



SOUTH CAROLINA

LOCAL GOVERNMENT INVESTMENT POOL

Curtis M. Loftis, Jr., Treasurer

Administered by South Carolina State Treasurer's Office

TREASURER'S MESSAGE



Curtis M. Loftis, Jr.
Treasurer

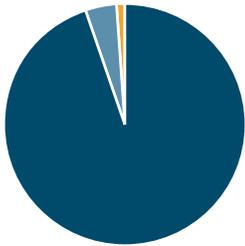
I wanted to let you know that the State Treasurer's Office continues to provide uninterrupted service for our LGIP participants and remains committed to helping our local communities and the state during this extraordinary time.

If you received stimulus funds and are looking for a place to invest, I would highly encourage you to contact our team. The South Carolina LGIP is conservatively managed to provide relative safety and attractive returns in times of uncertainty, while providing flexibility to facilitate liquidity needs. I am proud to tell you that the South Carolina LGIP was recently recognized as performing in the top quartile when compared with other LGIPs nationwide by TRACS Financial.

Please contact us with any questions you might have on how the South Carolina LGIP can provide local governments, school districts and special purpose districts with an opportunity to achieve competitive returns via a conservatively-managed pooled vehicle.

LGIP AT A GLANCE

PORTFOLIO COMPOSITION (%) AS OF 3/31/20



- Commercial paper **94.97**
- Government **4.09**
- Overnight Repo **0.94**

MARCH 31, 2020

- Mkt Value: \$8,538,401,301
- LGIP Rate: 1.58%

LGIP PARTICIPANT BREAKDOWN

- 39 Counties
- 92 Municipalities
- 64 School Districts
- 56 Special Purpose Districts
- 10 Disability and Special Needs
- 8 Council of Governments

QUARTERLY HIGHLIGHTS

- LGIP is an investment mechanism administered by South Carolina's State Treasurer to provide local governments an opportunity to acquire maximum returns on investments by pooling available funds with funds from other political subdivisions.
- LGIP seeks to preserve capital through prudent management and sound investment policies.
- LGIP offers participants an investment option for operating capital consistent with their investment time horizons.

PORTFOLIO OVERVIEW AS OF MARCH 31, 2020

- LGIP's Weighted Average Maturity: 51.53
- Weighted Average Life: 58.45

iPAS allows participants to stay up to date on account information, including transactions.

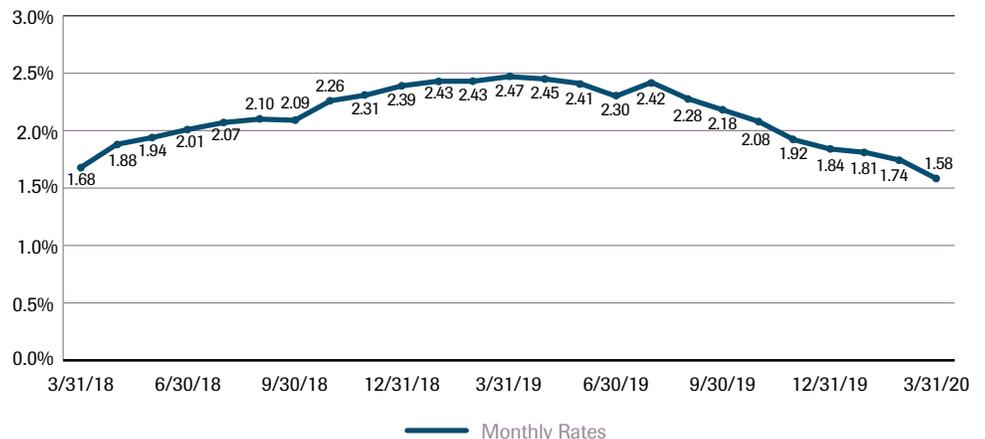
Visit the iPAS website here:

<https://lgip.sc.gov/iPAS/login.ipas>

Visit the LGIP website here:

<https://www.treasurer.sc.gov/what-we-do/for-governments/local-government-investment-pool>

LGIP MONTHLY RATE (%)



MEET THE TEAM...

Mike Addy is a Senior Portfolio Investment Analyst for the State Treasurer's Office. With over 25 years of institutional investment experience, he most recently worked for the SC Retirement System Investment Commission, where he managed the internal fixed income portfolios. He previously worked for the State Treasurer's Office in investments as well as with AgFirst Bank. Addy graduated from Newberry College with a degree in Finance in 1988.

CONTACT INFORMATION

For more information about the Local Government Investment Pool, please contact:

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If you have any questions about LGIP please email sto.lgip@sto.sc.gov

COMMENTARY

With devastating health and economic impact, the coronavirus outbreak dominated the markets in the first quarter.

Early in the reporting period, December and January data flowed in with positive reports on manufacturing, housing, employment and retail sales, and the Federal Reserve reaffirmed it would refrain from policy moves unless there were "material" changes. But it became clear that the Covid-19 pandemic would damage the global economy as it tragically spread. Policymakers first lowered the fed funds target range by 50 basis points to 1-1.25% and increased the amount of overnight and term lending.

But on March 15, the Fed went into overdrive, slashing rates to a range of 0-0.25% and lowering the discount rate by 150 basis points to 0.25%. The unprecedented flight-to-safety into U.S. Treasuries caused their yields to plummet, pushing those of the shortest bills below zero at times. The Fed also created several programs to increase liquidity and address coronavirus-related disruptions: the Money Market Mutual Fund Liquidity Facility (MMLF), Commercial Paper Funding Facility (CPFF) and Primary Dealer Credit Facility (PDCF). They also increased the size of the purchase programs for Treasury securities, exacerbating the supply-demand imbalance in that market. At quarter-end, it was too early to ascertain the full effect of these programs, but they did reduce strain on cash management operations.

Each broad sector responded differently to the crisis. Government portfolios received historic inflows, and the prime space faced security pricing hampered by wide spreads. But as the quarter came to a close, the Fed's facilities and other actions helped the short-term markets to settle down. And in anticipation of the federal government's increased issuance of Treasury bills to fund its fiscal stimulus package which began in earnest in the last days of the quarter, secondary market yields returned to positive territory. Also, spreads in commercial paper and similar instruments began to narrow. As a whole, with the help of the Fed, money markets met the challenge of the tremendous volatility with a constant provision of liquidity.

Treasuries ended the first quarter with 1-month at 0.04%, 3-month at 0.13%, 6-month at 0.16% and 12-month at 0.18%. The London InterBank Offered Rate (LIBOR) ended the quarter with 1-month at 0.99%, 3-month at 1.45%, 6-month at 1.18% and 12-month at 1.00%.

Portfolio composition is subject to change.

An investment in LGIP is not insured or guaranteed by any government or government agency.

For more complete information, see the investment policy and information statement available at treasurer.sc.gov.