Maryland Local Government Investment Pool

About the Pool

- **Pool Rating**: A'AAAm
- **Pool Type**: Stable NAV Government Money Market Fund
- **Investment Adviser**: State of Maryland Treasurer
- **Investment Manager**: PNC Capital Advisors, LLC - Baltimore, MD
- **Portfolio Manager**: Kelley Peel, CFA (Fund Mgr: David Rommel)
- **Pool Rated Since**: April 2000
- **Custodian**: PNC Bank, N.A., Pittsburgh, PA

Rationale

Maryland Local Government Investment Pool (MLGIP) is rated 'A'AAAm' by Standard & Poor's. The rating is based on Standard & Poor's analysis of the pool's credit quality, market price exposure, and management skill. The rating demonstrates that the pool has an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. This is accomplished through conservative investment practices and strict internal controls. The portfolios are monitored on a weekly basis by Standard & Poor's.

Overview

MLGIP, created in 1982 under the administrative control of the state treasurer, is designed to provide all local government units of the state with an investment vehicle for short-term investment of funds. A pooled fund strategy is utilized, creating a money-market fund (Rule 2a-7 like) for municipalities with the following investment objectives: preserve the capital value of the dollars invested; provide a competitive rate of return; and offer a readily available source of daily liquidity.

Management

Through a series of requests for proposals (RFPs), PNC Bank N.A., Pittsburgh, PA (rated A+/A-1) or its predecessor firm has been contracted to operate the pool, serving as the investment manager, administrator, and marketer since its inception. Beginning 1/1/14, PNC Bank is custodian and PNC Capital Advisors serves as investment manager and marketer. Typically, a contract is in effect from three to five years before it comes up for a new bidding process. In 1995, Maryland's state treasurer formed an advisory committee, which currently consists of eleven participants appointed by the treasurer. The committee meets semiannually to review the pool's investments, performance, structure, and strategy. The committee discusses the current interest rate environment and economic conditions, and provides general suggestions to the treasurer and to the investment manager.

Portfolio Assets

MLGIP seeks to meet its investment objectives by investing in short-term U.S. Treasury obligations, federal agency paper, banker's acceptances, commercial paper (limited to 10% of the total portfolio), corporate notes, other money-market funds, and repurchase agreements (REPOs) collateralized by U.S. Treasuries or Agencies. The pool's credit quality is excellent, comprised exclusively of securities rated 'A-1' or better by Standard & Poor's. In order to provide adequate liquidity and to reduce the pool's exposure to changes in interest rates, the weighted average maturity to reset (WAM(R)) of the pool is managed to a 60 day maximum.
Maryland Local Government Investment Pool

Data Bank as of September 28, 2015

<table>
<thead>
<tr>
<th>Net Asset Value per Share</th>
<th>$1.00004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets (millions)</td>
<td>$3,984.70</td>
</tr>
<tr>
<td>WAM (R) *</td>
<td>33 days</td>
</tr>
<tr>
<td>WAM (F) **</td>
<td>40 days</td>
</tr>
<tr>
<td>Inception Date</td>
<td>January 1982</td>
</tr>
</tbody>
</table>

* Weighted Average Maturity (Reset)  ** Weighted Average Maturity (Final)

Net Assets, WAM (R) and WAM (F)

Portfolio Maturity Distribution as of September 28, 2015

Portfolio Credit Quality as of September 28, 2015 *

| A-1 | 4.3% |
| A-1+| 95.7% |

*As assessed by Standard & Poor’s

Portfolio 7 Day Net-Yield Comparison *

*S&P Money Fund Indices are calculated weekly by iMoneyNet, Inc., and are comprised of funds rated or assessed by S&P to within the specific rating categories. The S&P Rated GIP Indices are calculated weekly by S&P and are comprised of ‘AAAm’ and ‘A’-government investment pools.

The yields quoted represent past performance. Past performance does not guarantee future results. Current yield may be lower or higher than the yield quoted.

Pool portfolios are monitored weekly for developments that could cause changes in the ratings. Rating decisions are based on periodic meetings with senior pool executives and public information.

A Standard & Poor's principal stability fund rating, also known as a "money market fund rating", is a forward-looking opinion about a fixed income fund's capacity to maintain stable net asset value. When assigning a principal stability rating to a fund, Standard & Poor's analysis focuses primarily on the creditworthiness of the fund's investments and counterparties, and also on its investments' maturity structure and management's ability and policies to maintain the fund's stable net asset value. Principal stability fund ratings are assigned to funds that seek to maintain a stable or an accumulating net asset value.

Generally, when faced with an unanticipated level of redemption requests during periods of high market stress, the manager of any fund may suspend redemptions for up to five business days or meet redemption requests with payments in-kind in lieu of cash. A temporary suspension of redemptions or meeting redemption requests with distributions in-kind does not constitute a failure to maintain stable net asset values. However, higher rated funds are expected to have stronger capacities to pay investor redemptions in cash during times of high market stress because they generally comprise shorter maturity and higher quality investments.

Principal stability fund ratings, or money market fund ratings, are identified by the ‘m’ suffix (e.g., ‘AAAm’) to distinguish the principal stability rating from a Standard & Poor’s traditional issue or issuer credit rating. A traditional issue or issuer credit rating reflects Standard & Poor’s view of a borrower’s ability to meet its financial obligations. Principal stability fund ratings are not commentaries on yield levels.

Principal Stability Rating Approach and Criteria

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P’s opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P’s public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/ratingsfees.

STANDARD & POOR’S, S&P, GLOBAL CREDIT PORTAL and RATINGSDIRECT are registered trademarks of Standard & Poor’s Financial Services LLC.