

Colorado Core Fund

Key Rating Drivers

Portfolio: The Colorado Core Fund invests in highly rated securities that include U.S. Treasury and U.S. government agency securities, CP and corporate bonds. Other securities permitted by the fund's investment policy include municipal securities, repurchase agreements and shares in certain money market funds (MMFs). Investments in the portfolio are designed to comply with all Colorado state statutes, the fund's offering documents and additional standards set by Morgan Stanley.

Duration: The fund is designed for the investment of short to intermediate term cashflows that are expected to occur over an entity's budgetary cycle. The fund seeks to maintain a weighted average maturity of 180 days or less.

Investor Base/Liquidity Management: The fund comprises moneys deposited by Colorado local governmental entities that have executed a resolution to join the trust. Market risk is mitigated by the duration of the fund, as well as the relatively more predictable nature of the cashflows of the participant base. The ratings assigned to the fund do not specifically address the manager's ability to maintain a constant NAV, nor do they opine on the probability of extraordinary liquidity management measures being applied or the redemption risk of the fund.

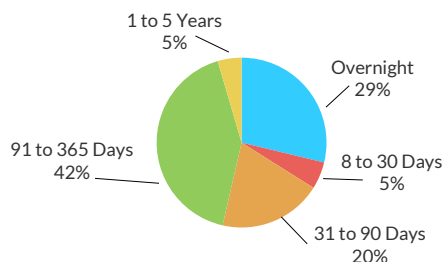
Investment Advisor: The portfolio's investment advisor is Morgan Stanley Smith Barney, LLC, a registered investment adviser and broker-dealer.

Oversight: Portfolio oversight and operational controls are consistent with the assigned rating. The designees of the participants are vested with the authority to elect the trustees.

Rating Rationale: Colorado Core Fund is rated 'AAAF/S1' by Fitch Ratings. The 'AAAF' Fund Credit Quality Rating reflects the investment portfolio's vulnerability to losses as a result of defaults in its bond holdings and is based on the actual and expected credit quality of the portfolio's investments. The 'S1' Fund Market Risk Sensitivity Rating reflects the relative sensitivity of the portfolio's total return and NAV to changes in interest rates and credit spread. Fitch's evaluation of the portfolio also considered the management and operational capabilities of Morgan Stanley Smith Barney, LLC and the legal and regulatory framework under which the portfolio operates.

Colorado Core Fund

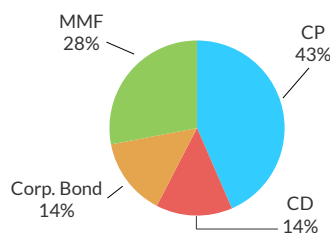
(Maturity Distribution, as of May 31, 2021)



Source: Morgan Stanley, acting through its Zephyr Group.

Colorado Core Fund

(Asset Allocation, as of May 31, 2021)



Source: Morgan Stanley, acting through its Zephyr Group.

Pool Characteristics

(Data as of: May 31, 2021)

| | |
|-------------------------------------|--|
| Fund Credit Quality Rating | AAAf |
| Weighted Average Risk Factor | 0.15 |
| Fund Market Risk Sensitivity Rating | S1 |
| Market Risk Factor | 0.16 |
| Assets (\$ Bil.) | 2.3 |
| Weighted Average Life (Years) | 0.34 |
| Investment Advisor | Morgan Stanley Smith Barney, LLC |
| Objective | The fund is an ultra short duration, enhanced cash fund intended for the short to intermediate term surplus moneys of its participants, with an emphasis on limiting the risk of negative fair market valuations away from \$2 while maintaining high credit quality and adequate liquidity. |
| Inception Date | January 2018. |

Source: Fitch Ratings.

Applicable Criteria

[Bond Fund Rating Criteria \(July 2019\)](#)

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