

**EXHIBIT E
INVESTMENT CRITERIA
NEW HAMPSHIRE PUBLIC DEPOSIT INVESTMENT POOL**

List of Permitted Investments

	<u>Type</u>	<u>Portfolio % Limit</u>	<u>Maximum Maturity</u>	<u>Investment Selection Criteria</u>	<u>Additional Qualifications and Comments</u>
A.	U.S. Treasuries-Bills, Notes, and Bonds	None	397 days		
B.	U.S. Government Agencies (Fixed Rate)	None	397 days	Restricted to: FNMA, FHLB, SLMA, FHLMC, FFCB, TVA	
C.	U.S. Government Agencies (Floating Rate – quarterly or shorter resets)	50%	2 years	Restricted to: FNMA, FHLB, SLMA, FHLMC, FFCB, TVA. Restricted to single-index “par-centric” floaters pegged off money-market indices.	The following floaters are prohibited: Range, inverse or leveraged floaters; capped floaters; COFI or CMT floaters.
D.	Asset-backed Securities	10% 5% per issuer	397 days	2a-7 eligible only. AAA/Aaa rated by S&P and Moody’s or equivalent short term rating (A1+/P1). Credit card and auto loan receivable backed deals only.	“Final maturity date” means unconditional payment of principal and interest prior to that date.
E.	State of New Hampshire and New Hampshire municipality obligations	20%	1 year	A-/A3 or better rated by S&P and Moody’s.	
F.	Money Market Mutual Funds	20% 30%*		Limited to those money market funds whose investments conform to the New Hampshire PDIP List of Permitted Investments.	*The Portfolio % Limit has been increased to 30% for as long as the Money Market Investor Funding Facility Program is in effect. Upon termination of the MMIFF program by the Federal Reserve, the Portfolio % Limit will revert back to 20%.

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G.	Short Term Corporate Obligations	75%	180 days	Overall limit includes domestic and yankee issues.	CP issuer min. net worth of \$100 MM. Portfolio must not own more than 10% of outstanding (CP) of an issuer.
	<u>Commercial Paper (CP)</u>	75%		A1/P1 or better (except where noted below)	
	Domestic CP	75% 10% per issuer	Overall limit includes domestic and yankee issues.	Negotiable CDs permitted.	
	<u>Certificates of Deposit (CDs)</u> <u>Bankers Acceptances (BAs)</u>	25%	A1/P1 or better (except where noted below). Bank assets must be in excess of \$500 MM.	Japanese BAs, CDs permitted up to 5% of holdings, 30 days to maturity. A1/P1 or better only. Program Administrator approved names only.	
	Domestic CDs, BAs	25% 10% per issuer	120 days	Equity capital to asset ratio must equal or exceed 6%.	Program Administrator approved names only.

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	<p>In addition, the following limits apply for corporate debt obligations:</p> <ul style="list-style-type: none"> • Yankee CP, CD, BAs • A2/P2 or split-rated (e.g. A2/P1 or A1/P2) CP, CDs or BAs 	<p>20% 5% per issuer</p> <p>5% 1% per issuer</p>	<p>90 days</p> <p>30 days</p>	<p>Non-performing assets to equity ratio may <u>not</u> exceed 35%.</p> <p>A1/P1 or better only.</p> <p>Domestic issuers only.</p>	
H.	Repurchase Agreements	None 25%	<7 days >7 days in no case greater than 30 days	<p>102% collateralized by US Treasury or Government Agency obligations.</p> <p>ARMs, CMOs, and structured notes not permitted.</p> <p>Deliverable (DVP) or Tri-Party permitted.</p> <p>Term repo must be marked to market daily. The Program Administrator must have record.</p>	<p>May be executed with primary dealers rated A1/P1 or better.</p> <p>Limited to 15% per counterparty for repos greater than overnight.</p> <p>PSA Master Repurchase Agreements and Tri-Party documentation must be on file with the Program Administrator prior to execution of any transaction.</p> <p>Quarterly evaluations of counterparties must be on file with the Program Administrator as well as annual review of custodian.</p>

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I.	Reverse Repurchase Agreements	25%	“Overnight” or “Open”	Cash collateral must equal 98% of securities reversed at all time, marked to market daily.	May be executed only with primary dealers rated A1/P1 or better. Limited to 15% per counterparty. Reverses will be used for economic value or for liquidity purposes. Cash will only be invested overnight.
J.	Collateralized Deposits	20%		Acceptable collateral: <ul style="list-style-type: none"> • FHLB LOC • U.S. Treasuries-Bills, Notes, and Bonds • U.S. Government Agencies (Fixed Rate), restricted to: FNMA, FHLB, SLMA, FHLMC, FFCB, TVA • Tri-Party 	Agreement Letter and Tri-Party Documentation must be on file with the Program Administrator prior to execution of the transaction. Quarterly evaluations of counterparties must be on file with the Program Administrator as well as annual review of custodian.
K.	Temporary Liquidity Guarantee Program (TLGP)	50%	Final Maturities of 2 years or less	Direct investment or Repurchase Agreement with TLGP as collateral.	This is a temporary investment option for so long as the investments are guaranteed under the Federal Deposit Insurance Corporation’s Temporary Liquidity Guarantee Program and backed by the full faith and credit of the United States. The FDIC guarantee is expected to expire with the final maturity date of 6/30/2012, unless extended. No more than 5% invested with any one issuer.

Additional Guidelines Pertaining to All Securities Positions

No security with a maturity greater than 397 days may be purchased except for floating rate securities as described below.

The weighted average maturity (effective duration) of the entire portfolio may not exceed 60 days.

15% of the portfolio must be invested in “overnight” or other “immediately liquid” instruments.

The reset frequency of variable rate U.S. Government Agency obligations, rather than their nominal maturities, shall be used when calculating the weighted average maturity of the portfolio. Only those floaters which reset no less than quarterly and have final maturities of two years or less may be purchased henceforth.

Floater which were purchased prior to 11/29/94 and do not conform to this List of Permitted Investments may continue to be held in the NHPDIP portfolio but should be sold if and when market conditions permit. If such a sale would cause the portfolio to realize a loss, the Program Administrator must be consulted, and its approval must be obtained before effecting the transaction.

Except for U.S. Treasury and U.S. Government Agency obligations and repo collateralized by U.S. Treasury or U.S. Government Agency obligations, no more than 10% of the portfolio may be invested in the obligations of any one issuer. (Letters of Credit and other guarantees shall be considered obligations of an issuer for purposes of this requirement.)