

Fund & Asset Manager
Rating Group
Credit Analysis

Marin County Investment Pool

Ratings

| | Current Ratings |
|------------------------------|-----------------|
| Marin County Investment Pool | AAA/V1+ |

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Summary

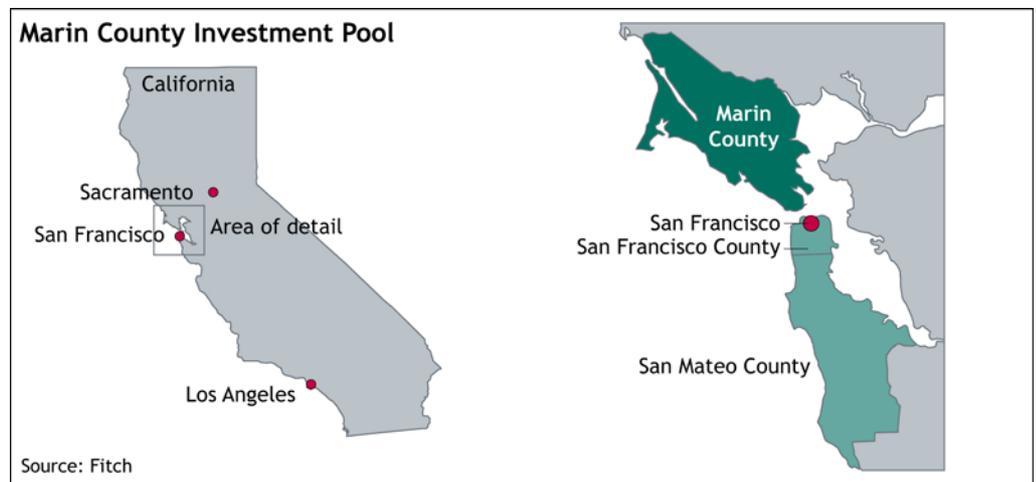
The Marin County Investment Pool, a local government investment pool with approximately \$801.6m in assets as of June 30, 2008, is rated 'AAA/V1+' by Fitch Ratings. Investment pools rated 'AAA' meet the highest credit quality standards for underlying assets, diversification, management and operational capabilities. The pool's 'V1+' Volatility Rating reflects low market risk and a strong capacity to return stable principal value to participants, even in severely adverse interest rate environments. Portfolio valuation reports are submitted to Fitch monthly.

Rating Considerations

- Conservative investment policies and practices, and short-term weighted average maturity limits. Investments in derivative securities and use of derivative instruments are prohibited by policy.
- Investments in high quality debt instruments and restrictive diversification policy.
- Sufficient liquidity to meet projected cash outflow resulting from the maturity schedule of pool investments as well as the composition of pool participants.
- Solid management oversight and operational controls.

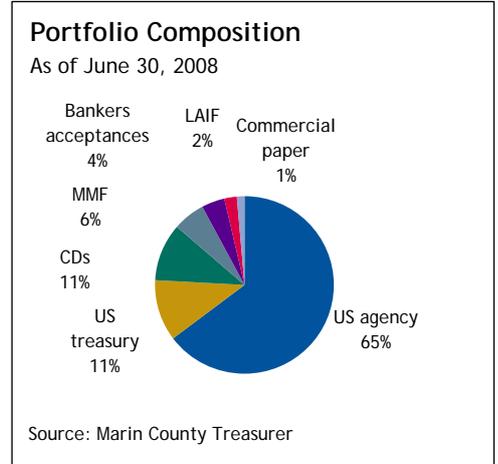
Overview

The Marin County Investment Pool is managed by the Marin County Treasurer on behalf of the pool participants. Participants include the county, county schools, districts under the control of the Marin County board of supervisors, autonomous/independent districts whose treasurer is the Marin County treasurer, and other districts or agencies approved by the Marin County board of supervisors and the county treasurer, using Marin County as their fiscal agent. The pool's primary investment objectives are preservation of capital and sufficient liquidity to meet operating cash needs of the county, schools, districts, and other pool depositors. The secondary objective is the rate of return consistent with the primary objectives.



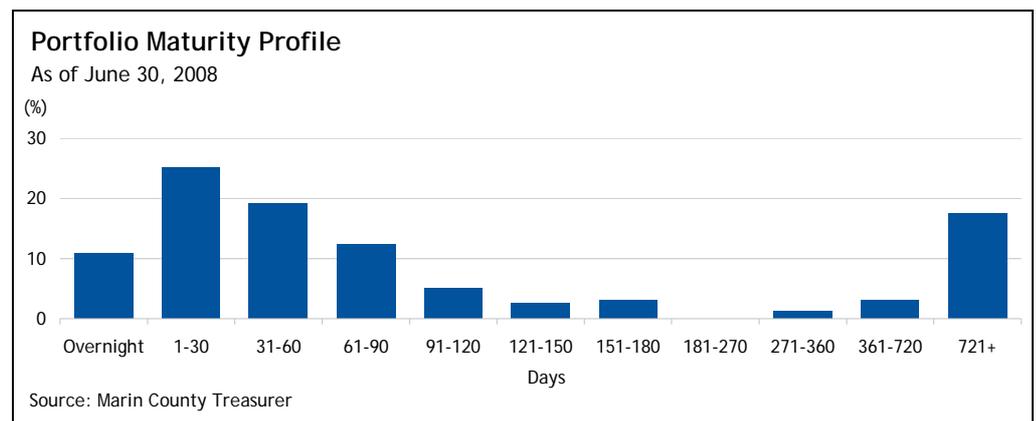
Investment Practices

The pool pursues its investment objectives by investing in a diversified portfolio of high-quality debt securities, including US Treasury and agency securities, commercial paper, bankers' acceptances, time deposits, repurchase agreements, the Local Agency Investment Fund (LAIF) and other allowable securities. LAIF is the California state investment pool, managed by the state treasurer's office. It invests in a high-quality, diversified portfolio and offers participants daily liquidity.



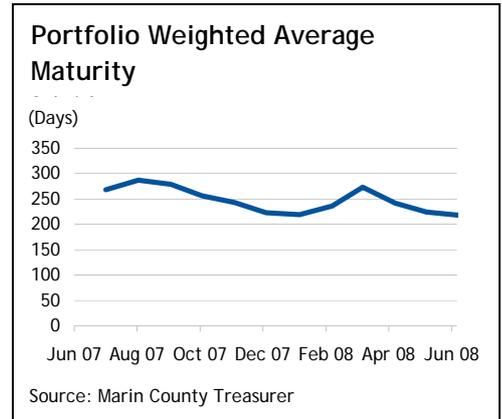
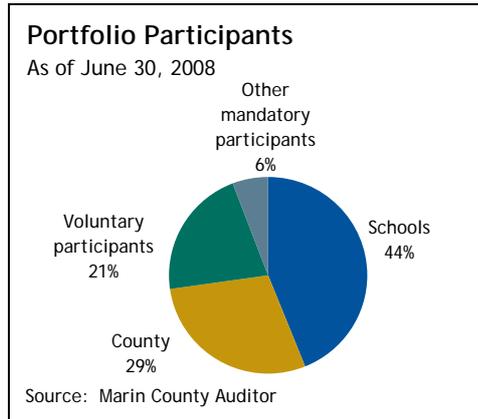
The weighted-average maturity (WAM) of securities held in the portfolio was approximately 218 days at June 30, 2008. WAM is a measure of a portfolio's sensitivity to changing interest rates. By policy, the pool must maintain an average maturity of less than 18 months and is not allowed to purchase securities with maturities greater than two years. However, the treasurer may authorize the purchase of US Treasury or US agency obligations with final maturities of five years or less.

To meet liquidity targets and minimize exposure to interest rate changes, the pool uses a combination of a ladder investment strategy - to maintain liquidity and distribute investments across a short maturity spectrum - along with a cash flow-matching investment strategy - to structure investment maturities to coincide with conservative expectations of draws on the portfolio. The pool takes a conservative view towards leverage, as the use of reverse repurchase agreements in any form is specifically prohibited by policy. The pool does not invest in derivative securities and structured credit securities.



Liquidity

The maturity profile of the pool is managed to meet both anticipated and unanticipated withdrawals. Investments are generally matched to anticipated cash outflows using conservative cash flow assumptions. Voluntary participants constituted approximately 21.34% of the pool's assets at June 30, 2008, with the balance of invested funds coming from Marin County and other mandatory participants. In addition to cash balances and maturities, the pool has daily access to the LAIF to meet withdrawal requirements. As of June 30, 2008, approximately 36.16% of the portfolio's assets had a maturity of 30 days or less.



Credit Quality

The pool has assigned 'AAA' credit quality rating on the basis of investment practices, diversification standards, operational controls and management oversight. The pool invests only in securities issued by highly rated entities and diversifies across issuers. As of June 30, 2008, approximately 64.75% of the portfolio was invested in US agency securities and approximately 11.08% was invested in US Treasury securities. Repurchase agreements are entered into with highly rated counterparties and are fully collateralized by US government securities.

In accordance with the California Government Code, an investment oversight committee - consisting of pool participants - reviews the pool's investment practices and policies regularly. Additionally, the pool is subject to quarterly internal audits by the county auditor's office. The pool is also subject to an annual external audit. Institutional Trust Services Wells Fargo Bank, N.A., acts as safekeeping agent for the pool's assets.

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