



**Principal Stability Fund Ratings Definitions**

**AAAm** A fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. 'AAAm' is the highest principal stability fund rating assigned by Standard & Poor's.

**AAm** A fund rated 'AAm' demonstrates very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. It differs from the highest-rated funds only to a small degree.

**Am** A fund rated 'Am' demonstrates strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than funds in higher-rated categories

**BBBm** A fund rated 'BBBm' demonstrates adequate capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. However, adverse economic conditions or changing circumstances are more likely to lead to a reduced capacity to maintain principal stability.

**BBm** A fund rated 'BBm' demonstrates speculative characteristics and uncertain capacity to maintain principal stability. It is vulnerable to principal losses due to credit risk. While such funds will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

**Dm** A fund rated 'Dm' has failed to maintain principal stability resulting in a realized or unrealized loss of principal.

**Plus (+) or Minus (-)**  
The ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

**About the Pool**

Pool Rating	<b>AAAm</b>
Pool Type	Stable NAV Government Investment Pool
Investment Adviser	Cutwater Asset Management
Portfolio Manager	Matthew Bodo James DiChiaro
Pool Rated Since	February 2011
Custodian	Bank of America Corp.
Distributor	Cutwater Investor Services Corp.

**Rationale**

New Hampshire Public Deposit Investment Pool (NHPDIP) is rated 'AAAm' by Standard & Poor's. The rating demonstrates that the pool has an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. This is accomplished through conservative investment practices and strict internal controls. Standard & Poor's monitors the portfolio on a weekly basis.

**Overview**

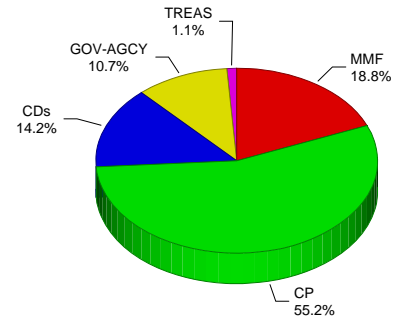
NHPDIP was established under Sections 383:22-24 of the New Hampshire Revised Statutes Annotated, the State of New Hampshire Bank Commissioner, for the purpose of investing public funds of the state of New Hampshire. The pool was organized in April 1993 and is a highly liquid investment vehicle. It provides public-sector funds with the opportunity to invest on a cooperative basis in short-term investments that are selected to yield favorable returns while they offer maximum safety and liquidity. The entire shareholder base is voluntary and consists of municipalities, school districts, and other governmental entities of New Hampshire. The pool seeks a high level of current income while it places the greatest priority on the preservation of capital and the maintenance of liquidity.

**Management**

Cutwater Asset Management serves as NHPDIP's investment adviser. With about \$38.5 billion in fixed income assets under management, Cutwater Asset Management is one of the nation's largest providers of administration and portfolio management services to local government investment pools. In addition to managing the newly rated NHPDIP, Cutwater Asset Management also manages nine 'AAAm' rated government investment pools, including Texas CLASS, and COLOTRUST PRIME and PLUS+ pools, as well as two 'AAAf/S1+' rated pools. Bank of America Corp. is the custodian for NHPDIP and

**Standard & Poor's Analyst:** Ruth Shaw - (1) 212-438-1410

**Portfolio Composition as of September 27, 2011**



MMF - Money Market Fund; CP - Commercial Paper; CDs - Certificate of Deposits; GOV-AGCY - Agency and Government; TREAS - Treasury

Cutwater Investor Services Corp. is the administrator.

**Portfolio Assets**

The pool is actively managed and invests exclusively in investments permissible under the investment criteria established for the New Hampshire Public Deposit Investment Pool by the state of New Hampshire. Permitted investments may include U.S. Treasuries, government agencies, state and local government obligations, certificates of deposits, banker's acceptances, money-market funds, repurchase agreements (REPOs), and highly-rated commercial paper. All counterparties to REPOs are highly-rated primary dealers, and a custodial bank holds all collateral supporting the transactions in constructive possession on the pool's behalf. The credit quality of NHPDIP is excellent, with greater than 50% of the securities invested in 'A-1+' securities and the remainder invested in 'A-1' paper. NHPDIP is managed with a maximum weighted average maturity to reset (WAM(R)) of 60 days or less.

**Principal Stability Rating Approach and Criteria**

A Standard & Poor's principal stability fund rating, also known as a "money market fund rating", is a forward-looking opinion about a fixed income fund's capacity to maintain stable principal (net asset value). When assigning a principal stability rating to a fund, Standard & Poor's analysis focuses primarily on the creditworthiness of the fund's investments and counterparties, and also its investments' maturity structure and management's ability and policies to maintain the fund's stable net asset value. Principal stability fund ratings are assigned to funds that seek to maintain a stable or an accumulating net asset value.

Generally, when faced with an unanticipated level of redemption requests during periods of high market stress, the manager of any fund may suspend redemptions for up to five business days or meet redemption requests with payments in-kind in lieu of cash. A temporary suspension of redemptions or meeting redemption requests with distributions in-kind does not constitute a failure to maintain stable net asset values. However, higher rated funds are expected to have stronger capacities to pay investor redemptions in cash during times of high market stress because they generally comprise shorter maturity and higher quality investments.

Principal stability fund ratings, or money market fund ratings, are identified by the 'm' suffix (e.g., 'AAAm') to distinguish the principal stability rating from a Standard & Poor's traditional issue or issuer credit rating. A traditional issue or issuer credit rating reflects Standard & Poor's view of a borrower's ability to meet its financial obligations. Principal stability fund ratings are not commentaries on yield levels.

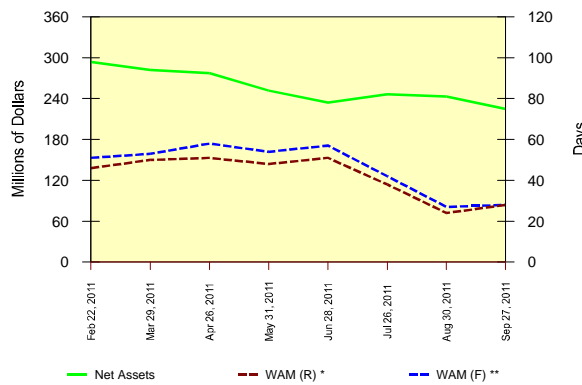
**New Hampshire Public Deposit Investment Pool**

AAAm

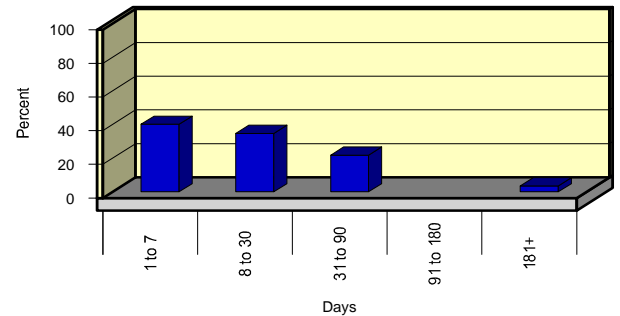
**Data Bank as of September 27, 2011**

Net Asset Value per Share.....	\$1.00003	Net Assets (millions).....	\$224.80	Inception Date.....	
WAM (R) *	28 days	WAM (F) **.....	28 days	7 Day Yield.....	0.02%
* Weighted Average Maturity (Reset)		** Weighted Average Maturity (Final)			

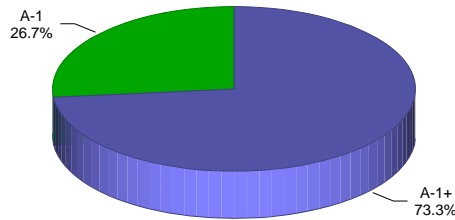
**Net Assets, WAM (R) and WAM (F)**



**Portfolio Maturity Distribution as of September 27, 2011**

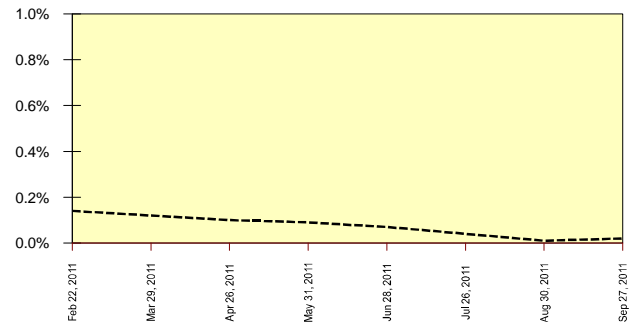


**Portfolio Credit Quality as of September 27, 2011 \***



\*As assessed by Standard & Poor's

**Portfolio 7 Day Yield**



*The yield quoted represents past performance. Past performance does not guarantee future results. Current yield may be lower or higher than the yield quoted.*

Pool portfolios are monitored weekly for developments that could cause changes in the ratings. Rating decisions are based on periodic meetings with senior pool executives and public information.

Standard & Poor's is neither associated nor affiliated with the fund.

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