

08 JUL 2021

Fitch Rates Colorado Statewide Investment Pool - CSIP Liquid Portfolio 'AAAmmf'

Fitch Ratings - New York - 08 Jul 2021: Fitch Ratings has assigned an 'AAAmmf' money market fund (MMF) rating to the Colorado Statewide Investment Pool - CSIP Liquid Portfolio (CSIP Liquid Portfolio). The local government investment pool was established pursuant to Colorado's state code as a common law trust for the benefit of Colorado local governments and is governed by a board of trustees of representatives of those units of local government who are participants. PFM Asset Management LLC (PFMAM) serves as the pool's investment adviser and administrator.

CSIP Liquid Portfolio was established to invest excess funds of its participants in various high-quality money market investments, in accordance with the Colorado Revised Statutes. CSIP Liquid Portfolio seeks to maintain a stable NAV of \$1.00, although Fitch's rating does not specifically address its ability to do so.

The pool was established in 2017. Fitch used a June 1, 2021 portfolio to complete the analysis for the assigned rating.

KEY RATING DRIVERS

The rating reflects Fitch's review of the pool's investment and credit guidelines, credit quality, diversification and liquidity profile, as well as the capabilities of PFMAM to manage the assets of the pool. The 'AAAmmf' rating assigned to CSIP Liquid Portfolio indicates an extremely strong capacity to achieve the investment objectives of preserving principal and providing liquidity through limiting credit, market, and liquidity risk.

Asset Credit Quality

The pool invests primarily in direct obligations of the U.S. government and its agencies, municipal obligations, commercial paper, repurchase agreements backed by U.S. government and agency obligations, certificates of deposit, corporate notes, money market mutual funds, asset-backed commercial paper and other securities authorized under the Colorado Revised Statutes. Based on the portfolio, Fitch calculated CSIP Liquid Portfolio's Portfolio Credit Factor (PCF) to be below 1.50, which is Fitch's 'AAAmmf' criteria limit.

The pool was organized as a common law trust under the Colorado Revised Statutes to provide local government entities access to investment vehicles focused on the safety and preservation of principal, liquidity and commensurate investment income.

Maturity Profile

CSIP Liquid Portfolio seeks to limit interest rate and spread risk by maintaining a weighted average maturity (WAM) and a weighted average life (WAL) below 60 days and 120 days, respectively, consistent with Fitch's 'AAAmmf' criteria. In addition, CSIP Liquid Portfolio holds only investments that have either a final or effective maturity of 397 days or less at the time of purchase.

Liquidity Profile

CSIP Liquid Portfolio seeks to maintain sufficient levels of daily and weekly liquidity to meet participant redemption requests. Specifically, the pool invests at least 10% of total assets in securities offering daily liquidity and at least 30% of total assets in securities providing weekly liquidity consistent with Fitch's 'AAAmf' criteria.

Participant Profile

The portfolio is comprised of moneys deposited by Colorado local government, public, and other eligible entities. PFMAM aims to structure the portfolio in such a manner as to provide sufficient liquidity to pay expected same or next day redemptions.

Surveillance

Fitch expects to receive fund portfolio holdings information twice per month, including credit quality, market value and duration of the individual securities to conduct surveillance.

INVESTMENT MANAGER

The pool is managed by PFMAM, a member of the PFM Group of companies. PFMAM is registered with the SEC under the Investment Advisers Act of 1940 and specializes in creating investment strategies and managing funds for public sector, not-for-profit and other institutional clients. The firm is based in Harrisburg, Pennsylvania, and, when including affiliates, has more than 40 years of experience in managing public sector portfolios. As of March 31, 2021, PFMAM had approximately \$164.5 billion in total assets under management and advisement.

Fitch views the investment management capabilities, resource commitment, operational controls, compliance and oversight processes of the pool's investment advisor as appropriate for the assigned rating and investment strategy.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to a positive rating action/upgrade:

The assigned rating is the highest rating outcome under the MMF rating criteria. Therefore, upward rating momentum is not possible.

Factors that could, individually or collectively, lead to a negative rating action/downgrade:

A material and sustained breach of any of Fitch's criteria measures at the 'AAAmf' level could result in the rating being lowered, absent any mitigants.

SOURCES OF INFORMATION

The sources of information used to assess this rating were the public domain and the investment advisor.

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Rating Actions

ENTITY/DEBT	RATING		RECOVERY	PRIOR
Colorado Statewide Investment Pool - CSIP Liquid Portfolio	MMF	AAAmmf		New Rating

RATINGS KEY OUTLOOK WATCH

POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

Applicable Criteria

Additional Disclosures

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