2005	2006	2007	2008	2009	2010
3.90%	5.18%	9.84%	12.15%	3.16%	5.70%
3.62%	5.07%	8.86%	11.33%	2.76%	5.22%
3.07%	4.85%	8.24%	9.01%	2.17%	4.87%
1.77%	4.56%	7.32%	7.05%	1.38%	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%	(0.67%)	0.36%
0.86%	3.55%	4.99%	2.06%	(1.41%)	0.13%

PFM®
The PFM Group
Financial & Investment Advisors

COLORADO SPRINGS
OLYMPIC CITY USA

City of Colorado Springs
Investment Performance Review
Quarter Ended September 30, 2016

Chris Blackwood, Director
Marc McClure, CFA, Senior Managing Consultant
Emily Ferguson, Client Manager

PFM Asset Management LLC
633 17th Street, Suite 2250 • Denver, CO 80202
303-467-1114

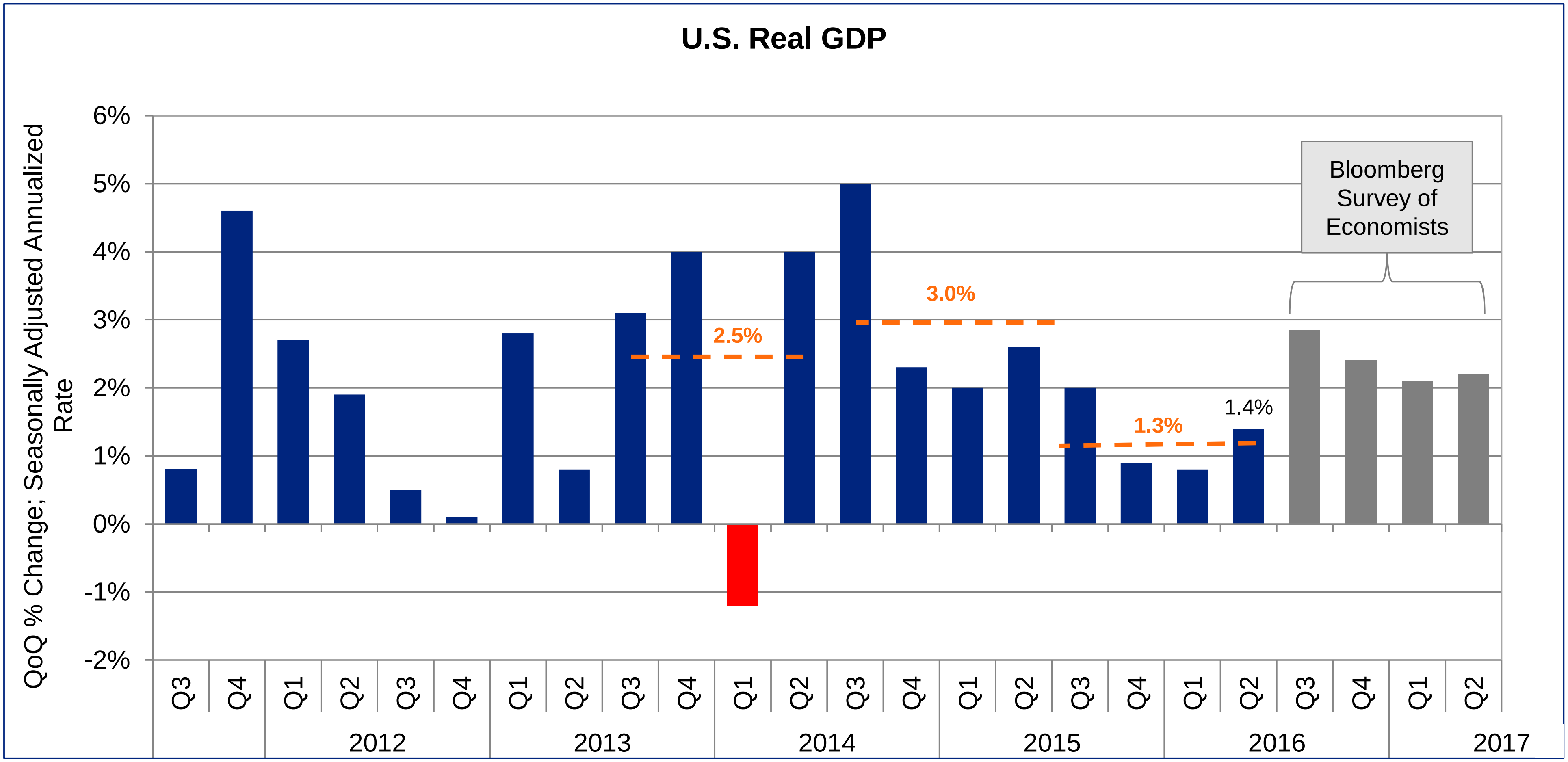
Economic and Market Update

CURRENT MARKET THEMES

- Moderate U.S. economic conditions:
  - Lackluster gross domestic product (“GDP”) growth rate
  - Labor market approaching full employment
  - Inflation picking up, but still below target
- Treasury yield curve remains flat by historic standards, although rates ended the quarter modestly higher
- Central banks continue to accommodate markets
- Global headwinds have dissipated

U.S. ECONOMY ON DISAPPOINTING GROWTH TRACK

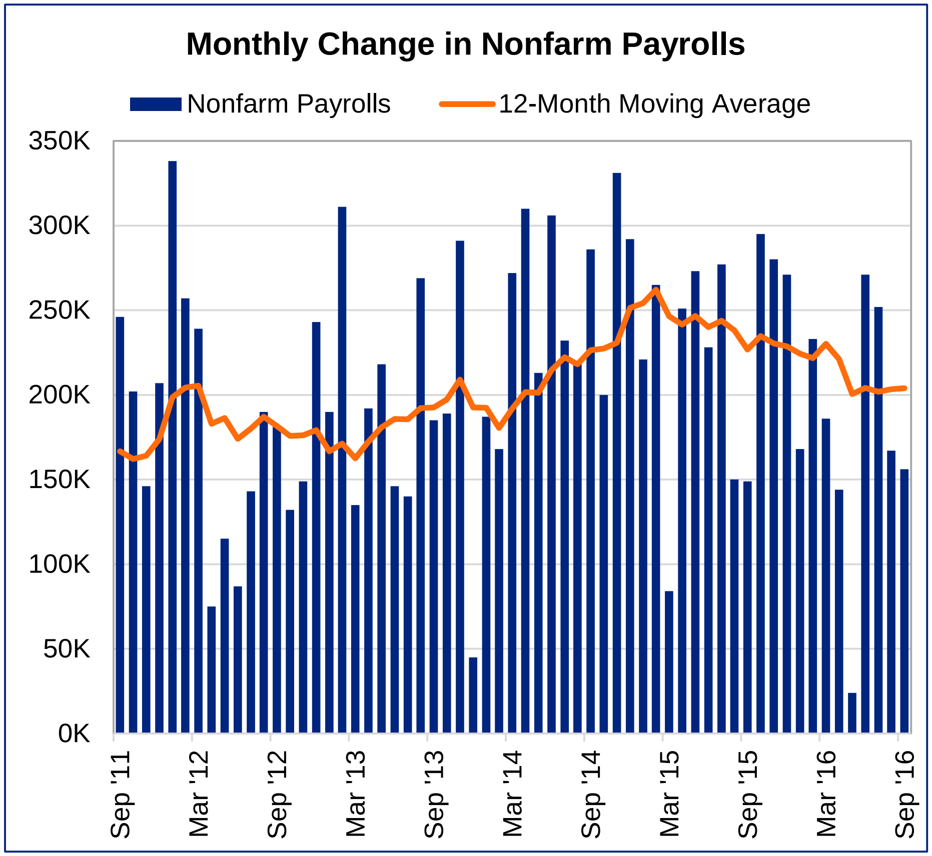
- U.S. GDP growth increased at an annual rate of 1.4% in the second quarter of 2016, according to the Bureau of Economic Analysis. This was revised up from 1.1%, but still paints the same picture of moderate growth in the US.
- Second quarter GDP reflected positive contributions from personal consumption, which contributed the most to GDP since the 4th quarter of 2014. Business investment detracted from GDP for the 3rd quarter in a row, the most since the 2nd quarter of 2009, amid a significant decline in inventories.

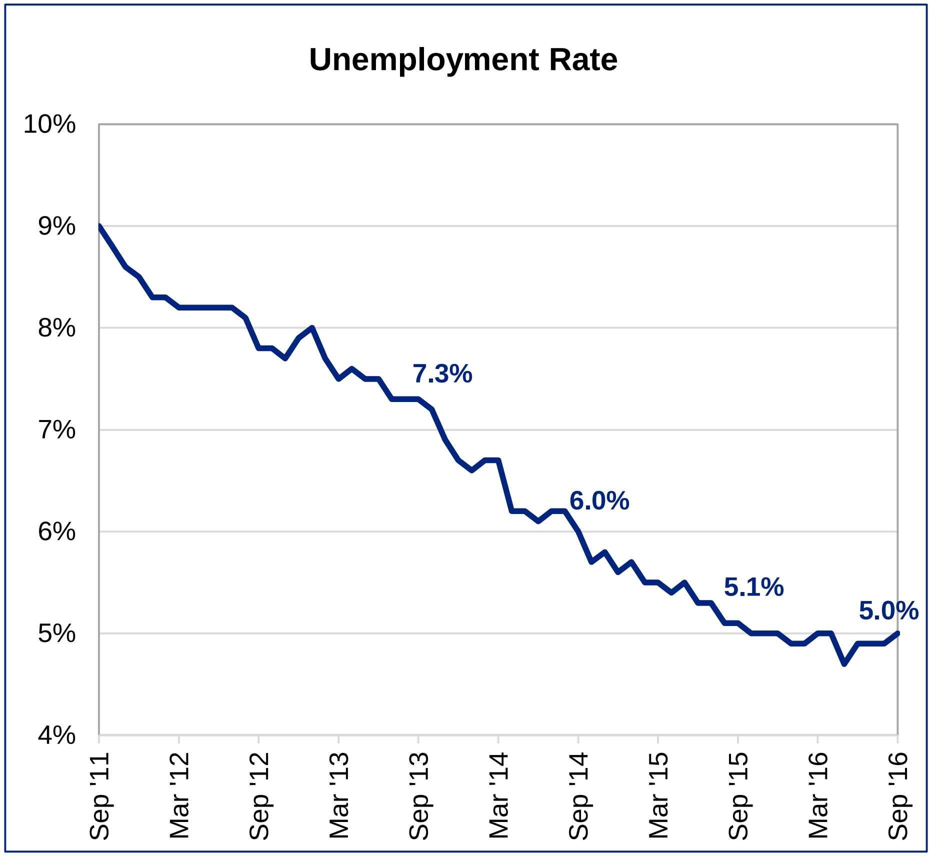


Source: Bureau of Economic Analysis; Bloomberg survey results as of 10/03/16. Orange is average over last 12 months.

LABOR MARKET NEARS FULL EMPLOYMENT

- The U.S. labor market added 156,000 jobs in September, short of the 172,000 expectations, while the prior month's number was revised up to 167,000.
- Both the unemployment rate and labor force participation rate ticked up 0.1% to 5.0% and 62.9% respectively, suggesting that more people are re-entering the work force as the labor market approaches full employment.
- Average hourly earnings inched up by 0.2% in August while rising 2.6% year-over-year.

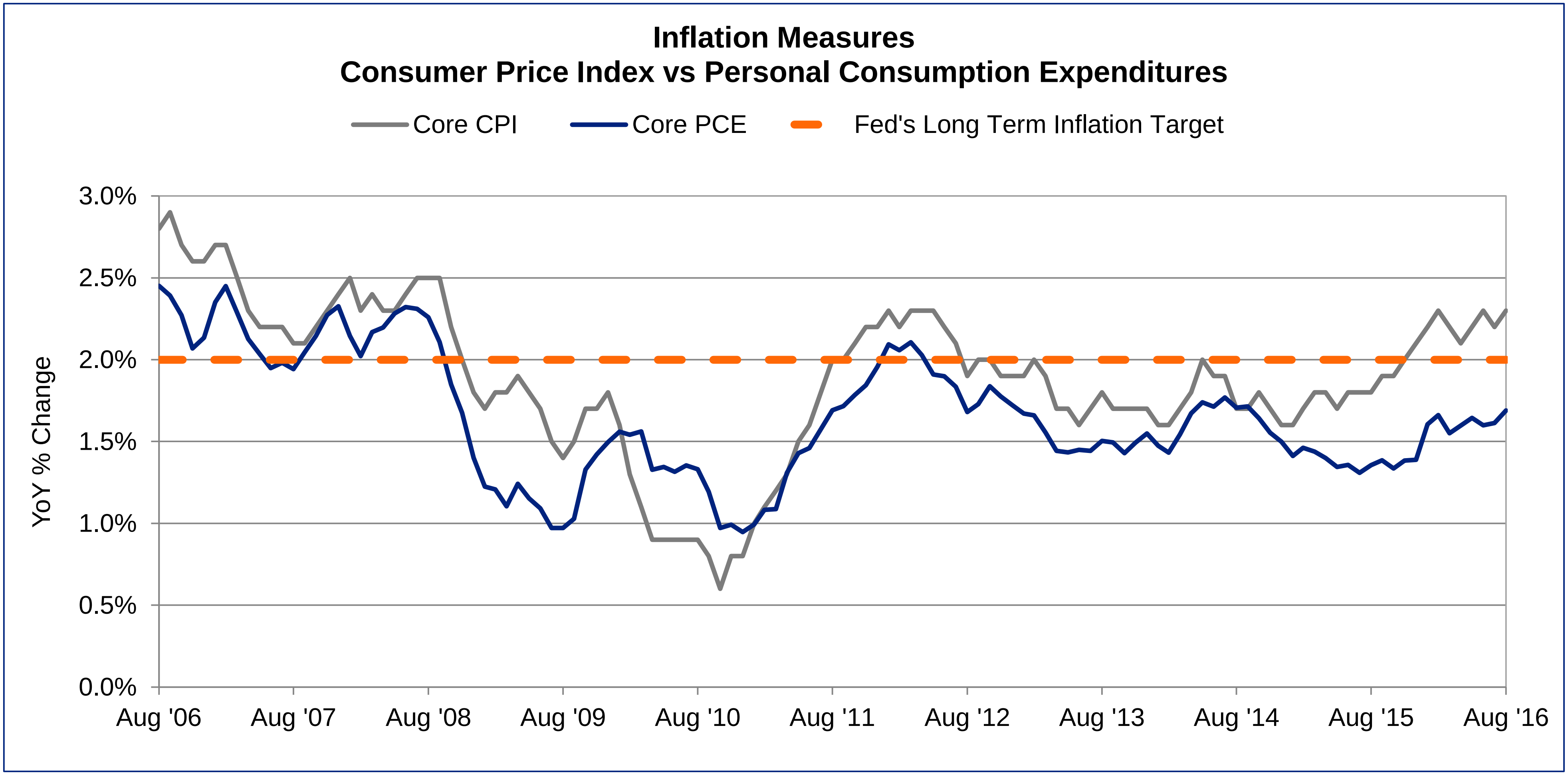




Source: Bureau of Labor Statistics, as of 10/07/16.

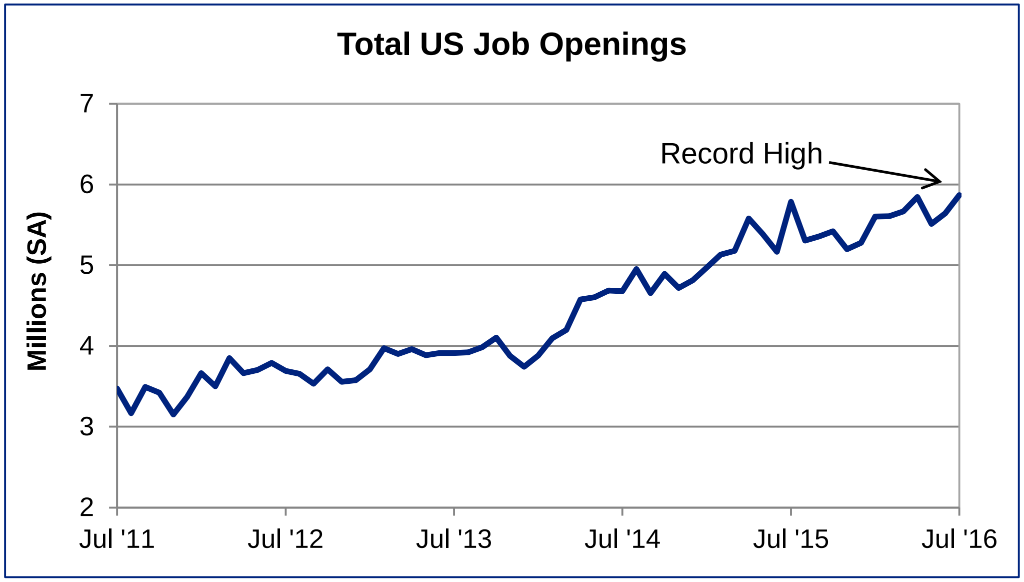
INFLATION RISING SLOWLY

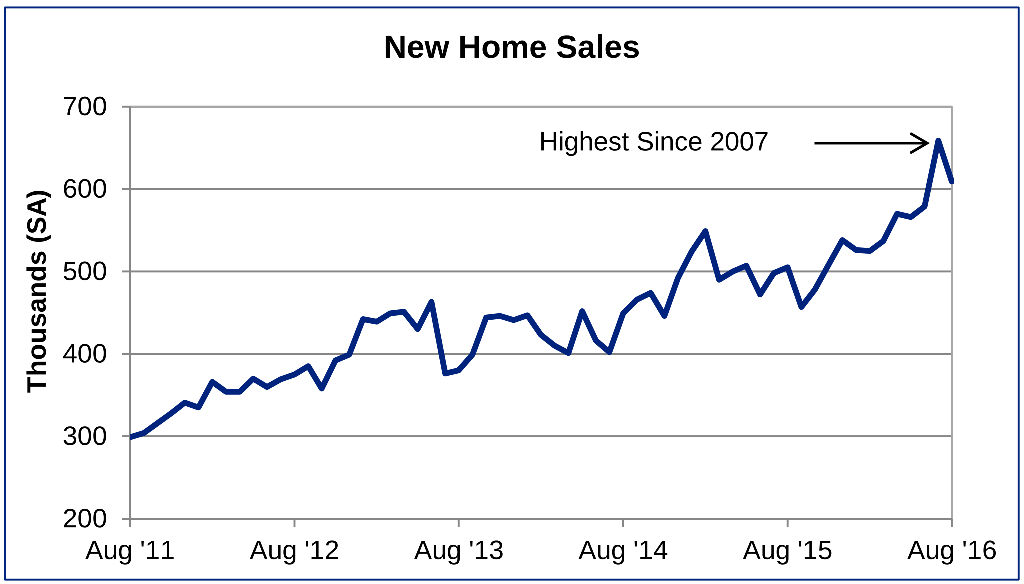
- The core personal consumption expenditures (PCE) price index, the Federal Reserve's (the "Fed's") preferred gauge of core inflation, inched up to 1.7% year-over-year through August, but continues to undershoot the 2% target.
- Some regional Fed Presidents, such as Cleveland's Mester and Richmond's Lacker, have urged for a pre-emptive rate increase, to prevent the economy from overheating. Mester said that "the Fed should be looking ahead and not just waiting".

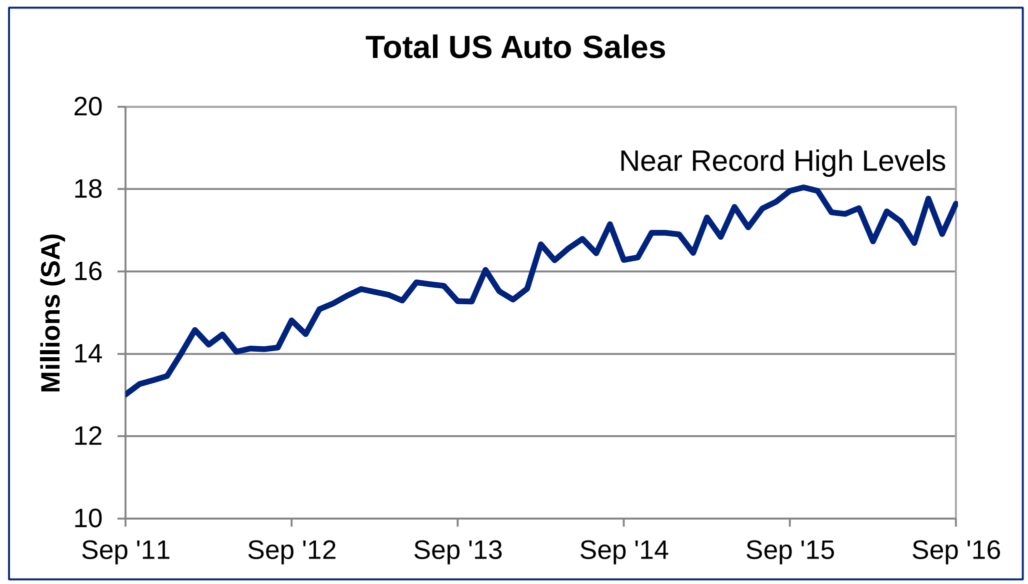


Source: Bloomberg as of 08/31/2016.

ECONOMIC BACKDROP: AREAS OF STRENGTH

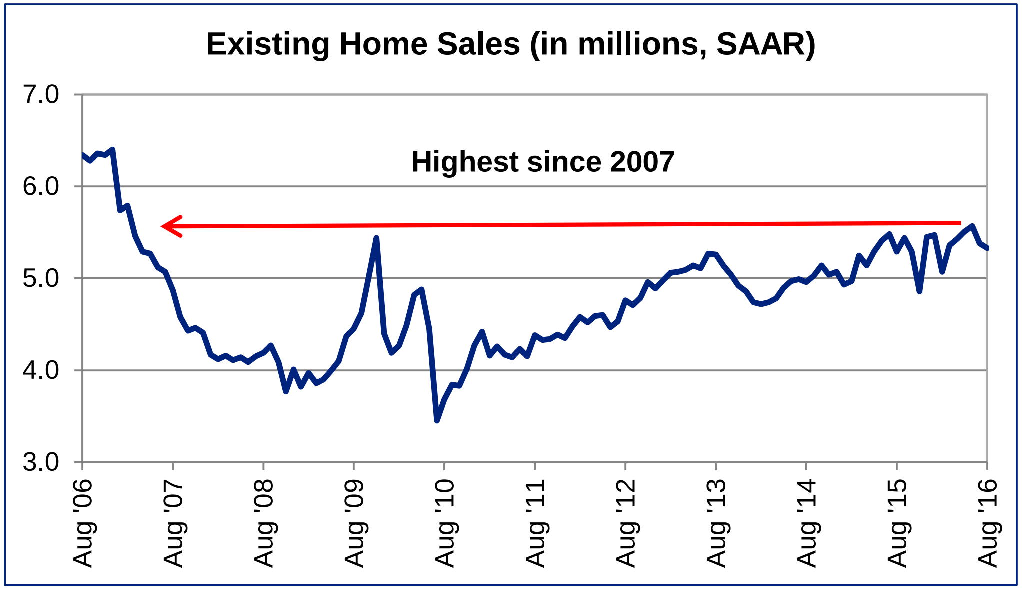


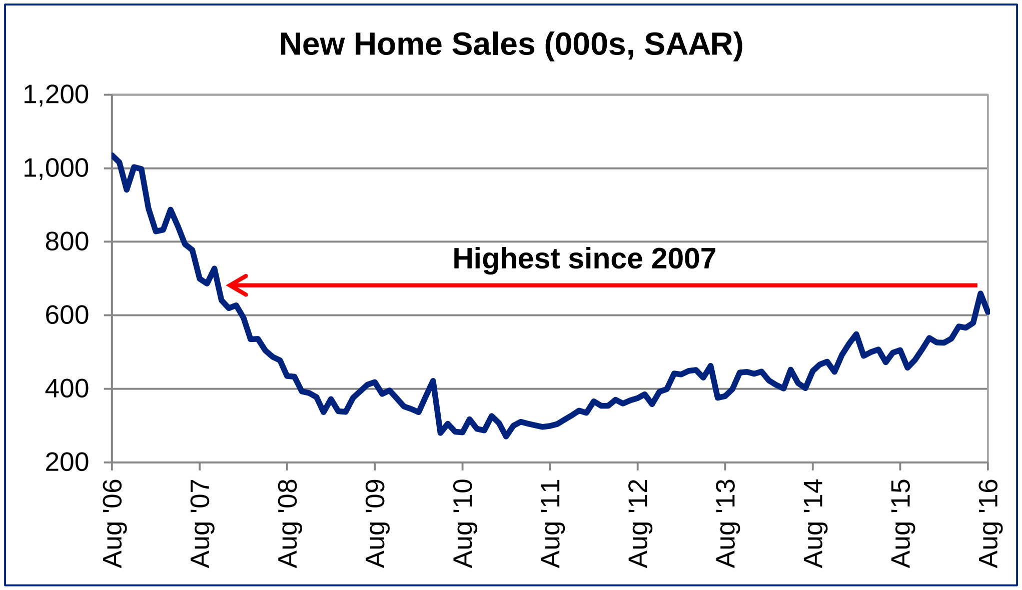


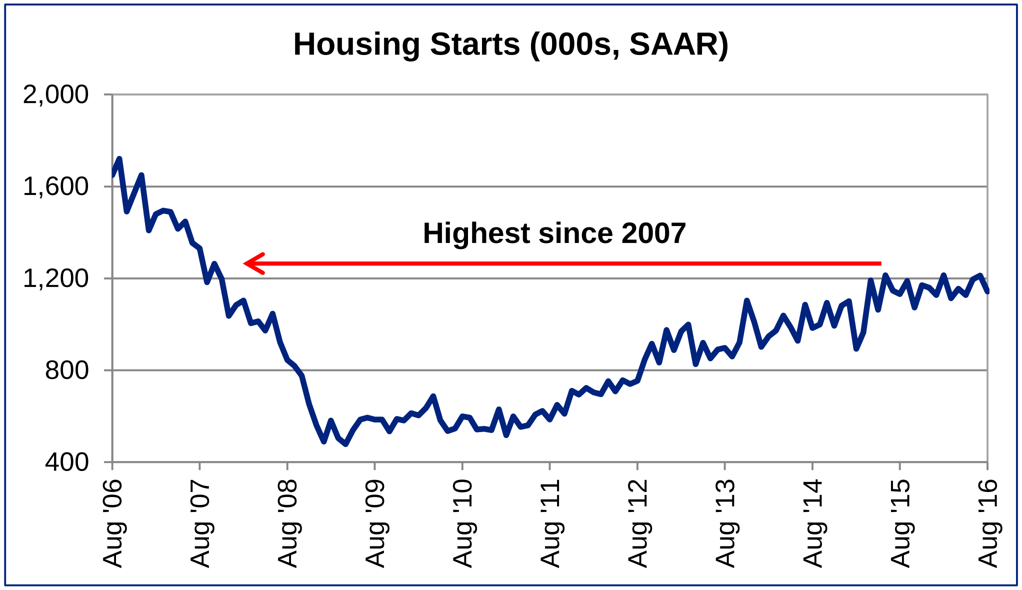


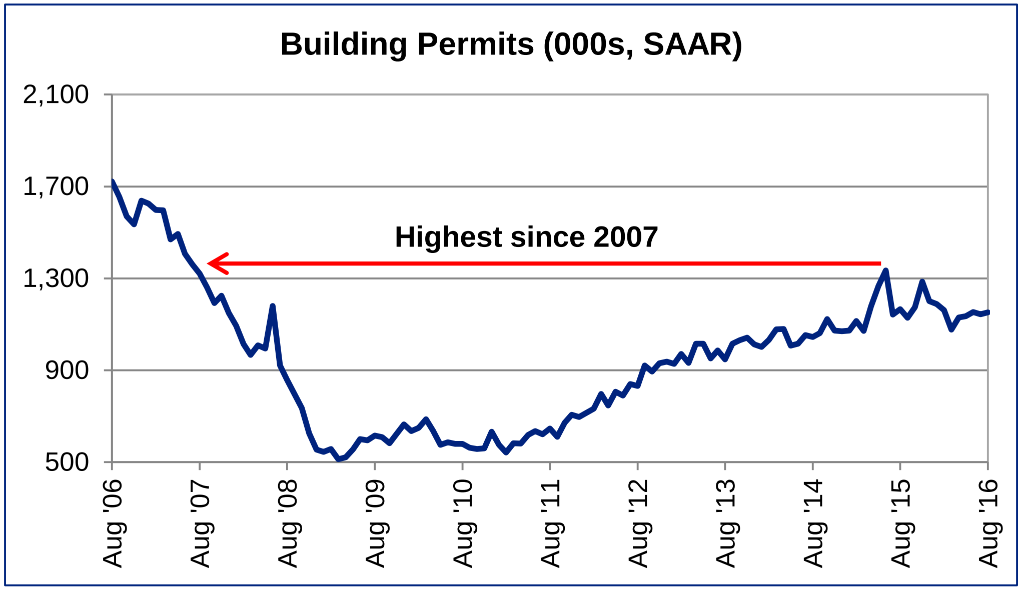
Source: Bloomberg. As of 09/30/16. SA is seasonally adjusted.

HOUSING MARKET ADDING TO ECONOMIC MOMENTUM



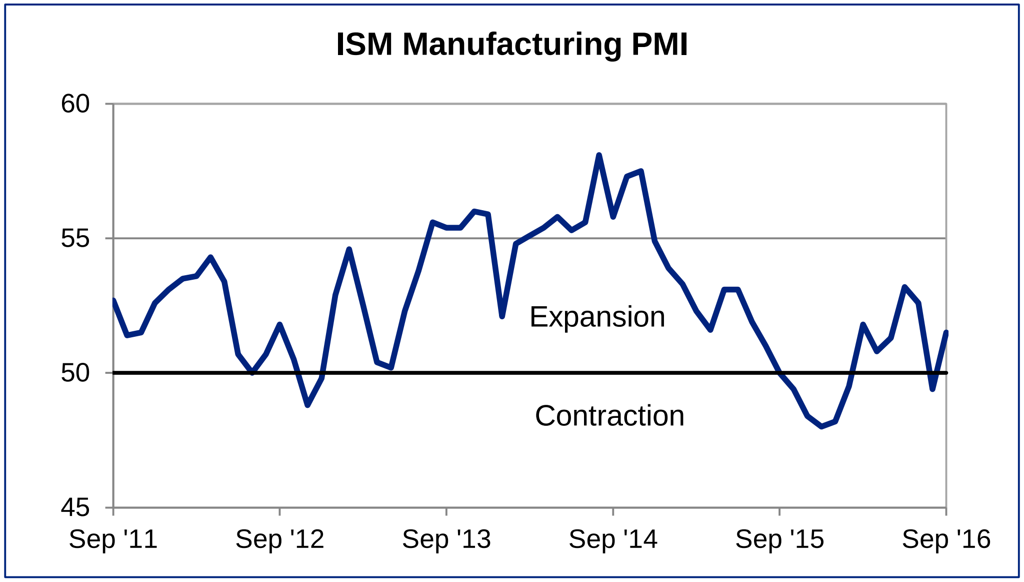


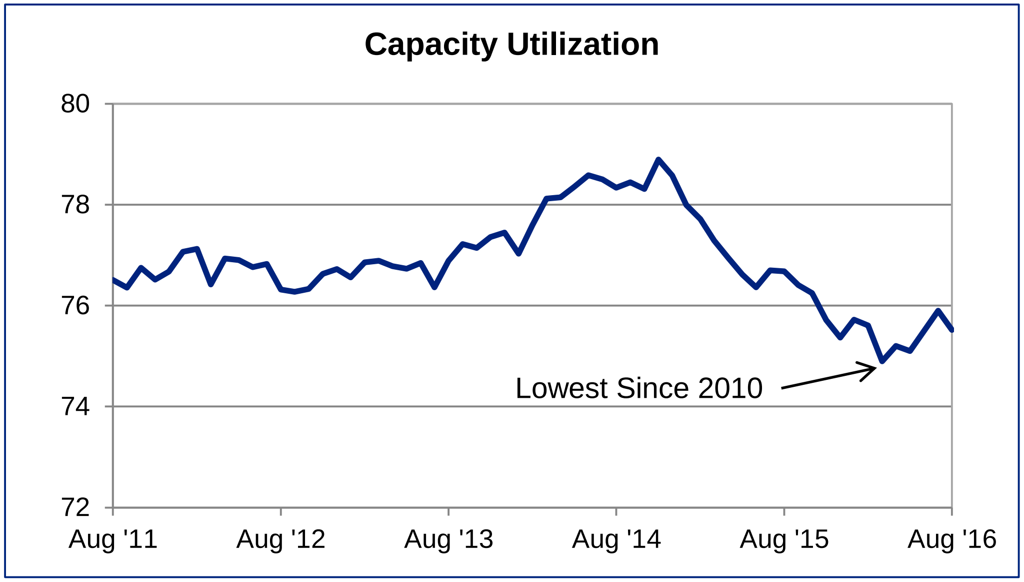


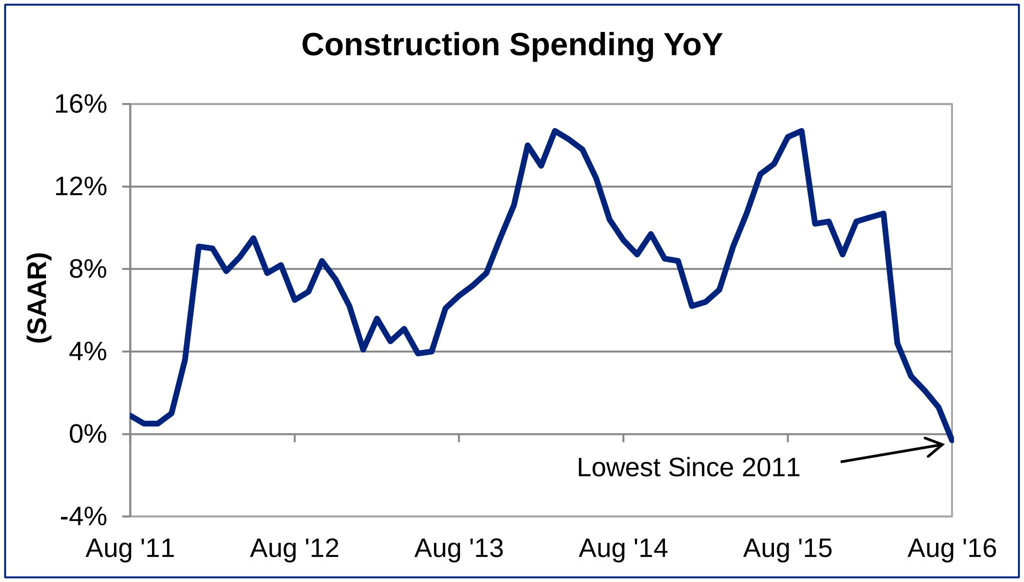


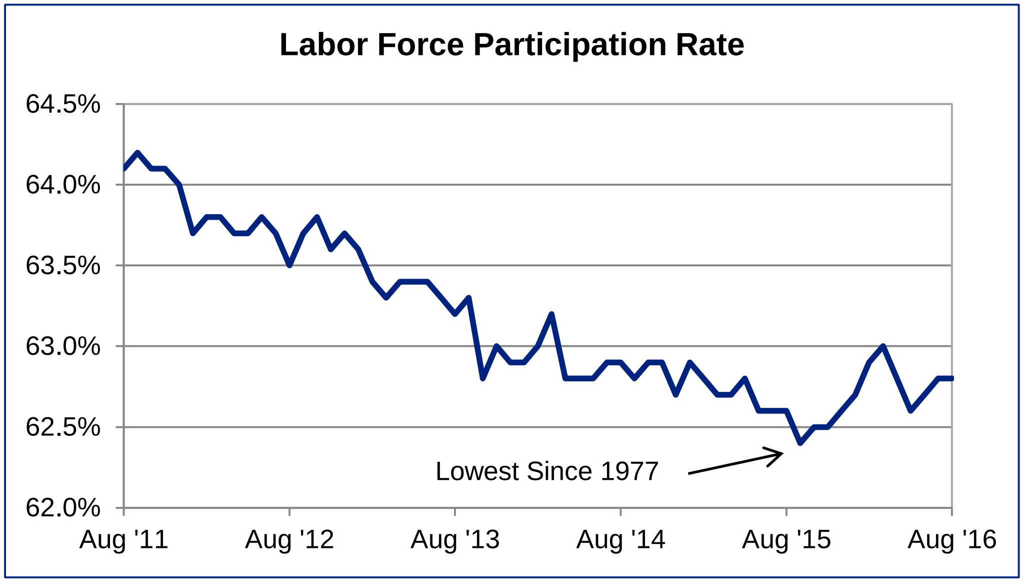
Source: Bloomberg. As of 08/31/2016. SAAR is the seasonally adjusted annualized rate.

ECONOMIC BACKDROP: AREAS OF WEAKNESS





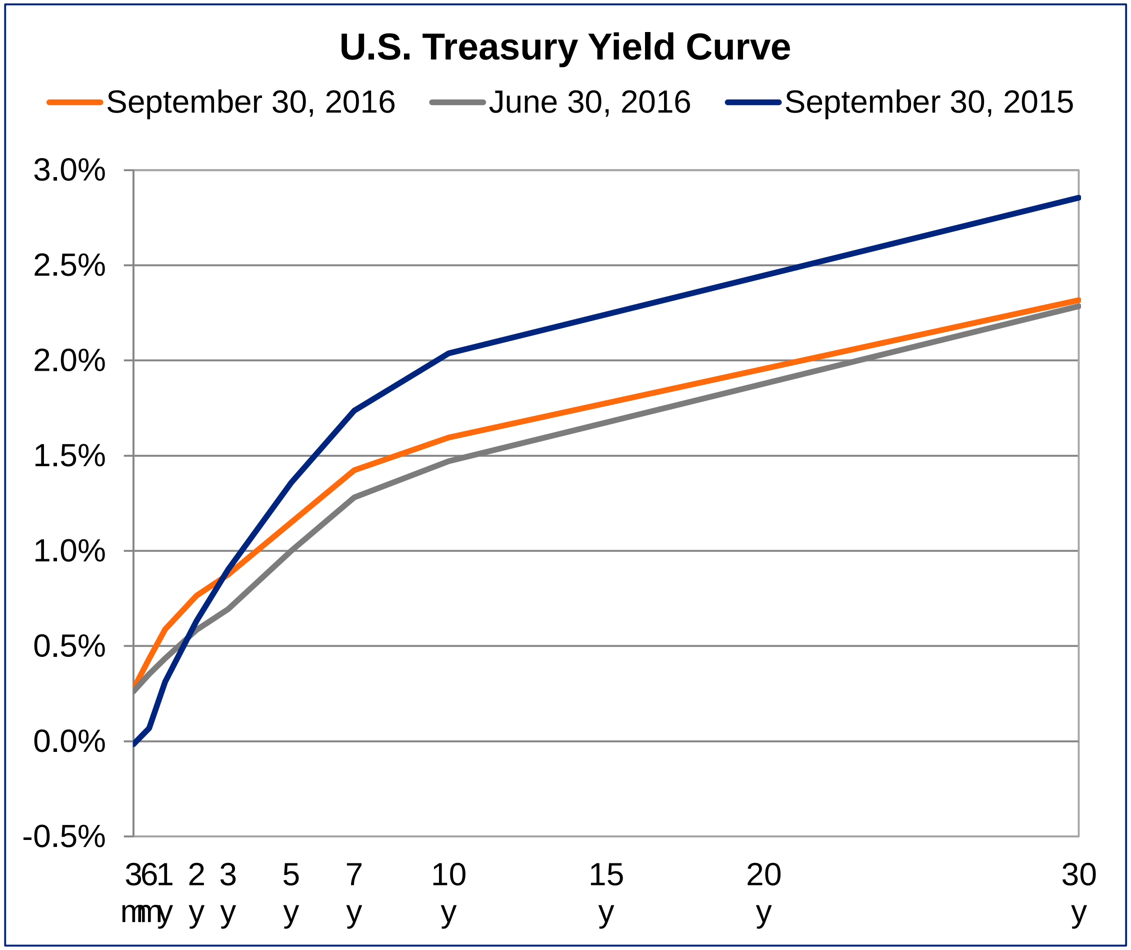




Source: Bloomberg. As of 09/30/16. SA is seasonally adjusted.

U.S. TREASURY CURVE REMAINS FLAT

- Longer maturity yields have fallen substantially this year over concerns about global growth and higher global demand for U.S. Treasuries given negative yields abroad.
- On the shorter end of the curve, rates continued to rise in September as market expectations for a rate hike this year inched up following speeches by regional Fed officials as well as the Federal Open Market Committee ("FOMC") seeing a stronger case for increasing rates by year-end.



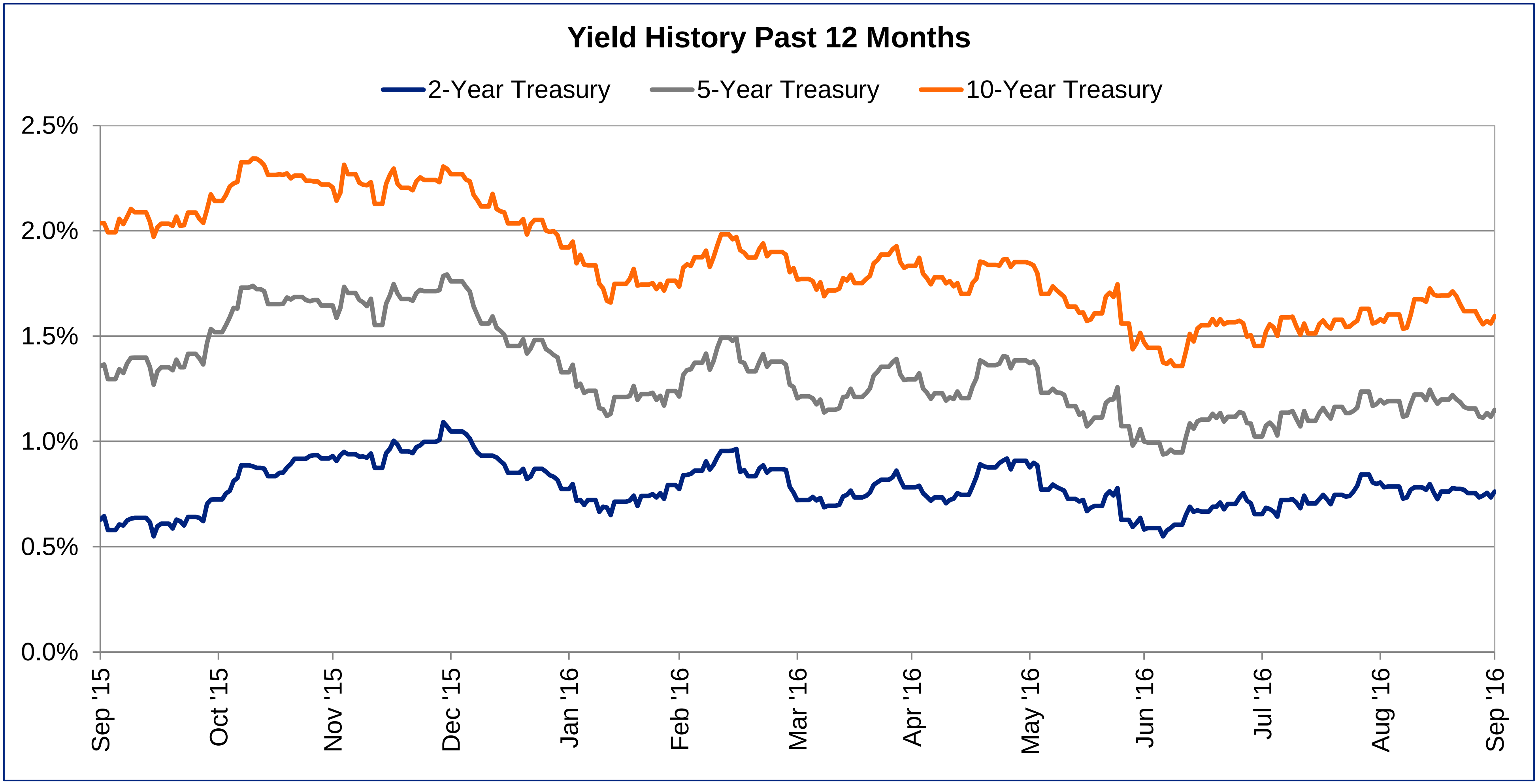
Yield Curve History

	09/30/16	06/30/16	09/30/15
1-Mo.	**0.19**	**0.17**	**-0.02**
3-Mo.	**0.28**	**0.26**	**-0.02**
6-Mo.	**0.43**	**0.35**	**0.07**
1-Yr.	**0.59**	**0.44**	**0.31**
2-Yr.	**0.76**	**0.58**	**0.63**
3-Yr.	**0.88**	**0.69**	**0.90**
5-Yr.	**1.15**	**1.00**	**1.36**
7-Yr.	**1.42**	**1.28**	**1.74**
10-Yr.	**1.60**	**1.47**	**2.04**
30-Yr.	**2.32**	**2.29**	**2.85**

Source: Bloomberg.

U.S. TREASURY YIELDS

- Treasuries have had a rough ride so far this year: Yields fell to begin the year amid concerns over China's slowing economy. A dovish Fed in March led to a decline in yields, before recovering following the April meeting's minutes and stronger economic data. Yields fell substantially again following the Brexit vote, but have since stabilized as fears abated and investors looked ahead to a possible rate hike by year-end.



Source: Bloomberg. As of 09/30/16.

YIELD ENVIRONMENT

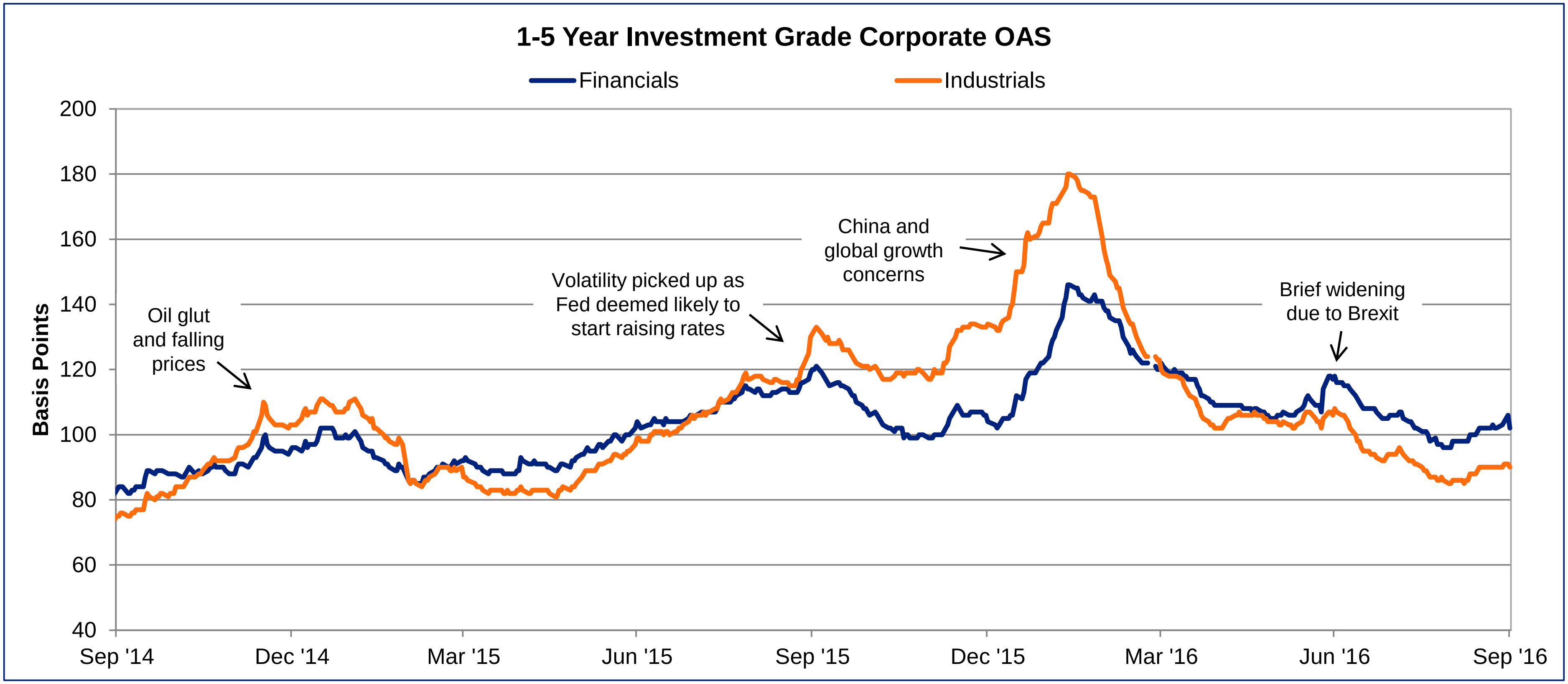
As of September 30, 2016

Maturity	Treasury	Federal Agency	AA Corporate	A Corporate	AAA Taxable Municipal
3-Month	0.28%	0.31%	0.66%	0.85%	-
6-Month	0.43%	0.46%	0.87%	1.19%	-
1-Year	0.59%	0.62%	0.98%	1.13%	0.86%
2-Year	0.76%	0.87%	1.17%	1.33%	1.06%
3-Year	0.88%	0.99%	1.35%	1.53%	1.24%
5-Year	1.15%	1.29%	1.70%	1.87%	1.57%
10-Year	1.60%	1.92%	2.49%	2.65%	2.33%

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.

CORPORATE YIELD SPREADS REMAIN LOWER

- Yield spreads on corporate securities have come down significantly since the beginning of the year as global headwinds have faded away. As a result, corporates have outperformed other fixed income sectors. Spread volatility could pick up again should central banks migrate away from accommodative policies.
- Credit profiles continue to be strong, but industrials are becoming more leveraged because of heavier debt issuance used to fund dividend payouts and stock buybacks; meanwhile profitability measures for financials remain pressured due to the low interest rate environment and higher capital requirements.



Source: Based on BofA Merrill Lynch 1-5 Year Corporate Indexes. As of 09/30/16. OAS is option-adjusted spread.

FOMC STATEMENT HIGHLIGHTS

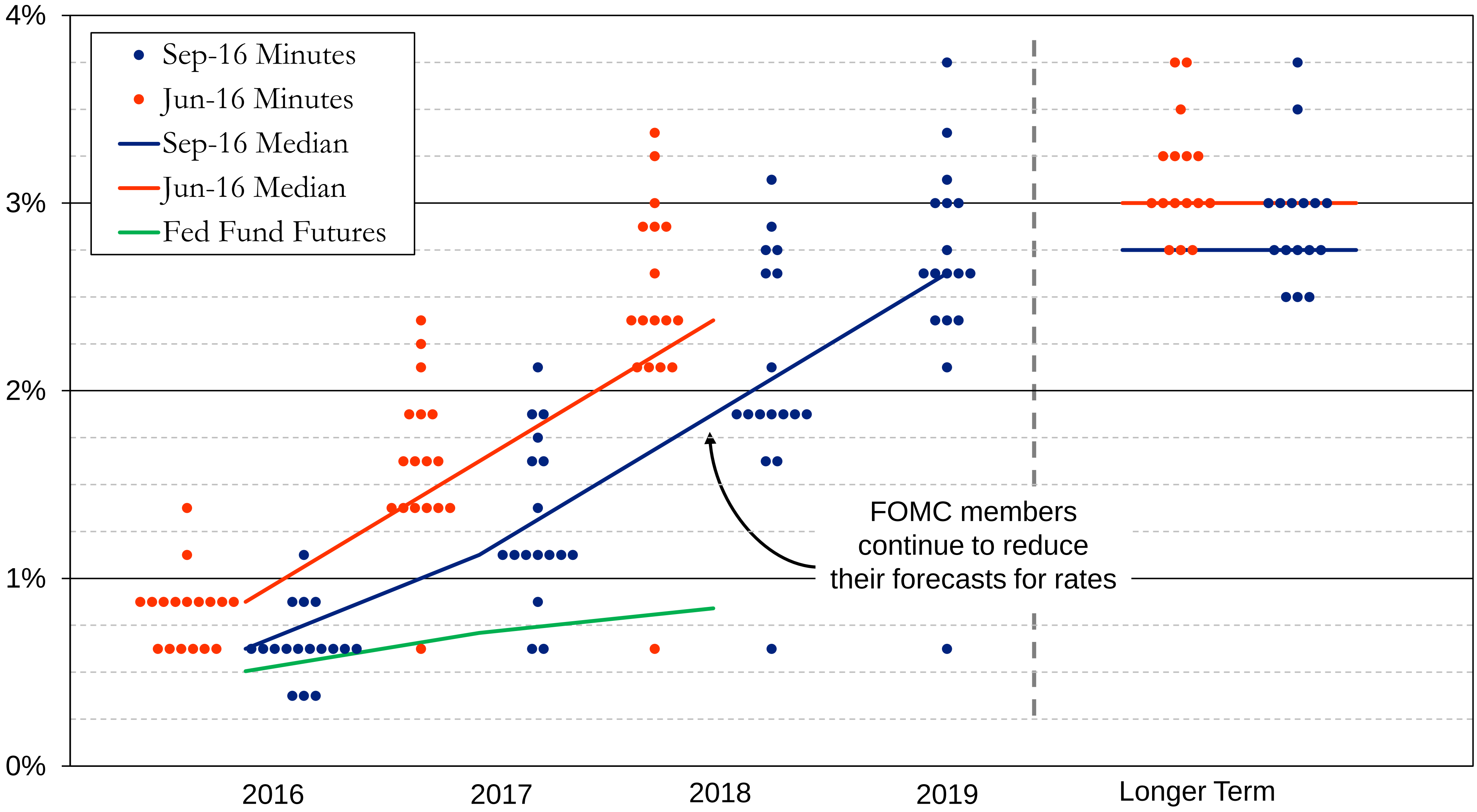
September

21

- Information received since the FOMC met in July indicates that the **labor market has continued to strengthen** and growth of **economic activity has picked up from the modest pace** seen in the first half of the year.
- Although the unemployment rate is little changed in recent months, **job gains have been solid**, on average**.**
- **Inflation has continued to run below** the FOMC's 2% longer-run objective, partly reflecting earlier declines in energy prices and decreasing prices of non-energy imports.
- Against this backdrop, **the FOMC decided to maintain the target range for the federal funds rate at 0.25 – 0.50%**.
- **The FOMC judges that the case for an increase in the federal funds rate has strengthened** but decided, for the time being, to wait for further evidence of continued progress toward its objectives.
- **Voting against the action** were: Esther L. George (Kansas City), Loretta J. Mester (Cleveland), and Eric Rosengren (Boston), each of whom preferred at this meeting to raise the target range for the federal funds by ¼ percent.

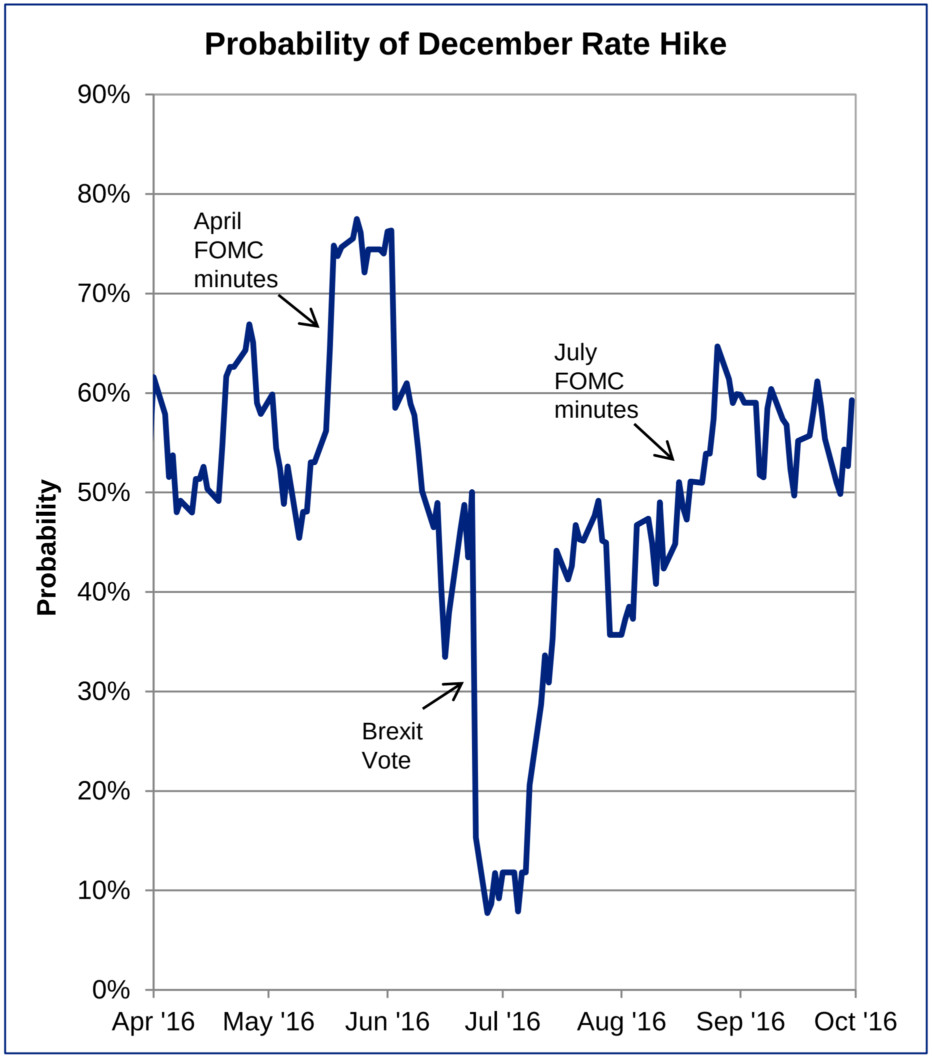
Source: Federal Reserve.

FOMC "DOT PLOT"



Source: Federal Reserve; Fed Funds Futures as of 09/30/16. Individual dots represent each of the 17 FOMC members' judgment of the midpoint of the appropriate target range for the federal funds rate. One participant did not submit longer-run projections in the September 2016 meeting.

OUTLOOK FOR THE FED FUNDS TARGET RATE



Meeting	Probability of Hike
11/02/16	17%
12/14/16	59%
02/01/17	61%
03/15/17	66%
05/03/17	68%
06/14/17	72%
07/26/17	72%
09/20/17	75%
11/01/17	76%
12/13/17	79%

Source: Bloomberg WIRP. As of 09/30/16.

FED DIVIDED ON THE TRAJECTORY OF RATE HIKES

Permanent Voting Members	
Board of Governors	Janet Yellen (Chair)
	Lael Brainard
	Stanley Fischer
	Jerome Powell
	Daniel Tarullo
New York Fed	William Dudley (Vice Chair)

Rotating Voting Members (2016)	
St. Louis	James Bullard
Kansas City	Esther George
Cleveland	Loretta Mester
Boston	Eric Rosengren

Rotating Voting Members (2017)	
Philadelphia	Patrick Harker
Dallas	Robert Kaplan
Minneapolis	Neel Kashkari
Chicago	Charles Evans

The 3 dissenting voters from September's FOMC meeting will no longer be voting members in 2017.

Source: Federal Reserve.

Portfolio Characteristics and Investment Strategy

PORTFOLIO RECAP

- Yields drifted modestly higher during the third quarter as early-quarter Brexit fears faded and U.S. economic data rebounded, bringing the Federal Reserve (the "Fed") closer to an eventual rate hike, perhaps in December.
- Our primary strategy involved emphasizing allocations to credit instruments, including corporate notes, commercial paper, negotiable bank certificates of deposits ("CDs"), and asset-backed securities ("ABS"). Credit sectors provided incremental yield, a key contributor to return in a low rate environment.
- We generally held current allocations to corporate notes, rather than increasing them, as some measures of value began to get more expensive during the quarter, especially for issuers in the industrial sector. The sector's strong performance during the quarter added to its strong outperformance for the year.
- We found excellent value in 6-12 month commercial paper and negotiable CDs, especially for shorter-maturity mandates. Money market fund reforms, that become effective in October, have caused a huge shift in assets from prime funds, which typically purchase short credit instruments, to government-only funds. This swing in assets caused yield spreads to widen sharply, creating enhanced value in these sectors.
- We participated in a number of new asset-backed security issues, where permitted, as AAA-rated tranches of high quality structures offered good value, adding to returns and further diversifying portfolios.
- A modest amount of mortgage-backed securities ("MBS") were also held, where permitted. Gradually rising interest rates slowed MBS prepayments and resulted in the MBS sector strongly outperforming Treasuries for the quarter.
- We sought to generally maintain portfolio durations and maturity distributions comparable to those of benchmarks to reduce potential performance mismatches given the uncertain rate environment.

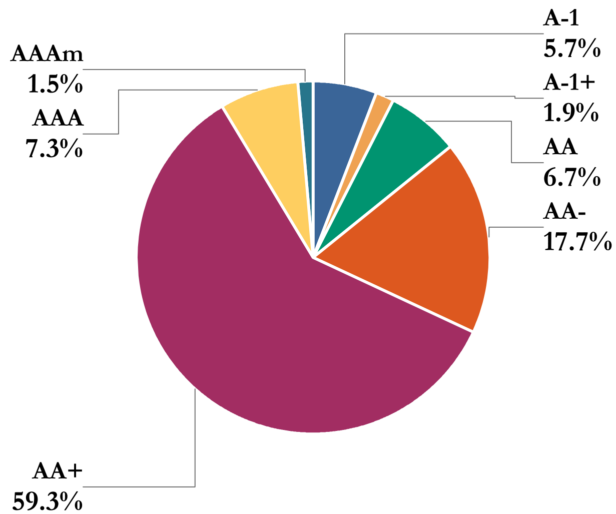
City of Colorado Springs
Reserve Portfolio

Portfolio Statistics

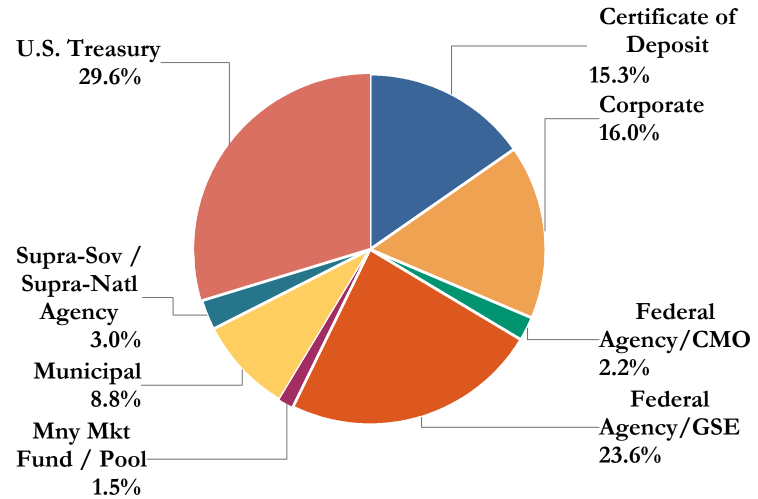
As of September 30, 2016

Par Value:	75,323,925
Total Market Value:	76,646,529
Security Market Value:	75,082,171
Accrued Interest:	287,681
Cash:	167,050
CSIP	1,109,626
Amortized Cost:	75,779,407
Yield at Market:	1.08%
Yield at Cost:	1.33%
Effective Duration:	2.60 Years
Duration to Worst:	2.61 Years
Average Maturity:	2.69 Years
Average Credit: **	AA

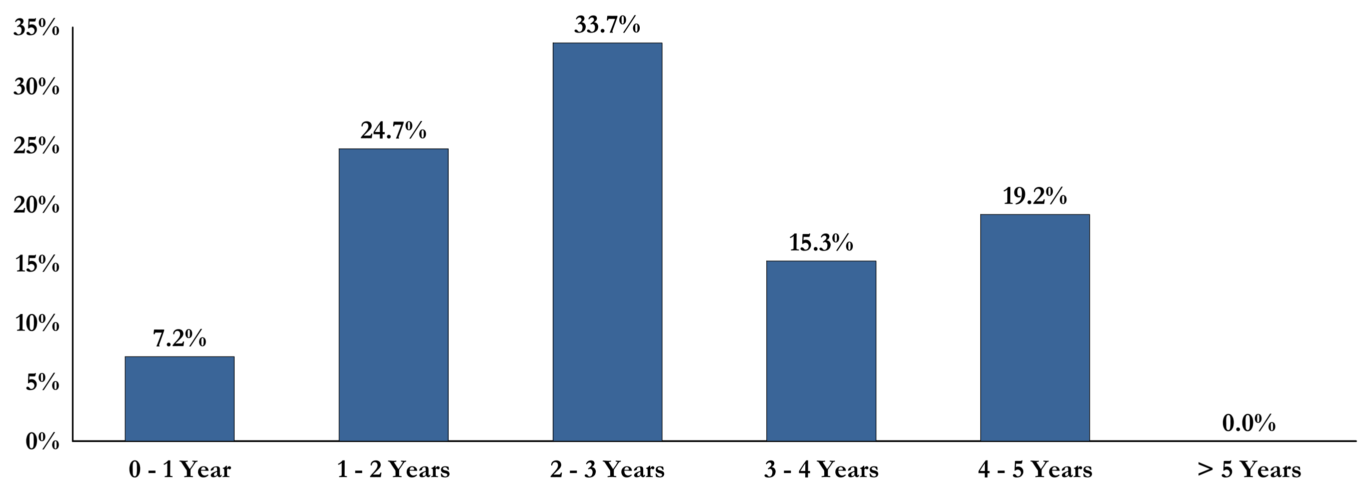
Credit Quality (S&P Ratings)



Sector Allocation



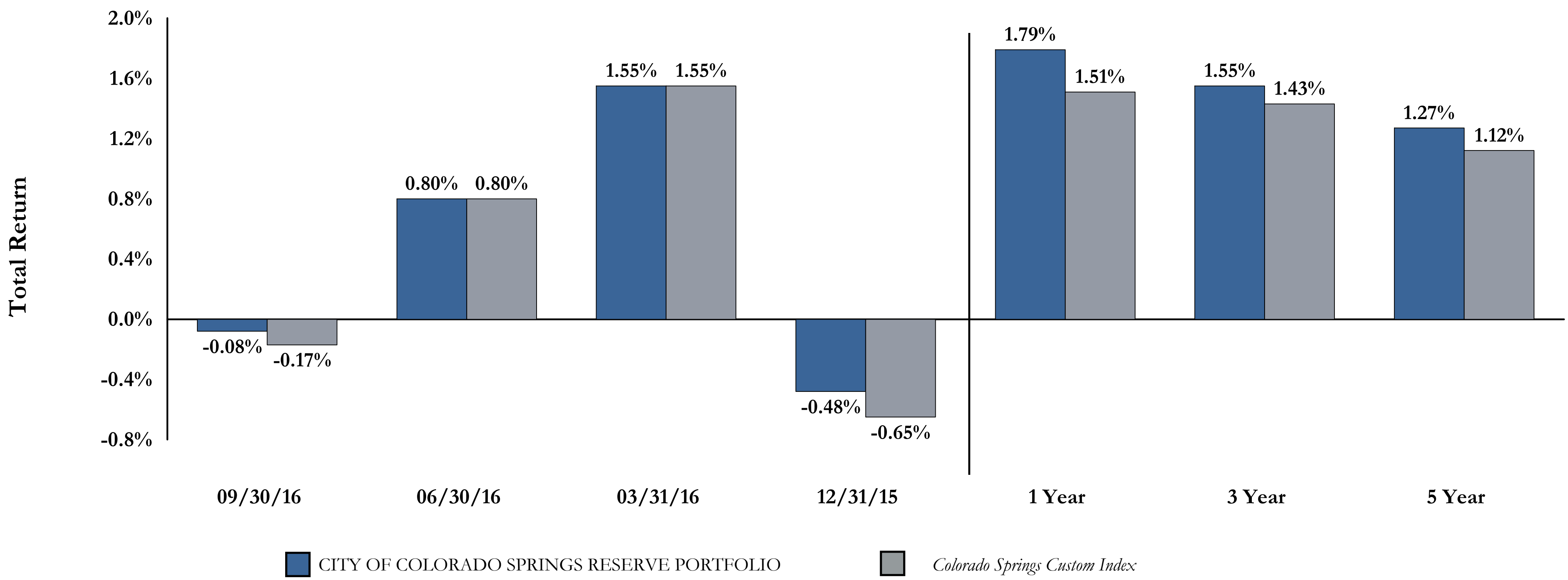
Maturity Distribution



*** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.*

Portfolio Performance (Total Return)

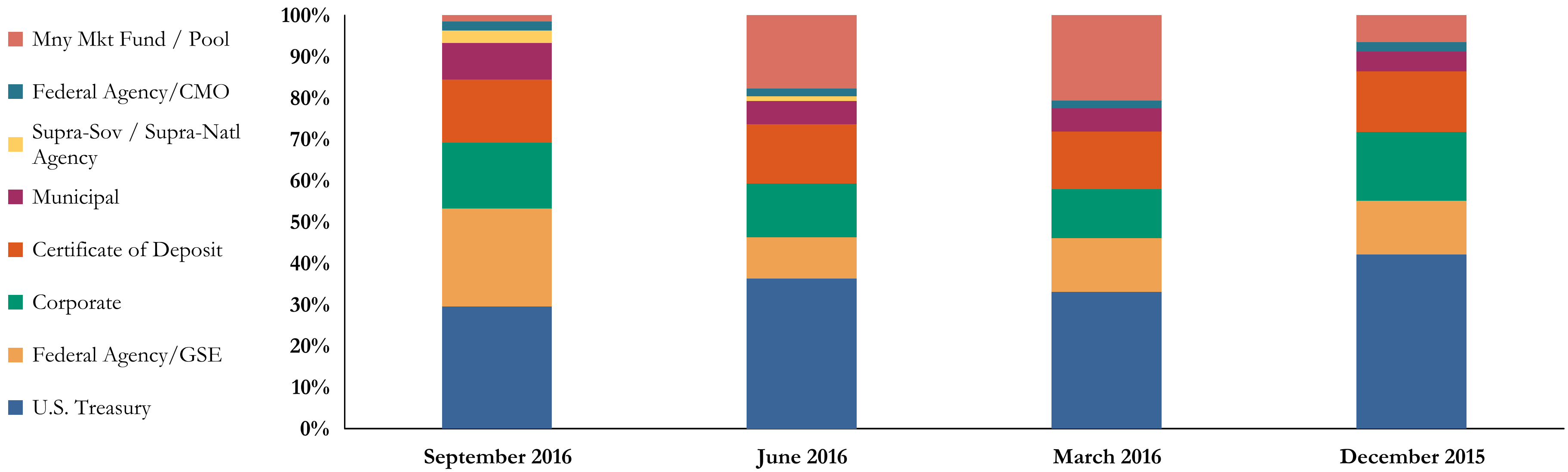
Portfolio/Benchmark	Effective Duration	Quarter Ended 09/30/16	06/30/16	03/31/16	12/31/15	1 Year	Annualized Return 3 Year	5 Year
CITY OF COLORADO SPRINGS	2.60	-0.08%	0.80%	1.55%	-0.48%	1.79%	1.55%	1.27%
Colorado Springs Custom Index	*2.62*	*-0.17%*	*0.80%*	*1.55%*	*-0.65%*	*1.51%*	*1.43%*	*1.12%*
Difference		0.09%	0.00%	0.00%	0.17%	0.28%	0.12%	0.15%



Portfolio performance is gross of fees unless otherwise indicated.

Sector Allocation

	September 30, 2016		June 30, 2016		March 31, 2016		December 31, 2015	
Sector	**MV ($MM)**	**% of Total**	**MV ($MM)**	**% of Total**	**MV ($MM)**	**% of Total**	**MV ($MM)**	**% of Total**
U.S. Treasury	22.6	29.6%	33.3	36.4%	31.1	33.1%	33.2	42.1%
Federal Agency/GSE	18.0	23.6%	9.0	9.9%	12.3	13.1%	10.2	13.0%
Corporate	12.2	16.0%	11.9	13.0%	11.1	11.8%	13.1	16.6%
Certificate of Deposit	11.6	15.3%	13.1	14.3%	13.0	13.9%	11.6	14.7%
Municipal	6.7	8.8%	5.2	5.7%	5.3	5.7%	3.8	4.9%
Supra-Sov / Supra-Natl Agency	2.3	3.0%	1.0	1.1%	0.0	0.0%	0.0	0.0%
Federal Agency/CMO	1.7	2.2%	1.7	1.9%	1.7	1.8%	1.7	2.2%
Mny Mkt Fund / Pool	1.1	1.5%	16.1	17.7%	19.4	20.6%	5.1	6.5%
Total	**$76.2**	**100.0%**	**$91.2**	**100.0%**	**$94.0**	**100.0%**	**$78.7**	**100.0%**



Detail may not add to total due to rounding.

Sector/Issuer Distribution

As of September 30, 2016

Sector / Issuer	Market Value ($)	% of Sector	% of Total Portfolio
Certificate of Deposit			
BANK OF NOVA SCOTIA	1,454,836	12.5%	1.9%
CANADIAN IMPERIAL BANK OF COMMERCE	1,448,188	12.5%	1.9%
HSBC HOLDINGS PLC	1,450,145	12.5%	1.9%
NORDEA BANK AB	1,449,333	12.5%	1.9%
ROYAL BANK OF CANADA	1,456,851	12.5%	1.9%
SKANDINAVISKA ENSKIDA BANKEN AB	1,452,175	12.5%	1.9%
TORONTO-DOMINION BANK	1,452,407	12.5%	1.9%
US BANCORP	1,455,072	12.5%	1.9%
Sector Total	**11,619,007**	**100.0%**	**15.2%**
Corporate			
3M COMPANY	978,956	8.0%	1.3%
APPLE INC	1,444,304	11.8%	1.9%
BERKSHIRE HATHAWAY INC	627,666	5.1%	0.8%
CHEVRON CORP	1,480,596	12.1%	1.9%
COCA-COLA COMPANY	776,904	6.4%	1.0%
EXXON MOBIL CORP	1,454,388	11.9%	1.9%
IBM CORP	1,824,761	14.9%	2.4%
JOHNSON & JOHNSON	401,360	3.3%	0.5%
MICROSOFT CORP	1,351,564	11.1%	1.8%

Sector / Issuer	Market Value ($)	% of Sector	% of Total Portfolio
TOYOTA MOTOR CORP	1,240,885	10.2%	1.6%
WAL-MART STORES INC	639,550	5.2%	0.8%
Sector Total	**12,220,932**	**100.0%**	**16.0%**
Federal Agency/CMO			
FANNIE MAE	1,687,735	100.0%	2.2%
Sector Total	**1,687,735**	**100.0%**	**2.2%**
Federal Agency/GSE			
FANNIE MAE	10,459,746	58.1%	13.7%
FEDERAL HOME LOAN BANKS	5,445,633	30.3%	7.1%
FREDDIE MAC	2,091,637	11.6%	2.7%
Sector Total	**17,997,016**	**100.0%**	**23.6%**
Mny Mkt Fund / Pool			
PFM FUNDS - GOVT SELECT, COLO INVST	1,109,626	100.0%	1.5%
Sector Total	**1,109,626**	**100.0%**	**1.5%**
Municipal			
CITY OF NEW YORK CITY, NY	1,436,725	21.5%	1.9%
FLORIDA ST HURRICAN CAT FUND	1,477,159	22.1%	1.9%
MISSISSIPPI STATE	896,006	13.4%	1.2%
NEW YORK CIYT NY TRANSITIONAL	1,484,365	22.2%	1.9%
STATE OF CONNECTICUT	1,385,900	20.7%	1.8%

Sector / Issuer	Market Value ($)	% of Sector	% of Total Portfolio
Sector Total	**6,680,154**	**100.0%**	**8.8%**
Supra-Sov / Supra-Natl Agency			
AFRICAN DEVELOPMENT BANK	564,944	24.6%	0.7%
INTER-AMERICAN DEVELOPMENT BANK	1,014,902	44.1%	1.3%
INTL BANK OF RECONSTRUCTION AND DEV	721,272	31.3%	0.9%
Sector Total	**2,301,118**	**100.0%**	**3.0%**
U.S. Treasury			
UNITED STATES TREASURY	22,576,209	100.0%	29.6%
Sector Total	**22,576,209**	**100.0%**	**29.6%**
Portfolio Total	**76,191,798**	**100.0%**	**100.0%**

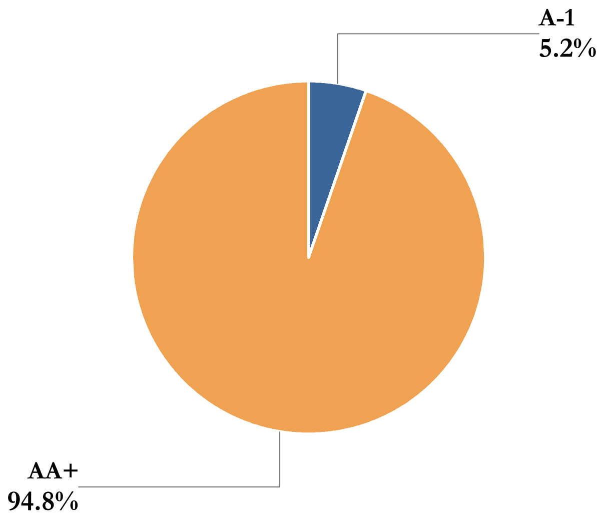
City of Colorado Springs
Airport Reserve Portfolio

Portfolio Statistics

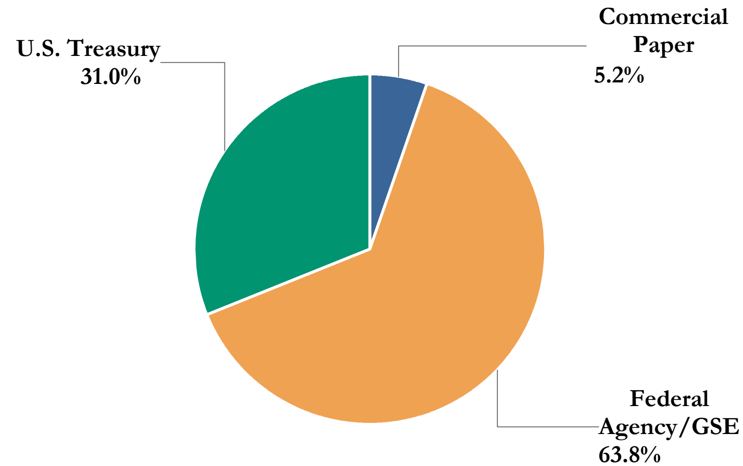
As of September 30, 2016

Par Value:	2,382,000
Total Market Value:	2,399,372
Security Market Value:	2,385,783
Accrued Interest:	13,589
Cash:	-
PFM	-
Amortized Cost:	2,382,472
Yield at Market:	1.46%
Yield at Cost:	1.34%
Effective Duration:	0.65 Years
Duration to Worst:	0.65 Years
Average Maturity:	1.56 Years
Average Credit: **	AA

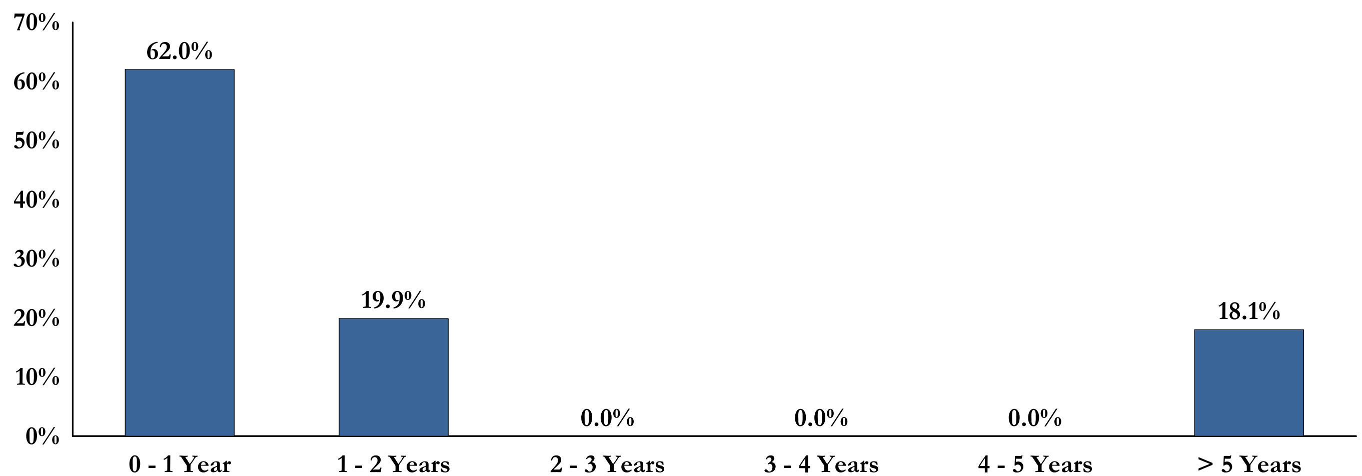
Credit Quality (S&P Ratings)



Sector Allocation

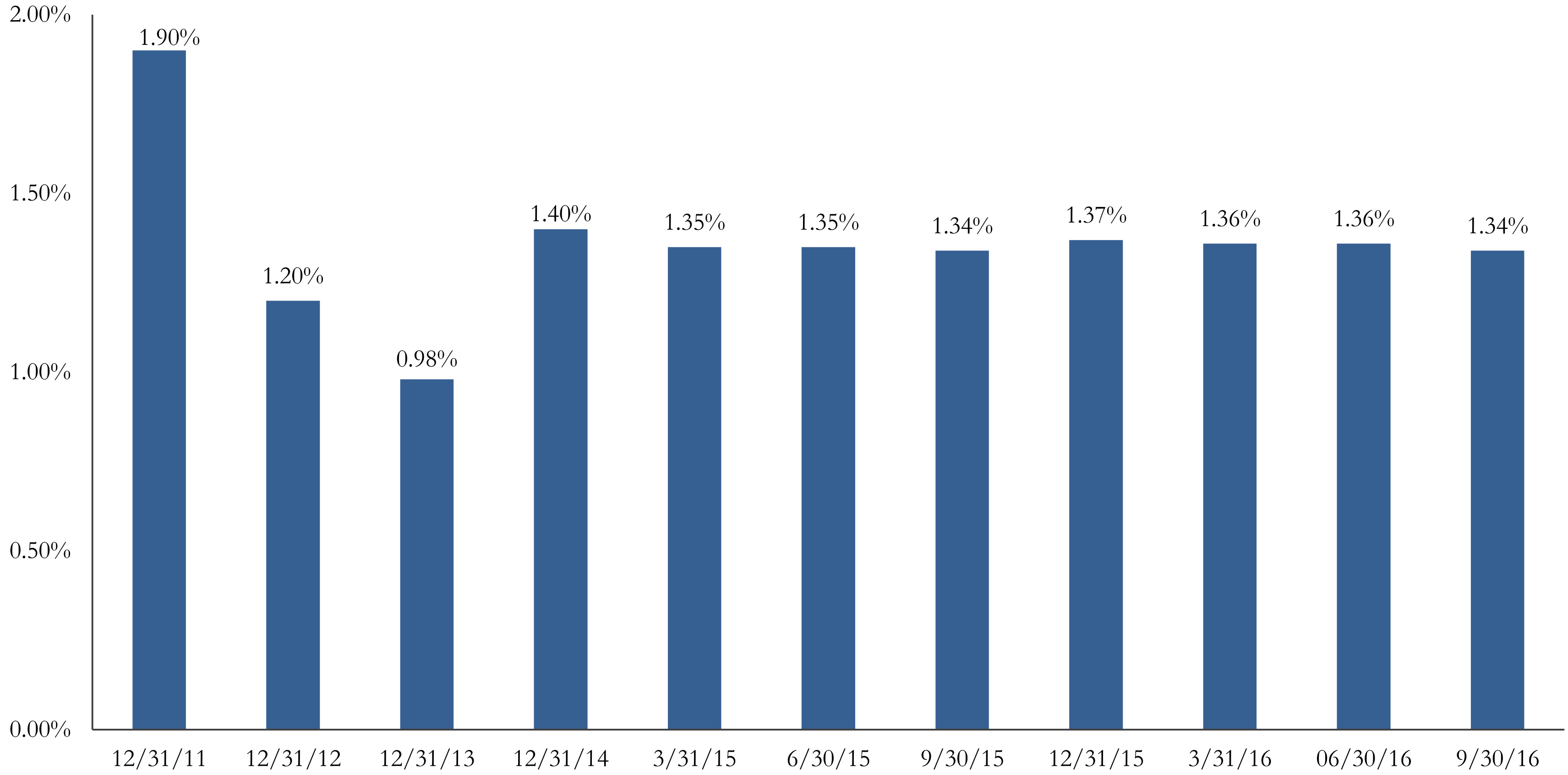


Maturity Distribution



*** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.*

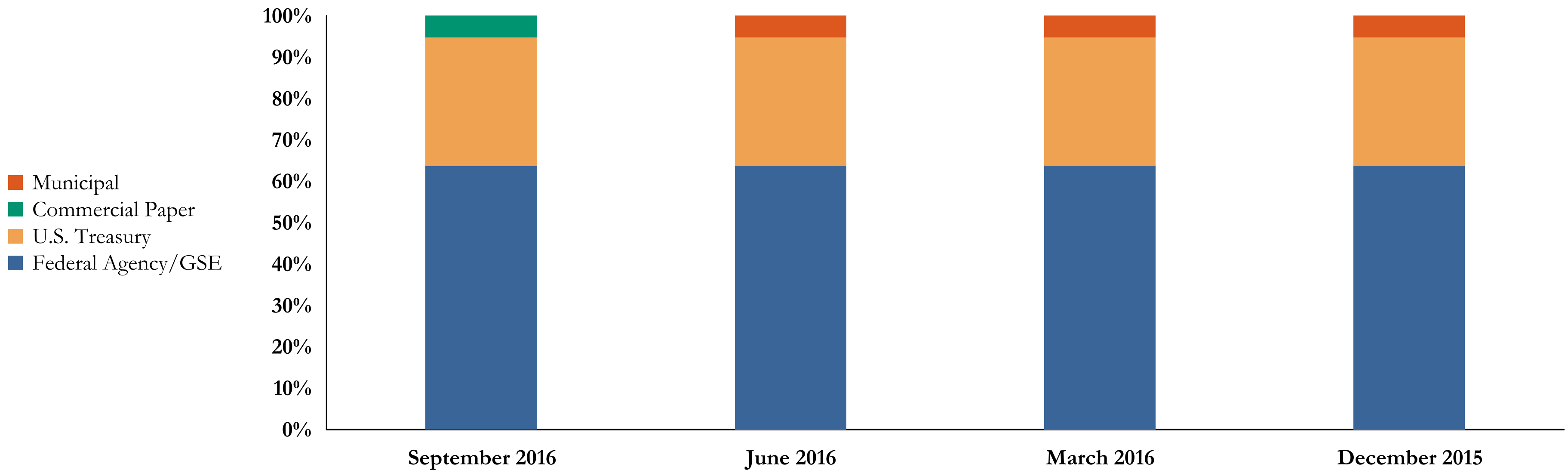
Airport Reserve Portfolio Performance
Yield at Cost



Source: City of Colorado Springs monthly statements.

Sector Allocation

	September 30, 2016		June 30, 2016		March 31, 2016		December 31, 2015	
Sector	**MV ($MM)**	**% of Total**	**MV ($MM)**	**% of Total**	**MV ($MM)**	**% of Total**	**MV ($MM)**	**% of Total**
Federal Agency/GSE	1.5	63.8%	1.5	63.9%	1.5	63.9%	1.5	63.9%
U.S. Treasury	0.7	31.0%	0.7	30.9%	0.7	30.9%	0.7	30.9%
Commercial Paper	0.1	5.2%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Municipal	0.0	0.0%	0.1	5.2%	0.1	5.2%	0.1	5.2%
Total	**$2.4**	**100.0%**	**$2.4**	**100.0%**	**$2.4**	**100.0%**	**$2.4**	**100.0%**



Detail may not add to total due to rounding.

Sector/Issuer Distribution

As of September 30, 2016

Sector / Issuer	Market Value ($)	% of Sector	% of Total Portfolio
Commercial Paper			
MITSUBISHI UFJ FINANCIAL GROUP INC	124,801	100.0%	5.2%
Sector Total	**124,801**	**100.0%**	**5.2%**
Federal Agency/GSE			
FANNIE MAE	846,368	55.6%	35.5%
FREDDIE MAC	674,518	44.4%	28.3%
Sector Total	**1,520,886**	**100.0%**	**63.7%**
U.S. Treasury			
UNITED STATES TREASURY	740,097	100.0%	31.0%
Sector Total	**740,097**	**100.0%**	**31.0%**
Portfolio Total	**2,385,783**	**100.0%**	**100.0%**

INVESTMENT STRATEGY OUTLOOK

- Our strategy continues to favor broad allocation to various credit sectors, including corporate notes, commercial paper, negotiable bank CDs, and asset-backed securities.
- We believe the best opportunities in the corporate sector are currently with issuers in the financial industry, where capital is strong and valuations are fair. We are monitoring industrial issues, where valuations are generally rich and may not align with fundamentals, which are being pressured by increased leverage. At today's narrower yield spreads, new purchases will be more selective.
- Yields on commercial paper and negotiable CDs continue to offer significant yield pickup relative to short-term government securities as October money market reform has kept spread levels elevated.
- We will continue to evaluate the MBS and ABS sectors, purchasing those issues we believe are well structured, offer adequate yield spreads, and which have limited duration variability, providing further portfolio diversification when seeking incremental return.
- Agency yield spreads moved modestly tighter during the third quarter, but still offer value in certain maturities. New issues, which typically offer a yield concession, offer the best opportunities.
- As we have done for most of the year, we plan to keep the duration and maturity distribution of portfolios generally in line with the distribution of their benchmarks, except where shifting to short-term credit securities offers better value.
- We will continue to monitor incoming economic data to assess and confirm the prospect for a Fed rate hike by year-end. In the near-term, the upcoming U.S. Presidential election could be a source of market volatility.

Important Disclosures

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values which include accrued interest, are derived from closing bid prices as of the last business day of the month as supplied by a third party vendor. 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.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **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 straight line basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount, expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually $1 million or more that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

Glossary

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction occurs on a non-business day (i.e. coupon payments and maturity proceeds), the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred however the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** 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.
- **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.