



NEW HAMPSHIRE
Public Deposit
Investment Pool



New Hampshire Public Deposit Investment Pool Information Statement

General Information

Pursuant to Sections 383:22-24 of the New Hampshire Revised Statutes Annotated, the State of New Hampshire Bank Commissioner (the "Commissioner"), with the assistance of an Advisory Committee, has established and operates the New Hampshire Public Deposit Investment Pool ("NHPDIP"). NHPDIP has been established in accordance with the aforementioned statutory authority, for the purpose of investing the funds of the State of New Hampshire, and funds under custody of all governmental units, pooled risk management programs established pursuant to Section 5-B of the New Hampshire Revised Statutes Annotated, agencies, authorities, commissions, boards, political subdivisions and all other public units within or instrumentalities of the State of New Hampshire (collectively, upon joining NHPDIP, the "Participants").

All funds deposited in the NHPDIP, subject to the governance, direction and oversight of the Commissioner and the Advisory Committee, are invested pursuant to an investment strategy which emphasizes the appropriate safety, liquidity, convenience and competitive rates of return consistent with the investment of public funds.

In order to increase the efficiency and performance of NHPDIP's investment program, and in accordance with the statutory authorization, all program funds and securities are held by one entity, the NHPDIP Custodian, Bank of America. Furthermore, pursuant to statute, NHPDIP's investment activities and administrative operations are conducted by one entity, the Program Administrator, Cutwater Investor Services Corp., located at 113 King Street, Armonk, New York 10504. All NHPDIP's program deposits, withdrawals, investment activities and record keeping is the responsibility of the Program Administrator, subject to the governance and oversight of the Commissioner and the Advisory Committee. The Custodian receives all program instructions through the Program Administrator in order to protect the efficiency and security of the program. The NHPDIP is rated "AAAm" by Standard & Poor's. Annually, the public accounting firm of PricewaterhouseCoopers performs an independent audit of the NHPDIP.

ADVISORY COMMITTEE

State Regulatory Authority:

- NH Bank Commissioner, NH Banking Department

Statutory Members:

- NH State Treasurer
- Commissioner, or Designee, NH Department of Revenue Administration

Appointed Members:

- One City Finance Officer appointed by the Local Government Center
- Two members appointed by the NH Government Finance Officers Association
- One County Finance Officer appointed by the NH Association of Counties
- One School District Finance Officer appointed by the NH School Boards Association
- Two members appointed by the NH Bankers Association

The Commissioner and the Advisory Committee have overall supervisory authority over the NHPDIP and its affairs and may act as liaison between the Participants, the Custodian, and the Program Administrator.

Participation in NHPDIP

Any New Hampshire governmental entity that is authorized by statute to become a member of NHPDIP may do so by executing a Participation Certificate, attached as **Exhibit D to The New Hampshire Public Deposit Investment Pool Cooperation and Management Agreement** (the "Agreement"), dated as of March 28, 2011. The Agreement, by and among the State of New Hampshire Bank Commissioner and Advisory Committee and such Participants who may join the NHPDIP from time to time, entitles all Participants to the same rights and obligations. (A copy of the Cooperation and Management Agreement can be found at the NHPDIP website, www.nhpdip.com, under Document Center.) Each Participant is required to designate in its Participation Certificate one representative who shall be responsible for that Participant's administrative activities with regard to the NHPDIP. An annual meeting of all Participants is held by the Program Administrator.

Program Services

NHPDIP Participants, upon execution of Exhibit D of the Cooperation and Management Agreement, are able to open as many accounts as they wish at no cost. Account security features are utilized to protect NHPDIP Participants against fraud or error: only pre-designated signatory representatives of Participants may execute transactions; funds are transferred via wire or ACH only to pre-designated depository or transaction accounts; deposits and withdrawals are confirmed by fax or mail on the day they are executed; and Participants may call toll-free "800" numbers for account updates on any business day that the offices of Cutwater are not otherwise closed. Participants may also utilize **Client Connection** for Internet transactions, account updates, and rate information.

There are no program limits on the size or number of daily transactions: NHPDIP investment contributions may be made at any time during the business day, with interest posted on such contribution for that day, **subject to notification of the Program Administrator prior to 12:00 Noon ET., by fax, phone, or Client Connection, that a contribution will be made.** Withdrawal requests must also be received **prior to 12:00 Noon ET** by the Program Administrator. **Those received after that time will be processed on the next business day.** Contribution or withdrawal notifications may be made in advance at any time. Withdrawal requests, which will be executed on any business day that the offices of Cutwater are not otherwise closed, can be in any amount, up to the total balance in a Participant's account. Withdrawals are met by NHPDIP through outgoing wire transfer or ACH to a Participant's bank account. The NHPDIP does not charge any transactions fees; however, a Participant may be subject to wire transfer or ACH fees levied by their bank.

Participants receive regular monthly statements for each account with NHPDIP indicating daily dividend, deposit, withdrawal and transfer activity. Other statement information includes rate summaries and a listing of the portfolio holdings. NHPDIP statements are designed to facilitate public-sector fund accounting and audit procedures and are available via e-mail.

For account information, assistance and program updates, the Program Administrator's personnel are available on any business day from 8:00 A.M.

to 5:30 P.M. Participants may contact the Program Administrator as follows:

Client Services: 800-395-5505
Transaction Fax: 800-765-7600
Secure Internet Transactions: www.nhpdip.com
Regional Director: 800-477-5258

NHPDIP Objectives and Investment

Participant funds deposited in the NHPDIP's program are invested to achieve certain key objectives. The first is investment safety. Public funds should not be exposed to inordinate credit or maturity risk, and the portfolio is designed to provide protection for each Participant to minimize any possibility of loss. The second objective is to provide daily liquidity for each Participant. New Hampshire's governmental cash flow cycles are periodically monitored by the Program Administrator to maximize the proper balance between overnight and longer-term investments. At a minimum, 15% of the NHPDIP's investments are in overnight or "immediately liquid" instruments in order to accommodate the possibility of unexpected fund draw-downs. A third key objective is the attainment of competitive rates of return on NHPDIP invested funds. Through active professional money management, the Program Administrator attempts to generate the maximum possible dividends in the context of responsible public funds investment.

NHPDIP Permitted Investments

The NHPDIP's permitted investments are outlined in the Investment Criteria, Exhibit E, of the Cooperation and Management Agreement. The Investment criteria is reviewed regularly by the Commissioner and the Advisory Committee to ensure the permitted investments continue to meet the primary objectives of the NHPDIP: safety and liquidity. From time-to-time the Investment Criteria may be adjusted in response to market conditions, changes to state or federal regulations, advise of the Program Administrator, or to better serve the Participants' needs. Any changes made to the Investment Criteria must be done so in writing and approved by the Commissioner and the Advisory Committee and agreeable to the Program Administrator. Notification of such changes would be sent to the NHPDIP Participants and posted to the NHPDIP website and would become effective within 30 days from such notification. The maximum weighted average maturity of NHPDIP's portfolio cannot exceed sixty (60) days.

Program Fees

All daily operating expenses related to NHPDIP's investment program are covered by a charge of .20%, or 20 basis points, calculated as a percentage of daily average balances under management in aggregate NHPDIP accounts. The fee is deducted from NHPDIP balances before rates of return and daily dividend calculations are made. The rate of return to Participants is always shown net of the management fee. **There are no other fees or charges associated with the normal operations of the NHPDIP program.** The fee covers compensation of the Program Administrator, money management fees, custodial fees, annual meeting costs, certain NHPDIP promotional expenses, annual audit fees, portfolio valuation and accounting costs, statement preparation and mailing expenses, outgoing transaction or ACH charges, printing, mailing, fax and telephone expenses.

The Program Administrator

The Program Administrator: Cutwater Investor Services Corp. provides **the NHPDIP program** with various administrative functions including investment advisory services, processing of securities transactions, program record keeping, portfolio valuation, and other client-related services. Cutwater is responsible for all program investment and administrative activities and services.

Program Custodian: The **NHPDIP program** Custodian (Bank of America) is responsible for the receipt and safekeeping of all cooperatively invested program assets, which are held in a segregated account until maturity or sale.

Rating: The NHPDIP is rated by Standard & Poor's. The current rating of the NHPDIP is "AAAm" the highest rating given.

Audit: an annual independent audit of **the NHPDIP program** is conducted by PriceWaterhouseCoopers, and is posted to the NHPDIP website, www.nhpdip.com. Copies of the audit can also be obtained by contacting Client Services at 800-395-5505.

For more information, please visit www.nhpdip.com or contact Jo Ann Klatskin, Regional Director, at 800-477-5258.

New Hampshire Public Deposit Investment Pool

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Managed by:  **CUTWATER** ASSET MANAGEMENT