



Rating Action: MOODY'S ASSIGNS Aaa/MR1+ RATINGS TO LOCAL GOVERNMENT INVESTMENT POOLS OF IOWA SCHOOLS JOINT INVESTMENT TRUST

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First-Time Ratings Assigned to Pools With \$195 Million in Combined Assets

New York, August 27, 2004 -- Moody's Investors Service assigned credit ratings of Aaa and MR1+ market risk ratings to the Iowa Schools Joint Investment Trust - Diversified Portfolio and the Iowa Schools Joint Investment Trust - Direct Government Obligations Portfolio, two local government investment pools managed by Voyageur Asset Management. Moody's stated that the ratings reflect the conservative investment guidelines and practices of Voyageur Asset Management, the strong overall credit quality of each pool's investments, and the highly liquid portfolio structure relative to each pool's cash flow requirements. The ratings also reflect each pool's effective operating controls and compliance procedures with respect to trade execution, documentation, and portfolio review.

The Iowa Schools Joint Investment Trust - Diversified Portfolio and the Iowa Schools Joint Investment Trust - Direct Government Obligations Portfolio both invest monies of Iowa state schools. Each pool is run according to conservative investment policies and practices. The manager is also required to maintain sufficient portfolio liquidity to meet daily cash flow requirements and to achieve a reasonable yield consistent with these objectives.

The pools' primary objective is to provide participants with daily liquidity and the highest possible investment yield consistent with the safety of principle and the maintenance of liquidity. Portfolio income is reconciled daily and distributed monthly.

The portfolio holdings of the pools may include: securities issued by the U.S. government, its agencies or instrumentalities, repurchase agreements collateralized by U.S. treasury or U.S. government agency securities, and Moody's rated money market funds. The Diversified Portfolio may also invest 5% of its assets in Iowa local banks.

Each pool is managed as a money market fund that is limited to an average weighted maturity of 60 days. As of August 23, 2004, assets in the Iowa Schools Joint Investment Trust - Diversified Portfolio were \$158 million and assets in the Iowa Schools Joint Investment Trust - Direct Government Obligations Portfolio stood at \$37 million.

Furthermore, because the cash flow requirements of participants in both pools are fairly predictable and are well understood by Voyageur Asset Management, the manager is able to project the pools' liquidity needs over a rolling 12-month time horizon and structure portfolio assets to provide sufficient liquidity resources on a continual basis, Moody's says.

Strong oversight, including quarterly review meetings by the Board of Trustees, provides additional support for the ratings, Moody's added. The monthly report, which is delivered to the Board of Trustees, includes an independent pricing of the portfolio, reconciled financial statements and a compliance review.

The MR1+ market risk rating -- which provides a means for evaluating the relative degree of volatility associated with the value of a participant's investment in a local government investment pool, as well as the potential for loss -- reflects stringent investment guidelines, conservative asset composition and maturity limitations. Local government investment pools rated MR1+ are judged to have very low sensitivity to changing interest rates and other market conditions. A "+" modifier appended to the MR1 rating category denotes an investment pool managed with a view toward maintaining a constant net asset value.

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