Louisiana Asset Management Pool

2011 Annual Meeting

Government Investment Pool Rating Overview

October 28, 2011

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Presentation Goals

- Types of Government Investment Pool Ratings
- Summary of S&P's Pool Rating Process
- Impact of US Government Sovereign Rating Actions on S&P Pool Ratings
- Q&A
- Appendix of Useful Takeaway Information

Types of Government Investment Pool (Fund) Ratings

Principal Stability Fund Ratings

- Assigned to funds whose investment policies are consistent with providing a stable or accumulating NAV *(i.e. 2a-7 $1.00 NAV funds)*
  - ⇨ *max WAM to Reset 60 days (AAAm)*
  - ⇨ *max WAM to Final 90-120 days (AAAm)*
  - ⇨ *max final maturity 397 days (fixed rate)*
  - ⇨ *high credit quality (Tier 1 only)*
  - ⇨ *highly diversified (issuers, counterparties, etc.)*
- Also known as Money Market Fund Ratings or Stable NAV Fund Ratings
- Represented by 'm' suffix after the traditional rating symbology (AAAm)
- Address the ability of a fund to maintain principal stability and to limit exposure to principal losses due to credit risk

Fund Credit Quality & Volatility Ratings

- Assigned to funds with investment policies beyond what is permitted by rule 2a-7 *(i.e. Variable NAV Funds)*
  - ⇨ *max WAM to Reset > 90 days*
  - ⇨ *max WAM to Final > 120 days*
  - ⇨ *max final maturity > 397 days (fixed rate)*
- *Fund Credit Quality Ratings*
  - ⇨ Addresses level of protection a fund's portfolio holdings provide against losses from credit defaults
  - ⇨ Represented by 'f' suffix after the traditional rating symbology (AAAf)
- *Fund Volatility Ratings*
  - ⇨ Represented by 'S' scale (S1, S2, etc.)
  - ⇨ Addresses a fund's sensitivity to changing market conditions

STANDARD &POOR'S

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 from ‘AAm’ to ‘BBm’ may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

STANDARD &POOR’S

Fund Credit Quality Ratings Symbols & Definitions

AAAf	Portfolio holdings provide EXTREMELY STRONG protection against losses from credit defaults
AAf	Portfolio holdings provide VERY STRONG protection against losses from credit defaults
Af	Portfolio holdings provide STRONG protection against losses from credit defaults
BBBf	Portfolio holdings provide ADEQUATE protection against losses from credit defaults
BBf	Portfolio holdings provide UNCERTAIN protection against losses from credit defaults
Bf	Portfolio holdings provide VULNERABLE protection against losses from credit defaults
CCCf	Portfolio holdings provide EXTREMELY VULNERABLE protection against losses from credit defaults

Plus (+) or minus (-)

The ratings from 'AAf' to CCCf' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

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Fund Volatility Ratings Symbols & Definitions

Rating	*Pool's Sensitivity To Changing Market Conditions*	*Aggregate Risk Level*
S1*	Low	1 To 3 Year U.S. Governments
S2	Low To Moderate	3 To 7 Year U.S. Governments
S3	Moderate	7 To 10 Year U.S. Governments
S4	Moderate To High	10+ Year U.S. Governments
S5	High	Concentrated, Illiquid /Leveraged
S6	Highest	Highly Speculative

* Within the S-1 category certain pools may be designated with a plus sign (+). This indicates the pool's extremely low sensitivity to changing market conditions. Additionally, these pools possess a risk level that is less than or equal to a portfolio comprised of the highest quality instruments with an average maturity of one year or less.

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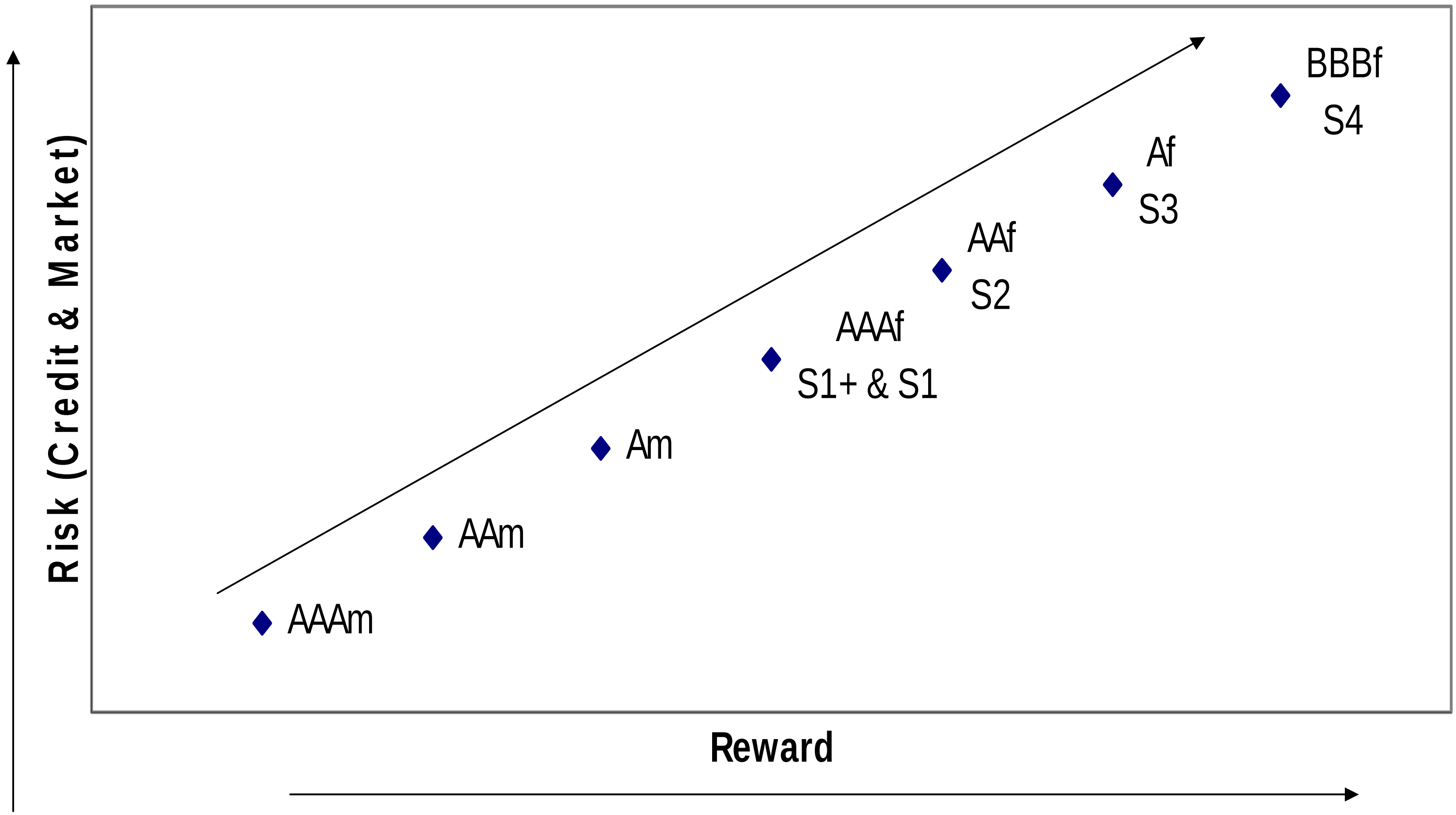
Estimated Risk/Reward Tradeoff of S&P Fund Ratings



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How Are Funds/Pools Rated?

Rating Request

↓

Management Meeting

*(Intensive **Quantitative** AND **Qualitative** Review)*

↓

Review and Analysis

↓

Rating Committee

↓

Rating Issued (Press Release)

↓

Surveillance and Annual Reviews

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Sample Components of S&P Fund Rating Analysis

Quantitative

- Overall portfolio credit quality
- Individual security credit quality
- Counterparty risk and exposure
- Diversification of securities
- Credit Deterioration vs. Default
- Net Asset Value Stability
- Weighted Average Maturity (WAM) / Duration
- Maturity Structure (Ladder vs. Barbell)
- Pricing
- Liquidity
- Shareholder Composition/Asset Volatility
- Structured & Variable / Floating Rate Notes
- Leverage: Rev Repo/Sec Lending

Qualitative

- Depth and stability of organization & management team
- Experience and track record of fund manager
- Operating policies and risk preferences
- Internal controls
- Fund Governance
- Communication with S&P and commitment to rating

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Surveillance (Monitoring) of Fund Ratings

- Dedicated Staff of Surveillance Analysts & Proprietary Systems (WebDC & MFDB)
- Portfolio Holdings, Cash Flows & Risk Parameters are reviewed:
  - ☑ Weekly for Stable NAV Pools
  - ☑ Monthly for Variable NAV Pools
- Portfolio Level & Security Level Analysis
  - ✓ portfolio maturity
  - ✓ credit quality
  - ✓ illiquid and market sensitive securities
  - ✓ sector allocations
  - ✓ variable / floating rate instruments
  - ✓ net asset value (pricing) fluctuations
  - ✓ Comparison of CDS vs. current ratings
  - ✓ Highest yielding fund analysis
- Internal Monthly Surveillance Meetings to Review Material Events
- Frequent Communication with Fund Management
- Annual On-Site Management Review Meeting

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Impact of USA Rating Actions on S&P's Pool Ratings

- July 14, 2011: United States of America 'AAA/A-1+' Ratings Placed On CreditWatch Negative On Rising Risk Of Policy Stalemate

  (CreditWatch placement signals our view that, owing to the dynamics of the political debate on the debt ceiling, there is at least a one-in-two likelihood that we could lower the long-term rating on the U.S. within the next 90 days.)

- July 15, 2011: 73 Fund Credit Quality Ratings Put On CreditWatch Negative Following Sovereign Ratings CreditWatch Placement
- NO impact to PSFR pools as the short term rating of the USA remains at A-1+

- August 5, 2011: United States of America Long Term Rating Lowered To 'AA+' On Rising Debt Burden And Political Risks; Outlook Negative

  (The Negative Outlook means we could lower the long-term rating to 'AA' within the next two years if we see that less reduction in spending than agreed to, higher interest rates, or new fiscal pressures during the period result in a higher general government debt trajectory than we currently assume in our base case.)

- August 8, 2011: 73 Fund Credit-Quality Ratings Lowered And Removed From CreditWatch Following U.S. Sovereign Downgrade
- NO impact to PSFR pools as the short term rating of the USA remains at A-1+

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More Details on Pool Rating Changes

- We lowered our FCQRs on 73 of the 206 funds (**including 14 GIPs**) managed in the U.S., Europe, and Bermuda because of their significant exposures (generally greater than 50%) to direct or indirect investments in U.S. Treasury and U.S. government agency securities.

- The ratings were lowered by up to two notches as determined by our fund credit-quality matrix approach.

- Our FCQR methodology utilizes a fund credit-quality matrix to apply a set of credit factors for each rating category (e.g., 'AAA', 'AA', 'A') and a set of credit scores for each FCQR category (e.g. 'AAAf', 'AAf', 'Af'). The factors are based on our historical ratings stability and ratings transition studies and do not differentiate between rating notches within a specific rating category (e.g., the same factor is applied for exposure to 'AA+' securities as to 'AA' or 'AA-' securities).

- Because the probability of a rating transition and default decreases as a security nears maturity, we evaluate investment-grade holdings that mature in 365 days or less in the matrix at a lower credit factor, reducing the impact to the overall fund rating score. For example, a portfolio comprised 60% of 'AA+' rated securities that mature in more than 365 days with the remainder in 'AAA' rated securities would result in the FCQR category of 'AAf' according to our fund credit-quality matrix approach.

- San Mateo (CA), Manatee County (FL), City of LA (CA) and Santa Barbara County (CA) have since withdrawn their ratings.

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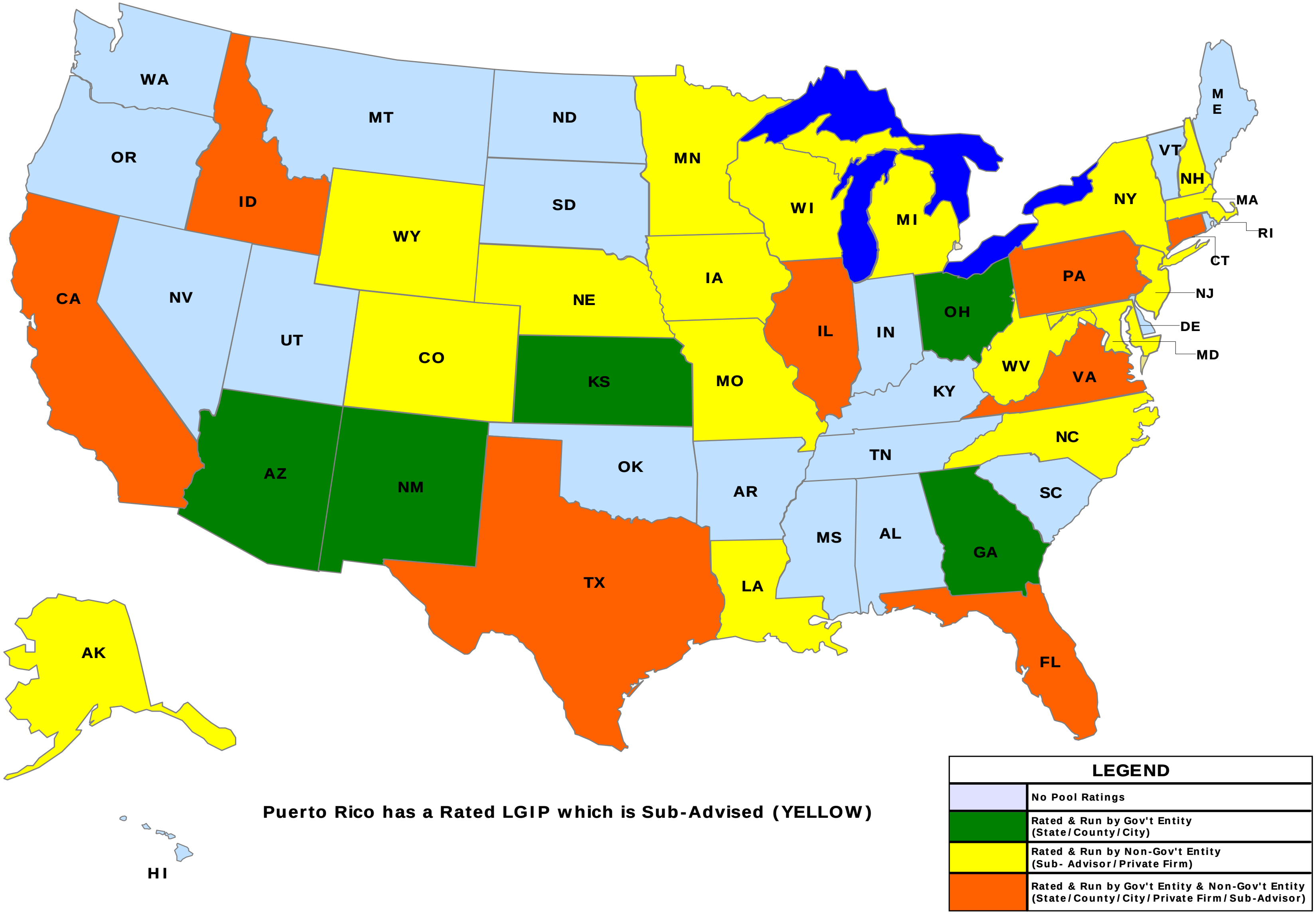
S&P Fund Credit Quality Rating Matrix

		Enter Fund %s Here			
RATING	Factors	< = 90 days	> 90 but < = 365 days	> 365 days	Contribution to Score
AAA	0				0.00
AA+	20				0.00
AA	20				0.00
AA-	20				0.00
A+	50				0.00
A	50				0.00
A-	50				0.00
BBB+	250				0.00
BBB	250				0.00
BBB-	250				0.00
BB+	1000				0.00
BB	1000				0.00
BB-	1000				0.00
B+	4000				0.00
B	4000				0.00
B-	4000				0.00
CCC+	20000				0.00
CCC	20000				0.00
CCC-	20000				0.00
A-1+					0.00
A-1					0.00
A/A-2					0.00
A-/A-2					0.00
BBB+/A-2					0.00
BBB/A-2					0.00
BBB/A-3					0.00
BBB-/A-3					0.00
TOTALS =		0.00%	0.00%	0.00%	0.00
					0.00%

Scores	Rating	Fixed Score
0 - 7	**AAAf**	**7**
8 - 10	AA+f	10
11 - 20	**AAf**	**20**
21 - 25	AA-f	25
26 - 35	A+f	35
36 - 50	**Af**	**50**
51 - 90	A-f	90
91 - 150	BBB+f	150
151 - 250	**BBBf**	**250**
251 - 450	BBB-f	450
451 - 775	BB+f	775
776 - 1000	**BBf**	**1000**
1001 - 1850	BB-f	1850
1851 - 2520	B+f	2520
2521 - 4000	**Bf**	**4000**
4001 - 7800	B-f	7800
7801 - 14700	CCC+f	14700
14700 +	**CCCf**	**20000**

APPENDIX

States With Standard & Poor's Rated Local Government Investment Pools/Portfolios



As of October 13, 2011

STANDARD & POOR'S

List of S&P Rated GIPs (As of 10/13/11; sorted by state)

Pool Name	Rating		Rating Date	Pool Managed By	State
Alaska Municipal League Investment Pool	AAAm		5/6/2009	Non-Gov't Entity	AK
PFM Funds Prime Series - Independent Schools and Colleges Class	AAAm		5/22/2009	Non-Gov't Entity	All
Arizona LGIP Pool 5	AAAf	S1+	11/10/2008	Gov't Entity	AZ
San Bernardino County Investment Pool	AA+f	S1+	9/1/2005	Gov't Entity	CA
City of Long Beach California Investment Pool	AAAf	S1	11/14/2000	Gov't Entity	CA
Contra Costa County Investment Pool	AAAf	S1+	11/19/2007	Gov't Entity	CA
San Diego County Treasurer's Pooled Money Fund	AAAf	S1	5/16/2001	Gov't Entity	CA
Ventura County Treasury Portfolio	AAAf	S1+	6/5/1996	Gov't Entity	CA
California Asset Management Trust/Cash Reserve Portfolio	AAAm		8/21/2001	Non-Gov't Entity	CA
Orange County Educational Money Market Fund	AAAm		12/1/2008	Gov't Entity	CA
Orange County Money Market Fund	AAAm		12/1/2008	Gov't Entity	CA
CalTRUST Short Term Fund	AAf	S1+	10/10/2006	Non-Gov't Entity	CA
City of Anaheim Treasurer Investment Pool	AAf	S1	7/7/2008	Gov't Entity	CA
Solano County Treasurer's Investment Pool	AAf	S1	2/22/2007	Gov't Entity	CA
Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+)	AAAm		4/24/1996	Non-Gov't Entity	CO
Colorado Local Government Liquid Asset Trust (COLOTRUST PRIME)	AAAm		11/16/1992	Non-Gov't Entity	CO
Colorado Surplus Asset Fund Trust (CSAFE)	AAAm		11/13/1995	Non-Gov't Entity	CO
Connecticut Cooperative Liquid Assets Securities System Plus	AAAm		4/3/2009	Non-Gov't Entity	CT
Connecticut State Treasurer's Short-Term Investment Fund	AAAm		1/2/1996	Gov't Entity	CT
Hillsborough County Investment Pool	AA+f	S1	3/31/2008	Gov't Entity & Non-Gov't Entity	FL
Florida Local Government Investment Trust	AAAf	S1	11/10/1994	Non-Gov't Entity	FL
FMIVT 0-2 Year High Quality Bond Fund	AAAf	S1	1/11/2008	Non-Gov't Entity	FL
Miami-Dade County Investment Portfolio	AAAf	S1	6/24/2009	Gov't Entity	FL
Florida Education Investment Trust Fund	AAAm		10/4/2010	Non-Gov't Entity	FL
Florida PRIME	AAAm		12/21/2007	Non-Gov't Entity	FL
Florida Surplus Asset Fund Trust	AAAm		2/7/2008	Non-Gov't Entity	FL
Florida Trust Day to Day Fund	AAAm		1/20/2009	Non-Gov't Entity	FL
Broward County Investment Portfolio	AAf	S1+	7/23/2007	Gov't Entity	FL
Palm Beach County Investment Portfolio	AAf	S1	9/30/2008	Gov't Entity	FL
St. Lucie County Investment Portofolio	AAf	S1	10/15/2008	Gov't Entity	FL
Florida Treasurer's Investment Pool	Af	S2	12/2/2010	Non-Gov't Entity	FL
Georgia Extended Asset Pool	AA+f	S1	11/9/2000	Gov't Entity	GA
Georgia Fund 1	AAAm		6/19/1995	Gov't Entity	GA
Iowa Schools Joint Investment Trust	AAAm		5/26/2011	Non-Gov't Entity	IA
Illinois Funds - Money Market Fund (The)	AAAm		10/9/1996	Gov't Entity	IL
Illinois Institutional Investors Trust	AAAm		10/30/2002	Non-Gov't Entity	IL
Illinois Park District Liquid Asset Fund Plus	AAAm		11/13/1997	Non-Gov't Entity	IL
Illinois School District Liquid Asset Fund Plus - Liquid Class	AAAm		11/13/1997	Non-Gov't Entity	IL
Illinois School District Liquid Asset Fund Plus - Max Class	AAAm		11/13/1997	Non-Gov't Entity	IL
IMET 1-3 Year Fund	AAf	S1	6/1/2006	Non-Gov't Entity	IL
Kansas Pooled Money Investment Portfolio	AAAf	S1+	3/15/2004	Gov't Entity	KS
Louisiana Asset Management Pool	AAAm		4/11/1995	Non-Gov't Entity	LA
Massachusetts Health & Educational Facilities Authority- Short Term Asset Reserve Fund	AAAm		12/8/1998	Non-Gov't Entity	MA
Maryland Local Government Investment Pool	AAAm		4/18/2000	Non-Gov't Entity	MD
Michigan Cooperative Liquid Assets Securities System	AAAm		4/3/2009	Non-Gov't Entity	MI
Michigan Liquid Asset Fund Plus	AAAm		11/13/1997	Non-Gov't Entity	MI
Minnesota School District Liquid Asset Fund	AAAm		4/20/2001	Non-Gov't Entity	MN
MNTrust - Investment Shares	AAAm		2/1/2011	Non-Gov't Entity	MN
Missouri Securities Investment Program - Money Market Series	AAAm		11/13/1997	Non-Gov't Entity	MO
North Carolina Capital Management Trust - Cash Portfolio	AAAm		10/21/1998	Non-Gov't Entity	NC
Nebraska Liquid Asset Fund	AAAm		11/13/1997	Non-Gov't Entity	NE
New Hampshire Public Deposit Investment Pool	AAAm		2/3/2011	Non-Gov't Entity	NH
New Jersey Asset & Rebate Management Program/Joint Account	AAAm		7/11/1997	Non-Gov't Entity	NJ
New Jersey Cooperative Liquid Assets Securities System	AAAm		4/3/2009	Non-Gov't Entity	NJ
New MexiGROW Local Government Investment Pool	AAAm		3/5/2009	Gov't Entity	NM

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List of S&P Rated GIPs (As of 10/13/11; sorted by state)

Pool Name	Rating		Rating Date	Pool Managed By	State
New York Cooperative Liquid Assets Securities System	AAAm		4/3/2009	Non-Gov't Entity	NY
New York Liquid Asset Fund - Liquid Portfolio	AAAm		5/4/1998	Non-Gov't Entity	NY
New York Liquid Asset Fund - MAX Portfolio	AAAm		5/4/1998	Non-Gov't Entity	NY
State Treasury Asset Reserve of Ohio (STAR OHIO)	AAAm		7/10/1995	Gov't Entity	OH
Pennsylvania INVEST Community Pool	AAAm		8/26/1999	Gov't Entity	PA
Pennsylvania INVEST Daily	AAAm		2/8/1996	Gov't Entity	PA
Pennsylvania Local Government Investment Trust/PLGIT Portfolio	AAAm		11/21/1997	Non-Gov't Entity	PA
Pennsylvania Local Government Investment Trust/PLGIT/ARM Portfolio	AAAm		11/21/1997	Non-Gov't Entity	PA
Pennsylvania School District Liquid Asset Fund - Liquid Series	AAAm		11/13/1997	Non-Gov't Entity	PA
Pennsylvania School District Liquid Asset Fund - Max Series	AAAm		11/13/1997	Non-Gov't Entity	PA
Puerto Rico Government Investment Trust Fund	AAAm		6/10/1996	Non-Gov't Entity	PR
Corporate Overnight Plus Fund	AAAf	S1+	5/20/1999	Non-Gov't Entity	TX
State of Texas Treasury Pool	AAAf	S1	4/29/2002	Gov't Entity	TX
Texas CLASS PLUS + (Custom) Series A	AAAf	S1+	8/31/2010	Non-Gov't Entity	TX
Texas CLASS PLUS+ (Custom) Series B	AAAf	S1+	8/31/2010	Non-Gov't Entity	TX
Texas Term, Local Goverment Investment Pool, Series U - 1211	AAAf		1/11/2011	Non-Gov't Entity	TX
Texas Term, Local Government Investment Pool, Series T - 0611	AAAf		3/30/2010	Non-Gov't Entity	TX
Corporate Overnight Fund	AAAm		8/21/1995	Non-Gov't Entity	TX
Government Overnight Fund	AAAm		3/2/2009	Non-Gov't Entity	TX
Local Government Investment Cooperative	AAAm		2/8/2006	Non-Gov't Entity	TX
Texas Cooperative Liquid Assets Securities System	AAAm		4/3/2009	Non-Gov't Entity	TX
Texas Local Government Investment Pool	AAAm		3/28/1995	Non-Gov't Entity	TX
Texas Short Term Asset Reserve (TexSTAR) Cash Reserve Fund	AAAm		4/8/2002	Non-Gov't Entity	TX
TexasTERM Local Government Investment Pool/TexasDAILY Portfolio	AAAm		9/20/2001	Non-Gov't Entity	TX
TexPool Prime	AAAm		12/9/2002	Non-Gov't Entity	TX
City of Houston General Investment Pool	AAf	S1	6/10/2003	Gov't Entity	TX
PFM Funds Prime Series-SNAP Fund Class	AAAm		10/1/2008	Non-Gov't Entity	VA
Virginia Local Government Investment Pool	AAAm		6/15/2005	Gov't Entity	VA
Wisconsin Cooperative Liquid Assets Securities System	AAAm		4/3/2009	Non-Gov't Entity	WI
Wisconsin Investment Series Cooperative-Cash Management Series	AAAm		12/16/2008	Non-Gov't Entity	WI
Wisconsin Investment Series Cooperative-Investment Series	AAAm		12/16/2008	Non-Gov't Entity	WI
West Virginia Government Money Market Pool	AAAm		8/9/2007	Non-Gov't Entity	WV
West Virginia Money Market Pool	AAAm		8/9/2007	Non-Gov't Entity	WV
Wyoming Government Investment Fund Liquid Asset Series	AAAm		3/15/2007	Non-Gov't Entity	WY

Key
Gov't Entity (i.e. City, County, State)
Non-Gov't Entity (i.e. Private Firm/Sub-Advised)
Gov't Entity & Non-Gov't Entity (i.e. City, County, State, Private Firm/Sub-Advised)

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Summary of Main Differences Amongst 'm'& 'f' ratings

	Principal Stability Fund Ratings; aka Money Market Fund Ratings (eg. 'AAAm')	***Fund Credit Quality & Volatility Ratings; aka Bond Fund Ratings (eg. 'AAAf/S1')***
Eligible Investments (According to Rating)	We require a short term rating of at least 'A-1'. If it is not rated by S&P but has the highest short-term rating of another NRSRO, it must either be backed by a highly rated LOC provider, or have an S&P long term rating of at least 'AA'.	The securities must be rated by S&P or another NRSRO. If it is unrated by S&P, certain notching rules may apply.
Ratings Breakdown	For 'AAAm' rated funds, at least 50% must be in 'A-1+', with the other 50% in 'A-1' securities. For 'AAm' funds, 20% is required in 'A-1+', with the other 80% in 'A-1' securities, with up to 5% in overnight 'A-2' securities. For 'Am' funds, 100% may be in 'A-1', with up to 10% in overnight 'A-2' securities.	There is no minimum requirement, but the outcome of the rating will be dependent on our "ratings matrix." The Fund Credit Quality Ratings Matrix takes into account the rating on the security (long term or short term), the maturity (< 90 days, > 90 but < = 365 days, > 365 days), and the percentage held by the fund in each security.
Types of Securities	Common security types are Repurchase Agreements, Fixed and Floating Corporate Bonds, Commercial Paper, Certificates of Deposits, U.S. Treasury Securities, U.S. Agency Securities, etc.	Common security types are Mortgage Backed Securities, Fixed and Floating Rate Corporate Bonds, Commercial Paper, Certificates of Deposits, U.S. Treasuries, U.S. Agencies, Municipal Bonds, etc.
Reporting Frequency	Fund must submit weekly surveillance.	Fund must submit monthly surveillance.
NAV	When the NAV of a 'AAAm' rated fund moves outside 0.9985 and 1.0015, daily pricing is required. If the NAV for a 'AAAm' fund continues to deviate beyond 0.9975 or 1.0025, rating action may be taken.	The NAV may fluctuate but a material deviation may impact the fund volatility rating.
Weighted Average Maturity (WAM) Guidelines	'AAAm' - 60 days, 'AAm' - 75 days, 'Am' and 'BBBm' - 90 days	There is no WAM limit, but the longer the maturity dates, the more likely it is that the security will contribute to a lower rating.

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PSFR CRITERIA SUMMARY TABLE *(Changes in Red)*

Rating	***Minimum A-1+ & A-1 ≤ 5 business days***	***Maximum A-1 > 5 business days****	***Maximum WAM (R) in Days***	***Maximum WAM (F) in Days¶***	***NAV Ranges §***	***Max Final Maturity Per Fixed Rate Security***	***Max Final Maturity Per Floating Rate Security***
AAAm	50%	50%	60	**90**	0.25% (0.9975 to 1.0025)	13 months (397 days)	Two Years (762 days)
AAm	20%	80%	**70**	**100**	0.30% (0.9970 to 1.0030)	13 months (397 days)	Three Years (1,127 days)
Am	0%	100%	**80**	**110**	0.35% (0.9965 to 1.0035)	13 months (397 days)	Four Years (1,492 days)
BBBm	0%	100%	90	**120**	0.40% (0.9960 to 1.0040)	13 months (397 days)	Five Years (1,857 days)

**Exposures to securities rated below 'A-1' are "higher-risk investments."*

¶ May be adjusted upward by 30 days if invested only in government/GSE floaters rated 'AA-' or higher. If a fund invests in a combination of government floaters rated 'AA-' or higher and nongovernment floating-rate instruments (or sovereigns rated below 'AA-'), the maximum is based on the weighted average of exposures to each type of floater.

§For all funds, regardless of rating, daily portfolio pricing, daily marked-to-market NAV calculations, and daily stress testing commence when NAV goes beyond +/- 0.15% deviation or 0.9985 or 1.0015.

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S&P's Principal Stability Rated GIP Indices

Note: Indices comprised Of 'AAAm' Rated Government Investment Pools

S&P Rated Government Investment Pool Indices	7 Day NET Yield %	30 Day NET Yield %	7 Day GROSS Yield %	30 Day GROSS Yield %	Average Maturity (Days)	Total Assets
S&P Rated GIP Index/ALL *(Week Ended July 15, 2011)*	0.07%	0.08%	0.19%	0.20%	46	$104.6 Billion
S&P Rated GIP Index/Government *(Week Ended July 15, 2011)*	0.03%	0.04%	0.16%	0.16%	42	$32 Billion
S&P Rated GIP Index/G.P. Taxable *(Week Ended July 15, 2011)*	0.08%	0.09%	0.21%	0.22%	47	$72.6 Billion
To View In Bloomberg: LGIP <Index> <Go>						
Reported Weekly By Standard & Poor's						

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S&P's Principal Stability Rated GIP Index – Quartile Rankings

	7 Day		30 Day	
Ranking	***Top Yield***	***Low Yield***	***Top Yield***	***Low Yield***
Gross Yields (%)				
Top Quartile	0.27	0.13	0.34	0.27
Second Quartile	0.13	0.08	0.27	0.22
Third Quartile	0.08	0.03	0.22	0.16
Fourth Quartile	0.03	0.00	0.16	0.00
Net Yields (%)				
Top Quartile	0.27	0.12	0.40	0.26
Second Quartile	0.12	0.09	0.26	0.22
Third Quartile	0.09	0.03	0.22	0.16
Fourth Quartile	0.03	0.00	0.16	0.00

(As of June 24, 2011)

STANDARD & POOR'S

Fund Credit Quality Ratings Methodology

- **Evaluation of Fund's Portfolio Credit Risk**
  - Use of credit matrix approach derived from S&P's historical default and ratings transition studies based on singular, discrete, worst-case one-year default rates experienced since 1981.
  - Factors and scores from matrix applied to fund's portfolio holdings.
  - All securities rated by a nationally recognized statistical rating organisation.
- **Maturity of Securities Considered**
  - Maturity buckets within matrix distinguish long term securities from short term securities.
  - Recognises that probability of default decreases as security nears maturity.
- **Treatment of Non-Standard & Poor's Rated Issues**
  - Securities rated by other rating agencies (not exceeding 25% in total) are "haircut" for purposes of credit matrix score.
- **Management**
  - Detailed assessment of depth and quality of research and analysis, consistency of approach, and risk tolerance.
- **Qualitative Credit Overlay Process**
  - The strength of manager's overall credit analysis may allow rating to be enhanced by one notch.

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Volatility Ratings Methodology

Portfolio-level risk analysis

- Focuses on interest rate risk, currency risk, credit quality, liquidity, concentration, call and option risks. The effects of various portfolio strategies such as the use of leverage, hedging, and derivative instruments are also factored in.

Historical return volatility analysis

- A minimum of 36 months are looked at in relation to established fixed income government indices with different maturity bands and we review how past volatility relates to the portfolio's investment objectives and construction process

Management assessment

- In depth understanding of different factors that could affect a fund's overall risk profile: Management sophistication and experience, portfolio strategies, internal research capabilities, risk controls, portfolio rotation, etc.

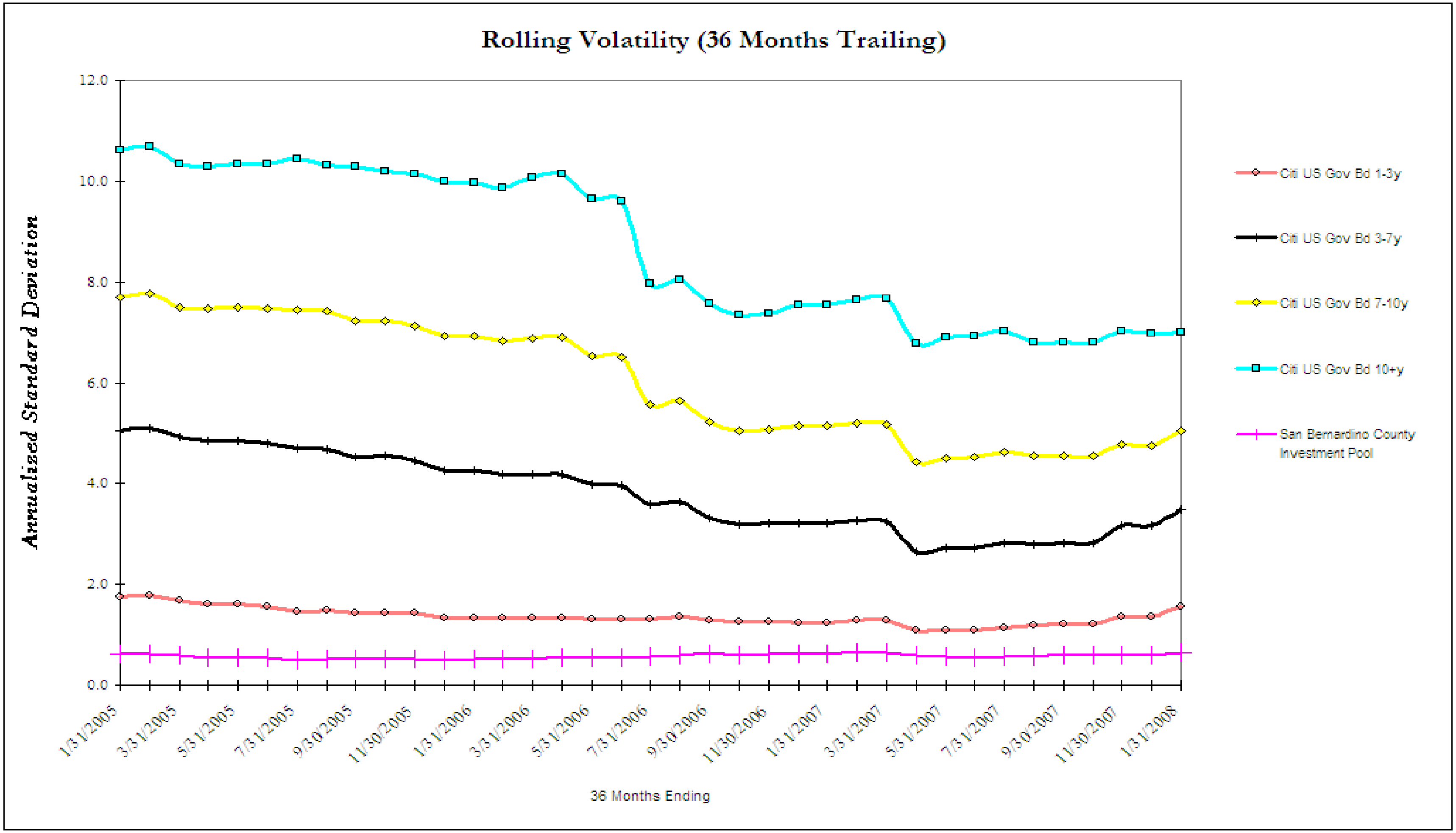
NOTES:

- *A fund volatility rating has no influence on an assigned fund credit quality rating but a fund's credit quality rating could impact a fund's volatility rating.*
- *A volatility rating can be assigned with or without a credit rating but a credit rating must have a volatility rating if it differs by more than two categories. (i.e. AAAf rated funds must take the volatility rating if it would be less than S3)*

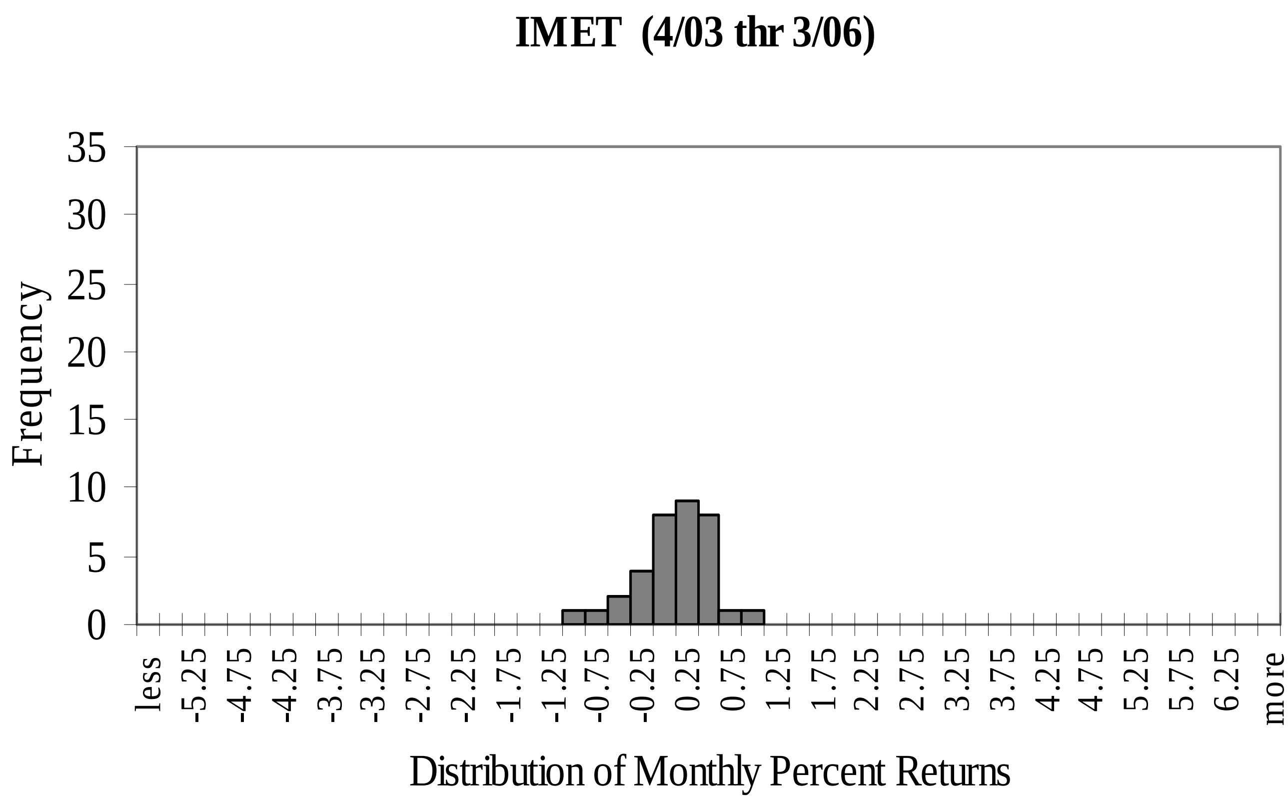
STANDARD & POOR'S

Historical Volatility

- A minimum of 36 months are looked at in relation to established fixed income government indices with different maturity bands and we review how past volatility relates to the portfolio's investment objectives and construction process.



Monthly Return Distribution (Fund)



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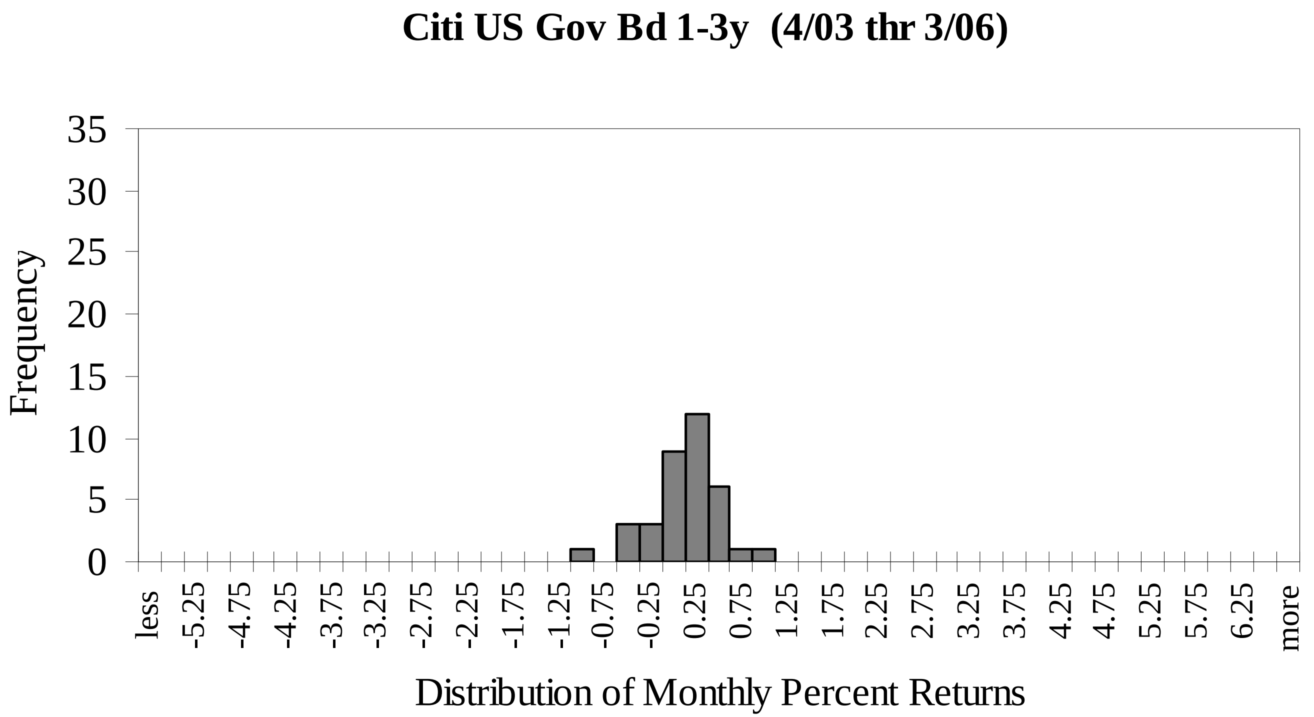
Monthly Return Distribution (S1 Benchmark)



QUESTIONS ?

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