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Quarterly update

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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

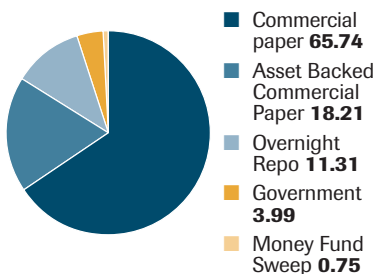
Greetings to you in the New Year! I hope that you enjoyed some well-deserved time off during the holidays. But as the old adage goes, "Money never sleeps," and our LGIP team continued its work to ensure your funds were wisely invested and provided these key benefits for you: a well-managed portfolio designed to preserve capital and reduce risk, a competitive yield that is responsive to market conditions, and easy online access to address your specific liquidity needs.

Courtney Hogue has been the LGIP account administrator for the Treasurer's Office for the last few years and has done an outstanding job assisting our participants. She was recently presented with an advancement opportunity at another state agency, and as such, Melona Lacomba has now assumed that role. Rest assured you will continue to receive excellent customer service for your LGIP accounts.

We are also proud to unveil our new [LGIP video](#). I encourage you to share this with your leadership as well as your peers who might not yet be investing in LGIP. We know that LGIP is a valuable resource for our local governments, school districts, special purpose districts and other political subdivisions. We hope you will share your positive experiences with other public finance professionals in your community.

LGIP AT A GLANCE

PORTFOLIO COMPOSITION (%) AS OF 12/31/20



DECEMBER 31, 2020

- Mkt Value: \$7,836,448,398
- LGIP Rate: 0.16%

LGIP PARTICIPANT BREAKDOWN

- 40 Counties
- 94 Municipalities
- 69 School Districts
- 58 Special Purpose Districts
- 12 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 DECEMBER 31, 2020

- Weighted Average Maturity: 46.18
- Weighted Average Life: 53.54

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

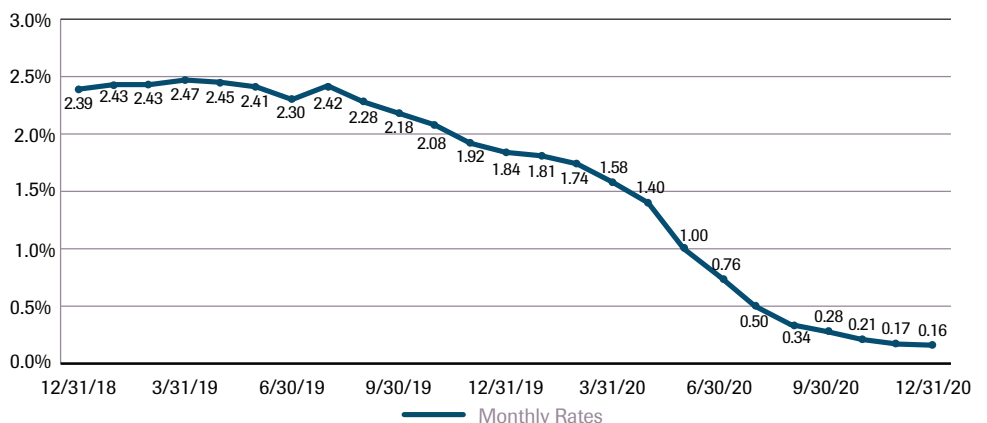
Visit the iPAS website here:

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

Visit the LGIP website here:

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

LGIP MONTHLY RATE (%)



NACHA COMPLIANCE UPDATE

The State Treasurer's Office wants to remind state agencies, local governments and other public institutions who originate ACH transactions about important NACHA rule changes going into effect soon. Please review the information provided on our website's Banking page to learn about the upcoming NACHA Rule changes and the relevant deadlines for implementation.

<https://treasurer.sc.gov/what-we-do/for-governments/banking/>

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

A volatile fourth quarter provided a fitting end to 2020. As the cooler weather sent more people inside, the long-dreaded second wave of Covid-19 arrived. Despite the spike of new infections, state and local governments did not mandate the same widespread shutdowns seen in March. A common strategy was to target certain types of businesses, such as entertainment venues and restaurants. These less stringent measures mitigated the economic damage of the resurgence, though they still muted improvement in some activity, including the progress made by the labor market. Many Americans remained unemployed as businesses slowed their pace of rehiring employees. Calls grew for Congress to deliver another round of fiscal stimulus, as many months had passed since the CARES Act in March. The Federal Reserve in particular, made clear that government action was needed to complement its aggressive monetary policy. These entreaties were not heeded in the first two months of the quarter, shelved by the politically charged atmosphere of the national election.

In its last Federal Open Market Committee (FOMC) meeting of the year, policymakers left the target range of the federal funds rate at 0-0.25%, and all FOMC participants projected it to remain in this range throughout 2021. They also announced that the Fed will continue the asset-purchase program at the current pace. In response to the Treasury Department's decision to let most of the emergency lending facilities expire at the end of the year, the Fed aggressively argued that these programs still were needed to support an economy struggling to recover.

As the reporting period came to a close, the U.S. FDA approved the use of two Covid-19 vaccines, bringing hope that the pandemic might soon end. The rollout began with health-care professionals and other frontline workers, with plans to expand to the greater population in the coming months. The wait for more fiscal support ended when Congress passed a \$900 billion relief bill, although the amount of payments to Americans remained under debate.

Treasury yields ended the quarter with 1-month at 0.05%, 3-month at 0.08%, 6-month at 0.09%, and 12-month at 0.11%. The London interbank offered rate (Libor) ended the quarter with 1-month at 0.14%, 3-month at 0.24%, 6-month at 0.26% and 12-month at 0.34%.

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.