



City and County of Broomfield Pension Plan for General Employees



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TEL 303.333.7770 | 1.800.318.7770 | FAX 303.333.7771 | cookstreetconsulting.com

Third Quarter 2016
Participant Review
Defined Benefit Plan

Contents

Section 1	Market Review
Section 2	Portfolio Overview
Section 3	Investment Due Diligence

Section 1 | Market Review

Q3 2016 Highlights

GDP

U.S. gross domestic product (GDP) grew at an annualized rate of 2.9% during Q3:16 according to the first of three estimates released by the Bureau of Economic Analysis. This is the largest quarterly advance since Q3:14 and represents an acceleration from previous quarters (0.8% and 1.4% annualized in Q1:16 and Q2:16 respectively). The initial GDP growth estimate was above the median market forecast.

Jobs

The unemployment rate rose slightly to 5.0% (from 4.9%) in September, as more workers re-entered the labor force. The unemployment rate continues to remain well below the ten-year average of 7.0%.

Interest Rates

An increasingly divided Federal Reserve left interest rates unchanged during Q3:16. U.S. Treasury yields rose, however, as market expectations for a rate increase by year-end went up.

Oil

At its September meeting, the Organization of the Petroleum Exporting Countries (OPEC) agreed to curb oil production for the first time since the financial crisis. The announcement helped to reignite a stalled summer recovery in the price of oil.

Economic Indicators

Q3 2016 GDP

+2.9%

vs. +1.4%
10-year quarterly
average (annualized)

September Inflation Rate

1.5%

vs. +1.8%
10-year monthly
average (YOY)

Unemployment Rate

5.0%

vs. 7.0%
10-year monthly
average

Source: Morningstar Direct, Federal Reserve Bank of St. Louis, Bureau of Labor Statistics, Bloomberg, and the Bureau of Economic Analysis.
Data as of September 30, 2016 unless otherwise noted.
Inflation measured as CPI-U.



Q3 2016 Market Performance

- * U.S. equities broadly advanced during the quarter with more economically sensitive areas of the market leading the gains.
- * International equities, particularly in emerging markets, recovered from the fallout of Brexit and the Turkish coup as investor sentiment improved.
- * Returns in fixed income markets were muted as investors continued to weigh the likelihood of an interest rate increase from the Fed by the end of 2016.
- * Rising interest rates and concerns over valuations dampened returns in global real estate as investors began to rotate into other market sectors.

Index	3-Month	Year-to-Date	12-Month	3-Year*	5-Year*
Capital Preservation (US 3-Month T-Bill Index)	0.08	0.22	0.26	0.11	0.09
U.S. Fixed Income (Barclays US Agg Bond Index)	0.46	5.80	5.19	4.03	3.08
U.S. Large Cap Equity (S&P 500 Index)	3.85	7.84	15.43	11.16	16.37
U.S. Small Cap Equity (Russell 2000 Index)	9.05	11.46	15.47	6.71	15.82
International Equity (MSCI ACWI Ex USA Index)	6.91	5.82	9.26	0.18	6.04
Global Real Estate (FTSE EPRA/NAREIT Developed Index)	1.25	10.23	14.85	7.71	12.29

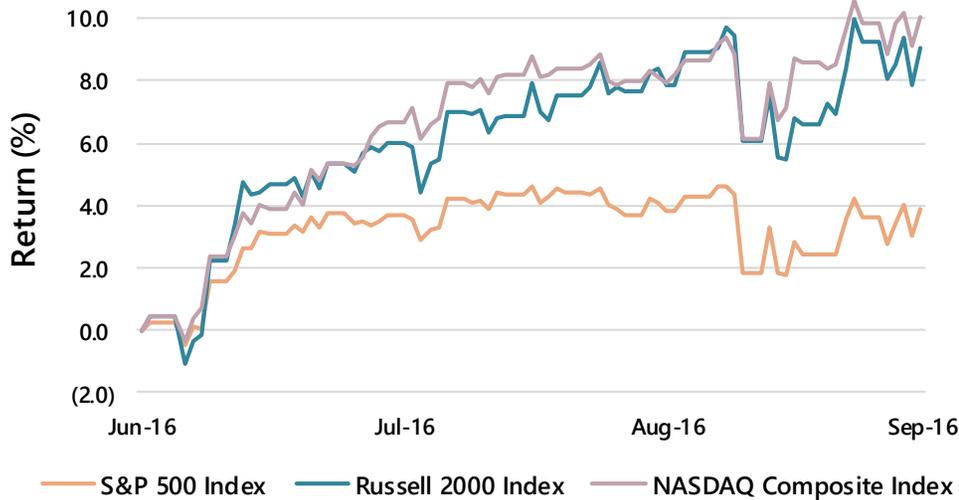
Source: Morningstar Direct. Data as of September 30, 2016.
*Annualized Returns. Descriptions for the indexes listed above provided in the Appendix.

Best Performing Category for Time Period
 Worst Performing Category for Time Period



Q3 2016 Domestic Highlights

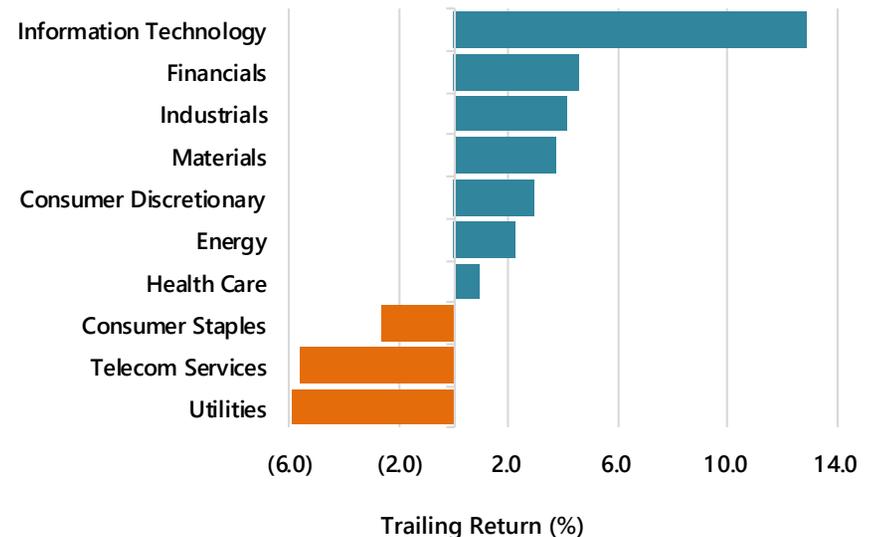
Figure 1. U.S. Equity Market Returns



- * Despite relative poor company earnings and headline worries over interest rates and the upcoming U.S. election, the S&P 500 Index finished Q3:16 with a gain (+3.9%).
- * More economically sensitive areas of the market led a broader advance, with small cap stocks (Russell 2000 Index, +9.1%) and technology (NASDAQ Composite Index, +10.0%) moving significantly higher.

- * A combination of improving economic data and strong earnings reports lifted cyclical sectors. Technology (+12.9%) benefitted from the highest number of positive earnings announcements for the sector since 2012. The increase in long-term interest rates aided financials (+4.6%).
- * Numerous industries and sectors typically viewed as leaders during economic expansions performed well. Transportation companies saw broad strength, with the airline, railway, and trucking industries advancing.
- * As interest rates crept higher and investor risk appetites rebounded, conservative sectors (Utilities -5.9%; Telecom Services -5.6%) and dividend paying stocks lagged the broader market.

Figure 2. S&P Sector Returns

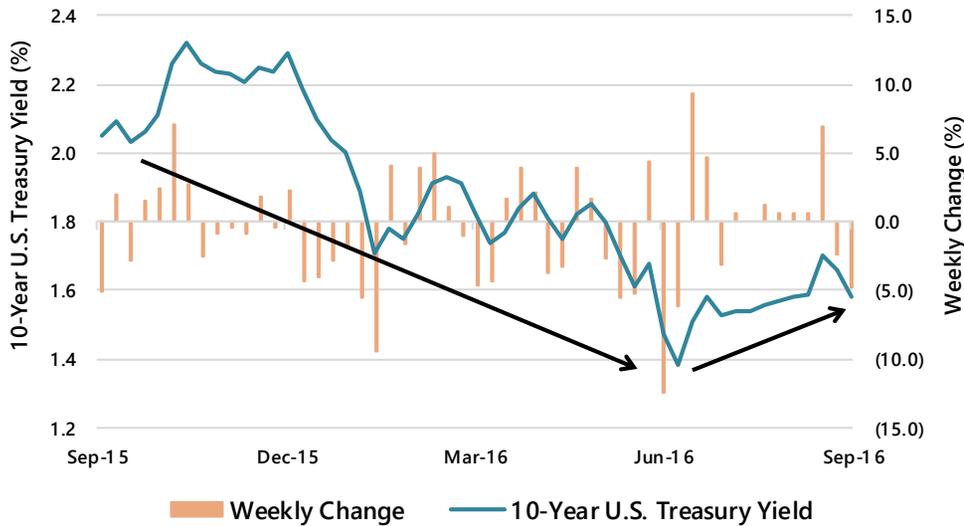


Source: Morningstar Direct. Data as of September 30, 2016.



Q3 2016 Domestic Highlights (cont.)

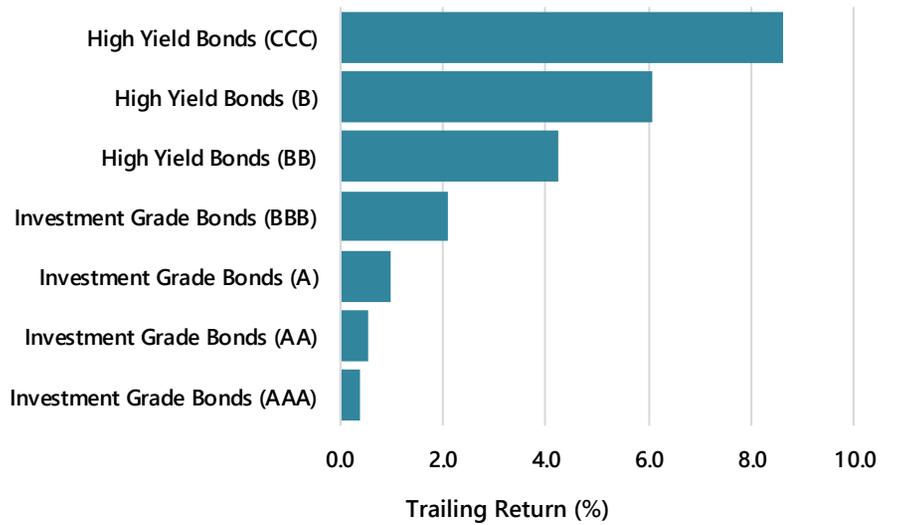
Figure 3. 10-Year Treasury Yield (%)



- * Fixed income markets ended the quarter with modest gains (Barclays U.S. Aggregate Bond **+0.5%**) as declining U.S. Treasury prices somewhat offset spread compression in corporate and mortgage credits.
- * Ten-year yields moved higher, with the August increase of **+0.13%** marking the sharpest rise in over a year.
- * Despite the modest backup in yields, non-government securities continued to meet exceptionally strong demand even amidst record levels of corporate bond issuance.

- * Within fixed income, lower-rated credits and more aggressive sectors outpaced conservative areas of the market.
- * Corporate securities and mortgage-backed securities advanced while U.S. Treasuries modestly declined. Within corporate issues, industrials and financials outpaced the broader market.
- * Stabilizing energy commodity prices also contributed to strong performance from high yield fixed income. The high yield sector has now posted seven straight months of positive price returns after a poor beginning to the year.

Figure 4. U.S. Corporate Bond Returns (%)

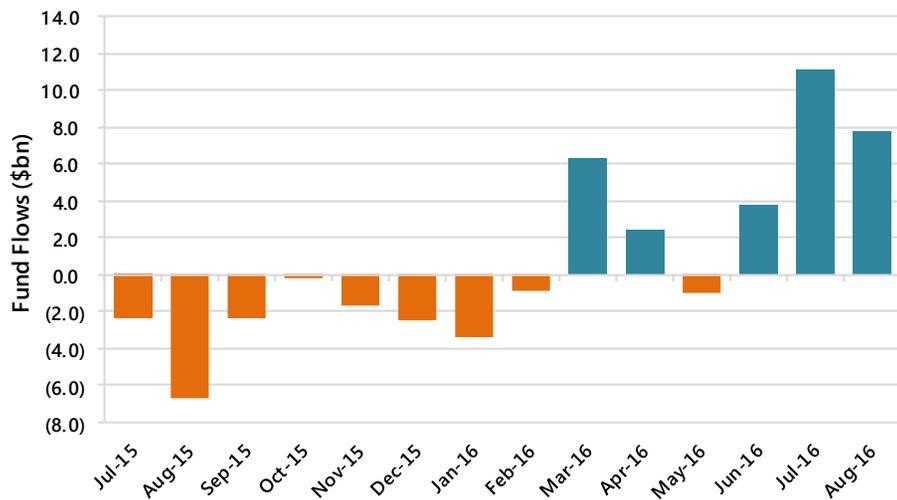


Source: Morningstar Direct, Federal Reserve.
Data as of September 30, 2016.



Q3 2016 International Highlights

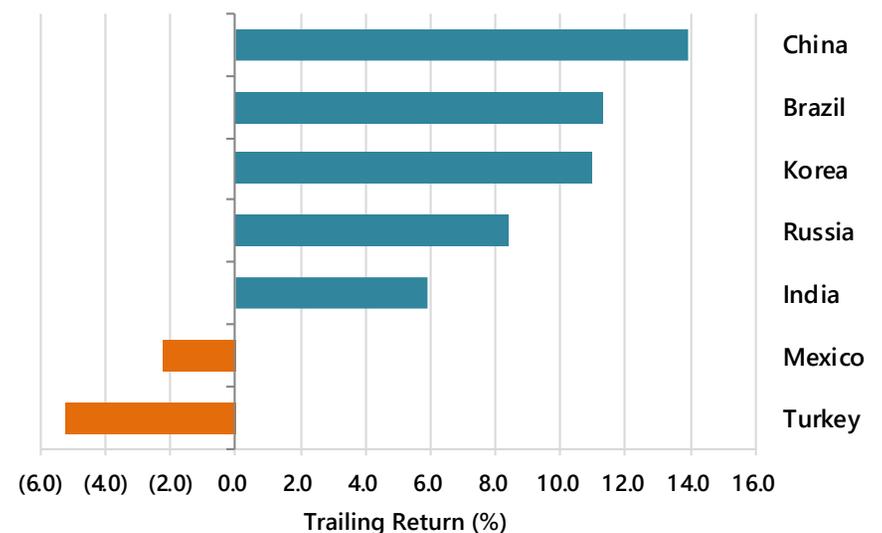
Figure 5. Emerging Market Fund Flows



- * Emerging markets (MSCI Emerging Market +9.0%) built upon gains from the first half of the year in Q3:16.
- * Investor sentiment towards markets has turned positive after a prolonged period of concern over slowing regional economic growth, falling global commodity consumption and prices, and heightened political instability.
- * Attractive relative valuation opportunities and improving economic fundamentals have stimulated strong investor flows from the U.S. into developing markets.

- * The so-called BRIC countries (Brazil, Russia, India, China) paced the equity market recovery during Q3:16. In Brazil, the impeachment of Dilma Rousseff helped thaw the investor outlook for the country.
- * After 16 consecutive months of contraction, the Chinese manufacturing sector expanded in the third quarter, easing concerns over the pace of the country's economic slowdown.
- * A number of countries remain impacted by localized political concerns. Equity markets in Turkey have struggled to recover from the ongoing political crisis that resulted from the failed coup attempt in July. Returns in Mexican equity markets lagged as investors weighed the likelihood of Donald Trump being elected President in the U.S.

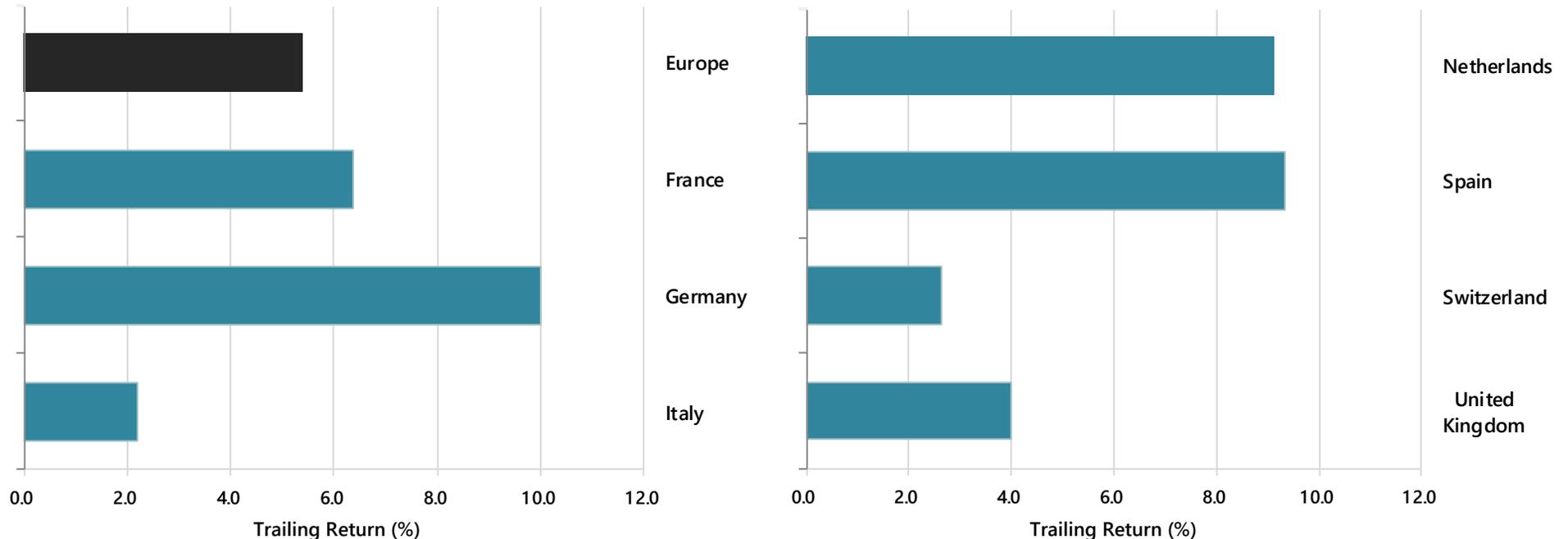
Figure 6. Select Emerging Market Returns



Source: Morningstar Direct. Data as of September 30, 2016.

Q3 2016 International Highlights (cont.)

Figure 7. Select European Market Returns (%)



- * European markets staged a broad recovery following the Brexit vote. Worries over the economic impact of the vote, terrorism, the migrant crisis, and the failed Turkish coup largely gave way to improving economic data and continued accommodative monetary policy.
- * Stable consumer sentiment and employment readings provided strength for cyclical industries while corporate bond purchase programs through the European Central Bank and the Bank of England supported declines in corporate bond yields.
- * Manufacturing activity accelerated, particularly in key economies like Germany (+10.0%) and the U.K. (+4.0%), as local industries have benefitted from eased access to credit markets and by the decline in the region's currencies against the U.S. Dollar, aiding exporters.

Source: Morningstar Direct. Data as of September 30, 2016.

Median Mutual Fund Returns

Peer Group	Q3:2016	YTD	12 Mo	3 Yr*	5 Yr*	10 Yr*	20 Yr*	2015	2014	2013	2012
Money Market - Taxable	0.03	0.06	0.07	0.03	0.02	0.77	2.10	0.02	0.01	0.02	0.03
Short Government	(0.06)	1.36	0.76	0.88	0.65	2.37	3.53	0.17	0.96	(0.79)	1.06
Short-Term Bond	0.48	2.52	2.11	1.38	1.69	2.79	3.80	0.19	1.07	0.45	3.67
Intermediate Government	0.18	3.47	2.88	2.69	1.85	3.93	4.69	0.49	4.73	(2.72)	2.80
Intermediate-Term Bond	0.98	5.96	5.27	3.72	3.44	4.53	5.24	(0.26)	5.18	(1.42)	7.01
Inflation-Protected Bond	1.15	6.39	5.74	1.35	1.19	3.49	3.65	(2.36)	1.80	(7.85)	6.45
World Bond	1.48	8.21	7.60	2.07	2.42	4.41	5.03	(4.00)	1.72	(2.62)	8.09
High Yield Bond	4.70	11.45	9.13	3.76	7.05	6.15	5.89	(4.01)	1.11	6.90	14.67
Conservative Allocation	2.41	6.82	8.08	4.07	6.68	4.51	5.70	(2.32)	4.02	7.23	9.40
Moderate Allocation	3.11	6.37	9.07	5.41	9.22	5.16	6.68	(1.93)	6.21	16.48	11.72
Large Value	3.70	7.84	13.08	7.70	14.02	5.40	7.35	(4.05)	10.21	31.21	14.57
Large Blend	3.80	6.01	12.03	8.75	14.71	6.34	7.49	(1.07)	10.96	31.50	14.96
Large Growth	5.59	3.45	10.46	9.23	14.98	7.52	7.16	3.60	10.00	33.92	15.34
Small Value	7.29	12.26	14.51	5.72	14.56	6.43	9.57	(6.71)	3.34	36.22	16.00
Small Blend	6.97	10.09	13.05	5.57	14.53	6.63	9.03	(5.38)	3.79	37.39	15.46
Small Growth	8.22	7.39	10.47	5.09	14.42	7.56	8.25	(2.41)	2.44	40.91	13.15
Foreign Large Value	6.24	2.94	5.69	(0.68)	6.26	0.71	4.67	(3.10)	(6.32)	20.81	16.21
Foreign Large Blend	6.19	2.93	6.53	0.53	7.13	1.72	5.01	(1.59)	(4.98)	19.44	18.29
Foreign Large Growth	6.06	3.65	8.35	2.02	8.56	3.14	5.49	0.95	(3.92)	18.58	17.70
Foreign Small/Mid Value	7.78	6.28	9.80	2.20	8.74	3.13	8.14	2.27	(6.56)	25.71	21.38
Foreign Small/Mid Growth	6.86	3.62	9.27	3.82	10.72	5.15	8.22	7.05	(5.40)	26.61	22.20
Diversified Emerging Mkts	7.60	14.34	15.24	(0.36)	3.68	3.49	5.67	(13.79)	(3.01)	(0.14)	18.15
Global Real Estate	1.84	8.16	11.66	6.23	11.47	2.45	8.14	(0.92)	11.67	2.92	31.78

(Lower Risk/Return)

↑↑↑

Risk/Return Expectation

↓↓↓

(Higher Risk/Return)

Best Performing Category for Time Period Worst Performing Category for Time Period

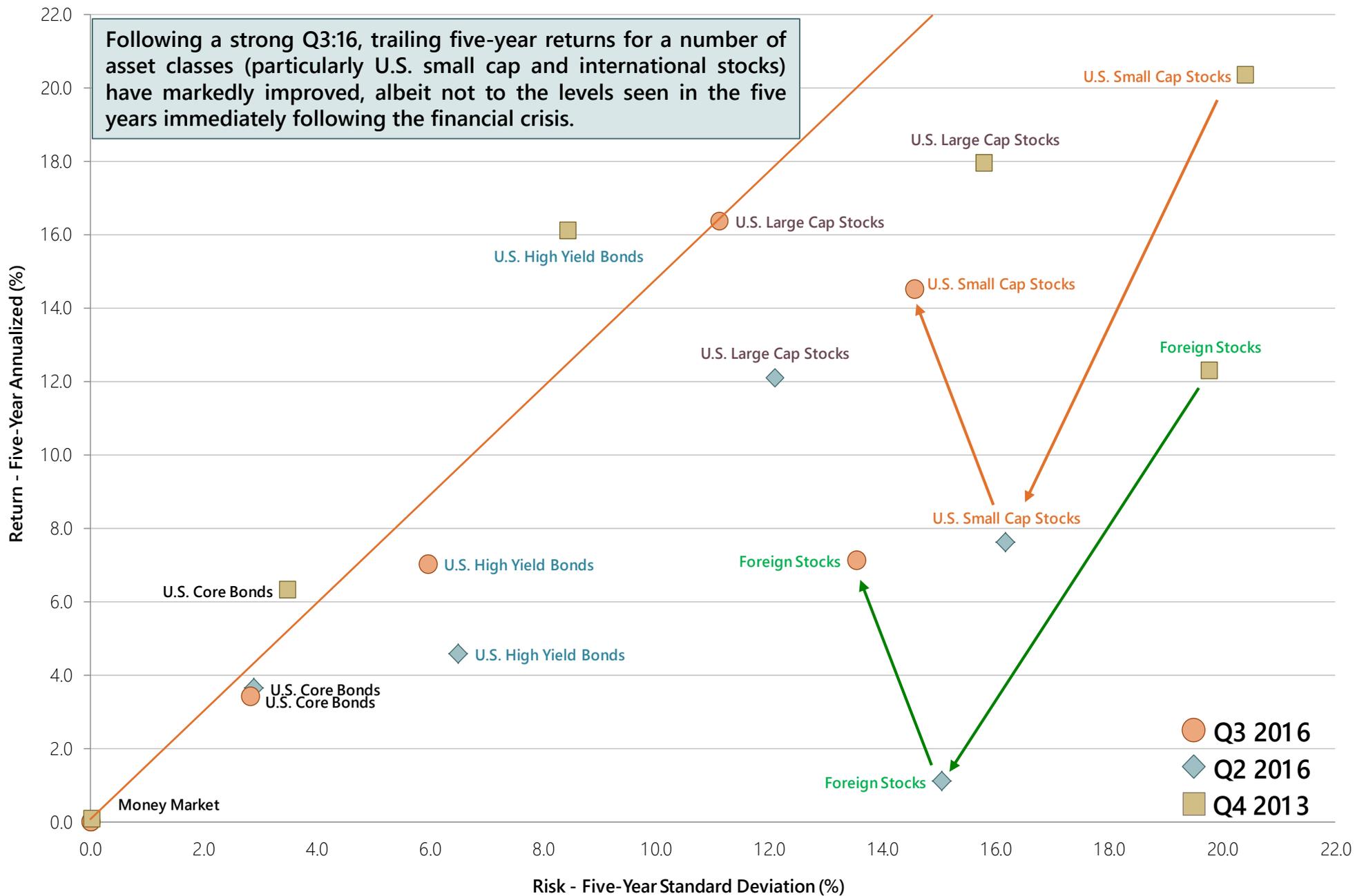
*Annualized Returns

Note: The asset class returns listed are provided for illustrative purposes only as an overview of the broad investable landscape. See Plan Overview for a listing of available investment options in the Plan. Investing in mutual funds involves risk and potentially a loss of money. Read the fund's prospectus carefully before making an investment decision.

Source: Morningstar Direct. Data as of September 30, 2016.



Capital Market Line



Source: Morningstar Direct. Asset classes represented by 5-year peer group median returns and standard deviations.



Section 2

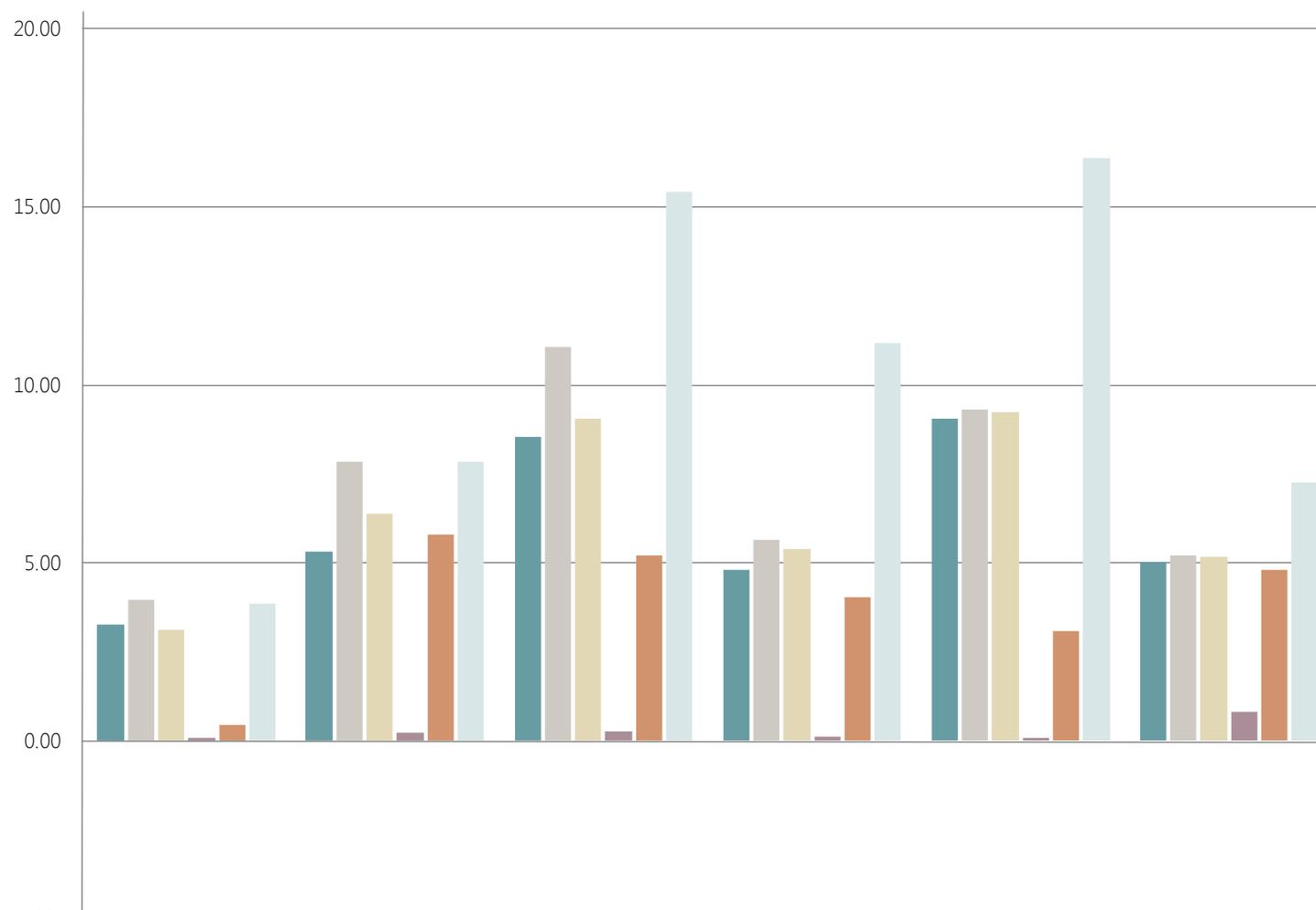
Portfolio Overview

Portfolio Overview

Asset Class	Fund	Total Assets as of 09/30/2016
Money Market	Gabelli US Treasury MMkt AAA	\$147,829
Short-Term Bond	Vanguard Short-Term Bond Index Adm	\$568,702
Intermediate-Term Bond	Metropolitan West Total Return Bd Plan	\$1,458,105
Inflation-Protected Bond	Vanguard Inflation-Protected Secs Adm	\$281,782
High Yield Bond	Hotchkis & Wiley High Yield I	\$485,522
World Bond	Dreyfus/Standish Global Fixed Income I	\$426,927
Large Value	Invesco Diversified Dividend R5	\$1,581,830
Large Growth	T. Rowe Price Instl Large Cap Growth	\$1,306,252
Small Value	Goldman Sachs Small Cap Value Instl	\$294,571
Small Blend	JPMorgan Small Cap Equity Sel	\$226,246
Small Growth	Invesco Small Cap Growth R5	\$188,289
Foreign Large Growth	Artisan International Institutional	\$1,701,251
Diversified Emerging Mkts	Oppenheimer Developing Markets I	\$347,951
Global Real Estate	Invesco Global Real Estate R5	\$413,442
Total Assets		\$9,428,701

Represents fund addition.

Portfolio Performance



	3 Mon Ret (%)	YTD Ret (%)	1 Yr Ret (%)	3 Yr Ret (%)*	5 Yr Ret (%)*	10 Yr Ret (%)*
■ Broomfield Pension Plan (Net Return)**	3.25	5.32	8.55	4.79	9.05	5.03
■ Policy Index	3.97	7.84	11.06	5.65	9.31	5.19
■ Allocation--50% to 70% Equity Peer Group	3.11	6.37	9.07	5.41	9.22	5.16
■ USTREAS T-Bill Auction Ave 3 Mon Index	0.08	0.22	0.26	0.11	0.09	0.83
■ Barclays US Agg Bond TR USD Index	0.46	5.80	5.19	4.03	3.08	4.79
■ S&P 500 TR USD Index	3.85	7.84	15.43	11.16	16.37	7.24

* Annualized Returns

** Returns prior to July 1, 2015 provided by Wells Fargo.



Target Asset Allocation

Fund Type	Fund Name	Actual Allocation (%)	Actual Total (%)	Target Allocation (%)	Target Total (%)
Fixed Income / Capital Preservation					
Money Market	Gabelli US Treasury MMkt AAA	1.57%	35.73%	0.60%	35.00%
Short-Term Bond	Vanguard Short-Term Bond Index Adm	6.03%		6.10%	
Intermediate-Term Bond	Metropolitan West Total Return Bd Plan	15.46%		15.50%	
Inflation-Protected Bond	Vanguard Inflation-Protected Secs Adm	2.99%		3.00%	
High Yield Bond	Hotchkis & Wiley High Yield I	5.15%		5.20%	
World Bond	Dreyfus/Standish Global Fixed Income I	4.53%		4.60%	
Equity					
Large Value	Invesco Diversified Dividend R5	16.78%	64.27%	17.00%	65.00%
Large Growth	T. Rowe Price Instl Large Cap Growth	13.85%		13.80%	
Small Value	Goldman Sachs Small Cap Value Instl	3.12%		3.20%	
Small Blend	JPMorgan Small Cap Equity Sel	2.40%		2.40%	
Small Growth	Invesco Small Cap Growth R5	2.00%		2.00%	
Foreign Large Growth	Artisan International Institutional	18.04%		18.30%	
Diversified Emerging Mkts	Oppenheimer Developing Markets I	3.69%		3.80%	
Global Real Estate	Invesco Global Real Estate R5	4.38%		4.50%	
Total		100.00%	100.00%	100.00%	100.00%

Section 3

Investment Due Diligence

Performance Summary

As of September 30, 2016

	Ticker	3 Mo Ret	YTD Ret	12 Mo Ret	3 Yr Ret	5 Yr Ret	10 Yr Ret	Std Dev 5 Yr	Prospectus Expense Ratio
City and County of Broomfield Pension Plan for General Employees									
Pension Plan		3.25	5.32	8.55	4.79	9.05	5.03	6.88	0.61*
Policy Index		3.97	7.84	11.06	5.65	9.31	5.19	9.51	n/a
Allocation--50% to 70% Equity Peer Group		3.11	6.37	9.07	5.41	9.22	5.16	7.80	1.19
Money Market									
Gabelli US Treasury MMkt AAA	GABXX	0.06	0.15	0.18	0.06	0.04	0.84	0.02	0.08
Money Market - Taxable Peer Group		0.03	0.06	0.07	0.03	0.02	0.77	0.01	0.53
Short-Term Bond									
Vanguard Short-Term Bond Index Adm	VBIRX	0.09	2.64	1.97	1.65	1.49	3.22	1.20	0.09
Short-Term Bond Peer Group		0.48	2.52	2.11	1.38	1.69	2.79	1.31	0.82
Spl Barclays US 1-5YR Gov/Cr FI Adj Ix ⁴		0.04	2.65	2.06	1.73	1.60	3.26	1.17	n/a
Intermediate-Term Bond									
Metropolitan West Total Return Bd Plan	MWTSX	0.77	5.33	4.87	4.07	4.78	6.35	2.64	0.38
Intermediate-Term Bond Peer Group		0.98	5.96	5.27	3.72	3.44	4.53	2.83	0.82
Barclays US Agg Bond TR USD Index		0.46	5.80	5.19	4.03	3.08	4.79	2.66	n/a
Inflation-Protected Bond									
Vanguard Inflation-Protected Secs Adm	VAIPX	1.01	7.48	6.62	2.41	1.89	4.36	4.86	0.10
Inflation-Protected Bond Peer Group		1.15	6.39	5.74	1.35	1.19	3.49	4.36	0.76
Barclays US Treasury US TIPS TR USD Index		0.96	7.27	6.58	2.40	1.93	4.48	4.74	n/a
High Yield Bond									
Hotchkis & Wiley High Yield I	HWHIX	5.80	13.49	9.86	4.45	8.39	n/a	6.24	0.70
High Yield Bond Peer Group		4.70	11.45	9.13	3.76	7.05	6.15	5.96	1.10
Credit Suisse HY USD Index		5.65	15.38	12.40	4.95	7.88	7.34	6.05	n/a
World Bond									
Dreyfus/Standish Global Fixed Income I	SDGIX	0.73	4.37	4.30	4.41	4.29	5.91	2.85	0.52
World Bond Peer Group		1.48	8.21	7.60	2.07	2.42	4.41	4.84	1.02
Barclays Global Aggregate TR Hdg USD Index		0.53	6.44	6.54	5.05	4.26	4.73	2.52	n/a

Risk/Return Expectation



Source: Morningstar Direct & Vanguard

* Represents weighted average expense ratio for the Portfolio.

Represents fund addition.



Performance Summary

As of September 30, 2016

	Ticker	3 Mo Ret	YTD Ret	12 Mo Ret	3 Yr Ret	5 Yr Ret	10 Yr Ret	Std Dev 5 Yr	Prospectus Expense Ratio	
Large Value										
	Invesco Diversified Dividend R5	DDFIX	0.19	9.16	12.04	10.83	16.05	7.97	9.01	0.54
	Large Value Peer Group		3.70	7.84	13.08	7.70	14.02	5.40	11.62	1.09
	Russell 1000 Value TR USD Index		3.48	10.00	16.20	9.70	16.15	5.85	11.33	n/a
	S&P 500 TR USD Index		3.85	7.84	15.43	11.16	16.37	7.24	11.12	n/a
Large Growth										
	T. Rowe Price Instl Large Cap Growth	TRLGX	8.03	1.07	9.98	10.85	17.61	9.50	14.42	0.56
	Large Growth Peer Group		5.59	3.45	10.46	9.23	14.98	7.52	12.86	1.17
	Russell 1000 Growth TR USD Index		4.58	6.00	13.76	11.83	16.60	8.85	11.65	n/a
	S&P 500 TR USD Index		3.85	7.84	15.43	11.16	16.37	7.24	11.12	n/a
Small Value										
	Goldman Sachs Small Cap Value Instl	GSSIX	6.77	12.21	15.45	7.78	16.92	8.39	13.76	0.94
	Small Value Peer Group		7.29	12.26	14.51	5.72	14.56	6.43	14.34	1.35
	Russell 2000 Value TR USD Index		8.87	15.49	18.81	6.77	15.45	5.78	14.24	n/a
	Russell 2000 TR USD Index		9.05	11.46	15.47	6.71	15.82	7.07	15.02	n/a
Small Blend										
	JPMorgan Small Cap Equity Sel	VSEIX	5.37	13.93	17.20	9.72	17.56	10.51	12.39	1.00
	Small Blend Peer Group		6.97	10.09	13.05	5.57	14.53	6.63	14.57	1.24
	Russell 2000 TR USD Index		9.05	11.46	15.47	6.71	15.82	7.07	15.02	n/a
Small Growth										
	Invesco Small Cap Growth R5	GTSVX	6.60	8.48	10.80	8.22	16.69	9.47	14.11	0.82
	Small Growth Peer Group		8.22	7.39	10.47	5.09	14.42	7.56	15.49	1.33
	Russell 2000 Growth TR USD Index		9.22	7.48	12.12	6.58	16.15	8.29	16.19	n/a
	Russell 2000 TR USD Index		9.05	11.46	15.47	6.71	15.82	7.07	15.02	n/a

Risk/Return Expectation



Source: Morningstar Direct



Performance Summary

As of September 30, 2016

	Ticker	3 Mo Ret	YTD Ret	12 Mo Ret	3 Yr Ret	5 Yr Ret	10 Yr Ret	Std Dev 5 Yr	Prospectus Expense Ratio	
Foreign Large Growth										
↑↑↑	Artisan International Institutional	APHIX	3.78	(1.14)	5.64	0.54	10.32	3.82	13.71	0.95
	Foreign Large Growth Peer Group		6.06	3.65	8.35	2.02	8.56	3.14	13.23	1.29
	MSCI ACWI Ex USA NR USD Index		6.91	5.82	9.26	0.18	6.04	2.16	14.23	n/a
Diversified Emerging Mkts										
	Oppenheimer Developing Markets I	ODVIX	8.86	13.11	18.42	(1.06)	5.10	6.65	16.04	0.86
	Diversified Emerging Mkts Peer Group		7.60	14.34	15.24	(0.36)	3.68	3.49	16.00	1.52
	MSCI EM NR USD Index		9.03	16.02	16.78	(0.56)	3.03	3.95	17.35	n/a
Global Real Estate										
↓↓↓	Invesco Global Real Estate R5	IGREX	1.85	8.78	12.51	7.04	12.05	3.55	13.39	0.91
	Global Real Estate Peer Group		1.84	8.16	11.66	6.23	11.47	2.45	13.59	1.37
	FTSE EPRA/NAREIT Developed TR USD Index		1.46	10.97	15.85	8.59	13.16	4.16	13.78	n/a

Source: Morningstar Direct

