



RATING ACTION COMMENTARY

Fitch Places One Florida Municipal Investment Trust Fund on RWN

Tue 27 Jun, 2023 - 8:28 PM ET

Fitch Ratings - New York - 27 Jun 2023: Fitch Ratings has placed Florida Municipal Investment Trust Intermediate High Quality Bond Fund's (the fund) 'AAAf' Fund Credit Quality Rating (FCQR) on Rating Watch Negative (RWN), following a similar action on the U.S. sovereign rating. The fund's 'S3' Fund Market Risk Sensitivity Rating (MRSR) is unaffected.

KEY RATING DRIVERS

The RWN reflects the fund's material exposure (69% as of the review date) to U.S. government and agency securities, which were placed on RWN by Fitch following a similar action on the U.S. sovereign rating on May 24, 2023.

Per Fitch's Bond Fund Rating Criteria, securities subject to a RWN are assumed to be rated one notch lower than the assigned rating for the purposes of calculating Fitch's weighted average rating factor (WARF), which is a risk-weighted measure of a portfolio of assets that accounts for the portfolio's credit quality and maturity profile.

On this basis, the fund's WARF would no longer be consistent with a 'AAAf' FCQR. However, Fitch has applied a criteria variation from this approach as it would result in a rating inconsistent with Fitch's current view of the portfolio's credit quality.

RATING SENSITIVITIES

Fitch expects to resolve the RWN assigned to the fund concurrent with the resolution of the RWN assigned to the U.S. sovereign rating and related government and agency

We use cookies to deliver our online services, to understand how they are used and for advertising purposes. Details of the cookies we use and instructions on how to disable them are set out in our Privacy Policy.

Alternatively, Fitch could resolve the RWN assigned to the fund prior to resolution of the RWN assigned to the U.S. sovereign rating if the portfolio composition and/or duration were modified to such an extent that the fund's WARF was consistent with a 'AAAf' FCQR.

Factors that could, individually or collectively, lead to positive rating action:

--The fund ratings could be affirmed at 'AAAf'/'S3' and the RWN could be removed if the U.S. sovereign rating and related government and agency securities are removed from RWN and affirmed at 'AAA' with a Stable Rating Outlook;

--The fund ratings could be affirmed at 'AAAf'/'S3' and the RWN could be removed if the portfolio composition and/or duration are modified to such an extent that the fund's WARF is consistent with a 'AAAf' FCQR.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--The fund ratings could be downgraded if the U.S. sovereign rating and related government and agency securities are downgraded. The magnitude of the fund rating downgrades would be a function of the magnitude of the downgrades of the U.S. sovereign and related government and agency securities.

CRITERIA VARIATION

Per Fitch's Bond Fund Rating Criteria, securities subject to a RWN are assumed to be rated one notch lower than the assigned rating when calculating the Fitch WARF. This treatment only affects ratings on the cusp of moving into another rating category (for instance a 'AAA' rating that could move into the 'AA' rating category). On this basis, the fund's WARF would have been consistent with a 'AAf' category rating as of the review date. Absent the criteria variation, Fitch would have downgraded the FCQR to 'AAf' given that Fitch does not typically apply rating modifiers (i.e. '+' or '-' designations) to bond fund ratings.

The criteria variation reflects the relationship between the fund rating and the U.S. sovereign rating.

The treatment of securities on RWN, as outlined in the Bond Fund Rating Criteria, has

We use cookies to deliver our online services, to understand how they are used and for advertising purposes. Details of the cookies we use and instructions on how to disable them are set out in our Privacy Policy.

the RWN on the U.S. sovereign rating, could introduce excessive ratings volatility to the fund's ratings.

SOURCES OF INFORMATION

The sources of information used to assess this rating were the public domain and the investment manager.

RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕	PRIOR ↕
Florida Municipal Investment Trust	Fund Cr Qual Rtg	AAAf
Intermediate High Quality Bond Fund	AAAf Rating Watch Negative	
	Rating Watch On	

[VIEW ADDITIONAL RATING DETAILS](#)

FITCH RATINGS ANALYSTS

Adam Baqui

Associate Director

Primary Rating Analyst

+1 212 908 0680

adam.baqui@fitchratings.com

Fitch Ratings, Inc.

Hearst Tower 300 W. 57th Street New York, NY 10019

Peter Gargiulo

Senior Director

Secondary Rating Analyst

+1 212 612 7762

peter.gargiulo@fitchratings.com

We use cookies to deliver our online services, to understand how they are used and for advertising purposes. Details of the cookies we use and instructions on how to disable them are set out in our Privacy Policy.

+1 212 908 0824

joyce.fargas@fitchratings.com

MEDIA CONTACTS

Anne Wilhelm

New York

+1 212 908 0530

anne.wilhelm@thefitchgroup.com

Sandro Scenga

New York

+1 212 908 0278

sandro.scenga@thefitchgroup.com

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

[Bond Fund Rating Criteria \(pub. 16 Aug 2022\)](#)

ADDITIONAL DISCLOSURES

[Solicitation Status](#)

[Endorsement Policy](#)

ENDORSEMENT STATUS

Florida Municipal Investment Trust Intermediate High Quality Bond Fund

-

We use cookies to deliver our online services, to understand how they are used and for advertising purposes. Details of the cookies we use and instructions on how to disable them are set out in our [Privacy Policy](#).

<https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an

We use cookies to deliver our online services, to understand how they are used and for advertising purposes. Details of the cookies we use and instructions on how to disable them are set out in our Privacy Policy.

reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided “as is” without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the

We use cookies to deliver our online services, to understand how they are used and for advertising purposes. Details of the cookies we use and instructions on how to disable them are set out in our Privacy Policy.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001. Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the “NRSRO”). While certain of the NRSRO’s credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the “non-NRSROs”) and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Copyright © 2023 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.

[READ LESS](#)

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

ENDORSEMENT POLICY

Fitch’s international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch’s approach to endorsement in the EU and the UK can be found on Fitch’s [Regulatory Affairs](#) page on Fitch’s website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for

We use cookies to deliver our online services, to understand how they are used and for advertising purposes. Details of the cookies we use and instructions on how to disable them are set out in our [Privacy Policy](#).