



**Fourth Quarter Report 2016
For the period ended December 31, 2016**

Board of Trustees

| | |
|------------------------------|----------------------------------|
| Alan Krcmarik, Chairman | City of Loveland |
| Diane Holbert, Vice-Chairman | Douglas County |
| Brenden Morgan, Treasurer | Regional Transportation District |
| Tim Kauffman, Secretary | Jefferson County |
| Jeff Hansen, Director | City of Golden |
| Wesley LaVanchy, Director | Town of Firestone |
| Jay Valentine, Director | City of Grand Junction |
| Sus Sandstrom, Director | Arapahoe County |

Investment Advisor

Morgan Stanley Smith Barney, LLC

| | |
|----------------|------------------------|
| Deidre Cortney | Angie Leach Pizzichini |
| Bob Krug | Glenn Scott |
| Trisha Mingo | Nik Yip |

Administrator

LT Trust

| | |
|------------------|-------------|
| Shannon Langford | Kathi Smith |
| Mary Plemel | Kim Lakota |
| Kristen Mungovan | |

Custodian

U.S. Bank N.A.

Auditor

BKD LLP

Credit Rating

STANDARD & POOR'S
AAAm

303-296-6340 ◆ 800-541-2953

www.csafe.org

CSAFE SUMMARY

- ◆ Colorado Surplus Asst Fund Trust ("CSAFE") is a local government investment pool trust fund organized under C.R.S. §24-75-701, et seq., registered as such with the Colorado Securities Commissioner pursuant to the Local Government Investment Pool Trust Fund Administration and Enforcement Act, C.R.S. §11-51-901, et seq. As such a trust, CSAFE pools and invests the funds of Colorado local government participants within the investment policies and limitations set forth in CSAFE's Indenture of Trust and C.R.S. §24-75-601, et seq. Participants include municipalities, counties, school districts and special districts.
- ◆ CSAFE invests primarily in United States Treasuries, United States Agencies, Primary Dealer Repurchase Agreements (collateralized at 102%), highly rated commercial paper (with short term ratings of A-1 or better), AAAM rated money market funds, highly rated corporate bonds and Colorado Depositories (with short term ratings of A-1 or better) in which the deposits are collateralized at 102% of market value under the provisions of the Public Depository Protection Act.
- ◆ CSAFE is rated AAAM by the Standard & Poor's Corporation.
- ◆ With the exception of certain floating rate securities, all securities purchased shall not exceed a maturity greater than 397 days.
- ◆ The weighted average maturity of the portfolio shall not exceed 60 days.
- ◆ CSAFE seeks to maintain, but does not guarantee, a constant net asset value at \$1.00 per share.
- ◆ The Investment Advisor and Administrator is Davidson Fixed Income Management, Inc.

DISCLOSURE STATEMENT

As Chairman of the CSAFE Board of Trustees, I hereby attest that CSAFE is in compliance with the provisions of Part 7, Article 75 Title 24, C.R.S., and all other applicable laws and regulations. Additionally, I attest that the Commissioner and the Board of Trustees consent to the disclosure of such information by Securities Commissioner as provided for in Section §11-51-908, C.R.S.



Alan Krmarik, City of Loveland
Chairman of the Board of Trustees, CSAFE

PORTFOLIO ASSETS

| Security Description | S&P Credit Rating | | Yield | Maturity | Cost | Book Value | Market Value ⁽¹⁾ | % of Assets |
|--|-------------------|-----------|-------|-----------|-----------------------|-----------------------|-----------------------------|---------------|
| | Short-Term | Long-Term | | | | | | |
| U.S. Agencies Floating Rate | | | | | | | | |
| FED HOME LOAN BANK | A-1+ | AA+ | 0.67 | 3/10/2017 | 50,001,850.00 | 50,000,474.36 | 50,014,850.00 | 2.52% |
| FED HOME LOAN BANK | A-1+ | AA+ | 0.69 | 7/5/2017 | 50,000,000.00 | 50,000,000.00 | 50,059,800.00 | 2.52% |
| FEDERAL FARM CREDIT | A-1+ | AA+ | 0.72 | 3/27/2017 | 10,002,600.00 | 10,002,196.12 | 10,002,760.00 | 0.50% |
| FED HOME LOAN BANK | A-1+ | AA+ | 0.68 | 8/4/2017 | 21,800,000.00 | 21,800,000.00 | 21,816,807.80 | 1.10% |
| Total | | | | | 131,804,450.00 | 131,802,670.48 | 131,894,217.80 | 6.63% |
| Commercial Paper ⁽³⁾ | | | | | | | | |
| ANZ BANKING GROUP | A-1+ | AA- | 0.93 | 1/19/2017 | 24,882,444.44 | 24,987,222.22 | 24,989,175.00 | 1.26% |
| BRITISH COLUMBIA | A-1+ | AAA | 0.71 | 2/9/2017 | 51,912,033.33 | 51,958,544.44 | 51,968,800.00 | 2.61% |
| BRITISH COLUMBIA | A-1+ | AAA | 0.78 | 2/28/2017 | 32,836,667.50 | 32,857,778.33 | 32,864,895.70 | 1.65% |
| CDP FINANCIAL | A-1+ | AAA | 1.20 | 2/16/2017 | 24,851,680.56 | 24,960,666.67 | 24,979,000.00 | 1.26% |
| CDP FINANCIAL | A-1+ | AAA | 1.23 | 3/1/2017 | 44,726,237.50 | 44,907,737.50 | 44,948,160.00 | 2.26% |
| CHEVRON CORP | A-1+ | AA | 1.00 | 3/3/2017 | 29,779,500.00 | 29,948,550.00 | 29,960,850.00 | 1.51% |
| COCA-COLA COMPANY | A-1+ | AA- | 0.61 | 1/19/2017 | 34,962,083.33 | 34,988,333.33 | 34,990,935.00 | 1.76% |
| COCA-COLA COMPANY | A-1+ | AA- | 0.85 | 2/13/2017 | 19,638,478.33 | 19,729,262.50 | 19,736,925.50 | 0.99% |
| COCA-COLA COMPANY | A-1+ | AA- | 0.99 | 3/1/2017 | 19,807,616.67 | 19,967,127.78 | 19,978,180.00 | 1.00% |
| DEXIA CREDIT LOCAL | A-1+ | NR/NR | 1.22 | 5/18/2017 | 24,822,500.00 | 24,884,166.67 | 24,899,125.00 | 1.25% |
| DEXIA CREDIT LOCAL | A-1+ | NR/NR | 1.09 | 5/19/2017 | 24,863,277.78 | 24,895,972.22 | 24,898,200.00 | 1.25% |
| EXPORT DEVELOPMENTCA | A-1+ | AAA | 0.93 | 5/1/2017 | 49,763,652.78 | 49,845,805.56 | 49,862,250.00 | 2.51% |
| KAISER FOUNDATION HO | A-1+ | | 0.97 | 3/16/2017 | 21,879,377.54 | 21,919,949.95 | 21,921,829.12 | 1.10% |
| MASS MUTUAL LIFE | A-1+ | AA+ | 0.66 | 1/10/2017 | 9,994,763.89 | 9,998,013.89 | 9,998,510.00 | 0.50% |
| MICROSOFT CO | A-1+ | AAA | 0.79 | 3/30/2017 | 74,701,000.00 | 74,853,750.00 | 74,853,750.00 | 3.77% |
| NORDEA BANK AB | A-1+ | | 1.09 | 4/25/2017 | 74,596,875.00 | 74,740,208.33 | 74,767,275.00 | 3.76% |
| OHIO HIGHER EDU | A-1+ | NR/NR | 0.81 | 2/16/2017 | 13,301,311.11 | 13,310,786.67 | 13,310,209.25 | 0.67% |
| ONTARIO TEACHER FIN | A-1+ | | 0.61 | 1/13/2017 | 24,973,333.33 | 24,994,166.67 | 24,993,875.00 | 1.26% |
| ONTARIO TEACHER FIN | A-1+ | | 1.25 | 6/1/2017 | 21,032,297.15 | 21,034,464.51 | 21,021,174.88 | 1.06% |
| PFIZER INC | A-1+ | AA | 0.86 | 2/13/2017 | 49,785,138.89 | 49,946,875.00 | 49,966,900.00 | 2.51% |
| PFIZER INC | A-1+ | AA | 0.83 | 4/6/2017 | 25,464,450.08 | 25,493,548.69 | 25,497,392.55 | 1.28% |
| PSP CAPITAL INC | A-1+ | AAA | 0.94 | 4/24/2017 | 24,883,722.25 | 24,926,527.80 | 24,912,550.00 | 1.25% |
| PSP CAPITAL INC | A-1+ | AAA | 0.94 | 4/26/2017 | 49,776,388.89 | 49,850,500.00 | 49,820,450.00 | 2.51% |
| SALVATION ARMY | A-1+ | | 0.82 | 2/9/2017 | 22,636,394.88 | 22,669,068.48 | 22,668,444.50 | 1.14% |
| SALVATION ARMY | A-1+ | | 0.81 | 2/1/2017 | 28,334,364.48 | 28,379,173.34 | 28,380,120.00 | 1.43% |
| SALVATION ARMY | A-1+ | | 0.80 | 2/14/2017 | 7,473,046.88 | 7,480,441.28 | 7,479,987.84 | 0.38% |
| TORONTO DOMINION HDG | A-1+ | | 0.99 | 3/27/2017 | 69,486,977.78 | 69,835,908.33 | 69,835,920.00 | 3.51% |
| Total | | | | | 901,165,614.37 | 903,364,550.16 | 903,504,884.34 | 45.45% |
| Bank Commercial Paper ⁽³⁾ | | | | | | | | |
| US Bank NA CP O/N Sweep | A-1+ | N/A | 0.40 | 1/1/2017 | 10,988,624.81 | 10,988,624.81 | 10,988,624.81 | 0.55% |
| Total | | | | | 10,988,624.81 | 10,988,624.81 | 10,988,624.81 | 0.55% |
| Variable Rate Commercial Paper ⁽³⁾ | | | | | | | | |
| CA IMPERIAL BK OF | A-1 | | 1.10 | 5/18/2017 | 50,000,000.00 | 50,000,000.00 | 50,015,750.00 | 2.52% |
| CA IMPERIAL BK OF | A-1 | | 1.12 | 5/23/2017 | 25,000,000.00 | 25,000,000.00 | 25,006,675.00 | 1.26% |
| COMMONWEALTH BANK AU | | AA- | 1.19 | 6/5/2017 | 30,000,000.00 | 30,000,000.00 | 30,019,980.00 | 1.51% |
| COMMONWEALTH BK | | AA- | 1.14 | 2/13/2017 | 35,000,000.00 | 35,000,000.00 | 35,020,405.00 | 1.76% |
| NAT'L AUSTRALI BANK | | AA- | 1.22 | 6/15/2017 | 30,000,000.00 | 30,000,000.00 | 30,019,290.00 | 1.51% |
| NATNAL AUSTRALIA FDG | | AA- | 1.27 | 3/31/2017 | 40,000,000.00 | 40,000,000.00 | 40,039,760.00 | 2.01% |
| TOYOTA MOTOR CREDIT | | AA- | 1.21 | 2/17/2017 | 25,000,000.00 | 25,000,000.00 | 25,016,000.00 | 1.26% |
| TOYOTA MOTOR CRT COR | | AA- | 1.08 | 1/27/2017 | 20,000,000.00 | 20,000,000.00 | 20,007,860.00 | 1.01% |
| TOYOTA MOTOR CRT COR | | AA- | 1.08 | 3/3/2017 | 7,000,000.00 | 7,000,000.00 | 7,004,865.00 | 0.35% |
| TOYOTA MOTOR CRT COR | | AA- | 1.17 | 6/6/2017 | 35,000,000.00 | 35,000,000.00 | 35,025,900.00 | 1.76% |
| WESTPAC BANKING CORP | | AA- | 1.16 | 1/18/2017 | 25,003,649.50 | 25,000,252.15 | 25,007,200.00 | 1.26% |
| Total | | | | | 322,003,649.50 | 322,000,252.15 | 322,183,685.00 | 16.20% |
| Corporate Notes | | | | | | | | |
| ROYAL BANK OF CANANDA | A-1+ | AA- | 1.20 | 1/23/2017 | 30,035,250.00 | 30,002,595.09 | 30,003,900.00 | 1.51% |
| Total | | | | | 30,035,250.00 | 30,002,595.09 | 30,003,900.00 | 1.51% |
| Collateralized Bank Deposits ⁽²⁾ | | | | | | | | |
| BANK OF THE WEST MM | A-1 | AA | 0.13 | 1/1/2017 | 4,848,114.67 | 4,848,114.67 | 4,848,114.67 | 0.24% |
| GWB-PROMONTORY II | N/R | N/R | 0.65 | 1/1/2017 | 58,855,464.95 | 58,855,464.95 | 58,855,464.95 | 2.96% |
| GWB-PROMONTORY | N/R | N/R | 0.42 | 1/1/2017 | 20,086,266.58 | 20,086,266.58 | 20,086,266.58 | 1.01% |
| US BANK CHECKING | | | | | 474,951.47 | 474,951.47 | 474,951.47 | 0.02% |
| Total | | | | | 84,264,797.67 | 84,264,797.67 | 84,264,797.67 | 4.24% |

| <u>Security Description</u> | <u>S&P Credit Rating</u> | | <u>Yield</u> | <u>Maturity</u> | <u>Cost</u> | <u>Book Value</u> | <u>Market Value ⁽¹⁾</u> | <u>% of Assets</u> |
|--|------------------------------|------------------|--------------|-----------------|------------------|-------------------|------------------------------------|--------------------|
| | <u>Short-Term</u> | <u>Long-Term</u> | | | | | | |
| Money Market Funds ⁽³⁾ | | | | | | | | |
| BLACKROCK LIQ FED FD | AAAm | N/A | 0.42 | 1/1/2017 | 177,359,951.90 | 177,359,951.90 | 177,359,951.90 | 8.92% |
| FIDELITY GOV'T CLASS | AAAm | N/A | 0.40 | 1/1/2017 | 150,685,201.47 | 150,685,201.47 | 150,685,201.47 | 7.58% |
| GOLDMAN SACHS FIN SQ | AAAm | N/A | 0.45 | 1/1/2017 | 177,173,632.88 | 177,173,632.88 | 177,173,632.88 | 8.91% |
| Total | | | | | 505,218,786.25 | 505,218,786.25 | 505,218,786.25 | 25.42% |
| Total Assets ⁽⁴⁾ | | | | | 1,985,481,172.60 | 1,987,642,276.61 | 1,988,058,895.87 | 100.00% |

Net Asset Value Per Share

\$1.00000000

Notes:

1) All of the securities held in the portfolio are valued daily using a third party pricing service (IDC). Other assets in the portfolio such as repurchase agreements, money market funds and bank deposits are valued at cost.

2) In October 2008, the FDIC insurance limit was raised to \$250,000. All bank deposits in amounts greater than \$250,000 were collateralized according to the regulations of the Public Deposit Protection Act.

3) Commercial paper and money market funds are not assigned long-term credit ratings.

4) The information contained in this statement is unaudited. Audited financial statements are completed annually and are available at www.csafe.org.



For the period ended December 31, 2016

STATEMENT OF OPERATIONS

| | For the Period Ending | | | | Year-to-Date |
|---|-----------------------|--------------------|--------------------|--------------------|---------------------|
| | 3/31/2016 | 6/30/2016 | 9/30/2016 | 12/31/2016 | |
| Gross Investment Income | \$2,072,598 | \$3,440,981 | \$4,118,927 | \$4,140,085 | \$13,772,592 |
| Expenses (blue text indicates accrued expense) | | | | | |
| Audit Fees | 23,000 | 7,500 | - | - | 30,500 |
| Activity & Transaction Fees | 10,731 | 17,110 | 11,640 | 17,996 | 57,477 |
| Admin/Advisory Fees | 233,906 | 427,279 | 565,175 | 574,735 | 1,801,095 |
| Association Dues | 305 | - | - | 500 | 805 |
| Board Expenses | 1,705 | 10,461 | 9,415 | (3,345) | 18,237 |
| Custodial Fees | 36,052 | 34,331 | 41,243 | 41,458 | 153,085 |
| Insurance | - | - | 2,745 | 11,589 | 14,334 |
| Internet/Web Page | 1,350 | 1,350 | 450 | 750 | 3,900 |
| Legal Fees | 11,341 | 7,226 | 14,010 | 16,754 | 49,331 |
| Marketing | - | - | - | 395 | 395 |
| Miscellaneous Credits | - | - | (210) | - | (210) |
| Miscellaneous Expenses & Fees | 1,007 | 66 | 52 | 659 | 1,784 |
| State Annual Fee | - | - | 2,000 | - | 2,000 |
| Excess Accrued Expenses | 17,611 | 29,778 | - | - | 47,388 |
| Rating Agency Fee | - | - | - | - | - |
| Total | 337,008 | 535,101 | 646,521 | 661,491 | 2,180,121 |
| Net Investment Income | \$1,735,590 | \$2,905,880 | \$3,472,407 | \$3,478,594 | \$11,592,471 |

STATEMENT OF CHANGES IN NET ASSETS

| | | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Shares Purchased | 1,443,516,160 | 2,352,265,920 | 841,791,174 | 1,008,826,578 | 5,646,399,833 |
| Shares Redeemed | (1,143,817,891) | (1,669,921,320) | (974,472,129) | (1,353,213,062) | (5,141,424,401) |
| Net Change in Share Transactions | \$299,698,269 | \$682,344,600 | (\$132,680,955) | (\$344,386,483) | \$504,975,431 |
| Investment activities: | | | | | |
| Net Investment Income | 1,735,590 | 2,905,880 | 3,472,407 | 3,478,594 | 11,592,471 |
| Net Change in Assets | \$301,433,859 | \$685,250,480 | (\$129,208,548) | (\$340,907,889) | \$516,567,902 |
| Net Assets at Beginning of Period | \$1,471,303,475 | \$1,772,737,334 | \$2,457,987,815 | \$2,328,779,266 | \$1,471,303,475 |
| Net Assets at End of Period | \$1,772,737,334 | \$2,457,987,815 | \$2,328,779,266 | \$1,987,871,377 | \$1,987,871,377 |

STATEMENT OF NET ASSETS

Assets

| | | | | | |
|--------------------------------|---------------|---------------|---------------|---------------|---|
| Investments in securities | | | | | |
| U.S. treasuries | - | - | - | - | - |
| Corporate floating note | 52,037,005 | 11,999,747 | - | - | - |
| Corporate fixes note | 41,705,930 | 41,532,208 | 30,012,327 | 30,002,379 | - |
| Banker's Acceptances | 4,989,363 | 4,998,179 | - | - | - |
| U.S. government agencies | 39,998,513 | 90,000,847 | 161,800,857 | 131,802,606 | - |
| Commercial paper | 700,839,574 | 1,127,995,975 | 1,285,322,868 | 914,398,859 | - |
| Variable Rate Commercial paper | 322,000,869 | 352,002,667 | 312,001,128 | 322,000,252 | - |
| Total investment in securities | 1,161,571,254 | 1,628,529,624 | 1,789,137,179 | 1,398,204,097 | - |
| Cash and cash equivalents | 611,249,822 | 829,088,437 | 540,034,011 | 589,851,284 | - |
| Accrued Interest | 508,109 | 819,293 | 508,560 | 577,866 | - |
| Total Assets | 1,773,329,186 | 2,458,437,354 | 2,329,679,750 | 1,988,633,247 | - |

Liabilities

| | | | | | |
|---|---------------|---------------|---------------|---------------|---|
| Participant Distribution Payable | (5,764) | 12,247 | 81,496 | 36,207 | - |
| Accrued expenses | 597,615 | 437,292 | 818,988 | 725,662 | - |
| Total Liabilities | 591,852 | 449,540 | 900,484 | 761,870 | - |
| Net assets applicable to shares outstanding | 1,772,737,334 | 2,457,987,815 | 2,328,779,266 | 1,987,871,377 | - |