



**NEW HAMPSHIRE**  
**Public Deposit**  
**Investment Pool**

# **New Hampshire GFOA NHPDIP Overview**

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**New Hampshire Public Deposit Investment Pool (NHPDIP)**

P.O. Box 11760  
Harrisburg, PA 17108  
1-(844)-464-7347  
www.nhpdip.com



- The NH Public Deposit Investment Pool (NHPDIP or the Pool) was formed in 1993 as an instrumentality of local governments and schools for the purpose of jointly investing funds.
  - Solely comprised of New Hampshire governmental entities.
- NHPDIP was created under RSA 383:22-24.
- The Authority for the NHPDIP is the NH Bank Commissioner & the NHPDIP Advisory Board.
  - The Advisory Board includes municipal and government officials just like you.
- The objective of the Pool is to preserve principal while providing liquidity and earning a competitive rate of return.

## ***NHPDIP's Current Service Providers***

Oversight	NH Bank Commissioner and NHPDIP Advisory Board
Program Administrator & Investment Adviser	PFM Asset Management LLC
Auditor	RSM US LLP
Custodian	U.S. Bank N.A.



# NHPDIP's Current Advisory Board



## State Regulatory Authority

**Gerald H. Little** – Bank Commissioner, State of New Hampshire Banking Department

## Advisory Committee

### Statutory Members

**William F. Dwyer** – State Treasurer, NH State Treasury

**Shaun Thomas** – Tax Policy Counsel, NH Dept. of Revenue\*

### Appointed Members

*Appointed by NH Municipal Association*

**Daniel R. Lynch** – Director of Finance, City of Dover

*Appointed by NH School Boards Association*

**Barrett M. Christina** – Executive Director, NH School Boards Association

*Appointed by NH Government Finance Officers Association*

**David Fredette** – Treasurer/Tax Collector, City of Nashua  
**Sharon Wickens** – Assistant Director Treasury, City of Manchester

*Appointed by NH Bankers Association*

**Keith Pike** – Vice President Government Banking, TD Bank  
**Joe Thornton** – Senior Vice President Retail Banking, Franklin Savings Bank

*Appointed by NH Association of Counties*

**Charles Nickerson** – Finance Director, County of Rockingham

\*Designee of John T. Beardmore, Commissioner

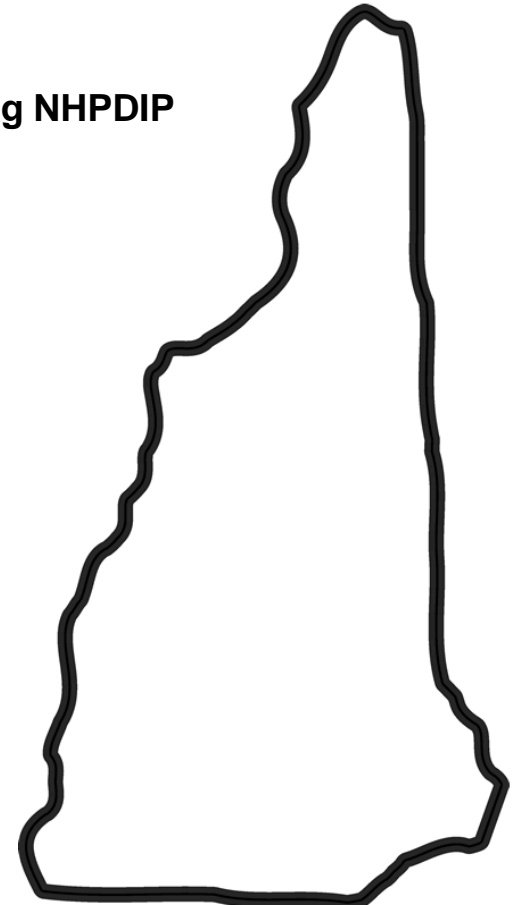


# NHPDIP's Commitment to NH

- **1,663\* public entity active accounts in New Hampshire are using NHPDIP**

Associations	7	Schools	71
Authorities	5	Towns	430
Cities	134	Trust Funds	846
Commissions	19	Libraries	21
Counties	11	Other***	66
Districts**	53		

- **\$240 Million\* in assets under management**



\*As of March 31, 2019

\*\* Districts include Fire Districts, Health Districts and Utility Districts



# NHPDIP Fund Facts



**NEW HAMPSHIRE**  
**Public Deposit**  
**Investment Pool**

	<b>30-Day Net Yield<sup>3</sup></b>	<b>7-Day Net Yield<sup>1</sup></b>	<b>2.42%</b>
March 2019	2.42%	<b>Weighted Average Maturity<sup>2</sup></b>	<b>43 days</b>
February 2019	2.43%	<b>Expense Ratio</b>	<b>0.30%</b>
January 2019	2.41%	<b>Standard and Poor's Fund Rating<sup>4</sup></b>	<b>AAAm</b>
December 2018	2.28%		
November 2018	2.19%		
October 2018	2.11%		
September 2018	2.01%		
August 2018	1.99%		
July 2018	1.95%		
June 2018	1.90%		
May 2018	1.82%		
April 2018	1.67%		

<sup>1</sup> Current 7 day net yield, also known as the current annualized yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven day base period expressed as a percentage of the value of one share at the beginning of the seven day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7.

<sup>2</sup> Weighted Average Maturity: Calculated by the final maturity for a security held in the portfolio and the interest rate reset date. This is a way to measure a fund's sensitivity to potential interest rate changes.

<sup>3</sup> As of the last day of the month. The 30 day yield represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a thirty day base period expressed as a percentage of the value of one share at the beginning of the thirty day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 30.

<sup>4</sup> Standard & Poor's fund ratings are based on analysis of credit quality, market price exposure, and management. According to Standard & Poor's rating criteria, the AAAm rating signifies excellent safety of investment principal and a superior capacity to maintain a \$1.00 per share net asset value. However, it should be understood that the rating is not a "market" rating nor a recommendation to buy, hold or sell the securities. For a full description on rating methodology, visit Standard & Poor's website ([http://www.standardandpoors.com/en\\_US/web/guest/home](http://www.standardandpoors.com/en_US/web/guest/home)).

\*As of March 31, 2019

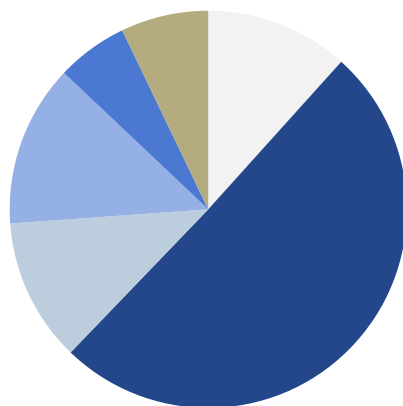


# NHPDIP Portfolio Breakdown



## Fund Diversification

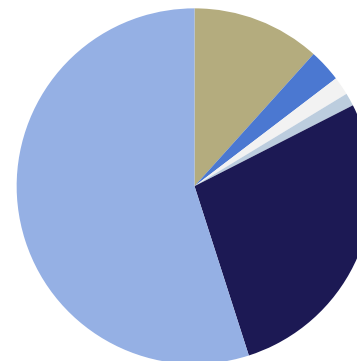
Sector Composition



■ Negotiable Certificates of Deposit	50.5 %
■ Repurchase Agreements	13.2 %
■ Commercial Paper	11.7 %
■ U.S. Treasuries	11.7 %
■ Deposits – FHLB LOC	7.1 %
■ Corporate Notes	5.8 %

## As of March 31, 2019

Credit Quality Distribution  
(Standard & Poor's Fund Ratings)



■ A-1 Short Term	54.9 %
■ A-1+ Short Term	27.6 %
■ AA+	11.7 %
■ AA-	3.0 %
■ A+	1.7 %
■ A	1.2 %

*\*Percentages may not total 100% due to rounding.*



# Why Do Investors Join NHPDIP?



## Objectives:

- **Safety – Preservation of Principal as a Primary Objective**
- **Liquidity – Ability to meet expected cash needs**
- **Yield – Competitively shop every purchase and sale for the best price**
- **Compliance with legal restrictions**
  - State Statutes (always)
  - Investment Policies
- Balance between Risk and Return
- Diversification
- Convenience



- PFM Asset Management LLC (PFMAM) has more than 38 years' experience in managing high-quality portfolios.
- \$136.1 billion in total assets as of December 31, 2018.
- Specialist in high-quality, short- and intermediate-duration fixed-income portfolios.
- Successfully navigated the markets during the credit crisis.
- Completely avoided defaulted credits, structured investment vehicles, subprime mortgages, collateralized debt obligations, auction-rate securities.

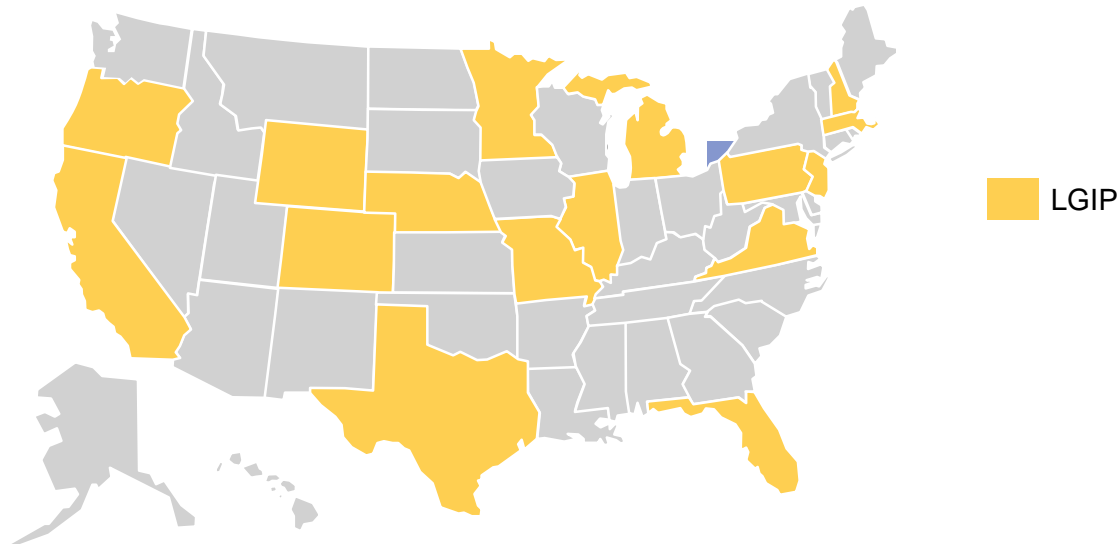




# LGIP Experience



- PFMAM has helped pioneer the development of local government investment pools (LGIPs). The first grass roots LGIP was established in Pennsylvania in 1981 and is still managed by our team of professionals.
- We provide investment advisory and administrative services to 17 pooled investment programs. As of December 31, 2018, these programs have over \$31 billion in combined total assets from over 5,000 participants.







## Fixed Income Portfolio Management

### PHILOSOPHY

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<b>Safety</b>	Preserve capital with high-quality investments
<b>Liquidity</b>	Plan for and provide liquidity as needed
<b>Return</b>	Seek to increase earnings through disciplined portfolio strategy

### APPROACH

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Portfolios are designed to match our clients' specific investment needs.

**We seek to achieve strong results by:**

- 1 Understanding our clients' investment objectives
- 2 Carefully matching maturities to the client's cash flow needs
- 3 Limiting investments to those of high quality
- 4 Selecting investments based on relative value
- 5 Utilizing low-risk portfolio management techniques to add value



# PFM's Credit Review Philosophy



- Utilize credit in seeking to generate above benchmark returns with minimum volatility
- Integrated into broader investment process
- Research conducted “on the desk” by portfolio managers and traders
- Emphasize emerging industry and macro trends
- Build in a “margin of safety”

Issuer Analysis	Macro / Industry Analysis
<ul style="list-style-type: none"><li>✓ Balance sheet: ratios and analysis</li><li>✓ Earnings: actual and projections</li><li>✓ Asset quality and impairments</li><li>✓ Debt and liquidity levels</li><li>✓ Corporate governance</li><li>✓ Prices of bonds, equity, and credit default swaps</li><li>✓ Supply and trading volume</li><li>✓ Analysts' recommendations</li></ul>	<ul style="list-style-type: none"><li>✓ Macro-economic conditions</li><li>✓ Industry trends</li><li>✓ Competitive environment</li><li>✓ Business cycle</li><li>✓ Regulatory environment</li><li>✓ Rating agency actions</li><li>✓ Sovereign credit developments</li><li>✓ Geopolitical risks</li></ul>





- U.S. Bank is the custodial bank
- Cutoff Times
  - 2:00 p.m. for same day wires
  - 4:00 p.m. for next day ACH
- Client Services Group is located in Harrisburg, PA
- Enhanced Communication and Security – Easy Online Network (EON)
  - Initiate transactions by ACH and wire
  - Review historical transactions
  - Download historical statements
  - Ad hoc reporting
- Specialized services such as procurement card programs



# Security Features

- Customized account permissions
- Call back verification
- Mandatory internal dual-review
- Multi-factor authentication
- Information sharing restrictions
- Messaging Center
- Notification Center

## Account Activities That Trigger An Email Notification

Account Permissions	Phone & EON Transactions	Wire/ACH Instruction Changes	Permission Changes	Document Uploads
View Only	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Perform Phone & EON Transactions*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Perform Wire/ACH Instruction Changes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Green boxes represent all available notifications to customize user preferences.*

\* Individuals authorized to perform account transactions and/or wire/ACH instruction changes will automatically receive email notifications related to these account activities. Notifications related to these specific actions are not optional. They can be configured to go to multiple individuals for broader account oversight.



# Cash Management Services



NEW HAMPSHIRE  
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## Deposits & Purchases



NEW HAMPSHIRE  
Public Deposit  
Investment Pool

### Dedicated Client Services Group

Phone: 1-844-464-7347

[www.nhpdip.com](http://www.nhpdip.com)

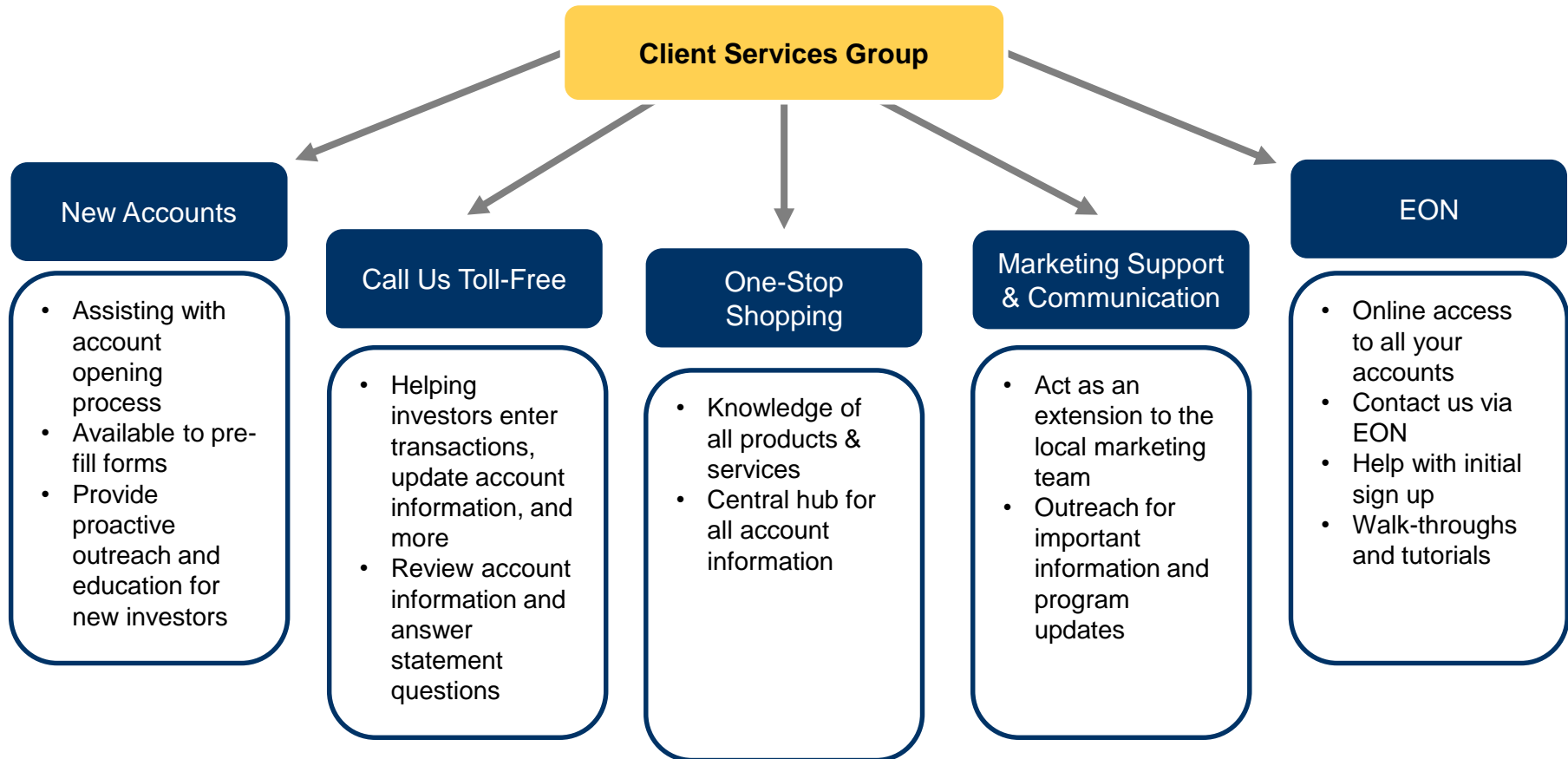
- State Aid Deposits
- ACH Deposits
- Wire Purchases
- Lockbox Deposits

## Withdrawals & Redemptions

ACH Redemptions  
Wire Redemptions



# The Client Services Group





# Your NHPDIP Team



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**John Molloy, CFA**  
*Program Manager*

**Beth E. Galperin**  
*Program Representative*

## Client Services Group

- **Kecia Cunningham**, Key Account Manager
- **Lynn Wirrick**, Client Consultant
- **David Whiting**, Client Service Representative
- **Anne Parker**, Client Service Representative

Call us for:

Transactions • Forms • Questions about statements • Sample Documents (i.e. RFPs, Investment Policies) • Questions about EON

1-(844)-464-7347 or 1-(844)-4NH-PDIP

Hours of Operation: Monday thru Friday – 8:30 a.m. to 5:30 p.m.



# Disclaimer



*This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Pool's investment objectives, risks, charges and expenses before investing in the Pool. This and other information about the Pool is available in the Pool's current Information Statement, which should be read carefully before investing. A copy of the Pool's Information Statement may be obtained by calling 1-844-464-7347 or is available on the NHPDIP website at [www.nhpdip.com](http://www.nhpdip.com). While the Pool seeks to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in the Pool. An investment in the Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Pool are distributed by **PFM Fund Distributors, Inc.**, member Financial Industry Regulatory Authority (FINRA) ([www.finra.org](http://www.finra.org)) and Securities Investor Protection Corporation (SIPC) ([www.sipc.org](http://www.sipc.org)). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC.*

*Details about the Pool's investment objectives, permitted investments and expenses can be found in the Information Statement. Past performance is no guarantee of future results. Yields will fluctuate as market conditions change. The current fund performance may be higher or lower than that cited.*