

73 Fund Credit Quality Ratings Put On CreditWatch Negative Following Sovereign Ratings CreditWatch Placement

Primary Credit Analysts:

Peter Rizzo
New York
(1) 212-438-5059
peter_rizzo@
standardandpoors.com

Joel C Friedman
New York
(1) 212-438-5043
joel_friedman@
standardandpoors.com

Secondary Contacts: Francoise
Nichols
Paris
(33) 1-4420 7345
francoise_nichols@
standardandpoors.com

Ruth Shaw
New York
(1) 212-438-1410
ruth_shaw@
standardandpoors.com

Publication Date

July 15, 2011

NEW YORK (Standard & Poor's) July 15, 2011—Standard & Poor's Ratings Services today said it placed 73 fund credit quality ratings (FCQRs) on CreditWatch with negative implications. The rating action follows Standard & Poor's placement of its 'AAA' long-term and 'A-1+' short-term ratings on the United States of America on CreditWatch Negative. (See "United States of America 'AAA/A-1+' Ratings Placed On CreditWatch Negative On Rising Risk Of Policy Stalemate," published July 14, 2011.) The fund volatility ratings are unaffected.

For details about the related rating actions in the financial institutions and insurance sectors, see " 'AAA' Ratings On Three U.S. Clearinghouses, One CSD, And Select GSEs On Watch Negative After Sovereign Action" and " 'AAA' Ratings On U.S. Insurance Groups Placed On CreditWatch Negative Following Sovereign CreditWatch Placement," both published July 15, 2011.

We placed the FCQRs on CreditWatch Negative to reflect our view that there is a one-in-two chance that we would lower the ratings over the next 90 days. Of the 206 funds managed in the U.S., Europe, and Bermuda, we placed our ratings on 73 of them on CreditWatch Negative because of the funds' significant exposures (generally greater than 50%) to the U.S. sovereign credit ratings. These exposures are either through direct or indirect investments in U.S. Treasury and U.S. government agency securities. Based on these exposures, we could lower the ratings by up to two notches, as determined by our fund credit quality matrix approach.

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

resolve the CreditWatch Negative implications of the FCQRs following the resolution of the CreditWatch implications of the U.S. ratings.

Standard & Poor’s FCQRs capture a fund’s overall exposure to default risk. When we assign a credit quality rating, we evaluate the fund’s portfolio credit risk and conduct a qualitative assessment of fund management’s credit procedures. FCQRs are based on a credit matrix approach (derived from our historical default and ratings transition studies) and a detailed examination of both a fund’s management and its credit analysis.

Our FCQRs, identified by the ‘f’ subscript, reflect our view of the level of protection a fund provides against losses from credit defaults. The credit quality ratings 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.

RELATED CRITERIA AND RESEARCH

- ‘AAA’ Ratings On Three U.S. Clearinghouses, One CSD, And Select GSEs On Watch Negative After Sovereign Action, July 15, 2011
- ‘AAA’ Ratings On U.S. Insurance Groups Placed On CreditWatch Negative Following Sovereign CreditWatch Placement, July 15, 2011
- United States of America ‘AAA/A-1+’ Ratings Placed On CreditWatch Negative On Rising Risk Of Policy Stalemate, published July 14, 2011
- Fund Credit Quality Rating Criteria, Feb. 2, 2007
- Fund Volatility Rating Criteria, Feb. 2, 2007

RATINGS LIST

CreditWatch Action

	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	AAAf/Watch Neg	AAAf
BlackRock Fund Advisors		
iShares Barclays Aggregate Bond Fund		
iShares Barclays Intermediate Government/Credit Bond Fund		
Fund Credit Quality Rating	A+f/Watch Neg	A+f
BlackRock Fund Advisors		
iShares Barclays Government/Credit Bond Fund		
Fund Credit Quality Rating	Af/Watch Neg	Af
Broward County Finance & Administrative Services Department		

*73 Fund Credit Quality Ratings Put On CreditWatch Negative Following Sovereign Ratings
CreditWatch Placement*

Broward County Investment Portfolio		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
Caspian Capital Management LLC		
MBS Fund Caspian		
MBS Fund Gamma		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
City of Anaheim CA		
City of Anaheim Treasurer Investment Pool		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
City of Los Angeles Office of the Treasurer		
City of Los Angeles General Pool		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
FACC Services Group LLC		
Florida Local Government Investment Trust		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
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	AAAf/Watch Neg	AAAf
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		

*73 Fund Credit Quality Ratings Put On CreditWatch Negative Following Sovereign Ratings
CreditWatch Placement*

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	AAAf/Watch Neg	AAAf
Franklin Advisers Inc.		
Franklin Adjustable U.S. Government Securities Fund		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
Goldman Sachs Asset Management L.P.		
GS Government Income Fund		
GS Short-Duration Government Fund		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
Clerk of the Circuit Court/Comptroller for Hillsborough Cnty		
Hillsborough County Investment Pool		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
Illinois Metropolitan Investment Fund		
IMET 1-3 Year Fund		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
Manatee County Clerk of the Circuit Court Comptroller		
Manatee County Investment Portfolio		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
Office of the City Controller for the City of Houston		
City of Houston General Investment Pool		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
Office of the Clerk of the Circuit Court-St. Lucie County		
St. Lucie County Investment Portfolio		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
Office of the State Treasurer		
Georgia Extended Asset Pool		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
Palm Beach Cnty		
Palm Beach County Investment Portfolio		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
San Bernardino Cnty		
San Bernardino County Investment Pool		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf

*73 Fund Credit Quality Ratings Put On CreditWatch Negative Following Sovereign Ratings
CreditWatch Placement*

San Mateo		
San Mateo County Investment Portfolio		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
Santa Barbara County		
Santa Barbara County Treasurer's Investment Pool		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
Solano County		
Solano County Treasurer's Investment Pool		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
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	AAAf/Watch Neg	AAAf
UCM Partners L.P.		
UCM Short Duration Fund		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf
Wertz York Capital Management Group LLC		
Core Fund (The)		
Fund Credit Quality Rating	AAAf/Watch Neg	AAAf

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

Published by Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. Executive and Editorial offices: 55 Water Street, New York, NY 10041. Subscriber services: (1) 212-438-7280 Option 2. Copyright © 2011 by Standard & Poor's Financial Services LLC (S&P).

All rights reserved.

No part of this information may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P. S&P, its affiliates, and/or their third-party providers have exclusive proprietary rights in the information, including ratings, credit-related analyses and data, provided herein. This information shall not be used for any unlawful or unauthorized purposes. Neither S&P, nor its affiliates, nor their third-party providers guarantee the accuracy, completeness, timeliness or availability of any information. S&P, its affiliates or their third-party providers and their directors, officers, shareholders, employees or agents are not responsible for any errors or omissions, regardless of the cause, or for the results obtained from the use of such information. S&P, ITS AFFILIATES AND THEIR THIRD-PARTY PROVIDERS DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall S&P, its affiliates or their third-party providers and their directors, officers, shareholders, employees or agents be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the information contained herein even if advised of the possibility of such damages.

The ratings and credit-related analyses of S&P and its affiliates and the observations contained herein are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or make any investment decisions. S&P assumes no obligation to update any information following publication. Users of the information contained herein should not rely on any of it in making any investment decision. S&P's opinions and analyses do not address the suitability of any security. S&P does not act as a fiduciary or an investment advisor. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of each of these activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P's Ratings Services business may receive compensation for its ratings and credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge) and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

S&P uses billing and contact data collected from subscribers for billing and order fulfillment purposes, and occasionally to inform subscribers about products or services from S&P, its affiliates, and reputable third parties that may be of interest to them. All subscriber billing and contact data collected is stored in a secure database in the U.S. and access is limited to authorized persons. If you would prefer not to have your information used as outlined in this notice, if you wish to review your information for accuracy, or for more information on our privacy practices, please call us at (1) 212-438-7280 Option 2 or write to us at: privacy@standardandpoors.com. For more information about The McGraw-Hill Companies Customer Privacy Policy please visit www.mcgraw-hill.com/privacy.html.

Permissions: To reprint, translate, or quote Standard & Poor's publications, contact: Client Services, 55 Water Street, New York, NY 10041; (1) 212-438-7280 Option 2; or by email to: research_request@standardandpoors.com.