

## 73 Fund Credit-Quality Ratings Lowered And Removed From CreditWatch Following U.S. Sovereign Downgrade

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NEW YORK (Standard & Poor's) Aug. 8, 2011--Standard & Poor's Ratings Services said today that it lowered its fund credit quality ratings (FCQRs) on 73 funds. The fund ratings, 70 of which were 'AAAf', were lowered by up to two notches, depending on the funds' long-term U.S. sovereign exposures. At the same time, we removed all 73 funds from CreditWatch Negative. The rating actions follow our downgrade of the United States of America to 'AA+' (see United States of America Long-Term Rating Lowered To 'AA+' On Rising Debt Burden And Political Risks; Outlook Negative, published Aug. 5, 2011, on RatingsDirect on the Global Credit Portal). The fund volatility ratings are unaffected.

We lowered our FCQRs on 73 of the 206 funds managed in the U.S., Europe, and Bermuda because of their significant exposures (generally greater than 50%) to direct or indirect investments in U.S. Treasury and U.S. government agency securities. The ratings were lowered by up to two notches as determined by our fund credit-quality matrix approach.

Our FCQRs address a fund's overall exposure to default risk. When we assign an FCQR, we evaluate the fund's portfolio credit risk and conduct a qualitative assessment of fund management. Our FCQR methodology utilizes a fund credit-quality matrix to apply a set of credit factors for each rating category (e.g., 'AAA', 'AA', 'A') and a set of credit scores for each FCQR category (e.g. 'AAAf', 'AAf', 'Af'). The factors are based on our historical ratings stability and ratings transition studies and do not differentiate between rating notches within a specific rating category (e.g., the same factor is applied for exposure to 'AA+' securities as to 'AA' or 'AA-')

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securities).

In addition, because the probability of a rating transition and default decreases as a security nears maturity, we evaluate investment-grade holdings that mature in 365 days or less in the matrix at a lower credit factor, reducing the impact to the overall fund rating score. For example, a portfolio comprised 60% of 'AA+' rated securities that mature in more than 365 days with the remainder in 'AAA' rated securities would result in the FCQR category of 'AAf' according to our fund credit-quality matrix approach.

The list of affected FCQRs below includes fixed-income funds, exchange-traded funds, hedge funds, as well as local government investment pools and unit investment trusts.

Our FCQRs, identified by the 'f' subscript, reflect our view of the level of protection a fund provides against losses from credit defaults. The FCQR scale ranges from 'AAAf' (extremely strong protection against losses from credit defaults) to 'CCcf' (extremely vulnerable to losses from credit defaults). The ratings from 'AAAf' to 'CCcf' may be modified by adding a plus (+) or minus (-) sign to show relative standing within the major rating categories.

For related rating actions on other U.S. financial services companies and select government-related entities, please see Ratings On The U.S. Central Securities Depository And Three Clearinghouses Lowered Following U.S. Sovereign Downgrade and Ratings On Select GREs And FDIC- and NCUA-Guaranteed Debt Lowered After Sovereign Downgrade, both published Aug. 8, 2011.

### RELATED CRITERIA AND RESEARCH

- United States of America Long-Term Rating Lowered To 'AA+' On Rising Debt Burden And Political Risks; Outlook Negative, Aug. 5, 2011
- Fund Credit Quality Rating Criteria, Feb. 2, 2007
- Fund Volatility Rating Criteria, Feb. 2, 2007

### RATINGS LIST

Ratings Lowered; Removed From CreditWatch

	To	From
BlackRock Fund Advisors		
iShares Barclays 0-5 Year Tips Fund		
iShares Barclays 10-20 Year Treasury Bond Fund		
iShares Barclays 1-3 Year Treasury Bond Fund		
iShares Barclays 20+ Year Treasury Bond Fund		
iShares Barclays 3-7 Year Treasury Bond Fund		
iShares Barclays 7-10 Year Treasury Bond Fund		
iShares Barclays Agency Bond Fund		
iShares Barclays MBS Fixed-Rate Bond Fund		
iShares Barclays U.S. Treasury Inflation Protected Securities Fund		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
BlackRock Fund Advisors		
iShares Barclays Aggregate Bond Fund		
iShares Barclays Intermediate Government/Credit Bond Fund		
Fund Credit Quality Rating	Af	A+f/Watch Neg

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BlackRock Fund Advisors		
iShares Barclays Government/Credit Bond Fund		
Fund Credit Quality Rating	A-f	Af/Watch Neg
Broward County Finance & Administrative Services Department		
Broward County Investment Portfolio		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
Caspian Capital Management LLC		
MBS Fund Caspian		
MBS Fund Gamma		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
City of Anaheim CA		
City of Anaheim Treasurer Investment Pool		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
City of Los Angeles Office of the Treasurer		
City of Los Angeles General Pool		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
Federated Investors Inc.		
Federated Adjustable Rate Securities Fund		
Federated GNMA Trust		
Federated Government Ultra Short Duration Fund		
Federated Income Trust		
Federated Intermediate Government Fund		
Federated U.S. Government Securities Fund: 1-3 Years		
Federated U.S. Government Securities Fund: 2-5 Years		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
First Trust Portfolios L.P.		
Advisor's Disciplined Income Trust GNMA Advantage Income		
First Trust GNMA, Series 105		
First Trust GNMA (The) Reinvestment Income Trust GRIT, Series 106		
First Trust GNMA (The), Reinvestment Income Trust GRIT, Series 110		
First Trust GNMA (The), Reinvestment Trust GRIT, Series 112		
First Trust GNMA (The), Series 111		
First Trust GNMA (The), Series 114		
First Trust GNMA Series 115		
First Trust GNMA Reinvestment Income Trust GRIT, Series 116		
First Trust GNMA Reinvestment Income Trust GRIT Series 104		
First Trust GNMA Reinvestment Income Trust GRIT Series 100		
First Trust GNMA Reinvestment Income Trust GRIT Series 102		
First Trust GNMA Reinvestment Income Trust GRIT Series 88		
First Trust GNMA Reinvestment Income Trust GRIT Series 89		
First Trust GNMA Reinvestment Income Trust GRIT Series 90		
First Trust GNMA Reinvestment Income Trust GRIT Series 92		
First Trust GNMA Reinvestment Income Trust GRIT Series 94		
First Trust GNMA Reinvestment Income Trust GRIT Series 95		

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First Trust GNMA Reinvestment Income Trust GRIT Series 97		
First Trust GNMA Reinvestment Income Trust GRIT Series 98		
First Trust GNMA Trust, Series 103		
First Trust GNMA, Series 101		
First Trust GNMA, Series 107		
First Trust GNMA, Series 108		
First Trust GNMA, Series 109		
First Trust GNMA, Series 113		
First Trust GNMA, Series 93		
First Trust GNMA, Series 96		
First Trust GNMA, Series 99		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
Franklin Advisers Inc.		
Franklin Adjustable U.S. Government Securities Fund		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
Goldman Sachs Asset Management L.P.		
GS Government Income Fund		
GS Short-Duration Government Fund		
Goldman Sachs Ultra-Short Duration Government Fund		
Fund Credit Quality Rating	AA+f	AAAf/Watch Neg
Clerk of the Circuit Court/Comptroller for Hillsborough Cnty		
Hillsborough County Investment Pool		
Fund Credit Quality Rating	AA+f	AAAf/Watch Neg
Illinois Metropolitan Investment Fund		
IMET 1-3 Year Fund		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
Manatee County Clerk of the Circuit Court Comptroller		
Manatee County Investment Portfolio		
Fund Credit Quality Rating	AA+f	AAAf/Watch Neg
Office of the City Controller for the City of Houston		
City of Houston General Investment Pool		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
Office of the Clerk of the Circuit Court-St. Lucie County		
St. Lucie County Investment Portfolio		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
Office of the State Treasurer		
Georgia Extended Asset Pool		
Fund Credit Quality Rating	AA+f	AAAf/Watch Neg
Palm Beach Cnty		
Palm Beach County Investment Portfolio		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg

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San Bernardino Cnty		
San Bernardino County Investment Pool		
Fund Credit Quality Rating	AA+f	AAAf/Watch Neg
San Mateo		
San Mateo County Investment Portfolio		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
Santa Barbara County		
Santa Barbara County Treasurer's Investment Pool		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
Solano County		
Solano County Treasurer's Investment Pool		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
State Street Global Advisors		
SPDR Barclays Capital Intermediate Term Treasury ETF		
SPDR Barclays Capital Long Term Treasury ETF		
SPDR Barclays Capital TIPS ETF		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
UCM Partners L.P.		
UCM Short Duration Fund		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg
Wertz York Capital Management Group LLC		
Core Fund (The)		
Fund Credit Quality Rating	AAf	AAAf/Watch Neg

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