

**LAMP's 2009 ANNUAL MEETING**  
*in Marksville, LA*

***Safety & Liquidity –  
The Core of S&P LGIP Ratings***

**October 16, 2009**

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# Presentation Goals

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- Understand what a AAAm rating means
- Put the past two years of market volatility in perspective
- Outline SEC's Proposed Reforms for Money Market Funds
- Summarize pool rating criteria changes being considered by S&P
- Be aware of what lies ahead
- Q&A
- Appendix of Useful Takeaway Information



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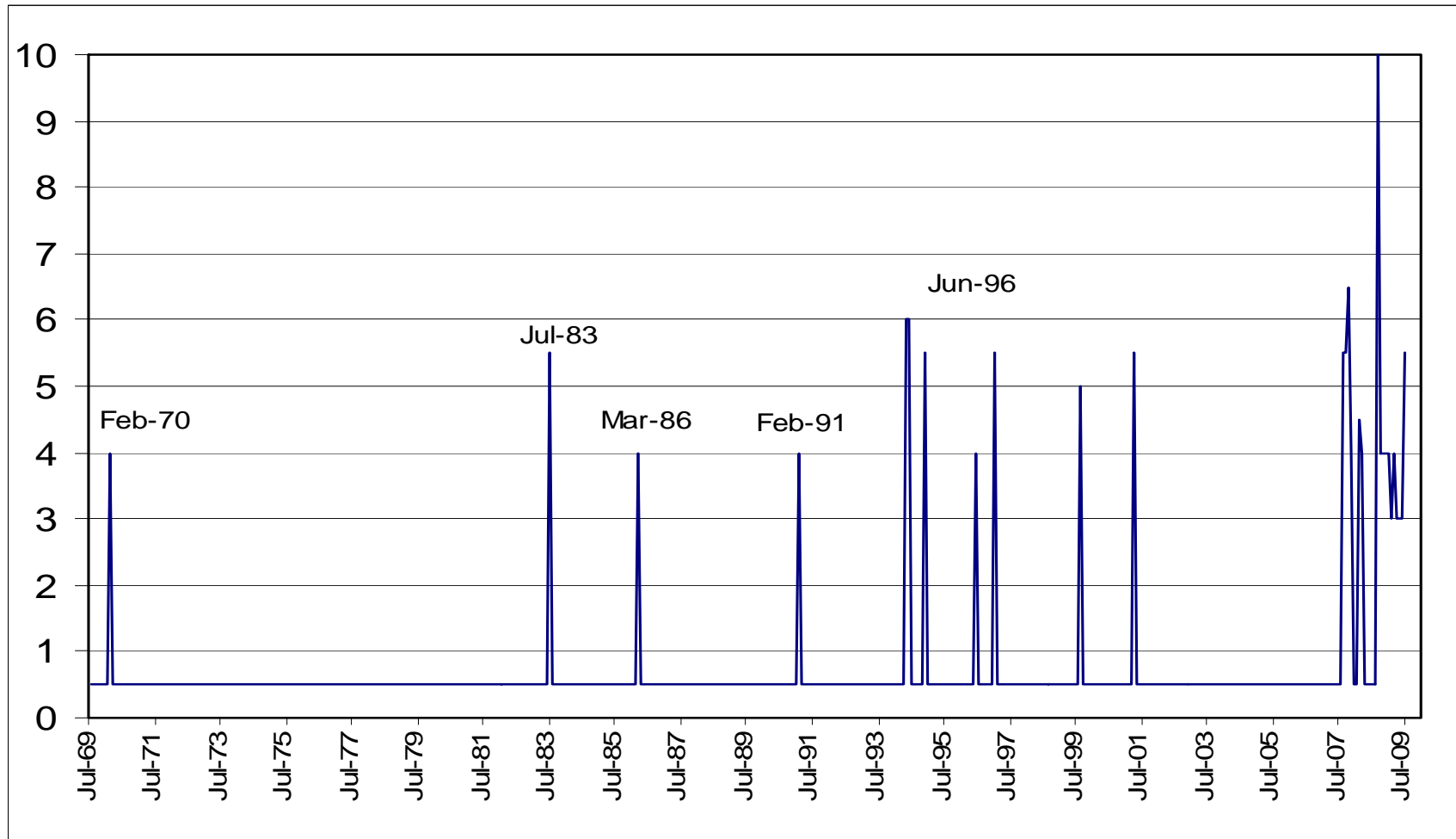
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# The Core of a 'AAAm' LGIP Rating

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- In July 2004 S&P changed the name of its “Money Market Fund Ratings” to “Principal Stability Fund Ratings” to better reflect what our ratings address
- These ratings are assigned to funds whose investment policies are consistent with providing a Stable \$1.00 Per Share NAV (i.e. 2a-7 & 2a-7 like)
- After two years of unprecedented market volatility, stable NAV funds/pools have reverted back to true intent of these investment products: Safety, Liquidity & then Yield
- Currently, a AAAM ratings means “Fund/pool provides extremely strong **capacity to maintain principal value** and limit exposure to principal losses due to credit, market, and/or **liquidity** risks”

# Money Market Fund Industry Events on 'Richter Scale'



\* Dates noted on graph indicate regulatory rule changes

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# Richter Scale

The scale assigns a single number to quantify the amount of seismic energy released by an earthquake. It is a base-10 logarithmic scale obtained by calculating the logarithm of the combined horizontal amplitude of the largest displacement from zero on a Wood–Anderson torsion seismometer output. So, for example, an earthquake that measures 5.0 on the Richter scale has a shaking amplitude 10 times larger than one that measures 4.0.

<u>Magnitude</u>	<u>Description</u>	<u>Earthquake Effects</u>	<u>Frequency of Occurrence</u>
Less than 2.0	Micro	Micro earthquakes, not felt.	About 8,000 per day
2.0-2.9	Minor	Generally not felt, but recorded.	About 1,000 per day
3.0-3.9	Minor	Often felt, but rarely causes damage.	49,000 per year (est.)
4.0-4.9	Light	Noticeable shaking of indoor items, rattling noises. Significant damage unlikely.	6,200 per year (est.)
5.0-5.9	Moderate	Can cause major damage to poorly constructed buildings over small regions. At most slight damage to well-designed buildings.	800 per year
6.0-6.9	Strong	Can be destructive in areas up to about 160 kilometers (100 mi) across in populated areas.	120 per year
7.0-7.9	Major	Can cause serious damage over larger areas.	18 per year
8.0-8.9	Great	Can cause serious damage in areas several hundred miles across.	1 per year
9.0-9.9	Great	Devastating in areas several thousand miles across.	1 per 20 years
10.0+	Epic	Never recorded.	Extremely rare (Unknown)

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# Noteworthy Events in History of Money Market Funds

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Feb-70	4.0	First MMF Created
Jul-83	5.5	SEC Adopts Rule 2a-7
Mar-86	4.0	SEC Amends Rule 2a-7
Feb-91	4.0	SEC Amends Rule 2a-7
May-94	6.0	Derivatives in MMFs
Jun-94	6.0	Community Bankers US Government Fund breaks the buck
Dec-94	5.5	Orange County Bankruptcy
Jun-96	4.0	SEC Amends Rule 2a-7
Jan-97	5.5	Mercury Finance CP Default
Aug-99	5.0	General American Funding Agreement Problems
Apr-01	5.5	PG&E Default (CA Energy Crisis)
Aug-07	5.5	XABCP
Sep-07	5.5	SIV-lites
Oct-07	6.5	SIVs
Nov-07	4.0	FL SBA LGIP
Feb-08	4.5	Auction Rate Securities, Bond Insurers
Mar-08	4.0	Bear Stearns
Sep-08	10.0	Lehman Bankrupt; Reserve Primary Fund 'Breaks the Buck' & Govt Gty
Oct-08	4.0	Lehman/Reserve Fallout
Nov-08	4.0	Lehman/Reserve Fallout
Dec-08	4.0	Very Low Yields
Jan-09	4.0	G30 Report on Financial Reform
Mar-09	4.0	ICI MMF Working Group Report
Jul-09	5.5	SEC Propose Money Market Fund Reforms

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# Summary of SEC's Proposed Rules on Money Market Fund Reform

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## 1. Credit quality

- Elimination of tier 2 securities , Continued inclusion of NRSROs, 'Stub' securities, Reassessment by board of directors, SIV/ABS Risks & Repurchase Agreement Counterparties

## 2. Maturity

- Portfolio WAM max, Reconsider the 397 day maximum legal final maturity date for any fixed rate security, Spread WAM limits, Government security maturity limits for penny rounding funds

## 3. Liquidity

- Prohibiting illiquid securities, Minimum daily liquidity requirements, Minimum weekly liquidity requirements & general liquidity issues

## 4. Transparency

- Disclosure of portfolio information – monthly posting to fund website/monthly reporting to SEC

## 5. Other

- Definitions of retail and institutional funds, Stress testing, Diversification, Repurchase agreement collateral, Expanded exemptive relief, Rule 22e-3 on fund liquidations, Floating NAV, In-kind redemptions, suggestions for additional changes/comments on other matters

# PSFR Criteria Changes Being Considered

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- **Asset Maturity**
  - Reducing maximum portfolio WAM (to reset) for ‘AAm’& ‘Am’ rated funds. (No changes to AAAM 60-day max)
  - Adopting spread WAM criteria for all PSFR categories
  - Removing all exceptions to the 397-day maximum final maturity guidelines per individual security except for those in place for sovereign floating-rate securities
- **Agency/Floating-rate securities**
  - Replacing the WAM adjustment criteria for concentrations in government agency instruments with criteria that limits investments that exceed 33.33% in any one agency to maturities of 30 days or less for investment-grade PSFRs
  - Reset to indices that we view as highly (i.e., more than 95%) correlated with Libor, in addition to fed funds
- **Limited liquidity/illiquid investments**
  - Reducing the maturity of “nonmarketable” securities that count toward the limited liquidity/illiquid basket from > 7 days to > 1 business day, unless the fund holds an unconditional put providing for liquidity within one day or has the ability to break the agreement on any day at no loss to invested principal
  - Treating the following types of investment securities as being inconsistent with the holdings of highly rated funds: securities that possess a maturity extension feature that the investor does not control (i.e., issuer-controlled or asset/trigger driven); collateralized debt obligations; credit-linked notes; and market value-based securities
- **Credit quality**
  - Adjusting criteria for ‘A-2’ exposure at time of purchase to 0% in ‘AAM’, ‘Am’, and ‘BBBm’ rated funds. (Note: ‘AAAM’ criteria currently are 0% in ‘A-2’ at time of purchase)
- **Diversification**
  - Aside from the current exceptions in place for exposures to ‘A-1+’ rated sovereign government entities, we are weighing standardized diversification criteria of 5% per issuer for uncollateralized transactions for all funds
  - 10% concentration limit for uncollateralized o/n deposits with an ‘A-1’ or better rated depository institution or sovereign
  - Creating more detailed/consistent counterparty exposure criteria for repos and collateralized certificates of deposit
  - Reducing the maximum exposure that any one rated fund invests in another rated fund to 5% from 25%
- **Stress testing**
  - All funds must conduct weekly stress testing and submit sample results at our annual review meetings

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## So will this make MMFs/stable NAV funds safer?

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- Shorter maturities, increased liquidity, improved credit quality, etc. are all means to reduce investment risk
  - But whether this will make a fund safer depends on the intricacies of each fund
  - And should know how one defines ‘safety’ (*For example: liquid = safe, but does safe = liquid?*)
- Just because something is eligible under guidelines (2a-7, S&P PSFRs, etc.) doesn’t mean its suitable
  - Warren Buffet once said, “The only time to buy that which you don’t understand, is on the day with no ‘y’ in it.”
- The more granular regulations/criteria become, the less value there is in a ‘managed’ pool of assets (*Law of unintended consequences*)
- Other ‘food for thought’:
  - *Two dimensions of correlation (investments and investors)*
  - *A stable \$1.00 NAV comes at a price*
  - *Complement Yield Tables with standard risk measures such as: WAM, Spread WAM, % in daily liquid assets (as redefined by working group), % of FRNs, % ABCP, etc.*

## What lies ahead....

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1. Responses on SEC Request for Comment (RFC) on Proposed Rules on Money Market Fund Reform were due on 9/8/09; expect final rules in the next several months.
2. President's Working Group on Financial Markets is to issue report on Money Market Funds by 12/1/09
  - “The President’s Working Group on Financial Markets should prepare a report assessing whether more fundamental changes are necessary to further reduce the MMF industry’s susceptibility to runs such as eliminating the ability of a MMF to use a stable net asset value or requiring MMFs to obtain access to reliable emergency liquidity facilities from private sources.”
3. S&P Principal Stability Fund Rating Request for Comment – *4<sup>th</sup> Quarter (tent.)*  
*(In mid August we issued an ‘Advanced Notice of Proposed Criteria Changes’ - summarized on an earlier slide)*

## S&P Contact Information

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# *APPENDIX*

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# Types of ratings we provide

## **Principal Stability Fund/Pool Ratings**

- Assigned to 2a-7 (and 2a-7 like) funds whose investment policies are consistent with providing a Stable \$1.00 Per Share NAV (*i.e. Stable NAV Funds/ Pools; WAM 60 days or less; max final maturity 397 days; high credit quality; highly diversified amongst issues/sectors, etc.*)
- Also known as Money Market Fund Ratings or Stable NAV Fund Ratings
- Represented by ‘m’ after the traditional rating symbology (AAAm)
- Address the ability of a fund to maintain principal value and limit exposure to losses due to credit, market, and/or liquidity risks.

## **Fund Credit Quality & Volatility Fund/Pool Ratings**

- Assigned to funds with investment policies beyond what is permitted by rule 2a-7 (*i.e. Variable NAV Funds; WAM > 60 days; max final maturity > 397 days; etc.*)
- **Fund Credit Quality Ratings**
  - ⇒ Addresses level of protection a fund’s portfolio holdings provide against losses from credit defaults
  - ⇒ Represented by ‘f’ 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

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# Principal Stability Fund Rating Criteria Summary

Rating	Definitions	Min* A-1+	Max A-1	Max A-2	Max WAM (Days)	Floating Rate Note Maximum Final Maturity
AAAm	Fund provides extremely strong capacity to maintain principal value and limit exposure to principal losses due to credit, market, and/or liquidity risks.	50%	50%	0%	60	Two Years
AAm	Fund provides very strong capacity to maintain principal value and limit exposure to principal losses due to credit, market, and/or liquidity risks.	20%	80%	5% overnight	75	Three Years
Am	Fund provides strong capacity to maintain principal value and limit exposure to principal losses due to credit, market and/or liquidity risks.	0%	100%	10% overnight	90	Four Years
BBBm	Fund provides adequate capacity to maintain principal value and limit exposure to principal losses due to credit, market, and/or liquidity risks.	0%	100%	25% overnight	90	Five Years
BBm	A fund rated 'BBm' has uncertain capacity to maintain principal stability and is vulnerable to principal losses resulting from its exposures to credit, market and/or liquidity risks.					
Dm	A fund rated 'Dm' has failed to maintain principal stability resulting in a realized or unrealized loss of principal.					

- Investments rated A-1 maturing in 7 days or less can be counted toward the A-1+ percentage.
- The letter 'G' follows the rating symbol when a fund's portfolio consists primarily of direct U.S. government securities.
- The ratings (except AAAm) 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 Credit Quality Ratings Symbols & Definitions

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

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## Fund Volatility Ratings Symbols & Definitions

<i>Rating</i>	<i>Pool's Sensitivity To Changing Market Conditions</i>	<i>Aggregate Risk Level</i>
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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# What Principal Stability Fund Ratings **Are** and Are **Not**

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## A S&P Principal Stability Fund Rating **Is**...

- An opinion on relative safety of invested principal.
- An indication of the extent to which a portfolio is comprised of high credit quality instruments.
- A weekly review of the investment holdings and key fund statistics including but not limited to NAV, WAM and asset flows.
- An indication of the extent to which a fund provides principal stability.
- An independent, third party review of management's experience, operations and controls.

## A S&P Principal Stability Fund Rating Is **NOT**...

- A guarantee.
- An indication of the willingness and/or ability of sponsor to provide support.
- A comment on the yield or performance.
- An indication investments are risk free.
- Impacted by fund management's decision to make payments in kind versus cash.
- Impacted by a fund management's decision to suspend redemptions (i.e. do not guarantee daily liquidity).

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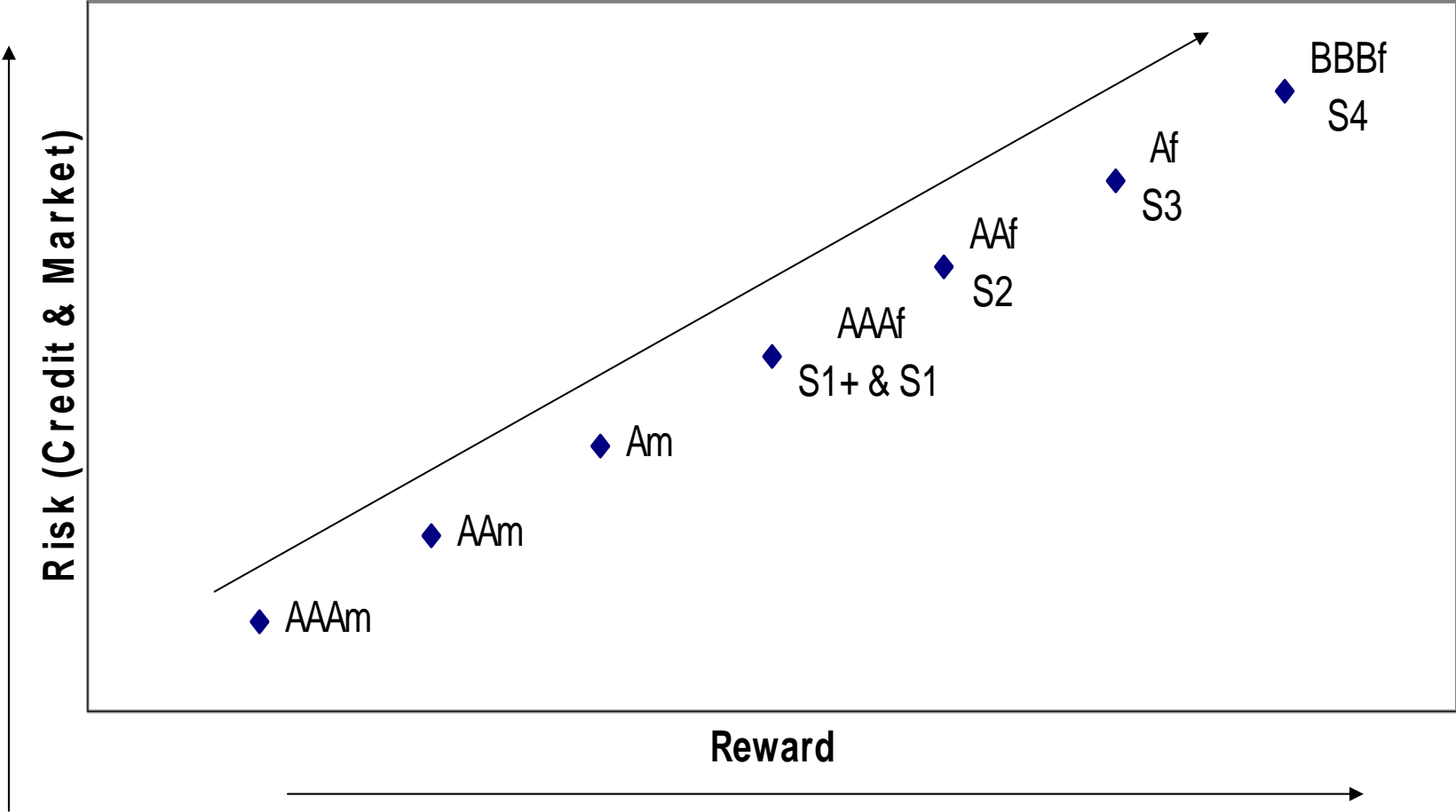
## Summary of Main Differences Amongst ‘m’, ‘m-G’ & ‘f’ ratings

	<b>Principal Stability Fund Ratings; aka Money Market Fund Ratings (eg. ‘AAAm’)</b>	<b>Government and/or Treasury Only Principal Stability Fund Ratings (eg. ‘AAAm-G’)</b>	<b>Fund Credit Quality &amp; Volatility Ratings; aka Bond Fund Ratings (eg. ‘AAAf/S1’)</b>
<i>Eligible Investments (According to Rating)</i>	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’.	100% direct U.S. government securities.	The securities must be rated by S&P or another NRSRO. If it is unrated by S&P, certain notching rules may apply.
<i>Ratings Breakdown</i>	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.	To obtain the ‘m-G’ rating (eg. ‘AAAm-G’, ‘AAm-G’, etc.), the fund must be comprised exclusively of direct U.S. government 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.
<i>Types of Securities</i>	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.	The letter ‘G’ follows the rating symbol when a fund’s portfolio consists entirely of direct U.S. government securities.	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.
<i>Reporting Frequency</i>	Fund must submit weekly surveillance.	Fund must submit weekly surveillance.	Fund must submit monthly surveillance.
<i>NAV</i>	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.	When the NAV of a ‘AAAm-G’ rated fund moves outside 0.9985 and 1.0015, daily pricing is required. If the NAV for a ‘AAAm-G’ 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.
<i>Weighted Average Maturity (WAM) Guidelines</i>	‘AAAm’ - 60 days, ‘AAm’ - 75 days, ‘Am’ and ‘BBBm’ - 90 days	‘AAAm-G’ - 60 days, ‘AAm-G’ - 75 days, ‘Am-G’ and ‘BBBm-G’ - 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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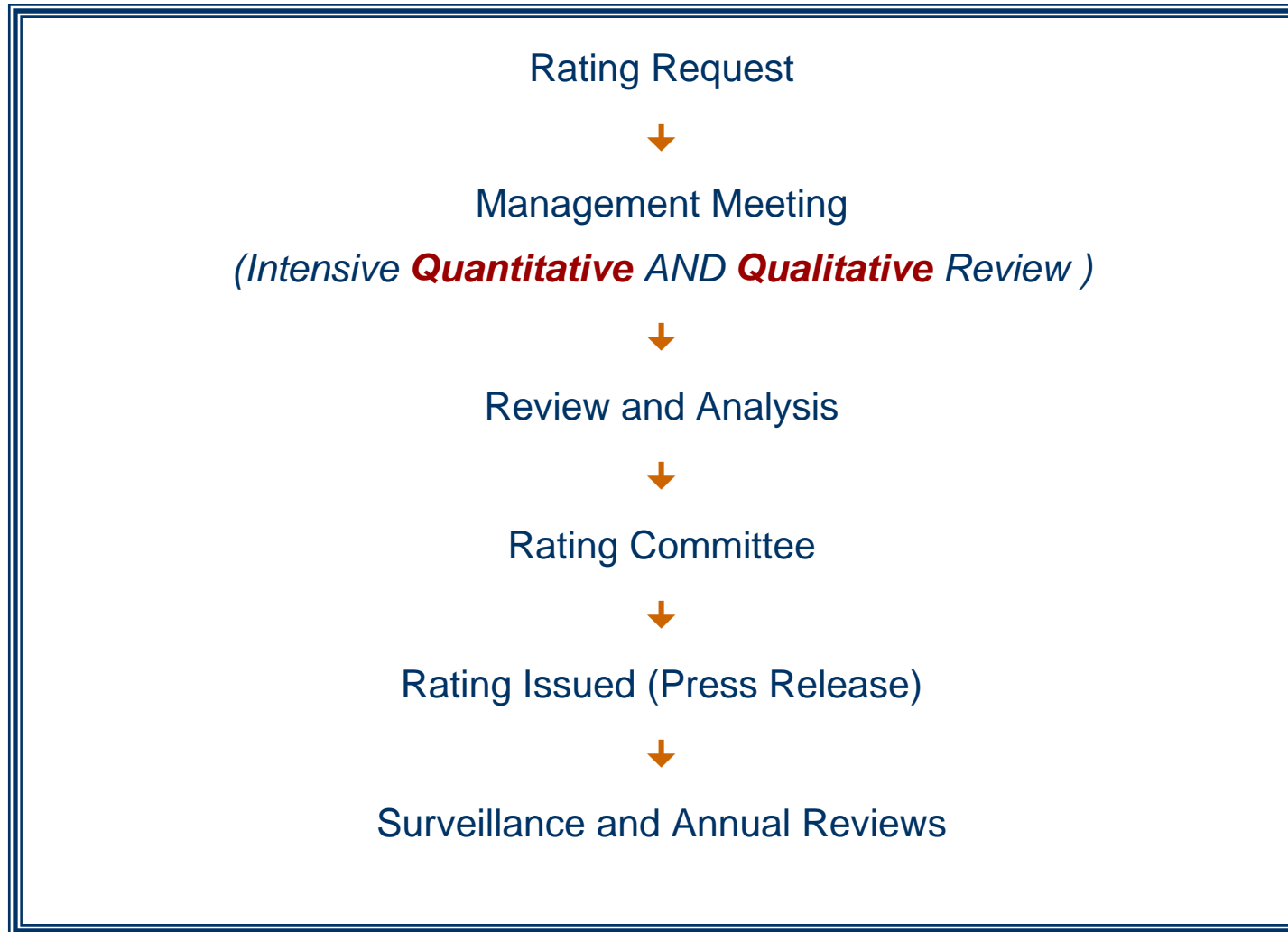
# Estimated Risk/Reward Tradeoff of S&P Fund Ratings



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# How are funds/pools rated?

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# Sample Components of S&P Fund Rating Analysis

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## 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

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# Surveillance (Monitoring) of Fund Ratings

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- Dedicated Staff of Surveillance Analysts & Proprietary System (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



## Characteristics of Rated vs. Unrated Funds/Pools

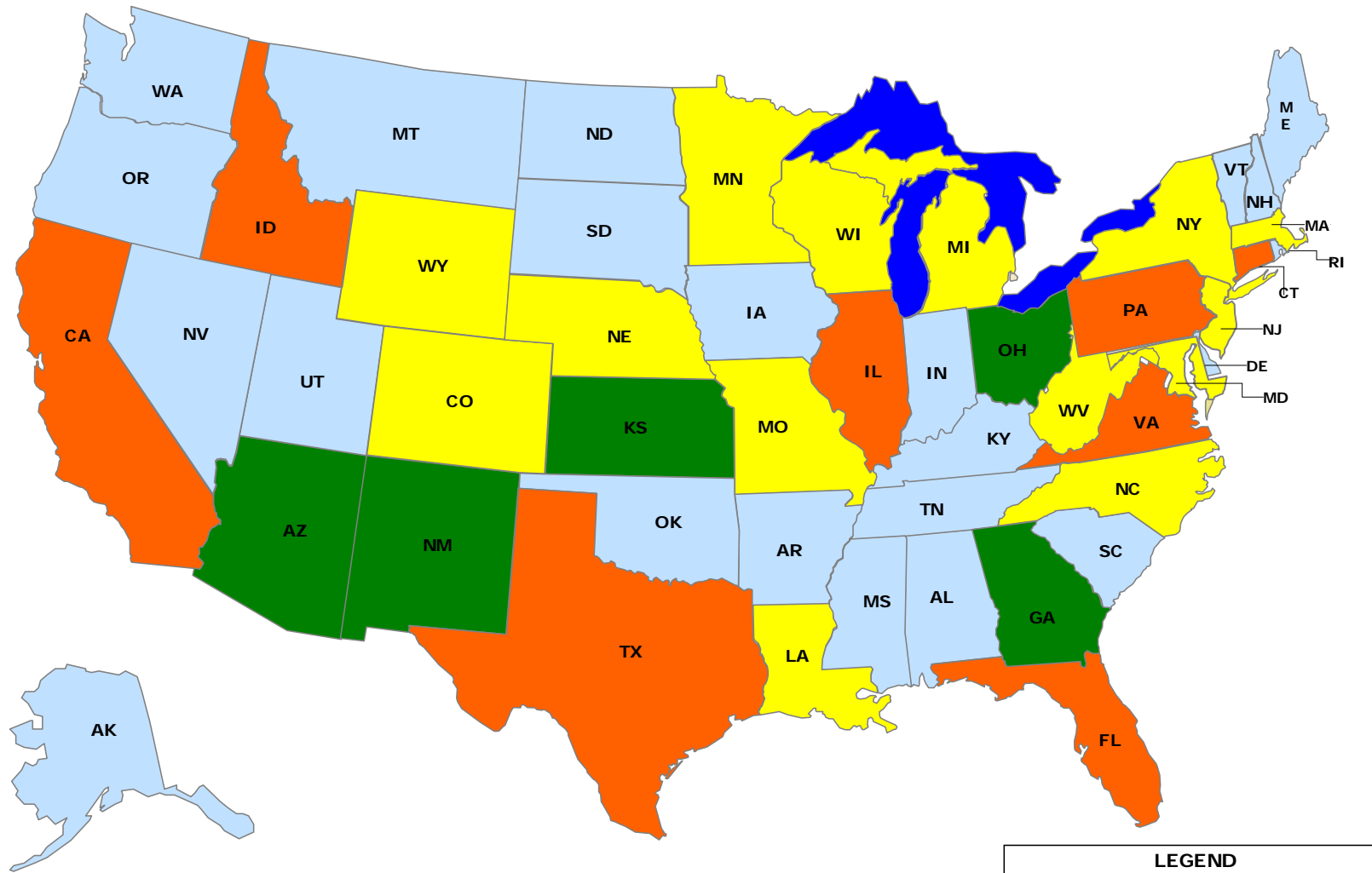
<b>STABLE NAV FUNDS/POOLS</b>	<b>Unrated</b>	<b>AAAm Rated</b>
<b>Maturity</b>		
Max Fund Weighted Average Maturity (WAM)	90+ days	60 days
Max maturity per security ( <i>Floating - Government</i> )	None	2 years
Max maturity per security ( <i>Fixed &amp; Floating - Non-Government</i> )	397 days or more	397 days
<b>Credit Quality</b>		
Minimum A-1+ allocation	N/A	50%
Maximum A-1 allocation	N/A	50%
Maximum A-2 allocation	Some to 5%	0%
<b>Pricing</b>		
Frequency	Discretionary	Weekly
<b>Diversification</b>		
Max per Security/Industry	5%/25% or higher	5%/25%
Max per Repo Counterparty	Unrestricted	Restricted

**VARIABLE NAV FUNDS/POOLS:** While there are many differences between rated vs. unrated funds/pools of this type, one important distinction is references to average credit quality for unrated pools vs. the weighted average credit quality of S&P rated funds/pools – with the former potentially underestimating overall credit risk.

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



Puerto Rico has a Rated LGIP which is Sub-Advised (YELLOW)

As of March 2009

LEGEND	
	No Pool Ratings
	Rated & Run by Gov't Entity (State/County/City)
	Rated & Run by Non-Gov't Entity (Sub-Advisor/Private Firm)
	Rated & Run by Gov't Entity & Non-Gov't Entity (State/County/City/Private Firm/Sub-Advisor)



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# List of Principal Stability Rated GIPs (As of September 1, 2009)

Pool Name	Rating	Rating Date	Pool Managed By	State
Alaska Municipal League Investment Pool	AAAm	5/6/2009	Non-Gov't Entity	AK
California Asset Management Program/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
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/CW-	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
Florida Local Government Investment Pool A	AAAm	12/21/2007	Non-Gov't Entity	FL
Florida Surplus Asset Fund Trust	AAAm/CW-	2/7/2008	Non-Gov't Entity	FL
Florida Trust Day to Day Fund	AAAm	1/20/2009	Non-Gov't Entity	FL
Georgia Fund 1	AAAm	6/19/1995	Gov't Entity	GA
Illinois Funds - Money Market Fund (The)	AAAm	10/9/1996	Gov't Entity	IL
Illinois Funds - Prime Fund (The)	AAAm	10/10/2000	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
PFM Funds Prime Series- Illinois Prime Class	AAAm	10/1/2008	Non-Gov't Entity	IL
Louisiana Asset Management Pool	AAAm	4/11/1995	Non-Gov't Entity	LA
Massachusetts Hlth& Ed 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
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 School District Liquid Asset Fund Plus	AAAm	11/13/1997	Non-Gov't Entity	NE
New Jersey Asset and Rebate Management Trust	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	8/14/2006	Gov't Entity	NM
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

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# List of Principal Stability Rated GIPs (As of September 1, 2009)

Pool Name	Rating	Rating Date	Pool Managed By	State
Pennsylvania INVEST Daily	AAAm	2/8/1996	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
Pennsylvania Treasury INVEST Community Pool	AAAm	8/26/1999	Gov't Entity	PA
PLGIT - Class Shares	AAAm	11/21/1997	Non-Gov't Entity	PA
Puerto Rico Government Investment Trust Fund	AAAm	6/10/1996	Non-Gov't Entity	PR
Local Government Investment Cooperative	AAAm	2/8/2006	Non-Gov't Entity	TX
Lone Star Investment Pool Liquidity Fund	AAAm	8/21/1995	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
TexasDAILY	AAAm	9/20/2001	Non-Gov't Entity	TX
TexPool Prime	AAAm	12/9/2002	Non-Gov't Entity	TX
PFM Funds Prime Series-SNAP 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	3/5/2007	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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## List of Fund Credit & Volatility Rated GIPs (As of September 1, 2009)

Pool Name	Rating		Rating Date	Pool Managed By	State
Arizona State Treasurers LGIP Pool 5	AAAf	S1+	11/10/2008	Gov't Entity	AZ
CalTRUST Short Term Fund	AAf	S1+	10/10/2006	Non-Gov't Entity	CA
City of Anaheim Treasurer Investment Pool	AAAf	S1	7/7/2008	Gov't Entity	CA
City of Long Beach California Investment Pool	AAAf	S1	11/14/2000	Gov't Entity	CA
City of Los Angeles General Pool	AAAf	S1	5/20/2002	Gov't Entity	CA
Contra Costa County Investment Pool	AAAf	S1+	11/19/2007	Gov't Entity	CA
San Bernardino County Investment Pool	AAAf	S1+	9/1/2005	Gov't Entity	CA
San Diego County Treasurer's Pooled Money Fund	AAAf	S1	5/16/2001	Gov't Entity	CA
San Mateo County Investment Portfolio	AAAf	S1	7/13/2009	Gov't Entity	CA
Solano County Treasurer's Investment Pool	AAAf	S1	2/22/2007	Gov't Entity	CA
Ventura County Treasury Portfolio	AAAf	S1+	6/5/1996	Gov't Entity	CA
Broward County Investment Pool	AAAf	S1+	7/23/2007	Gov't Entity	FL
Florida Local Government Investment Trust	AAAf	S1	11/10/1994	Non-Gov't Entity	FL
Florida Municipal Investment Trust Enhanced Cash Portfolio	AAAf	S1+	1/11/2008	Non-Gov't Entity	FL
Hillsborough County Investment Pool	AAAf	S1	3/31/2008	Gov't Entity & Non-Gov't Entity	FL
Manatee County Investment Portfolio	AAAf	S1+	8/6/2008	Gov't Entity	FL
Miami-Dade County Investment Portfolio	AAAf	S1	6/24/2009	Gov't Entity	FL
Palm Beach County Investment Portfolio	AAAf	S1	9/30/2008	Gov't Entity	FL
St. Lucie County Investment Portfolio	AAAf	S1	10/10/2008	Gov't Entity	FL
Georgia Extended Asset Pool	AAAf	S1	11/9/2000	Gov't Entity	GA
Idaho State Treasurer's Diversified Bond Fund	AAAf	S2	5/23/2007	Non-Gov't Entity	ID
Idaho State Treasurer's Local Government Investment Pool	AAAf	S1+	5/23/2007	Gov't Entity	ID
IMET 1-3 Year Fund	AAAf	S1	6/1/2006	Non-Gov't Entity	IL
Kansas Pooled Money Investment Portfolio	AAAf	S1+	3/15/2004	Gov't Entity	KS
Michigan Liquid Asset Fund Plus Term, Series G-0909	AAAf		5/7/2008	Non-Gov't Entity	MI
Michigan Liquid Asset Fund Plus Term, Series H - 0310	AAAf		4/3/2009	Non-Gov't Entity	MI
Minnesota School District Liquid Asset Fund Plus Term, Series G - 1209	AAAf		8/7/2008	Non-Gov't Entity	MN
Missouri Securities Investment Program Term, Series G - 0809	AAAf		4/29/2008	Non-Gov't Entity	MO
Missouri Securities Investment Program Term, Series H-0210	AAAf		1/12/2009	Non-Gov't Entity	MO
City of Houston General Investment Pool	AAAf	S1	6/10/2003	Gov't Entity	TX
Lone Star Investment Pool Liquidity Corporate Fund	AAAf	S1+	5/20/1999	Non-Gov't Entity	TX
Lone Star Investment Pool Liquidity Plus Fund	AAAf	S1+	8/21/1995	Non-Gov't Entity	TX
State of Texas Treasury Pool	AAAf	S1	4/29/2002	Gov't Entity	TX
Texas Term, Local Government Investment Pool, Series P - 0609	AAAf		2/26/2008	Non-Gov't Entity	TX
Texas Term, Local Government Investment Pool, Series Q - 1209	AAAf		9/9/2008	Non-Gov't Entity	TX
Texas Term, Local Government Investment Pool, Series R - 0610	AAAf		2/20/2009	Non-Gov't Entity	TX

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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 <i>(Week Ended Sept. 4, 2009)</i>	0.31%	0.32%	0.51%	0.51%	44	\$115.7 Billion
S&P Rated GIP Index/Government <i>(Week Ended Sept. 4, 2009)</i>	0.31%	0.32%	0.54%	0.56%	41	\$38.3 Billion
S&P Rated GIP Index/G.P. Taxable <i>(Week Ended Sept. 4, 2009)</i>	0.32%	0.32%	0.50%	0.50%	45	\$77.4 Billion
To View In Bloomberg: <a href="#">LGIP &lt;Index&gt; &lt;Go&gt;</a>						
Reported Weekly By Standard & Poor's						

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

<i>Ranking</i>	<b>7 Day</b>		<b>30 Day</b>	
	<i>Top Yield</i>	<i>Low Yield</i>	<i>Top Yield</i>	<i>Low Yield</i>
Gross Yields (%)				
Top Quartile	1.27	1.04	1.36	1.10
Second Quartile	1.04	0.82	1.10	0.88
Third Quartile	0.82	0.63	0.88	0.65
Fourth Quartile	0.63	0.33	0.65	0.38
Net Yields (%)				
Top Quartile	1.04	0.81	1.10	0.88
Second Quartile	0.81	0.60	0.88	0.65
Third Quartile	0.60	0.51	0.65	0.52
Fourth Quartile	0.51	0.12	0.52	0.14

***(As of March 27, 2009)***

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