

Fund & Asset Manager  
Rating Group  
Credit Analysis

Colorado Local Government  
Liquid Asset Trust (COLOTRUST  
PLUS+)

Ratings

COLOTRUST PLUS+.....AAA/V1+

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Summary Data

**Inception Date:** May 16, 1994  
**Assets:** \$3.49 billion (as of Sept. 19, 2007)  
**Dividends:** Accrued and paid daily  
**Investment Adviser/Administrator:**  
Colorado Investors Service Corporation  
+1 877 311-0219

■ Summary

The Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+) is rated 'AAA'/'V1+'. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The rating also reflects the portfolio's strong ability to provide participants with a constant \$1.00 per share valuation at all times. COLOTRUST PLUS+ (the trust) invests in a high-quality portfolio of investments legally permissible for local government entities in Colorado pursuant to Part 7 of Article 75, Title 24 of the Colorado Revised Statutes (Statutes). Portfolio reports are submitted to Fitch Ratings weekly.

■ Rating Considerations

- Extremely strong credit quality resulting from the pool's portfolio assets, investment practices and management controls.
- Minimal market risk by virtue of conservative investment practices and weighted-average maturity (WAM) limits.
- High degree of liquidity sufficient to meet anticipated and unanticipated withdrawals.

■ Investment Practices

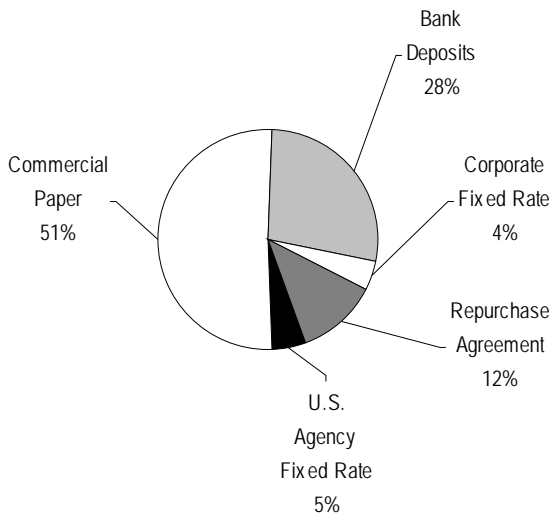
The trust's objective is to provide a high level of current income while maintaining liquidity and preserving capital by investing in instruments authorized by the Statutes.

The trust pursues its objective by investing in a diversified portfolio of high-quality assets. Permissible assets include U.S. Treasury securities, obligations of or securities guaranteed by U.S. government agencies and instrumentalities, high-grade fixed-rate corporate bonds, high-grade commercial paper (rated at least 'F1' or equivalent), high-grade bankers' acceptances, bank deposits (collateralized at 102% and executed only with dealers rated 'F1') and repurchase agreement transactions (collateralized at 102% and executed only with dealers rated 'F1'). The trust enters into repurchase agreements only with highly rated counterparties, usually on an overnight basis.

The portfolio's investment strategy combines a high concentration in overnight investments for liquidity, primarily via repurchase agreements and bank deposits. Currently, the trust's assets consist mainly of commercial paper. The balance of the COLOTRUST PLUS+ portfolio is invested in agency securities, bankers' acceptance notes and overnight repurchase agreements. The trust invests solely to satisfy participants' ongoing liquidity requirements and minimizes exposure to interest rate volatility through prudent management

**Portfolio Composition**

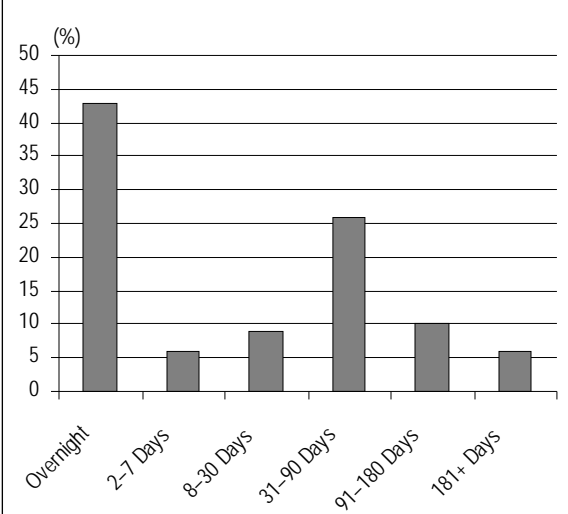
(As of Sept. 19, 2007)



Source: COLOTRUST PLUS+.

**Portfolio Maturity Profile**

(As of Sept. 19, 2007)



Source: COLOTRUST PLUS+.

of the WAM of all portfolio investments. Additionally, all investments must have a maximum maturity of 397 days or less.

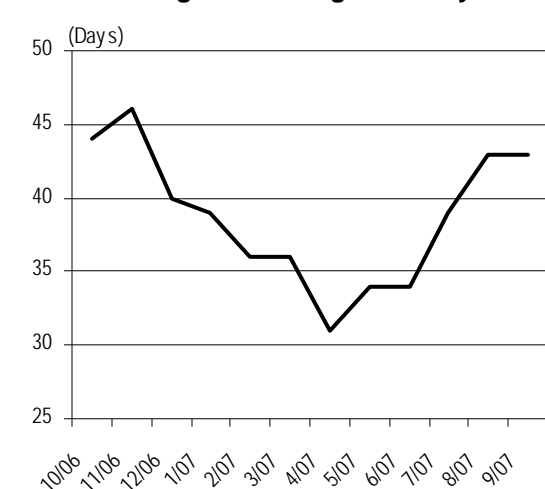
As of Sept. 19, 2007, the WAM of all portfolio securities was 43 days (please see the Portfolio Weighted-Average Maturity chart below).

■ **Liquidity Management**

COLOTRUST PLUS+ conservatively manages its maturity profile through a significant concentration in short-term investments to ensure a high degree of

liquidity designed to meet participants' anticipated and unanticipated operating needs. The ability to meet withdrawals as required is paramount, since the trust offers participants complete daily liquidity. Cash flow forecasts are monitored to incorporate significant changes to participants' operating requirements and ensure cash availability at a constant share value. The portfolio's conservative approach to liquidity is reflected in its portfolio WAM limit of 60 days and the concentration in short-term investments. As of Sept. 19, 2007, 49% of securities had a maturity of seven days or less (please see the Portfolio Maturity Profile chart above). Portfolio securities are priced to market on a daily basis using Bloomberg, IDC and Merrill Lynch pricing services.

**Portfolio Weighted-Average Maturity**



Source: COLOTRUST PLUS+.

■ **Credit Quality**

The trust has the highest credit quality on the basis of portfolio assets, investment practices, diversification standards, operational controls and management oversight. As of Sept 19, 2007, COLOTRUST PLUS+ invested 51% of its assets in commercial paper, 5% in 'AAA' quality U.S. government agency securities, 4% in fixed-rate corporate notes and 12% in repurchase agreements. All repurchase agreements are collateralized 102% by U.S. Treasury securities, agency securities backed by the full faith and credit of the U.S. government or U.S. instrumentalities. All counterparties to repurchase agreements are highly rated, and a custodial bank holds collateral supporting the transaction in constructive possession

on the trust's behalf. At the time of purchase, all short-term investments are of first-tier credit quality.

## ■ Organization

COLOTRUST PLUS+ was organized in 1985 in order to provide a convenient method for local governmental entities in Colorado to pool their investment funds pursuant to the Investment Funds-Local Government Pooling Act, (Part 7, Article 75, Title 24, Colorado Revised Statutes). The trust is subject to the general supervision of the board of trustees, which is elected by the COLOTRUST PLUS+ participants.

MBIA Municipal Investors Service Corp. (MBIA-MISC) serves as investment adviser and administrator to the pool, subject to the overall supervision of the participants. MBIA Capital Management Corp., through a subadvisory agreement with MBIA-MISC, advises on permitted investments and arranges for the execution of securities transactions. Wells Fargo Bank West, N.A serves as custodian to the pool's assets. MBIA-MISC and MBIA Capital Management Corp. are wholly owned subsidiaries of MBIA Asset Management Group. Formed in 1990, MBIA-MISC currently provides investment management services for public entities and local government investment pools and cooperatives, with approximately \$10.5 billion of total assets as of Aug. 13, 2007, in 12 states and Puerto Rico.

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