

# Nebraska Public Agency Investment Trust Portfolio Assigned 'AAAm' Principal Stability Fund Rating

May 6, 2024

ENGLEWOOD (S&P Global Ratings) May 6, 2024--S&P Global Ratings today assigned its 'AAAm' principal stability fund rating (PSFR) to the Nebraska Public Agency Investment Trust (NPAIT).

The PSFR reflects our view of the creditworthiness of the fund's investments and counterparties; its market price exposure; its investments' maturity structure; and management's ability to maintain the fund's net asset value, including the policies that it has implemented for this purpose. In our view, the fund achieves this through conservative investment practices and strict internal controls.

The 'AAAm' rating is the highest PSFR we assign and indicates an extremely strong capacity to maintain principal stability and to limit exposure to principal losses caused by credit risk. We conduct weekly surveillance on our PSFRs.

NPAIT is a collective effort of Nebraska public entities to invest funds jointly through a safe, efficient investment program. Designed and governed by public entities, NPAIT is managed with guiding principles focused on public entities and the communities they serve. The objective is to provide a high yield for the participants while maintaining liquidity and preserving capital by investing only in instruments permitted by Nebraska law. The fund seeks to maintain a stable value of \$1.00 per share.

In accordance with stated metrics for 'AAAm' PSFRs, we expect the fund will maintain a diversified portfolio of high-quality fixed-income investments, with a portfolio maximum weighted average maturity of 60 days and a maximum weighted average life of 90-120 days.

Based on our assessment, the fund maintained an average weighted average maturity and weighted average life of 40 days and 59 days, respectively, over the past 12 months. In our view, a portfolio's weighted average maturity is a key measure of a fund's sensitivity to rising interest rates.

All Nebraska public agencies are eligible to become participants. As of May 3, 2024, the portfolio had net assets of approximately \$870 million. UMB Bank N.A. is the custodian.

NPAIT can invest in any investment or deposit permitted for public agencies by the provisions of applicable laws. This includes obligations of the U.S government and its agencies, repurchase agreements, money market funds, certificates of deposit, and commercial paper. Additionally, our criteria outlines minimum credit quality thresholds that are consistent with the 'AAAm' rating level. As of March 14, effective 'A-1+' credit quality for the fund was 70.61%.

Naperville, Ill.-based PMA Asset Management LLC is the investment adviser and administrator for the fund. PMA currently manages 15 local government investment pools rated 'AAAm' by S&P Global Ratings, including NPAIT. As of March 31, 2024, PMA companies had more than \$46 billion

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in assets under administration.

### Related Criteria

- Criteria | Financial Institutions | Fixed-Income Funds: Principal Stability Fund Rating Methodology, June 23, 2016

### Related Research

- 'AAAm' Local Government Investment Pool Trends (First-Quarter 2024), April 29, 2024

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.spglobal.com/ratings](http://www.spglobal.com/ratings) for further information. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

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