

Maryland Local Government Investment Pool

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 S&P Global Ratings

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.

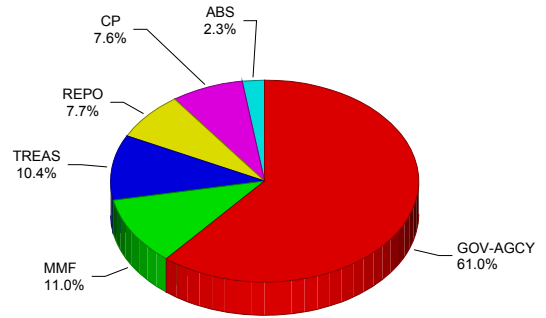
Dm A fund rated 'Dm' has failed to maintain principal stability resulting in a realized or unrealized loss of principal.

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

About the Pool

| | |
|--------------------|---------------------------------------|
| Pool Rating | AAAm |
| Pool Type | Stable NAV Government Investment Pool |
| Investment Adviser | State of Maryland Treasurer |
| Portfolio Manager | Kelley Peel (Fund Mgr: David Rommel) |
| Pool Rated Since | April 2000 |
| Custodian | PNC Bank, N.A., Pittsburgh, PA |

Portfolio Composition as of March 26, 2018



GOV-AGCY - Agency and Government; MMF - Money Market Fund; TREAS - Treasury; REPO - Repurchase Agreement; CP - Commercial Paper; ABS - Asset-backed security

Rationale

Maryland Local Government Investment Pool (MLGIP) is rated 'AAAm' by S&P Global Ratings. The rating is based on S&P Global Ratings' analysis of the pool's credit quality, market price exposure, and management skill. The rating signifies our forward-looking opinion about a fixed-income fund's ability to maintain principal value (i.e., stable net asset value, or 'NAV'). This is accomplished through conservative investment practices and strict internal controls. The portfolios are monitored on a weekly basis by S&P Global Ratings.

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.

S&P Global Ratings Analyst: Peter Rizzo - (1) 212-438-5059

www.spratings.com

Participants should consider the investment objectives, risks and charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.

Principal Stability Rating Approach and Criteria

A S&P Global Ratings 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 principal (net asset value). When assigning a principal stability rating to a fund, S&P Global Ratings analysis focuses primarily on the creditworthiness of the fund's investments and counterparties, and also 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 S&P Global Ratings traditional issue or issuer credit rating. A traditional issue or issuer credit rating reflects S&P Global Ratings view of a borrower's ability to meet its financial obligations. Principal stability fund ratings are not commentaries on yield levels.

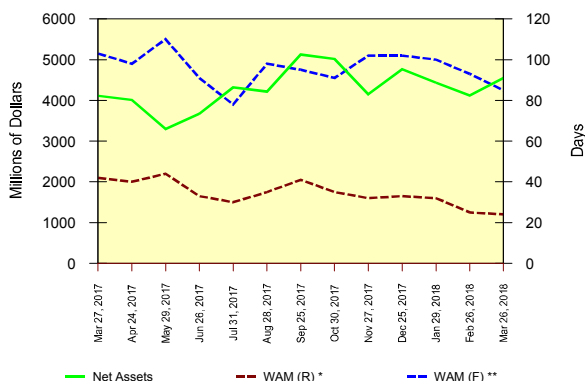
Maryland Local Government Investment Pool

AAAm

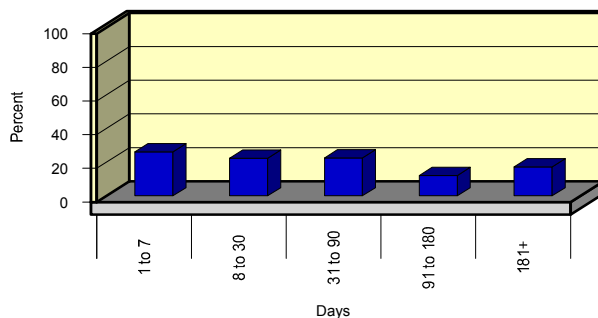
Data Bank as of March 26, 2018

| | | | | | |
|-------------------------------------|-----------|--------------------------------------|------------|---------------------|--------------|
| Net Asset Value per Share..... | \$0.99987 | Net Assets (millions)..... | \$4,551.70 | Inception Date..... | January 1982 |
| WAM (R) * | 24 days | WAM (F) **..... | 85 days | 7 Day Yield..... | 1.54% |
| * Weighted Average Maturity (Reset) | | ** Weighted Average Maturity (Final) | | | |

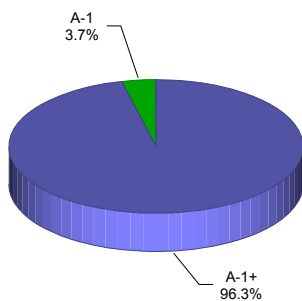
Net Assets, WAM (R) and WAM (F)



Portfolio Maturity Distribution as of March 26, 2018

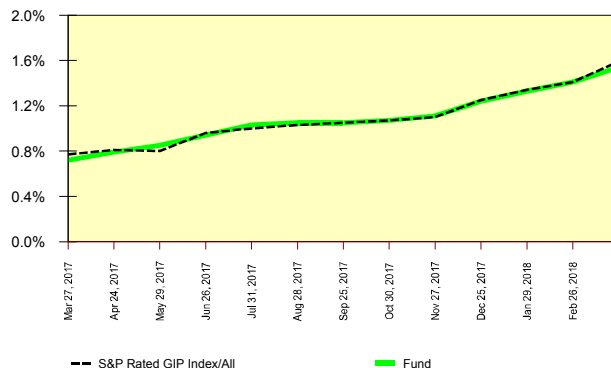


Portfolio Credit Quality as of March 26, 2018 *



*As assessed by S&P Global Ratings

Portfolio 7 Day Net-Yield Comparison *



*S&P 'AAAm' Money Fund Indices are calculated weekly by iMoneyNet, Inc., and are comprised of funds rated or assessed by S&P Global Ratings to within the specific rating categories. The S&P Global Ratings Rated LGIP Indices are calculated weekly by S&P Global Ratings and are comprised of 'AAAm' and 'AAAm' government investment pools. *The yield quoted represents 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.

S&P Global Ratings is neither associated nor affiliated with the fund.

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