



**Robert A. Fleury**  
**Deputy Bank Commissioner**

## **State of New Hampshire**

### **Public Deposit Investment Pool**

53 Regional Drive, Suite 200  
Concord, New Hampshire 03301  
Tel: (603) 271-3561  
Fax: (603) 271-1090

#### **Advisory Committee**

##### **State Treasurer**

The Honorable Catherine A. Provencher

##### **Commissioner of Revenue Administration**

The Honorable Kevin A. Clougherty

##### **NH Municipal Association**

Daniel Lynch

##### **NH Association of Counties**

Gregory J. Wenger

##### **NH Government Finance Officers Association**

Paul T. Micali

Sharon Wickens

##### **NH Bankers Association**

Keith Pike

Nicole Pellenz

##### **NH School Boards Association**

Vacant

## **NEW HAMPSHIRE PUBLIC DEPOSIT INVESTMENT POOL**

### **Advisory Committee**

March 30, 2011

Dear Pool Participant,

After almost two years of work, it is my pleasure to announce that the New Hampshire Public Deposit Investment Pool ("PDIP") advisory committee has completed the PDIP contract review process and has elected to remain with Cutwater Investor Services Corp, (formerly MBIA) as its Program Administrator. Cutwater has selected Bank of America to act as custodian of the assets in the pool.

The new contracts were approved by a vote of the advisory committee on March 28, 2011. The operation of the pool, and the process for adding funds and withdrawing funds, will remain relatively unchanged. The Bank Commissioner and advisory committee will still retain oversight over the operation and management of the pool, and will continue to meet quarterly with Cutwater personnel to discuss any issues that may arise. These quarterly meetings, and any special meetings of the advisory committee, are open to the public and noticed on the NH PDIP website and the New Hampshire Banking Department website. If you would like to receive email notification of these meeting notices, please contact Richard Arcand at the Banking Department at 271-3561.

One change being made to the pool's operation is that there will no longer be a credit facility to manage the (albeit limited) risk of the pool. The hard costs associated with maintaining a credit facility, in this economic environment, coupled with the low risk associated with the pool assets, made the purchase of a credit facility untenable.

Instead, in order to maintain confidence in the pool's safe operation, the new agreement requires Cutwater to obtain and maintain a credit rating on the pool. The initial rating has already been completed by Standard and Poor's and the pool was rated AAAM, which is their highest rating.

Another helpful change in the contract is that the cutoff time will be 12:00 noon EST instead of 11:00 a.m. EST. The contribution and withdrawal/payment procedures are specifically addressed in Exhibits A and B to the enclosed Cooperation and Management Agreement.

In order to continue your account under the terms of the new contract, please review the Cooperation and Management Agreement and **execute and return Exhibit D no later than 30 days from the date of this letter**. A postage-paid envelope is provided for your use. You may also wish to review the Program Administrator Agreement (the agreement which appoints Cutwater as the program administrator) and the Custodian Agreement (which appoints Bank of America as the custodian).

If you have any questions about the new agreements, or the continued operation of the pool and your investments in the pool, please contact Jo Ann Klatskin, Regional Director, at 1-800-477-5258 or Client Services at 1-800-395-5505.

We look forward to many more years of successfully balancing appropriate investment strategies with the safety and liquidity that our pool participants expect.

Very Truly Yours,

\_\_\_\_\_  
/S/

Robert A. Fleury  
Deputy Bank Commissioner  
New Hampshire Banking Department