

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

Filing Date: **1995-02-22** | Period of Report: **1994-12-31**
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FILER

CENTENNIAL GOVERNMENT TRUST /CO/

CIK: **357247** | IRS No.: **846172630** | State of Incorporation: **MA** | Fiscal Year End: **0630**
Type: **N-30D** | Act: **40** | File No.: **811-03391** | Film No.: **95514112**

Mailing Address
*3410 SOUTH GALENA
STREET
DENVER CO 80231*

Business Address
*3410 S GALENA ST
DENVER CO 80231
3036713200*

Dear Shareholder:

We are pleased to send you the semiannual report for Centennial Government Trust. The past year was a good one for short-term investors. During the 6 months ended December 31, 1994, the Trust's compounded annualized yield was 4.41%. The corresponding yield without compounding was 4.31%. The seven-day annualized yields with and without compounding on December 31, 1994 were 5.26% and 5.13%, respectively.¹

During 1994, the U.S. Federal Reserve undertook one of the most aggressive efforts to raise interest rates in its history, and although the Fed's efforts brought significant uncertainty to the nation's stock and bond markets, the short-term money markets benefited throughout the year from rising yields.

In this environment, your Trust met its objectives well, combining an attractive short-term yield and share-price stability with daily liquidity and investment convenience.²

At this writing, the outlook for the money markets remains positive. Inflation remains low, and short-term money market investments are providing attractive inflation-adjusted yields. Given the uncertainties still surrounding the longer-term investment outlook, many investors are seeking stable, liquid, short-term vehicles that provide dependable returns, and our money market funds offer some of the best vehicles conservative investors can find for their short-term funds.

The reason has to do with our approach to short-term investing, a disciplined one designed to identify money market instruments issued or guaranteed by the U.S. Government and its agencies and instrumentalities that seem especially attractive when compared to others in the market, and to avoid those that seem to carry unnecessary risks.

This conservative approach is especially noteworthy in light of the widely publicized problems some aggressively managed money funds encountered during the year. Although your managers are always looking for opportunities to enhance portfolio income by monitoring yield differentials in the nation's money markets, principal stability is their top priority.

In closing, we want to welcome new investors to the Trust and to thank those who have been with us for some time. We appreciate your trust in Centennial Government Trust, and we look forward to helping you meet your investment objectives in the future.

Sincerely,

JON S. FOSSEL
Jon S. Fossel
President, Centennial Government Trust

JAMES C. SWAIN
James C. Swain
Chairman, Centennial Government Trust

January 23, 1995

1. Compounded yields assume reinvestment of dividends. Past performance is not indicative of future results.

2. The Trust is neither insured nor guaranteed by the U.S. Government. There is no assurance that the Trust will maintain a stable \$1 share price in the future.

STATEMENT OF INVESTMENTS December 31, 1994 (Unaudited)
Centennial Government Trust

<TABLE>
<CAPTION>

	Face Amount -----	Market Value See Note 1 -----
REPURCHASE AGREEMENTS - 15.7%		
<S>	<C>	<C>
Repurchase agreement with First Chicago Capital Markets, 6%, dated 12/30/94, to be repurchased at \$57,038,000 on 1/3/95, collateralized by U.S. Treasury Nts., 4.125%, 5/31/95, with a value of \$58,159,849.....	\$ 57,000,000	\$ 57,000,000
Repurchase agreement with Morgan Guaranty Trust Co., 6.15%, dated 12/30/94, to be repurchased at \$50,034,167 on 1/3/95, collateralized by FHLMC, 6%-7.50%, 11/1/98-11/1/24, with a value of \$56,493,165.....	50,000,000	50,000,000

Total Repurchase Agreements (Cost \$107,000,000)		107,000,000
U.S. GOVERNMENT OBLIGATIONS - 84.9%		
AGRICULTURAL - 3.5%		
Federal Farm Credit Bank, 5%, 1/3/95	5,845,000	5,844,705
Federal Farm Credit Bank, 5.57%, 1/17/95	10,000,000	9,975,244
Federal Farm Credit Bank, 5.64%, 2/6/95	4,000,000	3,977,440
Federal Farm Credit Bank, 8.30%, 1/20/95	4,360,000	4,363,971
		24,161,360
FHLMC/FNMA/SPONSORED - 67.5%		
Federal Home Loan Bank, 4.86%, 1/23/95	10,000,000	9,970,300
Federal Home Loan Bank, 5.04%, 1/19/95	10,000,000	9,974,800
Federal Home Loan Bank, 5.45%, 1/25/95	5,000,000	4,997,027
Federal Home Loan Bank, 5.77%, 2/21/95(1)	25,000,000	25,000,000
Federal Home Loan Bank, 5.85%, 1/11/95	4,155,000	4,148,248
Federal Home Loan Bank, 5.90%, 1/5/95 (1)	10,000,000	9,995,257
Federal Home Loan Bank, 5.925%, 1/9/95	20,000,000	19,973,667
Federal Home Loan Bank, 6.01%, 2/10/95	10,000,000	9,933,222
Federal Home Loan Mortgage Corp., 5.35%, 1/26/95	11,375,000	11,332,739
Federal Home Loan Mortgage Corp., 5.64%, 2/6/95	8,500,000	8,452,060
Federal Home Loan Mortgage Corp., 5.64%-6%, 2/2/95	39,455,000	39,252,731
Federal Home Loan Mortgage Corp., 5.65%-5.655%, 2/9/95	20,000,000	19,877,529
Federal Home Loan Mortgage Corp., 5.75%, 1/3/95(1)	50,000,000	49,927,716
Federal Home Loan Mortgage Corp., 5.75%, 2/10/95	3,500,000	3,477,639
Federal Home Loan Mortgage Corp., 5.85%, 1/3/95	14,520,000	14,515,281
Federal National Mortgage Assn., 5.53%, 1/3/95(1)	17,000,000	17,000,000
Federal National Mortgage Assn., 5.77%, 1/3/95	24,500,000	24,492,146
Federal National Mortgage Assn., 5.86%, 1/26/95	31,920,000	31,790,103
Federal National Mortgage Assn., 5.91%-5.95%, 1/4/95	11,900,000	11,894,115
Federal National Mortgage Assn., 5.95%, 1/13/95	50,000,000	49,900,833
Student Loan Marketing Assn., 5.86%, 1/3/95(1)	25,000,000	24,997,888
Student Loan Marketing Assn., 5.92%, 1/4/95(1)	20,000,000	19,998,596
Student Loan Marketing Assn., 5.95%, 1/3/95(1)	5,000,000	4,995,162
Student Loan Marketing Assn., 6.07%, 1/4/95(1)	35,500,000	35,431,802
		461,328,861

</TABLE>

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STATEMENT OF INVESTMENTS (Unaudited) (Continued)
Centennial Government Trust

<TABLE>
<CAPTION>

	Face Amount	Market Value See Note 1
	-----	-----
<S>	<C>	<C>
U.S. GOVERNMENT OBLIGATIONS (Continued)		
GOVERNMENT AGENCY/FULL FAITH - 11.1%		
Small Business Administration, 5.75%-10.125%, 1/1/95(1)	\$72,234,115	\$ 75,652,059
INSTRUMENTALITY - 2.8%		
Tennessee Valley Authority, 5.50%, 1/13/95	19,000,000	18,965,167
Total U.S. Government Obligations (Cost \$580,107,447)		580,107,447
Total Investments, at Value (Cost \$687,107,447)	100.6%	687,107,447
Liabilities in Excess of Other Assets	(0.6)	(3,443,772)
Net Assets	100.0%	\$683,663,675

</TABLE>

1. Variable rate security. The interest rate, which is based on specific, or an index of, market interest rates, is subject to change periodically and is the effective rate on December 31, 1994.

See accompanying Notes to Financial Statements.

STATEMENT OF ASSETS AND LIABILITIES December 31, 1994 (Unaudited)
Centennial Government Trust

<TABLE>	
<S>	
<C>	
ASSETS:	
Investments, at value (including repurchase agreements of \$107,000,000) (cost \$687,107,447) - see accompanying statement.....	\$687,107,447
Cash.....	1,097,653
Receivables:	
Shares of beneficial interest sold.....	6,079,421
Interest and principal paydowns.....	3,401,864
Other.....	5,161
Total assets.....	697,691,546

LIABILITIES:	
Payables and other liabilities:	
Shares of beneficial interest redeemed.....	13,917,250
Service plan fees - Note 3.....	59,962
Other.....	50,659
Total liabilities.....	14,027,871

NET ASSETS.....	\$683,663,675

COMPOSITION OF NET ASSETS:	
Paid-in capital.....	\$684,110,845
Accumulated net realized gain (loss) from investment transactions.....	(447,170)

NET ASSETS - Applicable to 684,110,845 shares of beneficial interest outstanding.....	\$683,663,675

NET ASSET VALUE, REDEMPTION PRICE AND OFFERING PRICE PER SHARE.....	\$1.00
</TABLE>	

See accompanying Notes to Financial Statements.

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STATEMENT OF OPERATIONS For the Six Months Ended December 31, 1994 (Unaudited)
Centennial Government Trust

<TABLE>	
<S>	
<C>	
INVESTMENT INCOME - Interest.....	\$17,008,979

EXPENSES	
Management fees - Note 3.....	1,603,772
Service plan fees - Note 3.....	659,317
Transfer and shareholder servicing agent fees - Note 3.....	224,658
Custodian fees and expenses.....	50,538
Shareholder reports.....	10,547
Legal and auditing fees.....	7,438
Trustees' fees and expenses.....	5,969
Registration and filing fees.....	93,949
Other.....	36,184
Total expenses.....	2,692,372

NET INVESTMENT INCOME (LOSS).....	14,316,607
NET REALIZED GAIN (LOSS) ON INVESTMENTS.....	(441,715)

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....	\$13,874,892

</TABLE>	

See accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS
Centennial Government Trust

<TABLE>
<CAPTION>

	Six Months Ended December 31, 1994 (Unaudited)	Year Ended June 30, 1994
	<C>	<C>
OPERATIONS:		
Net investment income (loss).....	\$ 14,316,607	\$ 18,573,358
Net realized gain (loss) on investments.....	(441,715)	166,504
Net increase (decrease) in net assets resulting from operations.....	13,874,892	18,739,862
DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS.....	(14,482,839)	(18,663,114)
BENEFICIAL INTEREST TRANSACTIONS:		
Net increase (decrease) in net assets resulting from beneficial interest transactions - Note 2.....	70,829,120	(23,735,954)
NET ASSETS:		
Total increase (decrease).....	70,221,173	(23,659,206)
Beginning of period.....	613,442,502	637,101,708
End of period.....	\$ 683,663,675	\$613,442,502

</TABLE>

See accompanying Notes to Financial Statements.

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FINANCIAL HIGHLIGHTS
Centennial Government Trust

<TABLE>
<CAPTION>

	Six Months Ended December 31, 1994 (Unaudited)	Year Ended June 30,				
		1994	1993	1992	1991	1990
	<C>	<C>	<C>	<C>	<C>	<C>
PER SHARE OPERATING DATA:						
Net asset value, beginning of period.....	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Income from investment operations - net investment income and net realized gain on investments.....	.02	.03	.04	.04	.07	.08
Dividends and distributions to shareholders.....	(.02)	(.03)	(.04)	(.04)	(.07)	(.08)
Net asset value, end of period.....	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (in thousands).....	\$683,664	\$613,443	\$637,102	\$574,717	\$533,154	\$219,003
Average net assets (in thousands).....	\$665,692	\$665,494	\$633,017	\$581,563	\$418,268	\$200,570
Number of shares outstanding at end of period (in thousands).....	684,111	613,282	637,018	574,722	533,125	218,986
Ratios to average net assets:						
Net investment income.....	4.27% (1)	2.79%	2.81%	4.38%	6.44%	7.75%
Expenses.....	.80% (1)	.79%	.79%	.78%	.79%	.84%

</TABLE>

1. Annualized.

See accompanying Notes to Financial Statements

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NOTES TO FINANCIAL STATEMENTS (Unaudited)
Centennial Government Trust

1. SIGNIFICANT ACCOUNTING POLICIES

Centennial Government Trust (the Trust) is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end management investment company. The Trust's investment advisor is Centennial Asset Management Corporation (the Manager), a subsidiary of Oppenheimer Management Corporation (OMC). The following is a summary of significant accounting policies consistently followed by the Trust.

Investment Valuation - Portfolio securities are valued on the basis of amortized cost, which approximates market value.

Repurchase Agreements - The Trust requires the custodian to take possession, to have legally segregated in the Federal Reserve Book Entry System or to have segregated within the custodian's vault, all securities held as collateral for repurchase agreements. The market value of the underlying securities is required to be at least 102% of the resale price at the time of purchase. If the seller of the agreement defaults and the value of the collateral declines, or if the seller enters an insolvency proceeding, realization of the value of the collateral by the Trust may be delayed or limited.

Federal Income Taxes - The Trust intends to continue to comply with provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to shareholders. Therefore, no federal income tax provision is required.

Distributions to Shareholders - The Trust intends to declare dividends from net investment income each day the New York Stock Exchange is open for business and pay such dividends monthly. To effect its policy of maintaining a net asset value of \$1.00 per share, the Trust may withhold dividends or make distributions of net realized gains.

Other - Investment transactions are accounted for on the date the investments are purchased or sold (trade date). Realized gains and losses on investments are determined on an identified cost basis, which is the same basis used for federal income tax purposes.

2. SHARES OF BENEFICIAL INTEREST

The Trust has authorized an unlimited number of no par value shares of beneficial interest. Transactions in shares of beneficial interest were as follows:

<TABLE>
<CAPTION>

	Six Months Ended December 31, 1994		Year Ended June 30, 1994	
	Shares	Amount	Shares	Amount
<S>	<C>	<C>	<C>	<C>
Sold.....	1,231,660,813	\$ 1,231,660,813	2,133,375,320	\$ 2,133,375,320
Dividends and distributions reinvested.....	15,105,556	15,105,556	18,030,062	18,030,062
Redeemed.....	(1,175,937,249)	(1,175,937,249)	(2,175,141,336)	(2,175,141,336)
Net increase (decrease).....	70,829,120	\$ 70,829,120	(23,735,954)	\$ (23,735,954)

</TABLE>

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)
Centennial Government Trust

3. MANAGEMENT FEES AND OTHER TRANSACTIONS WITH AFFILIATES

Management fees paid to the Manager were in accordance with the investment advisory agreement with the Trust which provides for an annual fee of .50% on the first \$250 million of net assets with a reduction of .025% on each \$250 million thereafter, to .40% on net assets in excess of \$1 billion. The Manager has agreed to reimburse the Trust if aggregate expenses (with specified exceptions) exceed the lesser of 1.50% of the first \$30 million of average annual net assets of the Trust, plus 1% of average annual net assets in excess of \$30 million; or 25% of the total annual investment income of the Trust.

Shareholder Services, Inc. (SSI), a subsidiary of OMC, is the transfer and shareholder servicing agent for the Trust, and for other registered investment

companies. SSI's total costs of providing such services are allocated ratably to these companies.

Under an approved plan of distribution, the Trust may expend up to .20% of its net assets annually to reimburse certain securities dealers and other financial institutions and organizations for costs incurred in distributing Trust shares. During the six months ended December 31, 1994, the Trust paid \$12,237 to a broker/dealer affiliated with the Manager as reimbursement for distribution-related expenses.

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CENTENNIAL GOVERNMENT TRUST

Officers and Trustees

James C. Swain, Chairman and Chief
Executive Officer

Robert G. Avis, Trustee

William A. Baker, Trustee

Charles Conrad, Jr., Trustee

Jon S. Fossel, Trustee and President

Raymond J. Kalinowski, Trustee

C. Howard Kast, Trustee

Robert M. Kirchner, Trustee

Ned M. Steel, Trustee

Andrew J. Donohue, Vice President

Dorothy G. Warmack, Vice President

Carol E. Wolf, Vice President

Arthur J. Zimmer, Vice President

George C. Bowen, Vice President,

Secretary and Treasurer

Robert J. Bishop, Assistant Treasurer

Scott Farrar, Assistant Treasurer

Robert G. Zack, Assistant Secretary

Investment Advisor and Distributor

Centennial Asset Management

Corporation

Transfer and Shareholder Servicing Agent

Shareholder Services, Inc.

Custodian of Portfolio Securities

Citibank, N.A.

Independent Auditors

Deloitte & Touche LLP

Legal Counsel

Myer, Swanson & Adams, P.C.

The financial statements included herein have been taken from the records of the Trust without examination by the independent auditors.

This is a copy of a report to shareholders of Centennial Government Trust. This report must be preceded or accompanied by a Prospectus of Centennial Government Trust. For material information concerning the Trust, see the Prospectus.

For shareholder servicing, call:

1-800-525-7048 (in U.S.)

303-671-3200 (outside U.S.)

Or write:

Shareholder Services, Inc.

P.O. Box 5270

Denver, CO 80217-5270

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CENTENNIAL
GOVERNMENT
TRUST
DECEMBER 31, 1994