

## **FITCH AFFIRMS RIVERSIDE COUNTY TREASURER'S POOLED INVESTMENT FUND RATING AT 'AAA/V1'**

Fitch Ratings-New York-04 October 2010: Fitch Ratings has today affirmed the 'AAA/V1' ratings assigned to the Riverside County Treasurer's Pooled Investment Fund, a local government investment pool (LGIP) managed by the Riverside County Treasurer. As of Aug. 31, 2010, the pool had approximately \$5.2 billion in assets under management.

The affirmation of the 'AAA' fund credit rating is based on the high credit quality of the portfolio's assets. Per its statement of investment policy, the fund is permitted to invest in securities rated at least 'A/F1' by Fitch or of a comparable quality by other global rating agencies. As of Aug. 31, 2010, 87% of the fund's portfolio was invested in securities issued or guaranteed by the U.S. government. In addition, approximately 7% of the fund was invested in money market funds, 1% was invested in CalTrust, a LGIP in the state of California, 3% was invested in corporate commercial paper, 1.45% was held in cash with the fund's custodian, Union Bank, and 0.55% was invested in municipal bonds and securities issued by other local agencies. The weighted average credit quality of the fund, as measured by the weighted average rating factor (WARF), was 0.0006, corresponding to an 'AAA' fund credit rating.

The affirmation of the 'V1' fund volatility rating is based on the stability of the fund's market risk profile. Funds rated 'V1' are considered to have very low market risk, and as such, are expected to exhibit high stability, performing consistently across a broad range of market scenarios.

As of Aug. 31, 2010, the fund's weighted average final maturity (WAMf) and weighted average maturity to reset date (WAMr) were both 396 days, or 1.08 years, due to no investments in floating rate securities. The fund is permitted by its statement of investment policy to increase the WAMr up to 1.5 years with all holdings maturing in five years or less. In addition, the fund's investment policy requires the portfolio to maintain at least 40% of its total assets maturing within a year. As of Aug. 31, 2010, 63.8% of the pool's assets matured within a year.

Liquidity risk is mitigated by the liquid nature of the fund investments, the predictability of cash outflows, and the redemption restrictions imposed by the pool which require 30 days prior notice to the Treasurer. The fund's anticipated redemptions include payroll and benefit payments, accounts payable, debt services and other planned expenditures of the county and other pool's participants.

The Riverside County Treasurer's Pooled Investment Fund is managed by the Riverside County Treasurer - Tax Collector on behalf of the county, school districts and other special districts. The fund's primary investment objectives are the safety and preservation of investment principal, liquidity sufficient to meet daily cash flow requirements and reasonable rates of return or yields consistent with these objectives. The County of Riverside Treasurer's office provides Fitch with monthly information, including details of the portfolios' holdings, credit quality and transactions, and a risk management report. Fitch monitors the credit composition of the portfolios, the credit counterparties used by the manager and the overall market risk profile of the investments.

The fund credit rating and fund volatility rating may be sensitive to material changes in the credit quality or market risk profiles of the fund. A material adverse deviation from Fitch guidelines for any key rating driver could cause the ratings to be lowered by Fitch. For additional information about Fitch short-term bond fund rating guidelines, please review the criteria referenced below, which can be found on Fitch's website.

Fitch has affirmed the following ratings:

Riverside County Treasurer's Pooled Investment Fund

--Fund credit rating at 'AAA';  
--Volatility rating at 'V1'.

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Additional information is available at [www.fitchratings.com](http://www.fitchratings.com).

The sources of information used to assess this rating were the public domain and The Riverside County Treasurer's Office

Applicable Criteria and Related Research:

--'Global Bond Fund Rating Criteria', 10 Feb. 2010;  
--'Global Bond Fund Rating Criteria - Short-Term Bond Fund Addendum', 22 March 2010.

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Global Bond Fund Rating Criteria  
[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=499472](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=499472)  
Global Bond Fund Rating Criteria - Short-Term Bond Fund Addendum  
[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=505657](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=505657)

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