to aid in liquidity.

- **Wells Fargo Short-Term High Yield Bond Fund**

- **Management:** The Fund is managed by Thomas Price, CFA, Managing Director and Senior Portfolio Manager, Kevin Maas, CFA, Portfolio Manager and Michael Schueller, Portfolio Manager. The team, based outside Milwaukee, WI, was part of an acquisition of Strong Capital Management by Wells in 2005. Recently, Wells re-organized the research platform, combining the WI-based team with Sutter Credit Strategies, based in San Francisco, CA.
- **Objective:** The Wells Fargo Short-Term High Yield Bond Fund seeks current income by investing primarily in a diversified portfolio of non-investment-grade corporate debt securities with an average maturity of three years or less.
- **Strategy:** The Fund seeks to generate competitive short-term yields by investing in BB- and B-rated corporate debt securities with an average effective maturity of less than three years. It focuses on higher-quality, below-investment-grade corporate debt securities and seeks lower volatility than the funds in the high-yield bond and bank-loan categories. Typically, a third of the portfolio weight is held in bank loans.

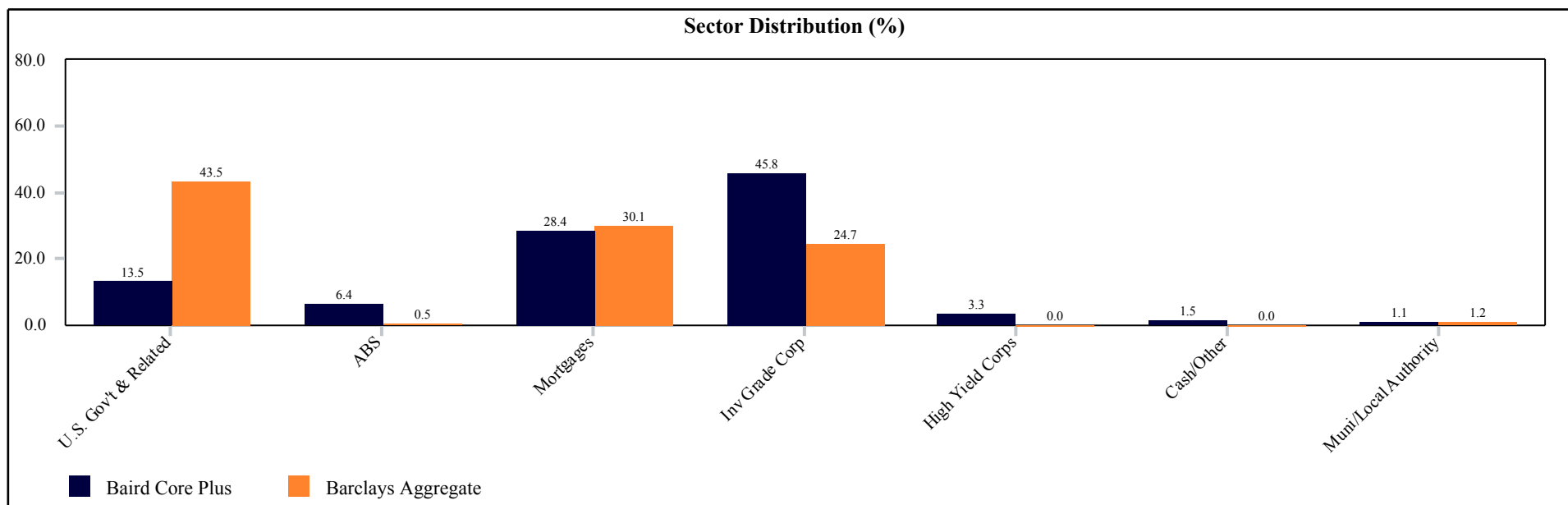
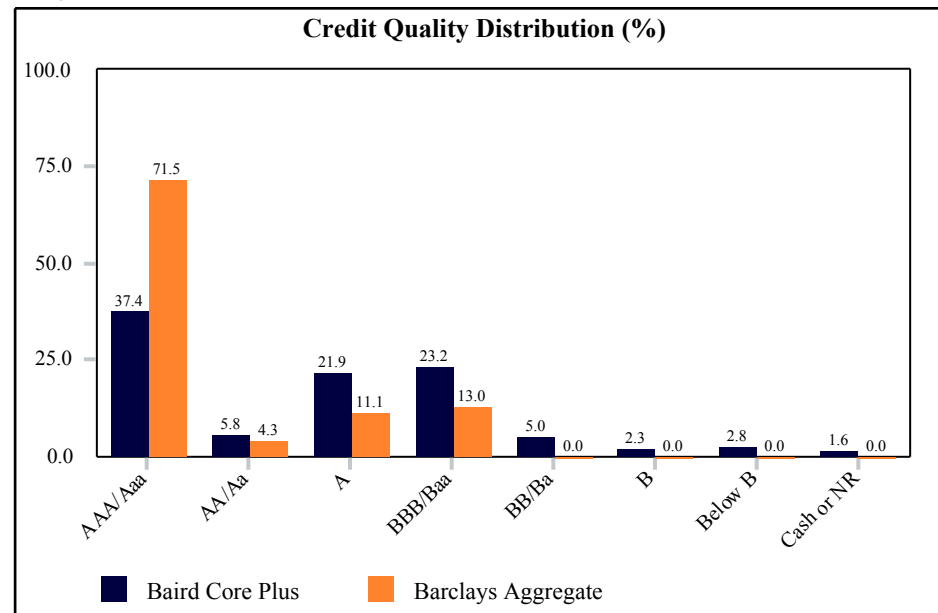
Portfolio Characteristics
Metropolitan West Total Return vs. Barclays Aggregate
As of March 31, 2016

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	4.79	5.47
Yield To Maturity (%)	2.48	2.16
Avg. Maturity	7.37	7.79
Avg. Quality	AA	AA
Coupon Rate (%)	2.57	3.16



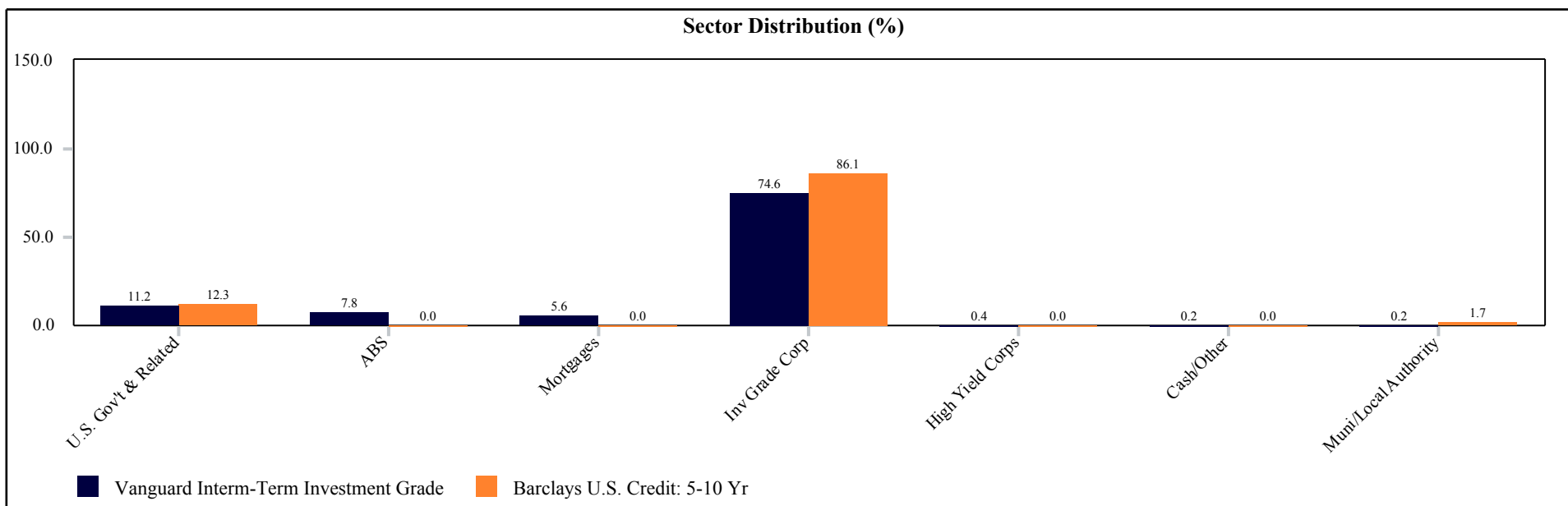
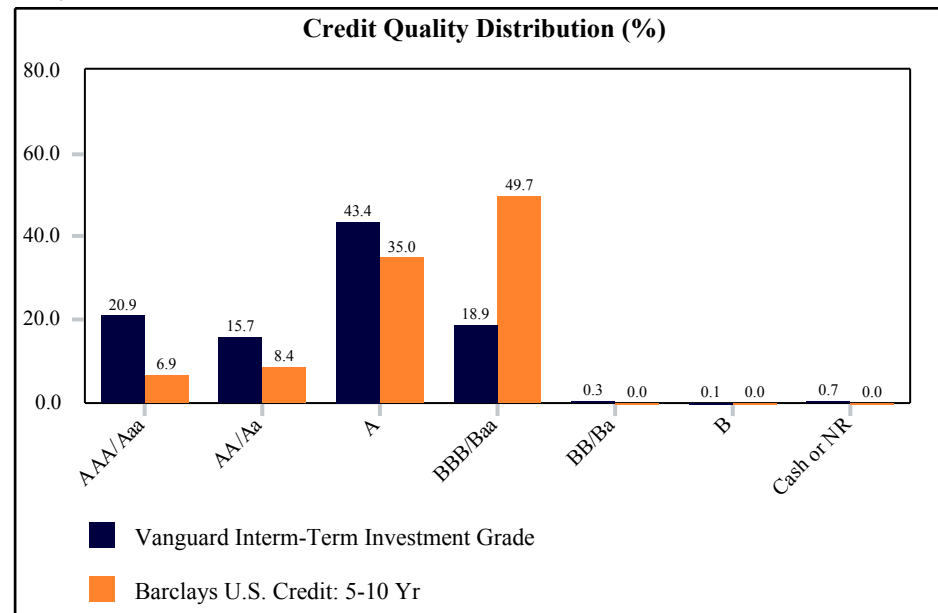
Portfolio Characteristics
Baird Core Plus vs. Barclays Aggregate
As of March 31, 2016

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.35	5.47
Yield To Maturity (%)	3.05	2.16
Avg. Maturity	7.18	7.79
Avg. Quality	A	AA
Coupon Rate (%)	3.65	3.16



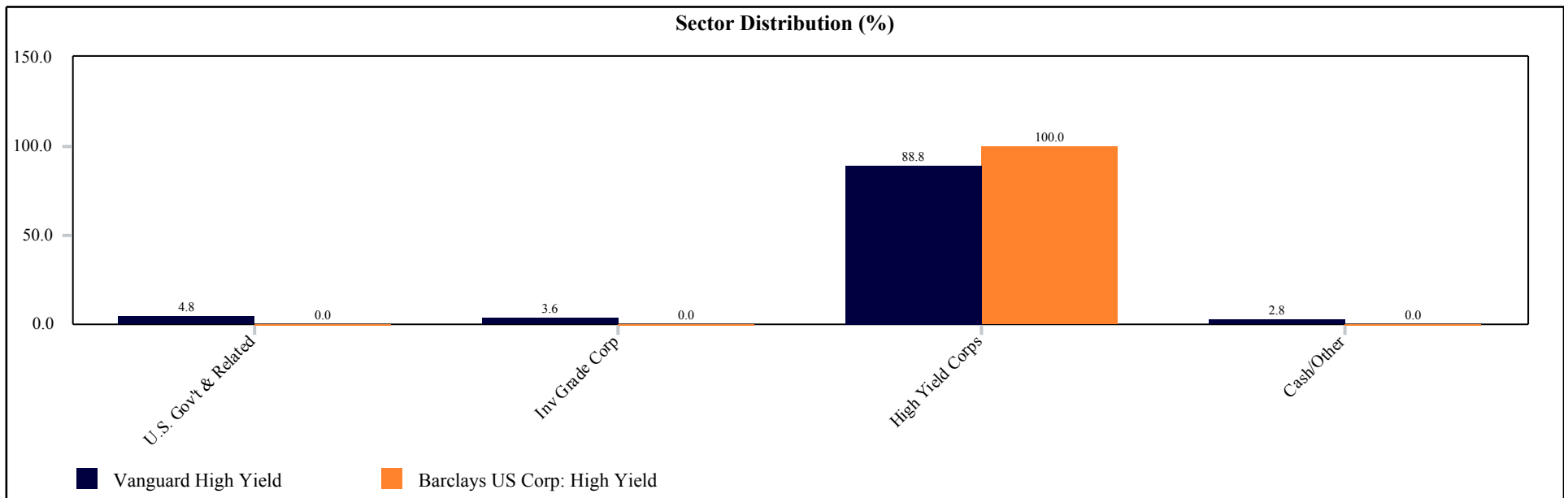
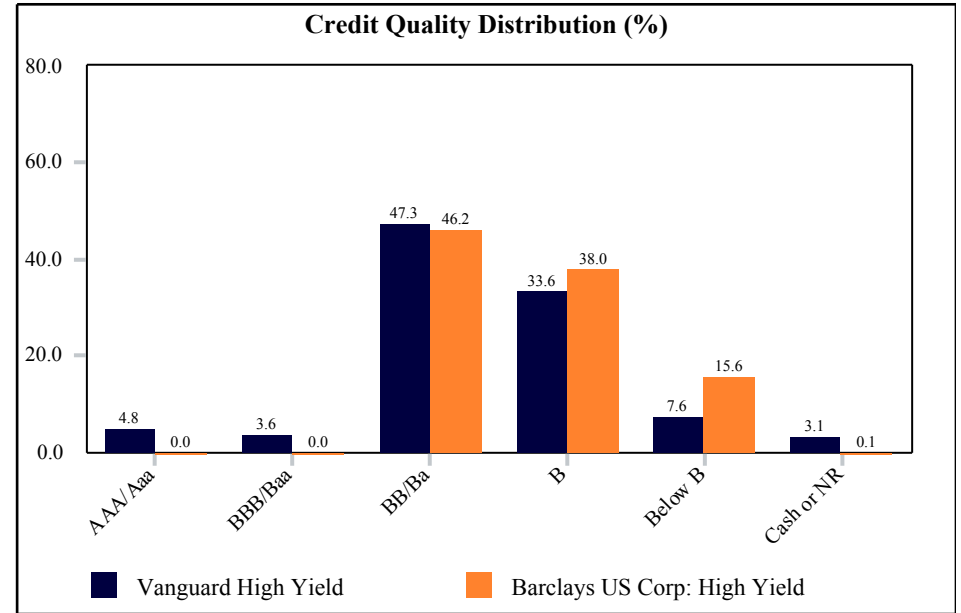
Portfolio Characteristics
Vanguard Interm-Term Investment Grade vs. Barclays U.S. Credit: 5-10 Yr
As of March 31, 2016

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.50	6.51
Yield To Maturity (%)	2.66	3.16
Avg. Maturity	6.40	7.51
Avg. Quality	A	A
Coupon Rate (%)	3.32	3.78



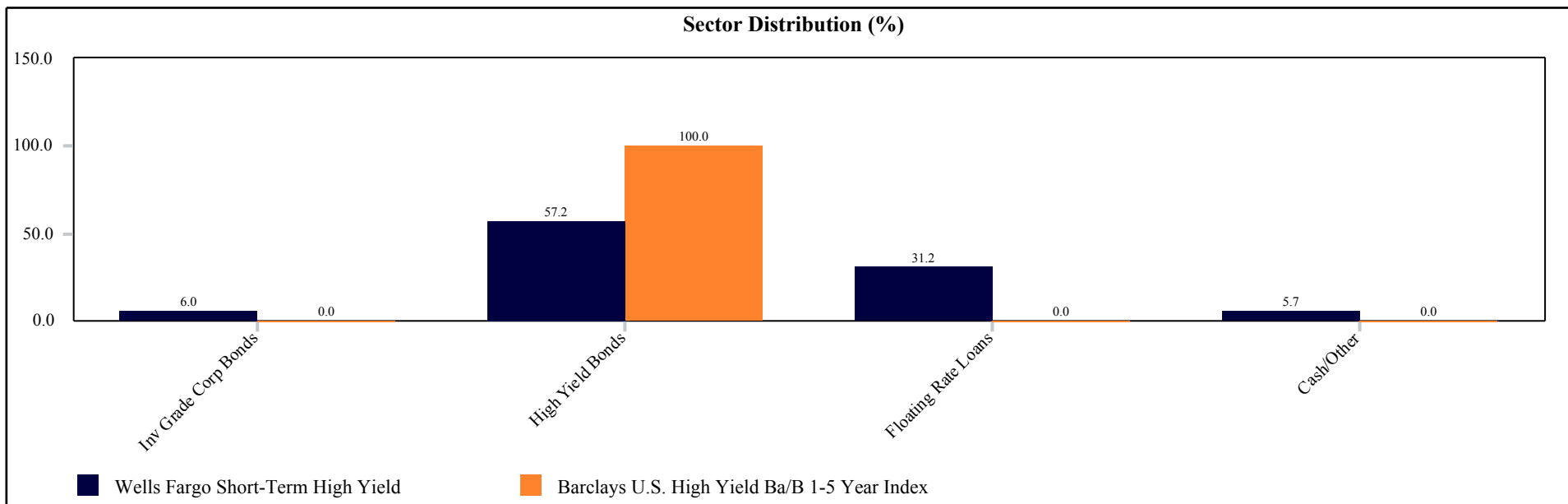
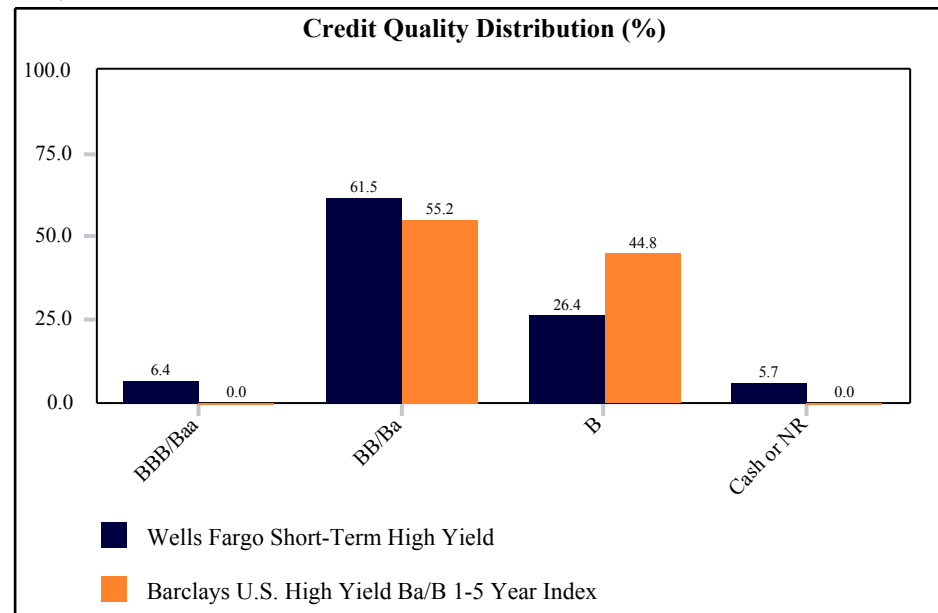
Portfolio Characteristics
Vanguard High Yield vs. Barclays US Corp: High Yield
As of March 31, 2016

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	4.20	4.22
Yield To Maturity (%)	6.08	8.18
Avg. Maturity	5.40	6.25
Avg. Quality	BB	B
Coupon Rate (%)	5.64	6.61



Portfolio Characteristics
Wells Fargo Short Term High Yield vs. Barclays U.S. High Yield Ba/B 1-5 Year Index
As of March 31, 2016

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	1.25	2.48
Yield To Maturity (%)	3.84	6.39
Avg. Maturity	1.69	3.38
Avg. Quality	BB	BB
Coupon Rate (%)	4.84	6.43

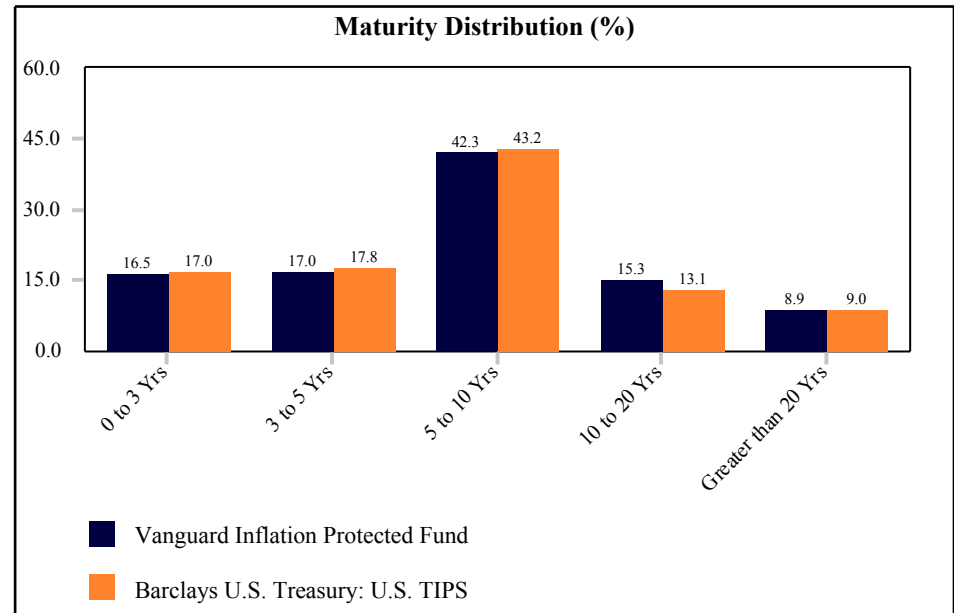
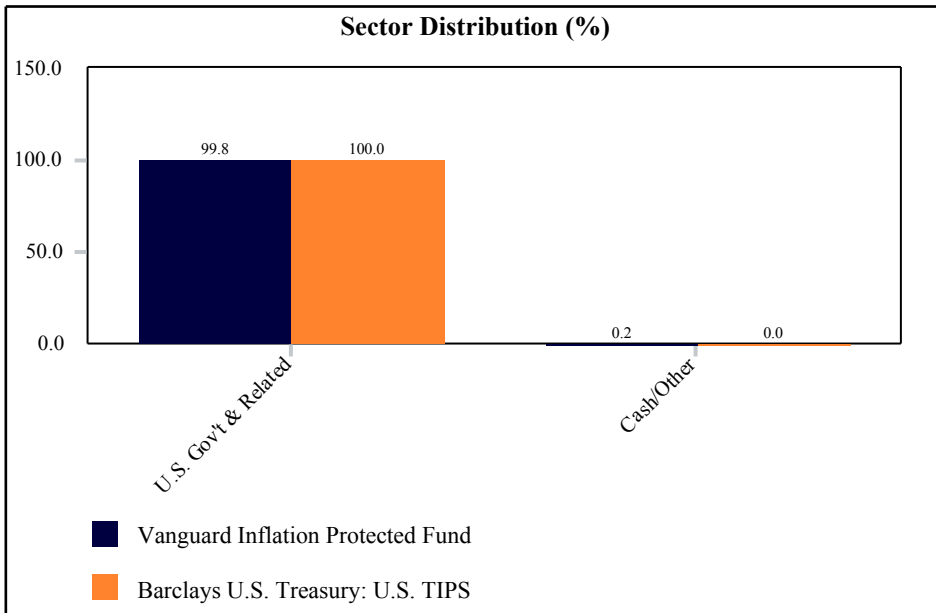
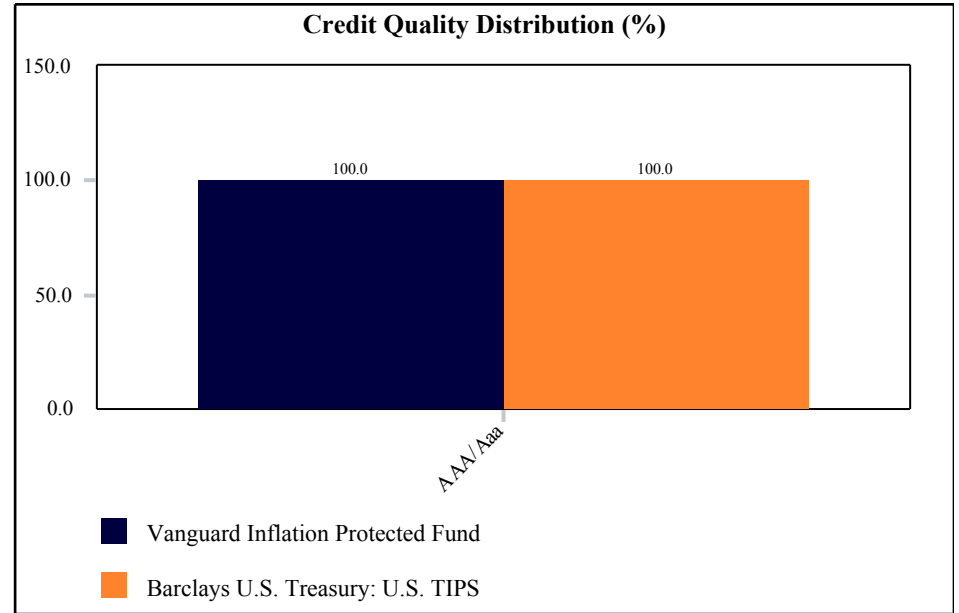


- **Vanguard Inflation-Protected Securities Fund**

- **Management:** Gemma Wright-Casparius, Principal of Vanguard, has worked in investment management since 1980; has managed investment portfolios since 2008; and has co-managed the Fund since joining Vanguard in 2011.
- **Objective:** The Fund seeks to provide investors inflation protection and income consistent with investment in inflation-indexed securities.
- **Strategy:** The Fund invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The Fund may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in a range of 7 to 20 years. At a minimum, all bonds purchased by the Fund will be rated “investment grade” or, if unrated, will be considered by the advisor to be investment grade. The majority of the Fund is held in U.S. Treasury Inflation-Protected Securities, a.k.a., TIPS.

Portfolio Characteristics
Vanguard Inflation Protected Fund vs. Barclays U.S. Treasury: U.S. TIPS
As of March 31, 2016

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	8.10	8.02
Yield To Maturity (%)	1.77	1.75
Avg. Maturity	8.60	8.49
Coupon Rate (%)	0.86	N/A
Avg. Quality	AAA	AAA



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