

## **Santa Barbara County Treasurer's Investment Pool Rated 'AAAf/S1'**

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**NEW YORK (Standard & Poor's) Oct. 13, 2009**—Standard & Poor's Ratings Services said today that it assigned its 'AAAf' fund credit quality rating and its 'S1' fund volatility rating to the Santa Barbara County Treasurer's Investment Pool.

The Treasurer/Tax Collector manages the Santa Barbara County Treasurer's Investment Pool. The Treasurer seeks to invest public funds in a manner that conforms to all applicable state statutes and county resolutions governing the investment of public funds. The pool's investment objectives are, in order of priority: safety of principal, maintenance of sufficient liquidity to meet cash-flow needs, and attainment of a market average rate of return consistent with the primary objectives.

As with all local agency pools in California, the tenets of the California Government Code govern the Santa Barbara County Treasurer's Investment Pool. In addition to these tenets, the county's investment policy further restricts the portfolio. In pursuing its investment objective the pool generally invests in U.S. Treasuries and U.S. agencies, commercial paper, certificates of deposit and corporate medium-term notes, the local agency investment fund, and the Investment Trust of California.

The 'S1' volatility rating indicates the pool's low sensitivity to changing market conditions. The maximum stated final maturity of an individual security is generally kept to five years or less unless otherwise stated in the county's investment policy. Investments in securities that mature in more than one year are limited to 75%. There is no formal portfolio weighted average maturity (WAM) guideline for the pool, but during the past several years the pool's WAM has been less than two years. Based on this, the pool possesses an aggregate level of risk that is less than or equal to that of a portfolio comprised of government securities maturing within one to three years, and thus warrants the 'S1' fund volatility rating.

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The 'AAAF' rating signifies the pool's portfolio holdings provide extremely strong protection against losses from credit defaults. The pool typically invests a large percentage (more than 75%-80%) of its assets in securities that we rate in the highest rating categories ('AAA' and 'A-1+'), 15%-20% in securities we rated in second-highest rating categories ('AA' and 'A-1'), and the remaining 5% in securities we rate 'A'. To maintain current and accurate ratings, we monitors the portfolio holdings monthly.

**RELATED RESEARCH**

- "Fund Credit Quality Rating Criteria," Feb. 2, 2007
- "Fund Volatility Rating Criteria," Feb. 2, 2007

Complete ratings information is available to subscribers of RatingsDirect, Standard & Poor's Web-based credit analysis system, at [www.ratingsdirect.com](http://www.ratingsdirect.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com); under Credit Ratings in the left navigation area, select Find a Rating, then Credit Ratings Search.

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