

FITCH AFFIRMS 9 LOCAL GOVERNMENT INVESTMENT POOLS AND FUNDS

Fitch Ratings-New York-14 July 2015: Fitch Ratings has affirmed its Fund Credit and Volatility Ratings on five local government investment pools (LGIP) and four bond funds managed on behalf of municipal entities. Collectively, they held close to \$17.9 billion of assets under management as of May 2015.

Fitch affirms the following ratings:

- City of Houston General Investment Pool at 'AAA/V1';
- Florida Municipal Investment Trust 0-2 Year High Quality Bond Fund at 'AAA/V1';
- Florida Municipal Investment Trust 1-3 Year High Quality Bond Fund at 'AAA/V2';
- Florida Municipal Investment Trust Intermediate High Quality Bond Fund at 'AAA/V3';
- Florida Municipal Investment Trust Broad Market High Quality Bond Fund at 'AA/V4'.
- Marin County Investment Pool at 'AAA/V1';
- Riverside County Treasurer's Pooled Investment Fund at 'AAA/V1';
- San Bernardino County Investment Pool at 'AAA/V1';
- San Luis Obispo County Treasury Investment Pool at 'AAA/V1'

KEY RATING DRIVERS

The affirmations of the Fund Credit Ratings are based on:

- Overall credit quality and diversification of the pools and funds;
- Sufficient liquidity relative to composition of participants;
- The capabilities and resources of the respective investment managers.

The affirmations of the Fund Volatility Ratings are based on the market risk profiles of the LGIPs and funds, as reflected by their respective durations.

CREDIT QUALITY AND DIVERSIFICATION

The five Fitch-rated LGIPs have historically largely invested in U.S. government securities and other high-quality assets. As of May 31, 2015, these LGIPs allocated on average 16.4% of their assets to U.S. Treasury securities and 52.8% to government agencies.

The LGIPs also invest in other money market instruments including commercial paper, certificates of deposit, corporate medium-term notes and U.S.-registered money market funds. As of May 31, 2015, approximately 6.8% of their assets were invested in certificates of deposit, 9.8% in short-term obligations of financial and non-financial corporations, and 5.4% was allocated to money market funds.

All individual LGIPs' WARFs met Fitch's rating criteria at an 'AAA' rating level.

The four Fitch-rated bond funds can invest in a variety of fixed income assets in line with the respective investment policies. Per their statements of investment policy, Florida Municipal Investment Trust (FMIvT) 0-2 Year High Quality Bond Fund and FMIvT 1-3 Year High Quality Bond Fund must be invested in securities rated at least 'AAA/F1+' by Fitch or equivalent, while FMIvT Intermediate High Quality Bond Fund and FMIvT Broad Market High Quality Bond Fund are permitted to invest in securities rated at least 'A/F1' by Fitch or equivalent. At the time of the rating affirmations these bond funds met Fitch's rating criteria with respect to WARF at their respective rating levels.

LIQUIDITY MANAGEMENT

The five LGIPs manage their liquidity through a detailed cash forecasting process and invest their portfolios to meet scheduled cash outflows. Investments are generally matched to scheduled cash outflows using historical cash flow assumptions. LGIP portfolios benefit from predictable cash inflows, which normally include sales and property tax revenues and bond issuance proceeds. LGIPs' anticipated redemptions include payroll and employee benefit payments, accounts payable, debt services and other planned expenditures of the pool depositors.

To further mitigate liquidity risk, all of the Fitch-rated LGIPs invest a significant part of their portfolios in U.S. government securities, which are expected to demonstrate secondary market liquidity during periods of market stress. In addition, LGIPs maintain emergency daily access to their investments in money market funds and other daily liquid or short-maturity assets. As of May 31, 2015, LGIPs averaged 13.7% of their portfolios in securities maturing overnight and approximately 29.9% of their assets were maturing within 90 days.

The four FMIvT bond funds are managed to provide liquidity to their participants at the current market net asset value. To mitigate potential liquidity risk, FMIvT 0-2 Year High Quality Bond Fund and FMIvT 1-3 Year High Quality Bond Fund limit investor redemptions to twice a month, on the 15th and the last business day of the month. FMIvT Intermediate High Quality Bond Fund and FMIvT Broad Market High Quality Bond Fund limit investor redemptions to once a month, on the last business day of the month.

INTEREST RATE AND SPREAD RISK MANAGEMENT

Fitch-rated LGIPs exhibit low exposure to spread risk mainly due to their high allocations to U.S. government securities, which receive a 0.00 spread factor under Fitch's analytical framework for determining Fund Volatility Ratings. Therefore, the risk profiles of LGIPs are viewed as consistent with their respective Fund Volatility Ratings.

The four bond funds manage their duration to meet or be more conservative than Fitch's rating criteria relative to the assigned Fund Volatility Ratings. Specifically, FMIvT 1-3 Year, FMIvT Intermediate and FMIvT Broad Market Funds' duration is more conservative than Fitch's volatility rating criterion for the current assigned volatility. However, the investment guidelines for these funds allow for higher levels of duration that are consistent with the currently assigned Fund Volatility Ratings.

INVESTMENT OBJECTIVES

Fitch-rated LGIPs' primary investment objective is preservation of capital. The secondary objective is to maintain sufficient liquidity to ensure that monies are available to meet daily cash flow requirements. The third objective is to achieve a reasonable rate of return consistent with the first two objectives.

The four FMIvT bond funds pursue various investment objectives depending on the specific credit quality and duration mandate for each portfolio.

INVESTMENT MANAGER

Fitch-rated LGIPs are managed by the investment personnel of their respective Treasurer's Offices on behalf of the county and local districts.

FMIvT funds are managed by the Atlanta Capital Management Co. on behalf of the Florida League of Cities. Atlanta Capital Management Co. was established in 1969 and is owned by Eaton Vance

Company. As of March 31, 2015, Atlanta Capital Management Co. managed approximately \$16.9 billion in assets on behalf of its retail and institutional clients.

Fitch views investment management capabilities, resource commitment, operational controls, compliance, and oversight processes of the respective LGIP and funds' investment managers as consistent with the assigned ratings.

RATING SENSITIVITY AND SURVEILLANCE

The assigned Fund Credit and Volatility Ratings may be sensitive to material changes in the credit quality or market risk profiles of the LGIPs and funds. A material adverse deviation from Fitch's guidelines for any key rating driver could cause Fitch to downgrade the ratings.

For example, material decreases in portfolio credit quality could result in a credit rating being lowered, while material increases in portfolio duration could result in a volatility rating being lowered. Due to the significant investments in U.S. Treasury and agency securities, these ratings are sensitive to the credit quality of the U.S. government.

To maintain its ratings, Fitch seeks monthly portfolio holdings information from the rated entities and conducts surveillance checks against its ratings guidelines. For additional information about Fitch's bond fund ratings guidelines, please review the criteria referenced below.

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The sources of information used to assess this rating were the public domain and the respective LGIPs and bond funds or their administrators.

Applicable Criteria and Related Research:
--'Global Bond Fund Rating Criteria' (Dec. 12 2014).

Applicable Criteria

Global Bond Fund Rating Criteria (pub. 12 Dec 2014)

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