



GIPS® Disclosures – Short Term Bond SMA

| Annual Rates of Return 2007 through 2016 | | | | | | | | | | | |
|------------------------------------------|---------|--------|-------|--------------------|-------|------------|------------|-----------|--------|--------|--------|
| Year | Returns | | | 3 Year Annualized | | Dispersion | | Assets | | | |
| | Total | Total | | Standard Deviation | | Asset Wtd | Number of | Composite | % Wrap | % Firm | Firm |
| End | Gross | Net | Index | Composite | Index | Std. Dev. | Portfolios | (MM) | | Assets | (MM) |
| 2007 | 6.79% | 6.10% | 7.48% | n/a | n/a | 0.08% | 172 | 71 | 96.30% | 2.07% | 3,406 |
| 2008 | 5.85% | 5.17% | 6.03% | n/a | n/a | 0.31% | 165 | 72 | 95.52% | 1.98% | 3,655 |
| 2009 | 4.10% | 3.42% | 3.23% | n/a | n/a | 0.21% | 471 | 187 | 96.85% | 3.76% | 4,965 |
| 2010 | 4.29% | 3.61% | 3.89% | n/a | n/a | 0.16% | 789 | 295 | 96.98% | 5.12% | 5,755 |
| 2011 | 2.63% | 1.97% | 3.07% | 1.50% | 1.61% | 0.10% | 793 | 319 | 96.32% | 5.39% | 5,929 |
| 2012 | 2.47% | 1.81% | 1.84% | 1.27% | 1.31% | 0.19% | 676 | 285 | 95.39% | 4.43% | 6,431 |
| 2013 | 0.54% | -0.11% | 0.11% | 1.16% | 1.14% | 0.06% | 584 | 240 | 93.74% | 3.35% | 7,165 |
| 2014 | 1.56% | 0.91% | 1.34% | 1.09% | 1.03% | 0.08% | 534 | 225 | 89.72% | 2.53% | 8,894 |
| 2015 | 1.32% | 0.66% | 1.03% | 1.17% | 1.17% | 0.04% | 440 | 183 | 97.00% | 1.56% | 11,747 |
| 2016 | 1.73% | 1.08% | 1.25% | 1.30% | 1.36% | 0.06% | 370 | 151 | 95.36% | 1.17% | 12,882 |

Chandler Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards.

Chandler Asset Management has been independently verified by ACA Performance Services for the period of July 1, 1997 through December 31, 2016. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

- Chandler Asset Management is an independent investment adviser registered as such with the Securities and Exchange Commission under the Investment Adviser's Act of 1940. Registration with the SEC does not imply a certain level of skill or training. Since 1988, Chandler Asset Management has provided fixed income investment management services to the public sector, as well as to foundations, endowments, individuals and corporations. A complete list and description of all of the firm's composites is available upon request.
- Beginning November 1, 2002, the Short Term Bond SMA Composite includes all fully discretionary separately managed (wrap) portfolios benchmarked to The Barclays Capital 1-5 Year Government/Credit Rated "A" or Better Index. Performance results from 10/01/1995 through 10/31/2002 are those of the Short Term Bond Institutional Composite (formerly the 1-5 Year Government) which is a composite of fully discretionary institutional accounts and includes no wrap fee accounts. The account minimum for the Short Term Bond SMA Composite is \$200,000. Beginning 1/1/2014, the firm changed how it presented the number of portfolios in the composite to now include the underlying wrap accounts, instead of only counting the number of wrap programs. This change was also made for all historical periods. To be included in the Chandler Short Term Bond Institutional Composite requires a \$2 million account minimum. The Short Term Bond SMA Composite was created in March 2009. The name of this composite was changed from Chandler 1-5 Year Defensive Fixed Income Separately Managed Account Strategy effective Sept. 30, 2010.
- The Barclays Capital 1-5 Year Government/Credit Rated "A" or Better Index returns are provided to represent the investment environment existing during the time periods shown. For comparison purposes, the index is fully invested and includes the reinvestment of income. The returns for the index do not include any trading costs, management fees or other costs. The Barclays Capital 1-5 Year Government/Credit Rated "A" or Better Index is comprised of securities issued by entities of the US Government, including the US Treasury and Agencies such as Fannie Mae, Resolution Trust Funding and the Federal Home Loan Bank. Corporate or foreign debt guaranteed by the US Government, such as USAID securities, may also be included in the index. All securities in the index must be investment grade based on a composite of Moody's, S&P and Fitch, have a rating of "A" or better, have fixed coupon rates or rates that change according to a predetermined schedule, and have at least one year but not greater than five years to maturity regardless of any call features. Indexes are referred to for comparative purposes only and are not intended to parallel the risk or investment style of the portfolios in the Composite. Indexes do not utilize leverage. Index calculations do not reflect fees, brokerage commissions or other expenses of investing. Investors may not make direct investments into any index. Index data contained herein (and all trademarks related thereto) are owned by the indicated index provider, and may not be redistributed. The information herein has not been approved by the index provider.
- Valuations are computed and performance reported in U.S. Dollars.
- Performance is calculated using a time-weighted total rate of return, which links performance monthly, and is reported gross of advisory and Sponsor fees (including trading and custodial fees). Gross returns are inherently net of trading costs through the bid/ask spread. Results reflect the reinvestment of income, dividends and other earnings, and include realized and unrealized gains and losses and interest accrued through the last day of each month. Results do not reflect the potential impact of taxes. Performance returns for periods greater than one year are annualized unless otherwise noted. Past performance is not indicative of future results. Your managed account(s) performance may differ from the performance of other managed accounts managed by Chandler if you choose to impose investment restrictions. <Continued>



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5. <Continued> Net of fee returns include the effect of the highest actual applicable account fee, which is 0.65% for fixed income portfolios. Sponsor and advisory fees apply to the account as a whole. The total managed account fee includes brokerage, administrative, custodial fees, among other fees. Actual fees will vary by client. Additional information regarding policies for calculating and reporting returns is available upon request. Chandler Asset Management's advisory fees are fully detailed in Part 2A of its form ADV. Fees charged by the sponsor and Chandler Asset Management will reduce performance.
6. Net-of-fees performance returns are calculated by reducing the monthly gross performance by one-twelfth (1/12) of the actual maximum applicable fee of 0.65%, which is reflective of fees currently charged for accounts in this composite. These monthly returns are then geometrically linked to produce annual returns. An account of \$200,000 charged a management fee of 0.65 of 1% and with an annualized total return of 6% would have a value of \$267,645 and would have paid fees of \$7,768 after five years.
7. Although the Managed Account vehicle is designed to model Chandler's Short Term Bond strategy for institutional investors, no representation is being made that a managed account will achieve performance similar to the institutional composite. While the portfolio characteristics of the resulting managed accounts will be similar to the institutional separate accounts, they will not be identical. Because of the substantially higher asset level of institutional accounts and trading differences, significant disparities may occur between the holdings, characteristics and performance of the wrap accounts and the Institutional Composite. Despite these differences, Chandler Asset Management believes the Institutional Composite is a reasonable representation of the Portfolio's management style and is sufficiently relevant for consideration by prospective investors.
8. Dispersion is calculated using the asset weighted standard deviation for all accounts in the composite for the year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period and is required by GIPS for periods beginning after January 1, 2011. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.