Second Quarter Report 2016
For the period ended June 30, 2016

BOARD OF TRUSTEES

Alan Krcmarik, Chairman
Diane Holbert, Vice-Chair
Brenden Morgan, Treasurer
Tim Kauffman, Secretary
Jeff Hansen, Trustee
Wesley LaVanchy, Trustee
Sue Sandstrom, Trustee
George Turtle, Trustee
Jay Valentine, Trustee

City of Loveland
Douglas County
Regional Transportation District
Jefferson County
City of Golden
Formerly with the Town of Firestone
Arapahoe County
Special District Management Services
City of Grand Junction

Investment Advisor and Administrator
Davidson Fixed Income Management, Inc.

Trisha Mingo
Glenn Scott
Bob Krug
Nik Yip
Becka Most
Lori Lampe

Fund Administrator
Portfolio Manager
Client Services Manager
Trader/Asst. Portfolio Manager
Institutional Sales Associate
Administrative Assistant

Custodian
U.S. Bank NA

Auditor
BKD LLP

Credit Rating
AAAM

1550 Market, Suite 300 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
## STATEMENT OF OPERATIONS

For the period ended June 30, 2016

### For the Period Ending

<table>
<thead>
<tr>
<th></th>
<th>3/31/2016</th>
<th>6/30/2016</th>
<th>9/30/2016</th>
<th>12/31/2016</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Investment Income</td>
<td>$2,072,598</td>
<td>$3,440,981</td>
<td>$0</td>
<td>$0</td>
<td>$5,513,579</td>
</tr>
</tbody>
</table>

### Expenses (blue text indicates accrued expense)

- **Audit Fees**: 23,000, 7,500, 30,500, 30,500
- **Activity & Transaction Fees**: 10,731, 17,110, 27,841
- **Admin/Advisory Fees**: 233,906, 427,279, 661,185
- **Association Dues**: 305, 305
- **Board Expenses**: 1,705, 10,461, 12,167
- **Custodial Fees**: 36,052, 34,331, 70,384
- **Insurance**: -
- **Internet/Web Page**: 1,350, 1,350, 2,700
- **Legal Fees**: 11,341, 7,226, 18,567
- **Miscellaneous Expenses & Fees**: 1,007, 66, 1,073
- **State Annual Fee**: -
- **Excess Accrued Expenses**: 17,611, 29,778, 47,388
- **Rating Agency Fee**: -

**Total**: 337,008, 535,101, - , - , 872,109

**Net Investment Income**: $1,735,590, $2,905,880, $0, $0, $4,641,470

## STATEMENT OF CHANGES IN NET ASSETS

**Shares Purchased**: 1,443,516,160, 2,352,265,920, 3,796,782,080

**Shares Redeemed**: (1,143,817,891), (1,669,921,320), (2,813,739,211)

**Net Change in Share Transactions**: $299,698,269, $682,344,600, $0, $0, $982,042,670

**Investment activities**:

- **Net Investment Income**: 1,735,590, 2,905,880, 4,641,470

**Net Change in Assets**: $301,433,859, $685,250,480, $0, $0, $986,684,340

**Net Assets at Beginning of Period**: $1,471,303,475, $1,772,737,334, $2,457,987,815, $2,457,987,815, $1,471,303,475

**Net Assets at End of Period**: $1,772,737,334, $2,457,987,815, $2,457,987,815, $2,457,987,815, $1,772,737,334

## 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
  - Banker's Acceptances: 4,969,363, 4,968,179
  - U.S. government agencies: 39,998,513, 90,000,847
  - Commercial paper: 700,839,574, 1,127,995,975
  - Variable Rate Commercial paper: 322,000,869, 352,002,667
- **Total investment in securities**: 1,161,571,254, 1,628,529,624, - , -
- **Cash and cash equivalents**: 611,249,822, 829,088,437, -
- **Accrued Interest**: 508,109, 819,293
- **Total Assets**: 1,773,329,186, 2,458,437,354, - , -

### Liabilities

- **Participant Distribution Payable**: (5,764), 12,247
- **Accrued expenses**: 597,615, 437,292
- **Total Liabilities**: 591,852, 449,540, - , -
- **Net assets applicable to shares outstanding**: 1,772,737,334, 2,457,987,815, - , -
### PORTFOLIO ASSETS

For the period ended June 30, 2016

<table>
<thead>
<tr>
<th>Security Description</th>
<th>U.S. Agencies</th>
<th>Commercial Paper (4)</th>
<th>Variable Rate Commercial Paper (4)</th>
<th>Corporate Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Short-Term</td>
<td>Long-Term</td>
<td>Yield</td>
<td>Short-Term</td>
</tr>
<tr>
<td>FHLLB FRN</td>
<td>A1+</td>
<td>AA+</td>
<td>7/10/2016</td>
<td>50,001,850.00</td>
</tr>
<tr>
<td>FFCB</td>
<td>A1+</td>
<td>AA+</td>
<td>11/3/2016</td>
<td>39,997,480.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td>89,999,330.00</td>
</tr>
</tbody>
</table>

**For the period ended June 30, 2016**

<table>
<thead>
<tr>
<th>Security Description</th>
<th>Bankers Acceptances (5)</th>
<th>Corporate Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Short-Term</td>
<td>Long-Term</td>
</tr>
<tr>
<td></td>
<td>A1+</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Security Description</th>
<th>Short-Term</th>
<th>Long-Term</th>
<th>Maturity</th>
<th>Yield</th>
<th>Cost</th>
<th>Book Value</th>
<th>Market Value</th>
<th>% of Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td><strong>Total</strong></td>
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<td></td>
</tr>
</tbody>
</table>

For the period ended June 30, 2016

- **Short-Term % of Assets**: 352,003,649.50 / 1,060,494,401.33 * 100 = 33.14%  
- **Long-Term % of Assets**: 1,058,808,152.49 / 1,060,494,401.33 * 100 = 99.76%

For the period ended June 30, 2016

- **Short-Term % of Assets**: 352,003,649.50 / 1,060,494,401.33 * 100 = 33.14%  
- **Long-Term % of Assets**: 1,058,808,152.49 / 1,060,494,401.33 * 100 = 99.76%
<table>
<thead>
<tr>
<th>Security Description</th>
<th>Short-Term</th>
<th>Long-Term</th>
<th>Yield</th>
<th>Maturity</th>
<th>Cost</th>
<th>Book Value</th>
<th>Market Value (1)</th>
<th>% of Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate/Floating Notes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WELLS FARGO BANK NA</td>
<td>A1+</td>
<td>NR</td>
<td>0.83</td>
<td>8/19/2016</td>
<td>11,999,747.37</td>
<td>11,999,747.37</td>
<td>12,005,460.00</td>
<td>0.49%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11,999,747.37</td>
<td>11,999,747.37</td>
<td>12,005,460.00</td>
<td>0.49%</td>
</tr>
<tr>
<td><strong>Collateralized Bank Deposits (2)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BANK OF THE WEST MM</td>
<td>A-1</td>
<td>AA</td>
<td>0.13</td>
<td>7/1/2016</td>
<td>4,843,975.85</td>
<td>4,843,975.85</td>
<td>4,843,975.85</td>
<td>0.20%</td>
</tr>
<tr>
<td>GWB-PROMONTORY II</td>
<td>N/R</td>
<td>N/R</td>
<td>0.65</td>
<td>7/1/2016</td>
<td>58,677,782.06</td>
<td>58,677,782.06</td>
<td>58,677,782.06</td>
<td>2.39%</td>
</tr>
<tr>
<td>GWB-PROMONTORY</td>
<td>N/R</td>
<td>N/R</td>
<td>0.42</td>
<td>7/1/2016</td>
<td>20,044,374.79</td>
<td>20,044,374.79</td>
<td>20,044,374.79</td>
<td>0.82%</td>
</tr>
<tr>
<td>US BANK - CHECKING</td>
<td>A-1</td>
<td>A</td>
<td>0.00</td>
<td>7/1/2016</td>
<td>575,614.76</td>
<td>575,614.76</td>
<td>575,614.76</td>
<td>0.02%</td>
</tr>
<tr>
<td>US BANK - DDA</td>
<td>A-1</td>
<td>A</td>
<td>0.00</td>
<td>7/1/2016</td>
<td>500,000.00</td>
<td>500,000.00</td>
<td>500,000.00</td>
<td>0.02%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>84,641,747.46</td>
<td>84,641,747.46</td>
<td>84,641,747.46</td>
<td>3.44%</td>
</tr>
<tr>
<td><strong>Money Market Funds (4)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GOLDMAN SACHS FINANCIAL SQ PRIME OBLIG</td>
<td>AAAm</td>
<td>N/A</td>
<td>0.36</td>
<td>7/1/2016</td>
<td>3,292,026.06</td>
<td>3,292,026.06</td>
<td>3,292,026.06</td>
<td>0.13%</td>
</tr>
<tr>
<td>GOLDMAN SACHS FINANCIAL SQ MM INST</td>
<td>AAAa</td>
<td>N/A</td>
<td>0.40</td>
<td>7/1/2016</td>
<td>34,644,765.31</td>
<td>34,644,765.31</td>
<td>34,644,765.31</td>
<td>1.41%</td>
</tr>
<tr>
<td>BLACKROCK CASH FUNDS PRIME</td>
<td>AAAa</td>
<td>N/A</td>
<td>0.45</td>
<td>7/1/2016</td>
<td>173,705,827.85</td>
<td>173,705,827.85</td>
<td>173,705,827.85</td>
<td>7.07%</td>
</tr>
<tr>
<td>FIDELITY PRIME MONEY MARKET INST</td>
<td>AAAa</td>
<td>N/A</td>
<td>0.45</td>
<td>7/1/2016</td>
<td>174,256,808.22</td>
<td>174,256,808.22</td>
<td>174,256,808.22</td>
<td>7.09%</td>
</tr>
<tr>
<td>FEDERATED INST MONEY MARKET MGMT IS</td>
<td>AAAa</td>
<td>N/A</td>
<td>0.47</td>
<td>7/1/2016</td>
<td>166,628,146.09</td>
<td>166,628,146.09</td>
<td>166,628,146.09</td>
<td>6.78%</td>
</tr>
<tr>
<td>MORGAN STANLEY PRIME</td>
<td>AAAa</td>
<td>N/A</td>
<td>0.47</td>
<td>7/1/2016</td>
<td>191,919,116.01</td>
<td>191,919,116.01</td>
<td>191,919,116.01</td>
<td>7.81%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>744,446,689.54</td>
<td>744,446,689.54</td>
<td>744,446,689.54</td>
<td>30.28%</td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL ACCURED INSTEREST RECEIVABLE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>819,293.00</td>
<td>819,293.00</td>
<td></td>
<td>0.03%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>819,293.00</td>
<td>819,293.00</td>
<td></td>
<td>0.03%</td>
</tr>
<tr>
<td><strong>Total Assets (5)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,456,058,557.84</td>
<td>2,458,437,354.22</td>
<td>2,458,594,518.07</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Net Asset Value Per Share</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.00</td>
</tr>
</tbody>
</table>

**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, Credorain 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. Credorain 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.