

# INVESTMENTS OF BOND PROCEEDS BY STATE & LOCAL GOVERNMENTS

## OLD GIC CONTRACT

(Secured & Unsecured)

## NEW SEQUENTIAL AGREEMENT

(Secured & Unsecured)

### BENEFITS

•Credit strength benefit	.....→	•Considerably improved.
•Market Yield Benefit	.....→	•Same as before or slightly enhanced.
•Draw Flexibility Benefit	.....→	•Remains unchanged / buyer mandated.
•Credit Rating Qualification	.....→	•No change, same as before.

### RISKS

•Interest Component	.....→	•Fully protected to maturity.
•Principal Component	.....→	•Protected, considerably improved.
•Downgrade Risk Drawback	.....→	•Removed entirely.
•Product Qualification Risk	.....→	•Restructured & fully compliant.
•Headline Risk	.....→	•Removed entirely.
•Operational risk	.....→	•Same as before to slightly improved.