

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%	4.85%	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

Review of Investment Performance Quarter Ended June 30, 2015



Bob Cheddar, Managing Director ♦ Chris Blackwood, Director
Richard Babbe, Senior Managing Consultant ♦ Emily Ferguson, Senior Analyst

PFM Asset Management LLC
1400 16th Street, Suite 400
Denver, CO 80202
303-467-1114



Economic Update

Economic Summary

Economic Conditions

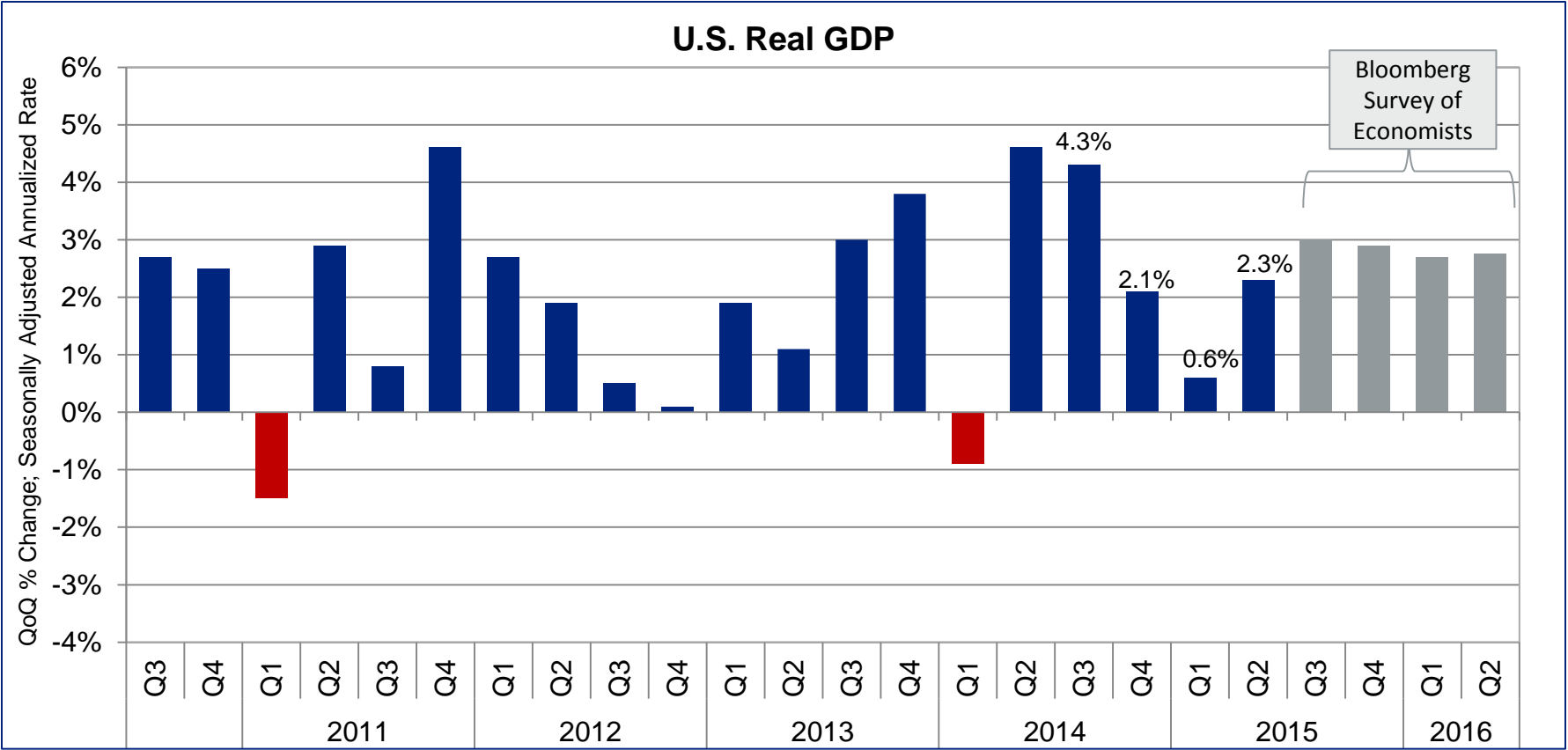
- The U.S. economy continued to rebound from the first quarter's weather related slowdown. Data released in June showed stronger retail sales, consumer credit, consumer sentiment, small business optimism, and both new- and existing-home sales.
- The U.S. Labor market added 223,000 jobs in June, short of economists' forecasts. The unemployment rate fell to 5.3% in June, down from 5.5% in May, due largely to a decline in labor force participation.
- Multilateral talks among Greece and Eurozone creditors failed to secure continued financial support to the troubled nation. Greece became the first developed economy to miss a repayment deadline to the International Monetary Fund (IMF) and has been forced to impose capital controls to avert a financial meltdown.
- In its June meeting, the FOMC signaled that it anticipates economic conditions to warrant an increase in its federal funds policy rate later this year, but the timing of the first hike may be pushed back.

Market Reaction

- U.S. Treasury yields ended a volatile month higher across the curve with longer maturities impacted the most; 2-year and 10-year Treasuries ended the month higher by 0.04% and 0.23%, respectively, resulting in a steeper yield curve.
- Agency spreads remained modest across the yield curve while spreads narrowed for shorter maturities and widened for longer maturities.
- While demand for high-quality corporate securities remains strong, spreads widened due to general concerns in the credit markets. As a result, the sector underperformed government securities for the month and quarter.
- Yields on money-market securities have stabilized in recent months, supported by the FOMC's patience with regard to policy normalization.

U.S. Economy Grew in the 2nd Quarter

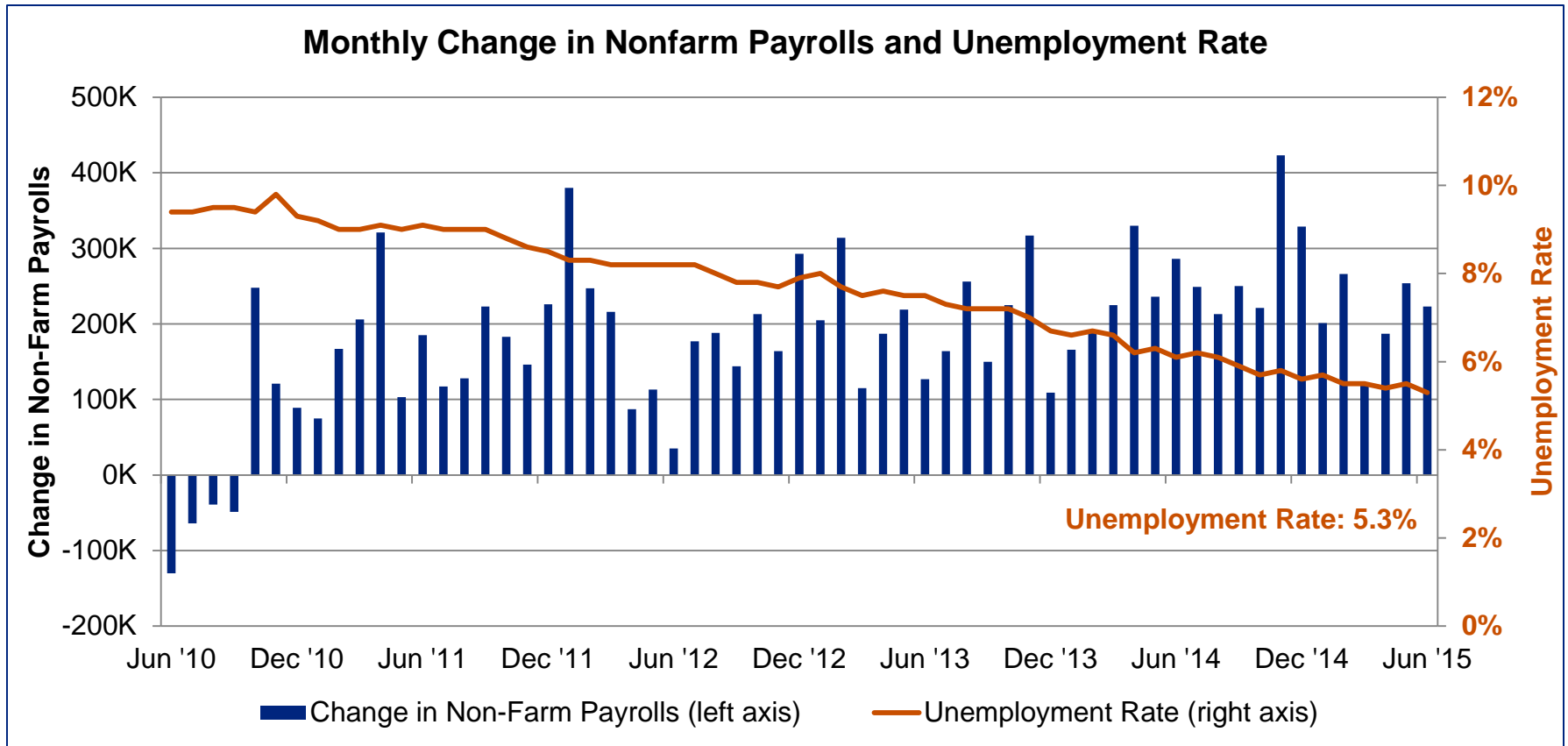
- U.S. GDP grew at an estimated 2.3% in the second quarter.
- First quarter GDP was revised to 0.6% from -0.2%.
- The second quarter upturn was boosted by higher consumer spending and a strengthening housing market.



Source: Bureau Of Economic Analysis; Bloomberg survey results as of 8/4/2015.

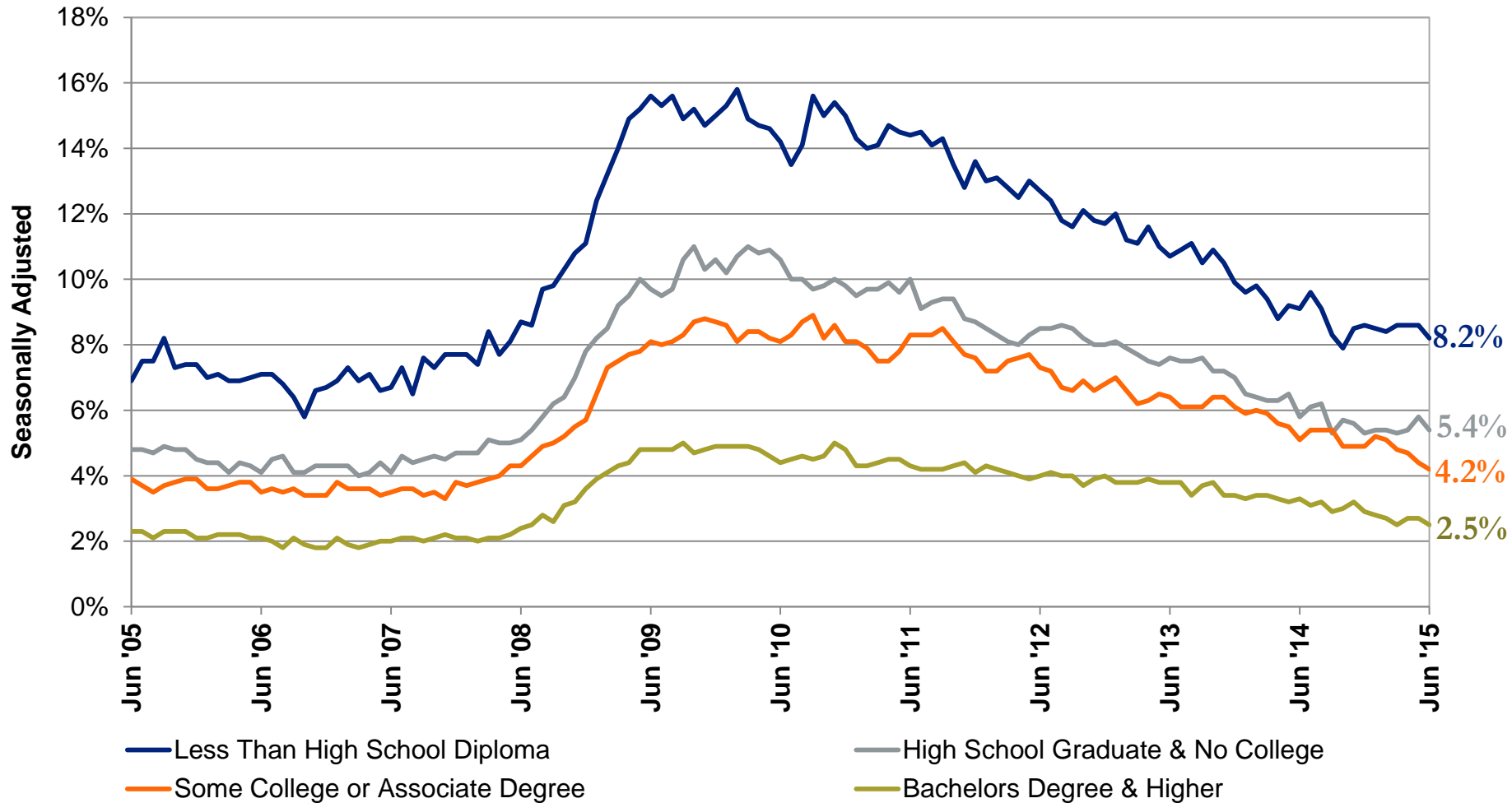
U.S. Economy Continues to Create Jobs

- U.S. Labor market added 223,000 jobs in June, likely confirming hopes that the economy is performing well after a slow start to the year.
- The U.S. economy has added 2.9 million jobs over the past year.
- The unemployment rate fell to 5.3% in June, down from 5.5% in May, but the drop was due largely to a decline in labor force participation.



Source: Bureau of Labor Statistics

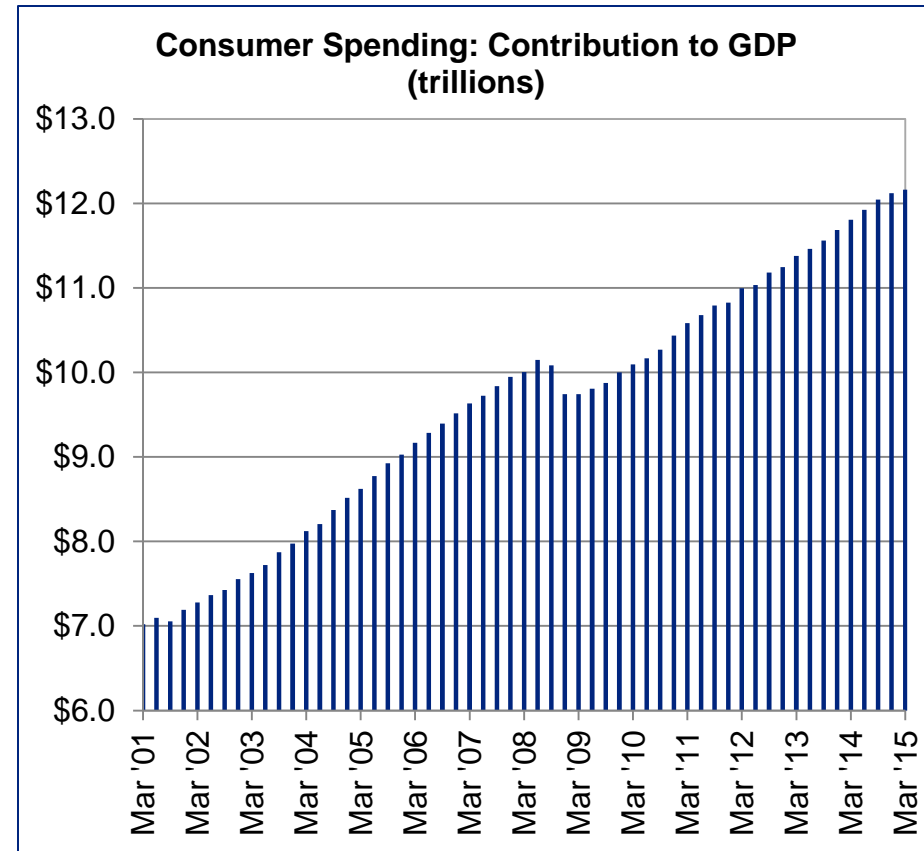
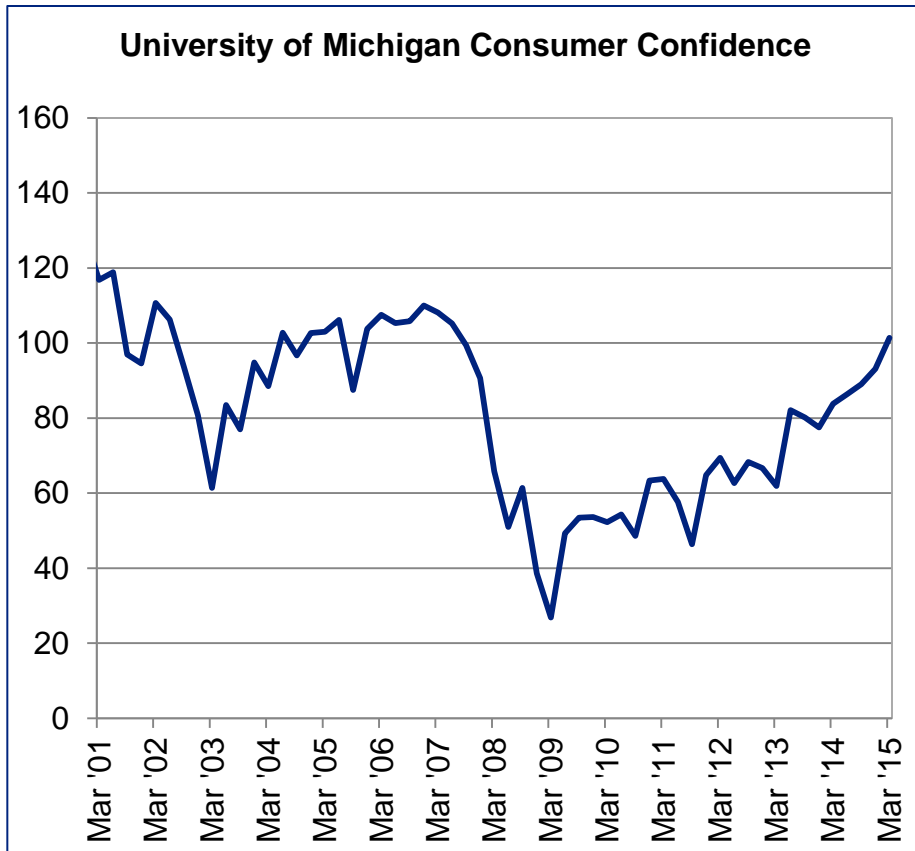
Unemployment by Education Levels



Source: Bureau of Labor Statistics

But Consumers Support Growth

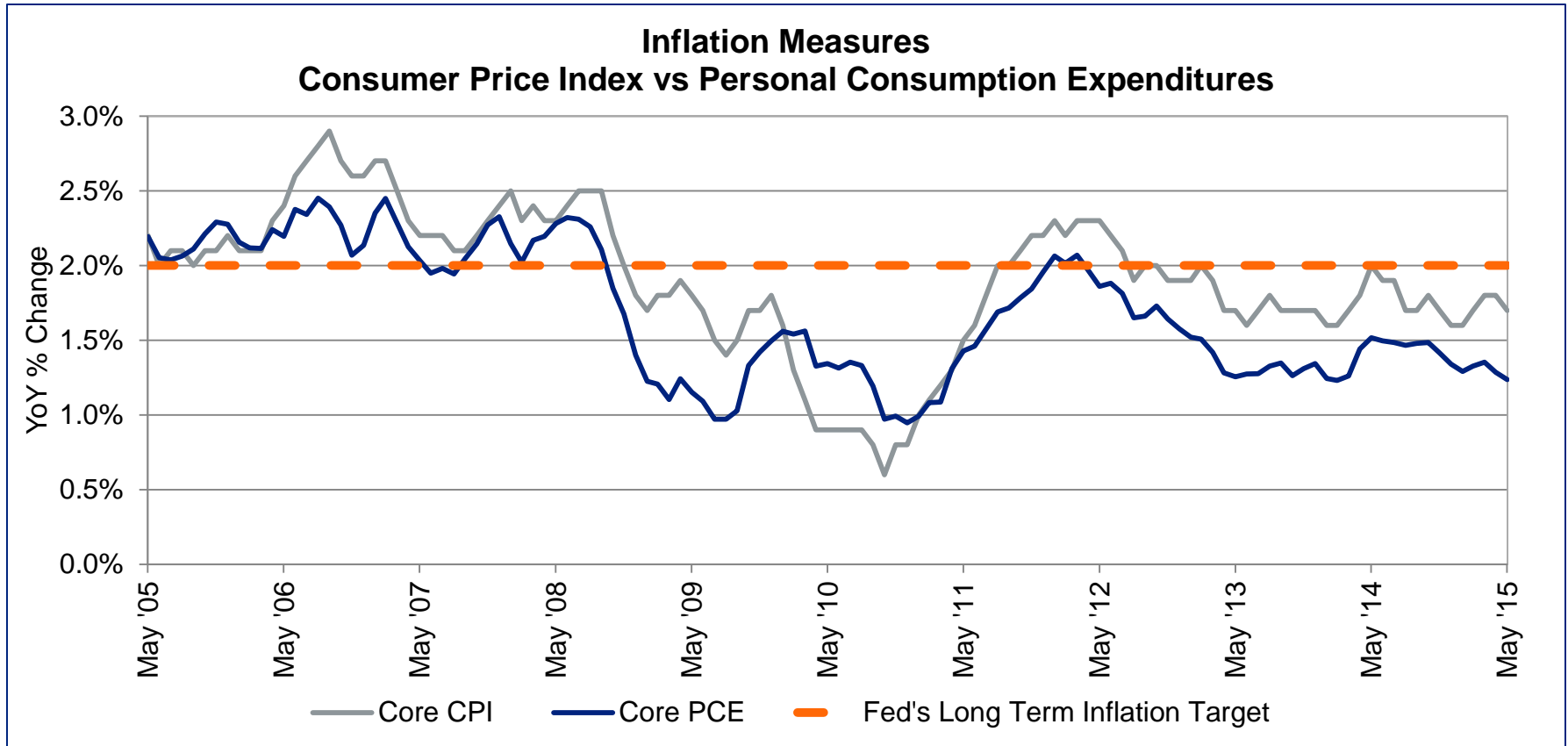
- Recent GDP readings have portrayed a significant contribution from the consumer sector. As Consumer Confidence has rebounded from its depths during the recession, so has spending.
- Consumer behavior offers a vital indication on the general direction of economic growth as Consumer Spending accounts for approximately 69% of overall GDP growth.



Source: Bloomberg

Inflation Remains Muted

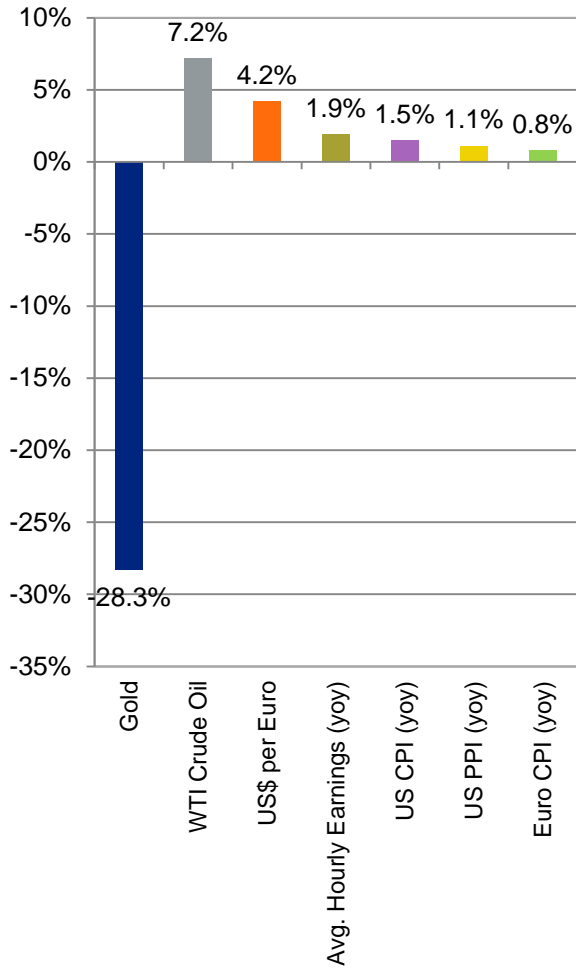
- The personal consumption expenditures (PCE) price index, the Fed's preferred gauge of core inflation, continues to undershoot the 2% target; it advanced just 1.2% year-over-year through May.
- Falling energy prices and lack of wage pressure are helping keep inflation low.



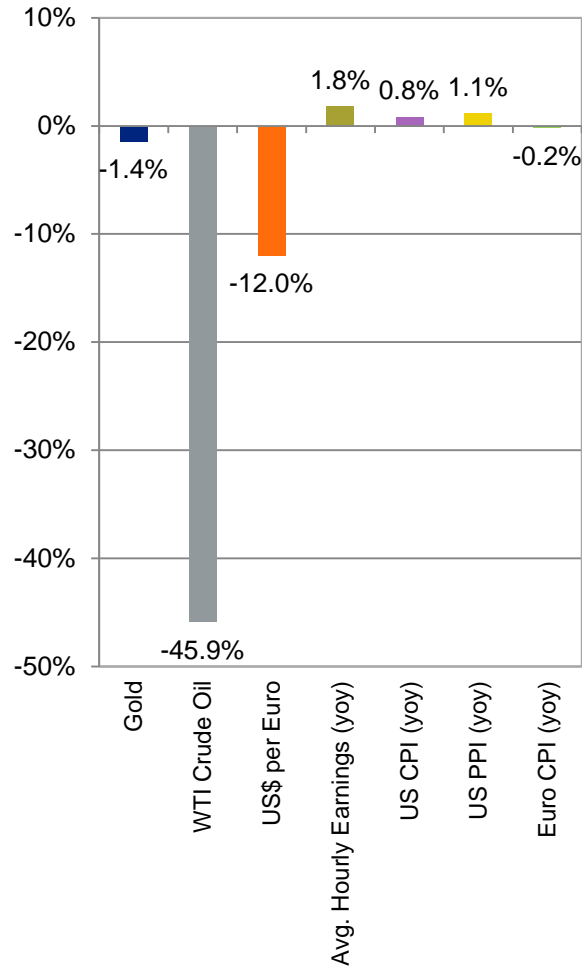
Source: Bloomberg

Price and Inflation Indicators

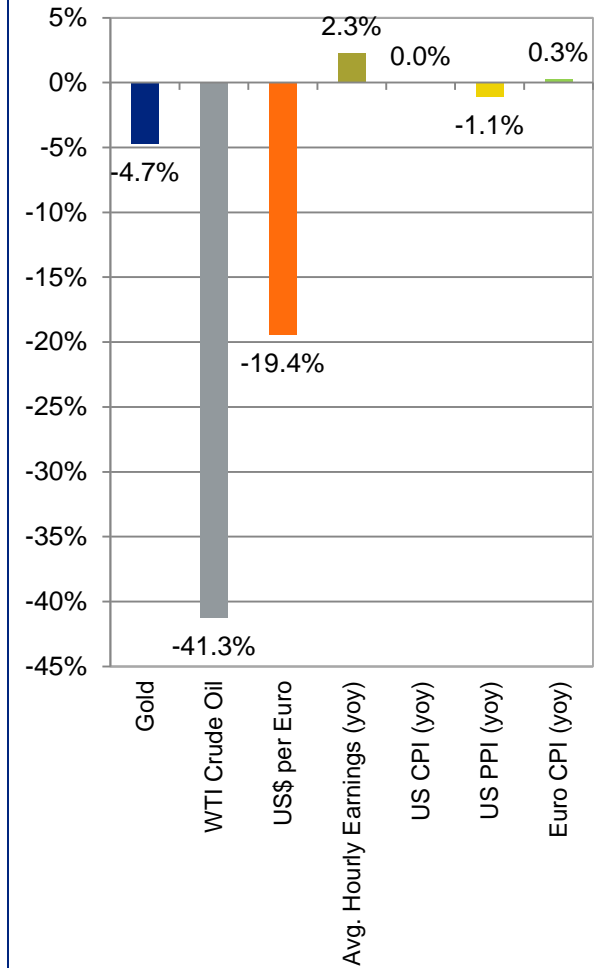
2013 Price Change



2014 Price Change



2015 YTD YoY Price Change



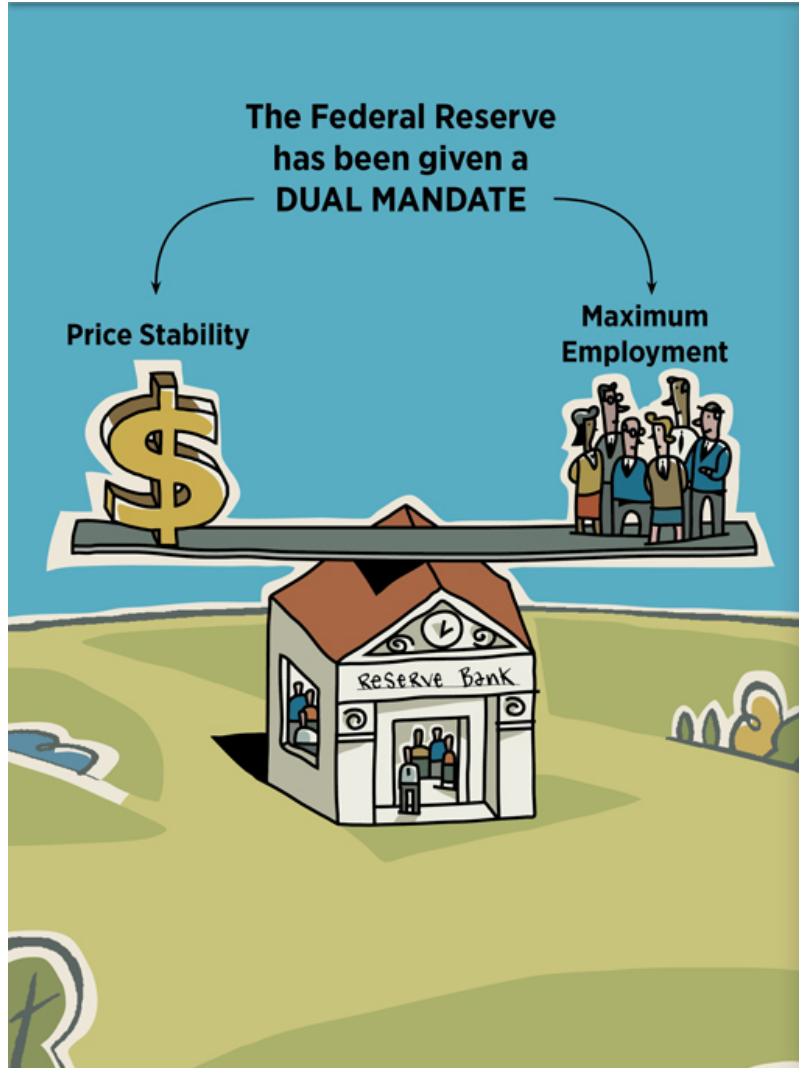
Source: Bloomberg. YTD YoY 2015 is as of 5/31/2015.



Market Update



The Fed's Dual Mandate



Goals Established in 2012:

- Unemployment rate 5.2 – 6.1%
- Prices +2% per year

Fed's Policy Normalization Principles and Plans

- Asset purchase program concluded in October 2014
- Reinvestments will continue beyond first rate hike
 - No asset sales are planned at this time
- Fed Funds Rate hike is data dependent – no preset course
- Details subject to ongoing economic data
- Interest on Excess Reserves (IOER) and Reverse Repo Program Facility (RRP) will be used to steer rate
 - Interest on Required Balances and Excess Balances: The Federal Reserve Banks pay interest on balances maintained to satisfy reserve balance requirements and on excess balances
 - Reverse Repo Program Facility (RRP) is a Federal Reserve tool designed to set a lower boundary on short-term rates



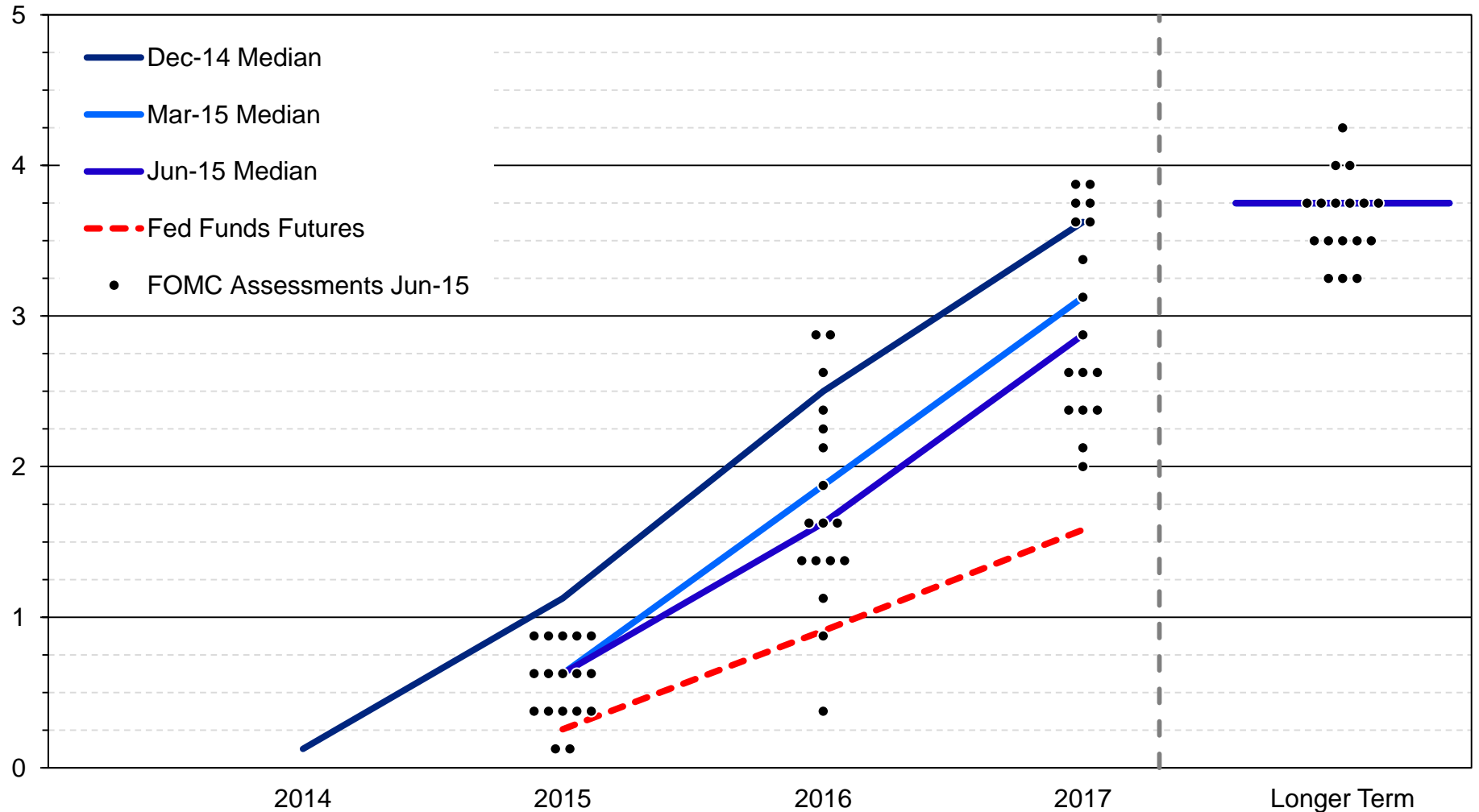
Source: Federal Reserve

FOMC Statement Highlights



- **Economic activity has been *expanding moderately* after having changed little during the first quarter.** The pace of job gains picked up the unemployment rate remained steady...*underutilization of labor resources diminished somewhat.*
- ***Inflation continued to run below the Committee's longer-run objective,*** partly reflecting earlier declines in energy prices and decreasing prices of non-energy imports...*inflation is anticipated to remain near its recent low level in the near term,* but the Committee expects inflation to rise gradually toward 2% over the medium term.
- The current 0 – 0.25% target range for the federal funds rate remains appropriate ...the Committee will **assess progress - *both realized and expected* - toward its objective** of maximum employment at 2% inflation
- Committee anticipates that it will be **appropriate to raise the target range for the federal funds rate** when it has seen further improvements in the labor market and is ***reasonably confident that inflation will move back to its 2% objective over the medium term.***

FOMC Members Foresee Modest Rate Rise

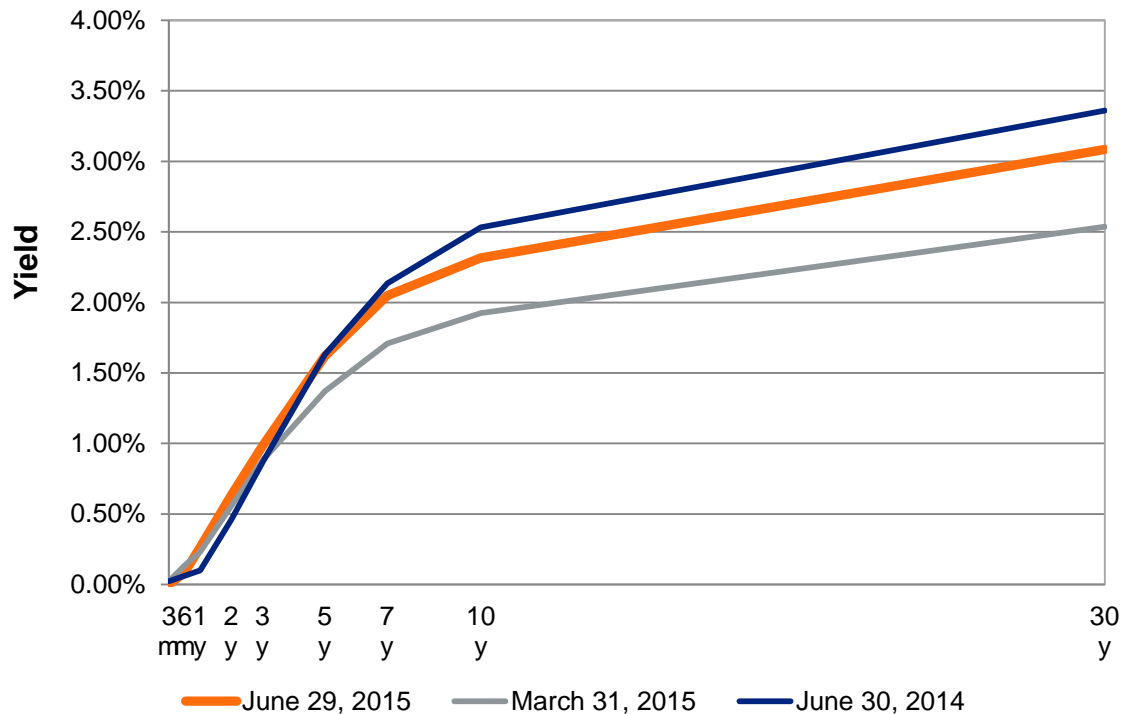


Source: Bloomberg; Fed Funds Futures as of 7/8/2015.

U.S. Treasury Curve

- The yield curve steepened over the past three months as rates for intermediate and longer maturities (5-year and greater) rose in response to stronger economic conditions in the U.S.
- Shorter-term yields also rose, but by only a modest amount.

U.S. Treasury Yield Curve

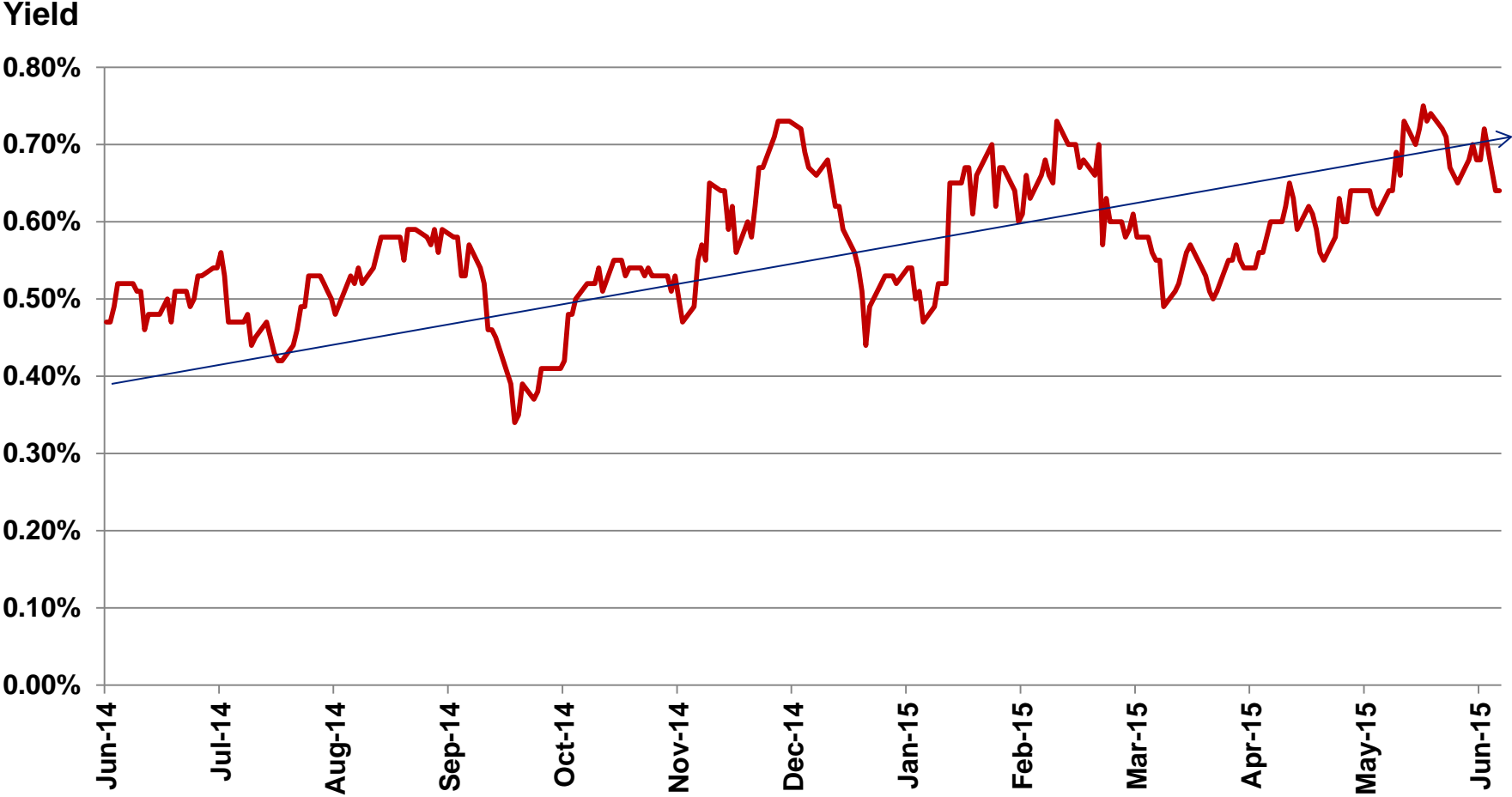


Yield Curve History

	6/30/14	03/31/15	06/29/15
1-Mo.	0.01	0.01	0.00
3-Mo.	0.02	0.02	0.00
6-Mo.	0.06	0.14	0.08
1-Yr.	0.10	0.23	0.26
2-Yr.	0.46	0.56	0.64
3-Yr.	0.87	0.88	0.98
5-Yr.	1.63	1.37	1.62
7-Yr.	2.14	1.71	2.05
10-Yr.	2.53	1.92	2.32
30-Yr.	3.36	2.54	3.08












Source: Bloomberg

2 Year U.S. Treasury Yield



Source: Bloomberg

Sector Preferences

Sector	PFMAM Investment Preference	Sector Considerations
MMF/LGIP		<p>CP/CDs Supply remains constrained for 0-2 month maturities, but Fed expectations and looming money market reform have led to wider spreads in 6-12 month maturities.</p>
Commercial Paper/CDs		<p>Treasuries New issuance shrinking as federal deficit improves; 1-5 year maturities offer value near the upper end of recent trading ranges.</p>
Treasury: T-Bill		<p>Federal Agencies Housing GSEs continue to reduce issuance as they shrink their balance sheets; result is diminished supply and shrinking spreads. Front end spreads remain elevated relative to spreads further out the curve.</p>
T-Note		
Agency: <= 3 years		<p>Corporates Positive macro environment is particularly supportive of industrial issuers which appear attractive; some new issues still contain price concessions; bank sector may come under ratings pressure in 2015, but still provide an opportunity to enhance returns.</p>
> 3 Years		
Corporates: Financials		<p>Municipals Supply has increased of late as issuers look to lock in low rates; taxables offer occasional value compared to other spread products.</p>
Industrials		
Municipal Bonds		<p>ABS Economic outlook supports incremental value in AAA senior fixed-rate auto loan and credit card tranches.</p>
Asset-Backed		<p>MBS Although valuations have moderately cheapened recently, the sector remains vulnerable to a spike in volatility. Extension risk concerns are likely to continue to pressure lower coupons. The anticipated prepayment slowdown enhances the attractiveness of higher coupons.</p>
Mortgage Backed		

Source: PFMAM, as of June 30, 2015. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. Analysis is subject to changes in the market environment, and may vary based on the client's particular circumstances.

PORTFOLIO RECAP

- The portfolios comply with the Colorado Revised Statutes and the City's investment policy. The portfolios are well diversified among U.S. Treasury and Federal Agency securities, high-quality corporate instruments, and municipal obligations.
- Treasury yields fluctuated throughout the quarter, moving higher on strong economic news in the U.S., and lower when the Federal Open Market Committee (FOMC) indicated that they are not yet ready to raise rates and when investors sought the safety of high quality government bonds as uncertain financial conditions in Greece continued to worsen. Overall, the trend was toward higher rates with the greatest increase on longer-term yields.
- PFMAM kept portfolio durations near benchmark durations during the quarter because of uncertainty regarding the short-term direction of interest rates. In selecting individual securities, we focused on maturities where the yield curve was steepest and therefore offered both high current yields and strong potential for "roll down" benefit (the natural tendency for securities to appreciate as they age).
- While the yields on U.S. Treasury and Federal Agency securities tend to move up and down in concert, their yields don't always move at the same speed. Yields on Treasuries tend to react more quickly to changing economic conditions, which causes yield spreads to fluctuate. During the quarter, we took advantage of these fluctuations by adding Agency holdings to the portfolio when the yield advantage over Treasuries was wide compared to recent spreads. The yield advantage was generally better in longer maturities.
- In the corporate sector, yield spreads over Treasuries also widened in response to renewed global economic growth concerns; however, continued strong demand for high-quality corporate securities limited the amount by which spreads widened. PFMAM continued to view corporate securities favorably because of their superior income potential. We actively participated in new offerings and also conducted broad searches of the secondary market for attractively priced securities. We found the greatest value in corporate bonds with maturities longer than 18 months, so we sought opportunities to sell shorter-term holdings in favor of corporate securities with longer maturities, in some instances with the same issuer. Where permitted, we also continued to supplement our corporate sector allocation with high quality negotiable bank certificates of deposit.



Colorado Springs Portfolio Performance

- The City’s Operating Reserve portfolio returned performance in line with and slightly higher than the benchmark for the first quarter.
- Since inception, the portfolio continues to generate solid performance in excess of the index.

Total Return Performance^{1,2,3,4}

	Duration	Portfolio Yield at Cost	Quarter Ending 6/30/15	Past 1 Year	Past 3 Years	Past 5 Years	Since Inception
Colorado Springs Operating Reserve	2.54	1.15%	0.05%	1.34%	0.94%	1.34%	3.01%
<i>Portfolio Return Net of Fees</i>	-	-	-0.03%	1.26%	0.86%	1.26%	2.93%
Merrill Lynch 1-5 Year U.S. Gov’t Index	2.59	-	0.03%	1.37%	0.85%	1.36%	2.82%*

1. Performance on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute’s Global Investment Performance Standards (GIPS).

2. The net return is for reference only, based on an average fee of 8.5 basis points, assuming an average portfolio of \$76 million.

3. 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.)

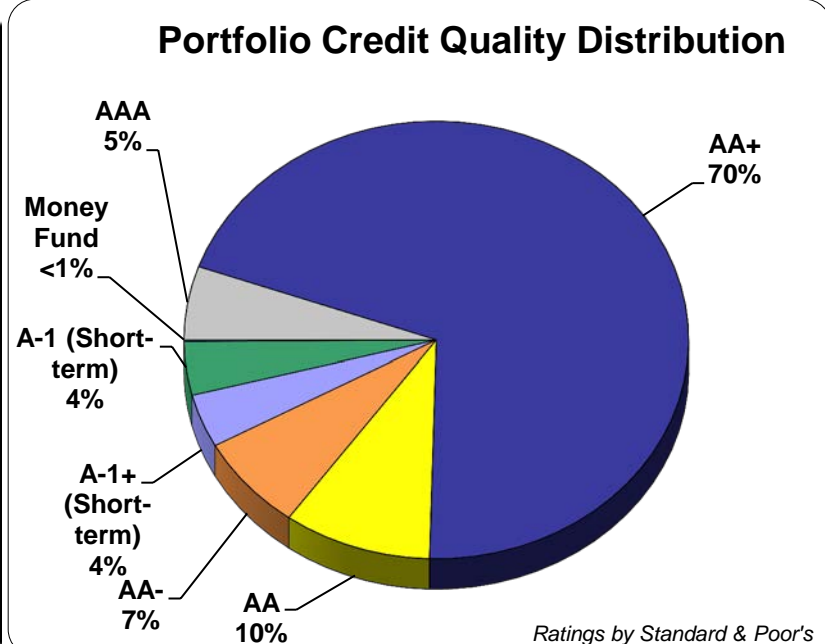
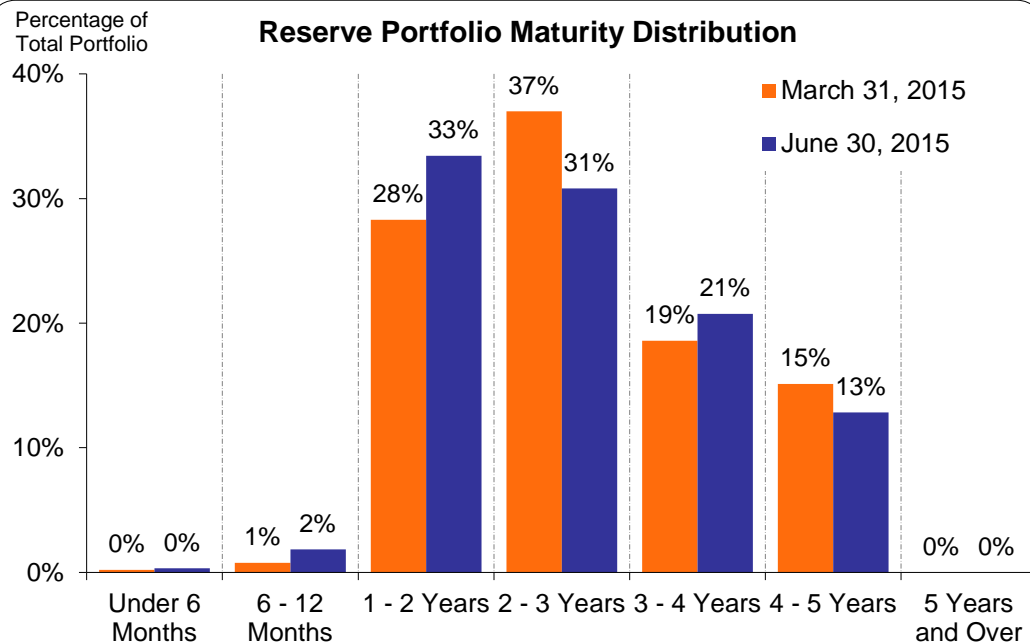
4. Inception date of Operating Reserve portfolio is January 2003.



Colorado Springs Operating Reserve Portfolio

- The Operating Reserve Portfolio is managed according to a duration target, the Bank of America Merrill Lynch 1-5 Year Treasury Benchmark.
- Operating Reserve Portfolio Yield and Duration summary:

	June 30, 2015	March 31, 2015
Yield at Market	1.06%	0.90%
Yield at Cost	1.15%	1.09%
Effective Duration	2.53	2.58
Market Value	\$73,630,733	\$73,525,045



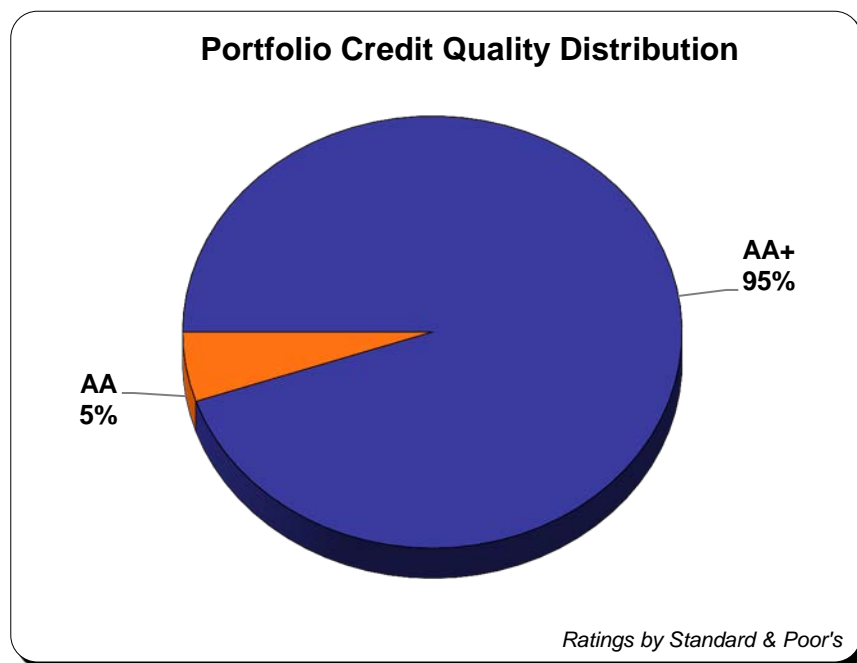
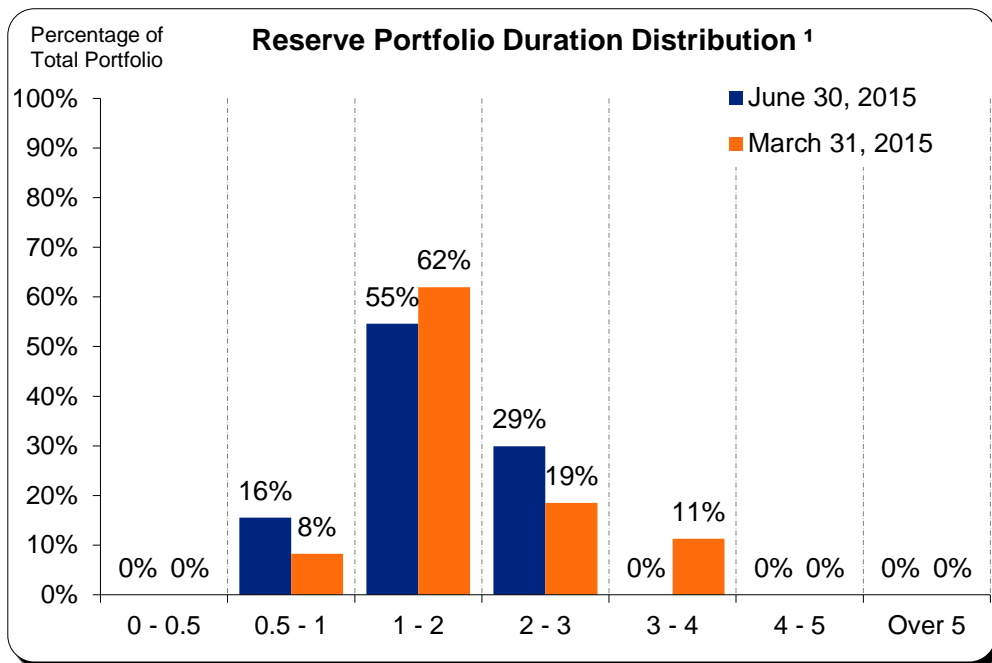
Source of index data: Bloomberg, Merrill Lynch



Colorado Springs Airport Reserve Portfolio

- The Airport Reserve Portfolio is managed according to a duration target and according to the requirements of the bond documents.
- Airport Reserve Portfolio Yield and Duration summary:

	June 30, 2015	March 31, 2015
Yield at Market	1.34%	1.30%
Yield at Cost	1.35%	1.35%
Effective Duration	1.65	1.89
Market Value	\$2,422,726	\$2,435,560



¹ Callable securities in portfolio are included in the maturity distribution analysis to their legally stated final maturity date.



Portfolios Comply with City's Investment Policy

	Operating Reserve				Airport Reserve			
Security Type	06/30/15 Market Values*	06/30/15 % of Portfolio	03/31/15 % of Portfolio	In Compliance	06/30/15 Market Values*	06/30/15 % of Portfolio	03/31/15 % of Portfolio	In Compliance
U.S. Treasuries	\$25,662,553	35%	39%	√	\$1,019,596	42%	42%	√
Federal Agencies	\$22,191,868	30%	32%	√	\$1,276,903	53%	53%	√
Municipal Obligations	\$4,013,912	5%	4%	√	\$126,227	5%	5%	√
Agency Mortgage-Backed Security	\$737,732	1%	<1%	√	\$0	0%	0%	√
Corporate Notes	\$12,305,977	17%	16%	√	\$0	0%	0%	√
Negotiable CDs	\$8,718,691	12%	8%	√	\$0	0%	0%	√
Totals	\$73,630,733	100%	100%		\$2,422,726	100%	100%	
CSIP	\$14,891,457							

*Market Values include accrued interest. Cash excluded from "Total" values.



Finding Value in Negotiable CDs

- The table below shows the holdings of negotiable CDs in the Operating Reserve portfolio
- Negotiable CDs continue to provide value relative to U.S. Treasury securities
- Over the past quarter, the Reserve Portfolio holdings of negotiable CDs increased from 8% to 12%
- The interest rate differential (yield spread) between negotiable CDs and U.S. Treasuries ranged from 31 to 51 basis points

Issuer	Par Amount	Trade Date	Maturity	Yield to Maturity at Cost	Comparable U.S. Treasury Yield	Yield Spread
US Bank NA	\$1,450,000	9/9/14	9/11/17	1.41%	1.06%	35
Toronto Dominion Bank NY	\$1,450,000	9/25/14	9/29/16	0.90%	0.59%	31
HSBC Bank USA NA	\$1,450,000	2/11/15	8/15/16	0.88%	0.46%	42
Canadian Imperial Bank NY	\$1,450,000	4/6/15	4/6/17	1.01%	0.51%	50
Rabobank Nederland NY	\$1,450,000	4/22/15	4/21/17	1.07%	0.57%	50
Nordea Bank Finland NY	\$1,450,000	5/27/15	5/26/17	1.15%	0.64%	51

Source: Bloomberg

PORTFOLIO STRATEGY

- We expect U.S. economic conditions to rebound from the first quarter 2015 contraction. Rising consumer confidence, growth in personal spending, and a stronger housing sector should contribute to improved economic conditions.
- Improving employment statistics in the U.S. suggest that an increase in the Federal Funds rate may be appropriate soon. However, stubbornly low inflation remains a concern for the Federal Reserve policy makers. Market participants still expect the FOMC to initiate at least one rate hike in 2015, but the pace of subsequent increases is likely to be gradual.
- It is likely that developments in Greece will continue to cause market volatility as investors weigh the impact of possible outcomes on global economic conditions.
- Recovering U.S. economic conditions, heightened geopolitical uncertainty, and expectations that the FOMC will tighten monetary policy slowly should keep rates in their current ranges in the coming months, with a modest bias towards slightly higher levels. Based on this expectation, we will maintain portfolio durations near the durations of their respective benchmarks.
- Our strategy will be to focus on identifying relative value from among the full range of investment options. We will pay careful attention to sector allocation, yield curve placement, credit market dynamics, and individual security selection. These factors will likely be key drivers of performance in an uncertain rate environment.
- Federal Agency securities with maturities less than three years continue to offer little incremental yield over comparable maturity Treasury securities. For this reason, we may hold or add to Treasury holdings in this maturity range. We will monitor the spread relationship and shift assets into Federal Agencies if the yield difference widens sufficiently.
- Corporate securities remain our preferred vehicle for generating incremental income in a market environment constrained by low yields and narrow trading ranges. We will add to our corporate and negotiable bank CD allocation, where feasible.
- We may also look to add mortgage-backed and asset-backed securities to increase portfolio income. In these areas, specific issue analysis will remain important to limit the amount of interest rate sensitivity in the portfolio.
- Yields on money market securities have stabilized at slightly higher levels in recent months in response to uncertain expectations about the timing of FOMC rate hikes. Longer-maturity commercial paper and CDs remain particularly attractive for short-term investment needs, especially when compared to government securities.



Operating Reserve Portfolio Holdings



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2015**

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
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 01/03/2012 0.875% 12/31/2016	912828RX0	675,000.00	AA+	Aaa	01/23/12	01/26/12	673,787.11	0.91	16.05	674,626.01	678,954.83
US TREASURY NOTES DTD 01/31/2012 0.875% 01/31/2017	912828SC5	1,300,000.00	AA+	Aaa	02/22/12	02/27/12	1,299,746.09	0.88	4,744.82	1,299,917.74	1,307,211.10
US TREASURY NOTES DTD 03/31/2012 1.000% 03/31/2017	912828SM3	75,000.00	AA+	Aaa	02/27/14	03/03/14	75,609.37	0.73	188.52	75,348.00	75,574.20
US TREASURY NOTES DTD 03/31/2012 1.000% 03/31/2017	912828SM3	3,325,000.00	AA+	Aaa	03/19/14	03/21/14	3,332,663.09	0.92	8,357.92	3,329,452.57	3,350,456.20
US TREASURY NOTES DTD 06/30/2010 2.500% 06/30/2017	912828NK2	135,000.00	AA+	Aaa	12/08/14	12/09/14	140,389.45	0.92	9.17	139,216.26	139,988.66
US TREASURY NOTES DTD 04/30/2013 0.625% 04/30/2018	912828UZ1	900,000.00	AA+	Aaa	05/10/13	05/15/13	891,808.59	0.81	947.69	895,283.35	891,914.40
US TREASURY NOTES DTD 07/31/2013 1.375% 07/31/2018	912828VQ0	2,200,000.00	AA+	Aaa	02/02/15	02/04/15	2,234,203.13	0.92	12,618.09	2,230,277.46	2,222,000.00
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	1,105.64	521,236.18	526,804.95
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	640.54	600,048.92	606,512.50
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	1,164.62	1,094,108.61	1,102,750.00
US TREASURY NOTES DTD 01/31/2014 1.500% 01/31/2019	912828B33	2,325,000.00	AA+	Aaa	07/29/14	07/31/14	2,314,192.38	1.61	14,547.31	2,316,332.96	2,346,252.83
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	10,211.75	2,502,264.85	2,529,882.50
US TREASURY NOTES DTD 05/15/2009 3.125% 05/15/2019	912828KQ2	1,600,000.00	AA+	Aaa	10/30/14	11/03/14	1,713,375.00	1.50	6,385.87	1,697,328.99	1,707,374.40
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	1,885.25	740,609.18	735,996.00



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2015**

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
U.S. Treasury Bond / Note											
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	11,107.24	2,561,944.39	2,555,378.28
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	7,540.98	2,948,124.48	2,943,984.00
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	1,609.29	1,864,049.21	1,858,437.50
Security Type Sub-Total		25,440,000.00					25,501,749.22	1.28	83,080.75	25,490,169.16	25,579,472.35
Municipal Bond / Note											
MS ST TXBL GO BONDS DTD 12/03/2013 2.000% 12/01/2015	605581DQ7	160,000.00	AA	Aa2	11/13/13	12/03/13	164,563.20	0.56	266.67	160,957.30	160,996.80
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	410.55	210,000.00	210,497.70
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	1,048.80	285,000.00	285,869.25
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	1,711.88	415,000.00	415,294.65
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	3,079.44	585,000.00	590,118.75
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	650.00	1,000,000.00	998,230.00
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	2,518.50	600,000.00	596,154.00
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	3,765.97	752,550.54	743,299.00
Security Type Sub-Total		3,980,000.00					4,013,207.95	1.68	13,451.81	4,008,507.84	4,000,460.15
Federal Agency Collateralized Mortgage Obligation											



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2015**

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
Federal Agency Collateralized Mortgage Obligation											
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	391,600.03	394,227.60
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	341,557.91	342,536.74
Security Type Sub-Total		730,000.00					737,295.86	1.06	967.62	733,157.94	736,764.34
Federal Agency Bond / Note											
FHLB NOTES DTD 08/07/2014 0.500% 09/28/2016	3130A2T97	1,925,000.00	AA+	Aaa	08/06/14	08/07/14	1,920,668.75	0.61	2,486.46	1,922,481.58	1,925,456.23
FHLMC NOTES DTD 08/16/2013 0.875% 10/14/2016	3137EADS5	2,000,000.00	AA+	Aaa	10/01/13	10/03/13	2,006,080.00	0.77	3,743.06	2,002,596.96	2,011,208.00
FANNIE MAE GLOBAL NOTES DTD 01/09/2012 1.250% 01/30/2017	3135G0GY3	1,625,000.00	AA+	Aaa	06/17/14	06/18/14	1,641,477.50	0.86	8,519.97	1,634,998.50	1,641,848.00
FREDDIE MAC GLOBAL NOTES DTD 01/30/2012 1.000% 03/08/2017	3137EADC0	1,605,000.00	AA+	Aaa	01/26/15	01/29/15	1,615,833.75	0.68	5,037.92	1,613,677.32	1,615,109.90
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	21.39	385,256.23	387,112.50
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	81.67	1,471,199.26	1,478,065.89
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	4,483.75	1,057,970.70	1,059,913.14
FANNIE MAE GLOBAL NOTES DTD 07/20/2012 0.875% 08/28/2017	3135G0MZ3	1,575,000.00	AA+	Aaa	09/06/12	09/10/12	1,578,906.00	0.82	4,632.03	1,576,718.64	1,578,734.33
FNMA NOTES DTD 08/25/2014 1.000% 09/27/2017	3135G0ZL0	640,000.00	AA+	Aaa	08/21/14	08/25/14	637,715.20	1.12	1,671.11	638,335.41	642,437.12
FREDDIE MAC GLOBAL NOTES DTD 08/10/2012 1.000% 09/29/2017	3137EADL0	600,000.00	AA+	Aaa	10/04/12	10/05/12	606,402.00	0.78	1,533.33	602,913.98	601,413.60
FANNIE MAE GLOBAL NOTES DTD 09/24/2012 0.875% 10/26/2017	3135G0PO0	1,725,000.00	AA+	Aaa	11/27/13	12/03/13	1,711,803.75	1.08	2,725.26	1,717,082.84	1,725,790.05



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2015**

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
Federal Agency Bond / Note											
FREDDIE MAC GLOBAL NOTES DTD 01/17/2013 0.875% 03/07/2018	3137EADP1	2,850,000.00	AA+	Aaa	03/26/13	03/27/13	2,842,476.00	0.93	7,896.88	2,845,875.94	2,840,096.25
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	972.22	991,090.37	994,015.00
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	1,701.39	1,741,348.68	1,739,526.25
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	2,885.28	1,894,930.88	1,902,749.88
Security Type Sub-Total		22,085,000.00					22,098,430.59	0.93	48,391.72	22,096,477.29	22,143,476.14
Corporate Note											
BERKSHIRE HATHAWAY FIN CORP NOTE DTD 02/11/2013 0.800% 02/11/2016	084670BG2	400,000.00	AA	Aa2	01/29/13	02/11/13	399,964.00	0.80	1,244.44	399,992.60	401,230.00
STANFORD UNIVERSITY NOTES DTD 04/29/2009 4.250% 05/01/2016	854403AB8	725,000.00	AAA	Aaa	06/13/13	06/18/13	796,042.75	0.79	5,135.42	745,793.94	746,752.18
BERKSHIRE HATHAWAY FIN GLOBAL NOTES DTD 08/15/2013 0.950% 08/15/2016	084664BX8	835,000.00	AA	Aa2	08/06/13	08/15/13	834,557.45	0.97	2,996.72	834,832.98	836,752.67
COCA-COLA CO/THE GLOBAL NOTES DTD 11/01/2013 0.750% 11/01/2016	191216BD1	215,000.00	AA	Aa3	10/29/13	11/01/13	214,752.75	0.79	268.75	214,889.41	215,183.83
WAL-MART STORES INC CORP NOTES DTD 04/22/2014 1.000% 04/21/2017	931142DN0	290,000.00	AA	Aa2	04/15/14	04/22/14	289,956.50	1.01	563.89	289,973.63	291,262.95
APPLE INC CORP NOTE DTD 05/06/2014 1.050% 05/05/2017	037833AM2	1,525,000.00	AA+	Aa1	04/29/14	05/06/14	1,524,191.75	1.07	2,446.35	1,524,499.69	1,529,562.80
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	1,520.97	885,000.00	888,598.41
JOHNSON & JOHNSON CORP NOTES DTD 11/21/2014 1.125% 11/21/2017	478160BL7	835,000.00	AAA	Aaa	11/18/14	11/21/14	834,340.35	1.15	1,043.75	834,472.94	835,003.34



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2015**

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
Corporate Note											
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	4,921.88	1,475,807.05	1,470,545.55
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	3,267.33	479,443.39	480,461.76
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	8,269.53	1,820,169.68	1,813,411.25
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	13,146.67	669,336.92	669,984.60
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	2,796.35	625,000.00	624,738.13
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	6,044.69	1,450,000.00	1,448,822.60
Security Type Sub-Total		12,040,000.00					12,327,714.00	1.18	53,666.74	12,249,212.23	12,252,310.07
Certificate of Deposit											
HSBC BANK USA NA CD DTD 02/13/2015 0.880% 08/15/2016	40428AC54	1,450,000.00	A-1+	P-1	02/11/15	02/13/15	1,450,000.00	0.88	4,891.33	1,450,000.00	1,450,906.25
TORONTO DOMINION BANK NY CD DTD 09/29/2014 0.900% 09/29/2016	89112UXV8	1,450,000.00	A-1+	P-1	09/25/14	09/29/14	1,450,000.00	0.90	9,968.75	1,450,000.00	1,450,884.50
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	3,295.13	1,450,000.00	1,447,607.50
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	2,758.22	1,450,000.00	1,445,737.00
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	1,528.54	1,450,000.00	1,445,831.25
US BANK NA CINCINNATI (CALLABLE) CD DTD 09/11/2014 1.375% 09/11/2017	90333VPF1	1,450,000.00	AA-	Aa3	09/09/14	09/11/14	1,447,665.50	1.41	6,092.01	1,448,289.59	1,449,190.90
Security Type Sub-Total		8,700,000.00					8,697,665.50	1.07	28,533.98	8,698,289.59	8,690,157.40



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2015**

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
Managed Account Sub-Total		72,975,000.00					73,376,063.12	1.15	228,092.62	73,275,814.05	73,402,640.45
Money Market Fund											
PFM Funds - Prime, Colorado Invest		14,891,456.80	AAAm	NR			14,891,456.80		0.00	14,891,456.80	14,891,456.80
Money Market Sub-Total		14,891,456.80					14,891,456.80		0.00	14,891,456.80	14,891,456.80
Securities Sub-Total		\$87,866,456.80					\$88,267,519.92	1.15%	\$228,092.62	\$88,167,270.85	\$88,294,097.25
Accrued Interest											\$228,092.62
Total Investments											\$88,522,189.87



Airport Reserve Portfolio Holdings



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2015**

CITY OF COLORADO SPRINGS AIRPORT RESERVE - 15233510

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
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 11/01/2010 1.250% 10/31/2015	912828PE4	100,000.00	AA+	Aaa	08/22/11	08/24/11	102,265.62	0.70	210.60	100,181.82	100,390.60
US TREASURY NOTES DTD 06/17/2013 0.500% 06/15/2016	912828VG2	50,000.00	AA+	Aaa	04/08/14	04/11/14	50,000.00	0.50	10.93	50,000.00	50,093.75
US TREASURY NOTES DTD 06/30/2014 0.500% 06/30/2016	912828WQ9	125,000.00	AA+	Aaa	01/08/15	01/09/15	125,131.84	0.43	1.70	125,089.23	125,205.13
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	348.03	119,514.85	119,641.53
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	1,374.56	471,261.95	472,533.77
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	312.85	149,266.40	149,472.60
Security Type Sub-Total		1,014,000.00					1,016,787.77	0.66	2,258.67	1,015,314.25	1,017,337.38
Municipal Bond / Note											
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	562.50	125,000.00	125,665.00
Security Type Sub-Total		125,000.00					125,000.00	1.08	562.50	125,000.00	125,665.00
Federal Agency Bond / Note											
FHLB (EX-CALLABLE) GLOBAL NOTES DTD 12/30/2013 0.375% 12/30/2015	3130A0GK0	100,000.00	AA+	Aaa	12/12/13	12/30/13	99,970.00	0.39	1.04	99,992.52	100,031.40
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	734.03	141,222.83	141,451.52
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	425.00	100,281.58	100,465.70
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	554.17	199,710.59	199,305.00



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2015**

CITY OF COLORADO SPRINGS AIRPORT RESERVE - 15233510

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
Federal Agency Bond / Note												
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	97.22	99,109.04	99,401.50
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	170.14	174,134.87	173,952.63
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	4,752.10	444,235.85	455,561.35
Security Type Sub-Total			1,245,000.00					1,309,476.95	1.93	6,733.70	1,258,687.28	1,270,169.10
Managed Account Sub-Total			2,384,000.00					2,451,264.72	1.35	9,554.87	2,399,001.53	2,413,171.48
Securities Sub-Total			\$2,384,000.00					\$2,451,264.72	1.35%	\$9,554.87	\$2,399,001.53	\$2,413,171.48
Accrued Interest												\$9,554.87
Total Investments												\$2,422,726.35



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