



**Second Quarter Report 2014
For the period ended June 30, 2014**

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Investment Advisor and Administrator
Davidson Fixed Income Management, Inc.

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Bob Krug	Client Services Manager
Steve Graves	Operations Associate
Krista Koenig	Operations Specialist

Custodian
U.S. Bank N.A.

Auditor
BKD LLP

Credit Rating

STANDARD & POOR'S
AAAm

1600 Broadway, Suite 1100 ♦ Denver, CO 80202
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 Krcmarik, City of Loveland
Chairman of the Board of Trustees, CSAFE



For the period ended June 30, 2014

STATEMENT OF OPERATIONS

	For the Period Ending				Year-to-Date
	3/31/2014	6/30/2014	9/30/2014	12/31/2014	
Gross Investment Income	\$859,915	\$963,138			\$1,823,053
Expenses (blue text indicates accrued expense)					
Audit Fees	32,225	15,000			47,225
Activity & Transaction Fees	8,535	9,334			17,869
Admin/Advisory Fees	418,681	391,962			810,642
Association Dues	1,020	375			1,395
Board Expenses	5,611	7,907			13,518
Custodial Fees	17,230	37,566			54,796
Insurance	4,200	4,200			8,400
Internet/Web Page	1,958	1,450			3,408
Legal Fees	1,250	1,250			2,500
Miscellaneous Credits	(350)	-			(350)
Miscellaneous Expenses & Fees	15	-			15
State Annual Fee	-	2,000			2,000
Excess Accrued Expenses	-	6,282			6,282
Rating Agency Fee	-	-			-
Total	490,375	477,325			967,700
Net Investment Income	\$369,540	\$485,813			\$855,353

STATEMENT OF CHANGES IN NET ASSETS

Shares Purchased	994,271,820	1,424,368,760	2,418,640,579
Shares Redeemed	(865,795,141)	(984,945,574)	(1,850,740,715)
Net Change in Share Transactions	\$128,476,678	\$439,423,186	\$567,899,864
Investment activities:			
Net Investment Income	369,540	485,813	855,353
Net Change in Assets	\$128,846,218	\$439,908,999	\$568,755,218
Net Assets at Beginning of Period	\$1,451,343,895	\$1,580,190,113	\$1,451,343,895
Net Assets at End of Period	\$1,580,190,113	\$2,020,099,113	\$2,020,099,113

STATEMENT OF NET ASSETS

Assets			
Investments in securities			
Corporate floating note	24,390,833	9,352,211	
Repurchase agreements	6,597	5,685	
U.S. government agencies	70,000,611	70,000,286	
Commercial paper	940,402,392	1,062,027,056	
Variable Rate Commercial paper	79,600,213	267,000,000	
Total investment in securities	1,114,400,646	1,408,385,238	
Cash and cash equivalents	464,747,966	610,777,572	
Other assets			
Contribution Receivable	900,000	900,000	
Accrued Interest	129,612	170,548	
Primary Fund Receivable	212,727	212,727	
Total Assets	1,580,390,950	2,020,446,085	
Liabilities			
Participant Distribution Payable	29,723	(5,507)	
Accrued expenses	171,114	352,432	
Total Liabilities	200,837	346,925	
Net assets applicable to shares outstanding	1,580,190,113	2,020,099,160	

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								
FFCB FRN	A-1+/P-1	AA+/Aaa	0.220%	8/1/2014	20,000,000.00	20,000,000.00	20,002,000.00	0.99%
FFCB FRN	A-1+/P-1	AA+/Aaa	0.186%	9/19/2014	25,002,032.50	25,000,285.76	25,002,500.00	1.24%
FFCB FRN	A-1+/P-1	AA+/Aaa	0.211%	4/1/2015	25,000,000.00	25,000,000.00	25,010,250.00	1.24%
Total					70,002,032.50	70,000,285.76	70,014,750.00	3.46%
Corporate Notes								
CommonWealth Bank (FRN)	A-1+/P-1	AA-/Aa1	0.402%	3/16/2015	9,404,900.70	9,352,210.70	9,354,247.50	0.46%
Total					9,404,900.70	9,352,210.70	9,354,247.50	0.46%
Repurchase Agreement								
JP Morgan -Repo O/N Sweep	A-1/P-1	AA-/A1	0.050%	4/1/2014	5,685.23	5,685.23	5,685.23	0.00%
Total					5,685.23	5,685.23	5,685.23	0.00%
Commercial Paper ⁽⁴⁾								
Australia & New Zealand Banking Group	A-1+/P-1	n/a	0.321%	10/9/2014	39,872,355.56	39,964,444.45	39,977,600.00	1.98%
Bank of Tokyo	A-1/P-1	n/a	0.162%	7/7/2014	14,999,500.00	14,999,700.00	14,999,700.00	0.74%
Bank of Tokyo	A-1/P-1	n/a	0.171%	7/11/2014	44,994,000.00	44,998,000.00	44,994,000.00	2.23%
Bank of Tokyo	A-1/P-1	n/a	0.248%	11/10/2014	39,950,666.80	39,964,800.10	39,967,600.00	1.98%
Catholic Health Services	A-1+/P-1	n/a	0.203%	7/17/2014	1,998,688.89	1,999,822.22	1,999,880.00	0.10%
Coca-Cola Company	A-1+/P-1	n/a	0.224%	2/24/2015	29,954,675.00	29,958,350.00	29,942,400.00	1.48%
DNB BANK ASA	A-1/P-1	n/a	0.346%	8/25/2014	34,878,579.17	34,981,552.08	34,991,950.00	1.73%
DNB BANK ASA	A-1/P-1	n/a	0.351%	8/26/2014	14,948,375.00	14,991,833.33	14,996,550.00	0.74%
DNB BANK ASA	A-1/P-1	n/a	0.331%	9/10/2014	19,934,366.67	19,986,983.33	19,993,000.00	0.99%
Macquarie Bank Limited	A-1/P-1	n/a	0.314%	11/24/2014	18,971,500.00	18,976,883.33	18,983,090.00	0.94%
Macquarie Bank Limited	A-1/P-1	n/a	0.384%	2/6/2015	24,931,138.89	24,943,472.22	24,955,750.00	1.23%
Macquarie Bank Limited	A-1/P-1	n/a	0.388%	2/20/2015	34,903,954.17	34,915,825.00	34,934,200.00	1.73%
Macquarie Bank Limited	A-1/P-1	n/a	0.518%	6/8/2015	9,952,000.00	9,954,400.00	9,972,500.00	0.49%
Midea International Corp	A-1/P-1	n/a	0.414%	7/2/2014	63,995,768.89	63,999,395.56	64,000,000.00	3.17%
Midea International Corp	A-1/P-1	n/a	0.431%	7/10/2014	24,996,694.44	24,997,875.00	24,999,250.00	1.24%
Mizuho Funding LLC	A-1/P-1	n/a	0.226%	8/11/2014	34,970,034.72	34,991,202.08	34,994,050.00	1.73%
Mizuho Funding LLC	A-1/P-1	n/a	0.232%	9/29/2014	39,961,500.00	39,977,500.00	39,982,000.00	1.98%
Nordea Bank	A-1+/P-1	n/a	0.203%	7/9/2014	1,099,327.78	1,099,951.11	1,099,967.00	0.05%
Nordea Bank	A-1+/P-1	n/a	0.000%	10/27/2014	39,976,861.20	39,977,055.64	39,973,600.00	1.98%
Prudential PLC	A-1/P-1	n/a	0.178%	4/16/2015	9,970,250.00	9,975,916.67	9,976,700.00	0.49%
Prudential PLC	A-1/P-1	n/a	0.254%	9/11/2014	7,031,688.89	7,036,480.00	7,037,465.60	0.35%
Prudential PLC	A-1/P-1	n/a	0.431%	9/25/2014	9,957,000.00	9,989,727.78	9,995,700.00	0.49%
Prudential PLC	A-1/P-1	n/a	0.310%	4/28/2015	24,924,583.33	24,937,291.66	24,939,500.00	1.23%
Salvation Army	A-1+/P-1	n/a	0.185%	7/24/2014	16,991,075.00	16,998,045.00	16,998,470.00	0.84%
Skandin Ens Banken AG	A-1/P-1	n/a	0.303%	3/13/2015	14,969,962.50	14,971,327.84	14,969,250.00	0.74%
Skandin Ens Banken AG	A-1/P-1	n/a	0.302%	3/18/2015	9,979,675.00	9,980,500.00	9,979,100.00	0.49%
Skandin Ens Banken AG	A-1/P-1	n/a	0.320%	3/19/2015	14,969,850.00	14,970,637.50	14,968,500.00	0.74%
Standard Charter	A-1+/P-1	n/a	0.301%	8/12/2014	24,943,750.00	24,991,250.00	24,995,750.00	1.24%
Standard Charter	A-1+/P-1	n/a	0.254%	9/30/2014	19,974,583.33	19,987,361.11	19,989,800.00	0.99%
Standard Charter	A-1+/P-1	n/a	0.321%	11/13/2014	16,945,902.22	16,979,600.00	16,986,060.00	0.84%
Standard Charter	A-1+/P-1	n/a	0.283%	11/24/2014	14,979,750.00	14,983,575.00	14,986,650.00	0.74%
Standard Charter	A-1+/P-1	n/a	0.305%	12/4/2014	11,972,600.00	11,984,400.00	11,987,520.00	0.59%
Standard Charter	A-1+/P-1	n/a	0.368%	1/30/2015	9,982,438.90	9,982,841.68	9,982,800.00	0.49%
Sumitomo Mitsubishi Trust NY	A-1/P-1	n/a	0.250%	7/1/2014	34,955,763.89	35,000,000.00	35,000,000.00	1.73%
Sumitomo Mitsubishi Trust NY	A-1/P-1	n/a	0.264%	8/26/2014	36,951,632.78	36,985,035.56	36,991,490.00	1.83%
Sumitomo Mitsubishi Trust NY	A-1/P-1	n/a	0.317%	12/23/2014	27,965,000.00	27,965,972.22	27,967,240.00	1.38%
Suncorp Metway Ltd.	A-1/P-1	n/a	0.509%	1/8/2015	10,949,277.77	10,970,819.44	10,984,820.00	0.54%
Suncorp Metway Ltd.	A-1/P-1	n/a	0.509%	1/29/2015	5,972,401.66	5,982,509.99	5,989,740.00	0.30%
Suncorp Metway Ltd.	A-1/P-1	n/a	0.509%	2/12/2015	5,971,833.33	5,981,166.66	5,989,080.00	0.30%
Suncorp Metway Ltd.	A-1/P-1	n/a	0.565%	7/10/2014	34,808,602.85	34,994,900.00	34,998,950.00	1.73%
Suncorp Metway Ltd.	A-1/P-1	n/a	0.591%	3/12/2015	16,901,400.00	16,930,432.22	16,965,150.00	0.84%
Suncorp Metway Ltd.	A-1/P-1	n/a	0.366%	11/25/2014	4,991,201.39	4,992,854.17	4,995,500.00	0.25%
Toronto Dominion Holdings USA	A-1+/P-1	n/a	0.256%	10/31/2014	9,981,319.44	9,991,527.78	9,992,500.00	0.49%
Union Bank NA	A-1/P-1	n/a	0.248%	1/2/2015	16,972,233.33	16,979,033.33	16,977,220.00	0.84%
Westpac Banking Corp	A-1+/P-1	n/a	0.310%	12/23/2014	11,964,010.00	11,982,208.33	11,985,960.00	0.59%
Total					961,267,772.79	962,204,459.39	962,388,002.60	47.62%
Bank Commercial Paper ⁽⁴⁾								
US Bank NA CP O/N Sweep	A-1/P-1	n/a	0.170%	7/1/2014	99,822,596.54	99,822,596.54	99,822,596.54	4.94%
Total					99,822,596.54	99,822,596.54	99,822,596.54	4.94%

Security Description	S&P Credit Rating			Yield	Maturity	Cost	Book Value	Market Value ⁽¹⁾	% of Assets
	Short-Term	Long-Term							
Other Commercial Paper ⁽⁴⁾									
Australia & New Zealand Bank	A-1+/P-1	n/a	0.225%	2/10/2015	25,000,000.00	25,000,000.00	25,000,000.00	25,000,000.00	1.24%
Australia & New Zealand Bank	A-1+/P-1	n/a	0.230%	5/29/2015	23,000,000.00	23,000,000.00	23,000,000.00	23,000,000.00	1.14%
Commonwealth Bank of Australia	A-1+/P-1	n/a	0.257%	6/15/2015	40,000,000.00	40,000,000.00	40,000,000.00	40,000,000.00	1.98%
Commonwealth Bank of Australia	A-1+/P-1	n/a	0.235%	2/13/2015	19,000,000.00	19,000,000.00	19,000,000.00	19,000,000.00	0.94%
National Australia Bank	A-1+/P-1	n/a	0.225%	3/11/2015	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	2.47%
Toyota Motor Credit Corp	A-1+/P-1	n/a	0.205%	12/5/2014	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	2.47%
Toyota Motor Credit Corp	A-1+/P-1	n/a	0.200%	2/6/2015	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00	1.48%
Westpac Banking Corp	A-1+/P-1	n/a	0.226%	9/24/2014	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00	1.48%
Total					267,000,000.00	267,000,000.00	267,000,000.00	267,000,000.00	13.21%
Total Commercial Paper					1,328,090,369.33	1,329,027,055.93	1,329,210,599.14	1,329,210,599.14	65.78%
Collateralized Bank Deposits ⁽²⁾									
Bank of the West Money Market Savings	A-1/P-1	AA/A1	0.140%	7/1/2014	229,360,174.37	229,360,174.37	229,360,174.37	229,360,174.37	11.35%
Great Western Bank Money Market Savings	N/R	N/R	0.160%	7/1/2014	3,666,693.29	3,666,693.29	3,666,693.29	3,666,693.29	0.18%
JP Morgan - Money Market Savings	A-1/P-1	AA-/A1	0.010%	7/1/2014	464,898.60	464,898.60	464,898.60	464,898.60	0.02%
JP Morgan -Stable Balance Account	A-1/P-1	AA-/A1	0.010%	7/1/2014	30,079.53	30,079.53	30,079.53	30,079.53	0.00%
US Bank - Checking	A-1/P-1	A/Aa3	0.020%	7/1/2014	204,403.88	204,403.88	204,403.88	204,403.88	0.01%
US Bank - DDA	A-1/P-1	A/Aa3	0.020%	7/1/2014	2,138,415.03	2,138,415.03	2,138,415.03	2,138,415.03	0.11%
Total					235,864,664.70	235,864,664.70	235,864,664.70	235,864,664.70	11.67%
Money Market Funds ⁽⁴⁾									
BlackRock Cash Funds Prime 1197	AAAm/Aaa	n/a	0.074%	7/1/2014	174,322,945.68	174,322,945.68	174,322,945.68	174,322,945.68	8.63%
Fidelity Prime 2014	AAAm/Aaa	N/A	0.065%	7/1/2014	200,589,961.60	200,589,961.60	200,589,961.60	200,589,961.60	9.93%
AIM Premier US Government	AAAm/Aaa	n/a	0.010%	7/1/2014	900,000.00	900,000.00	900,000.00	900,000.00	0.04%
Total					375,812,907.28	375,812,907.28	375,812,907.28	375,812,907.28	18.60%
Other Assets									
Total accrued interest receivable						170,548.46	170,548.46	170,548.46	0.01%
The Primary Fund ⁽³⁾					-	212,726.96	-	-	0.01%
Total					-	383,275.42	170,548.46	170,548.46	0.02%
Total Assets ⁽⁵⁾						\$ 2,019,180,560	\$ 2,020,446,085	\$ 2,020,433,402	100%
Net Asset Value Per Share								\$1.00	

Notes:

- 1) All of the securities held in the portfolio are valued each week using a third party pricing service (U.S. Bank N.A.). 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) Effective November 24, 2010 Crederain Fund Services LLC became the liquidating services agent for The Reserve Primary Money Market Fund ("Reserve") and the fund changed its name to The Primary Fund. Crederian Fund Services LLC will continue the process of liquidating the portfolio of The Primary Fund. As of June 30, 2011 CSAFE had received a total of 99.04% of its principal balance outstanding in the Reserve on 9/15/08.
- 4) Commercial paper and money market funds are not assigned long-term credit ratings.
- 5) The information contained in this statement is unaudited. Audited financial statements are completed annually and are available at www.csafe.org.

QUARTERLY SUMMARY

Net Assets	\$2,020,099,160
30 Day Yield	0.12%
7 Day Yield	0.12%
Expense Ratio	0.11%
Weighted Avg Maturity (days)	58
Weighted Avg Life (days)	91
Net Asset Value Per Share	\$1.00