



TOWN OF HUDSON

Trustees of the Trust Fund



Edmond Duchesne Harry Schibanoff Leonard T. Lathrop

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August 10, 2012

David Degroot
Schwab Investment Firm
2 Wall St., Suite 110
Manchester, NH 03101

Dear Mr. Degroot,

The Trustees of the Trust Fund for the Town of Hudson NH are seeking proposals for the investment of approximate 9 million dollars. There is no anticipated need for these funds at this time; the trustees will accept proposals that require 90 days notice of withdrawal.

Under New Hampshire statutes the winner of this bid must perform to RSA 31:25-a, a prudent investment is one which a prudent man would purchase for his own investment having primarily in view the preservation of the principal and the amount and regularity of the income to be derived there from. Also the vendor qualifies under the following guidelines: The funds shall be invested only in deposits in any federally or state-chartered bank or association authorized to engage in a banking business in this state, or in deposits in any credit union in this state, or in state, county, town, city, school district, water and sewer district bonds and the notes of towns or cities in this state; and such stocks and bonds as are legal for investment by any bank or association chartered by this state to engage in a banking business; and in participation units in the public deposit investment pool established pursuant to RSA 383:22; or in obligations with principal and interest fully guaranteed by the United States government. The obligations may be held directly or in the form of securities of or other interests in any open-end or closed-end management-type investment company or investment trust registered under 15 U.S.C. section 80a-1 et seq., if the portfolio of the investment company or investment trust is limited to such obligations and repurchase agreements fully collateralized by such obligations. Deposits in a federally or state chartered bank or association or credit union shall be made in the name of the town which holds the same as a trust, and it shall appear upon the books thereof as a trust fund.

Shares of mutual funds are also permitted if they are registered with the Securities and Exchange Commission, qualified for sale in the state of New Hampshire in accordance with the New Hampshire uniform securities act of the New Hampshire secretary of state's office, and which have in their prospectus a stated investment policy which is consistent with the investment policy adopted by the trustees of trust funds in accordance with this chapter, and when so invested, the trustees shall not be liable for the loss thereof.

The management company chosen will provide monthly balance reports with complete sub accounting. Other service should include but not be limited to bi-annual meeting with the trustees and other expert advice as requested by the trustees relative to their investment policies and the prudent man or prudent investor standards. Charges for services must be billable to the trustees on a post service bases.

Please submit your proposal to the trustees by October 15th 2012.

Sincerely,

Paula DeAngelis
Clerk to the Trustees
Of the Trust Funds,
Hudson NH.