The South Carolina Local Government Investment Pool (LGIP) is an important investment tool for counties, municipalities, school boards and other local government entities across our state. LGIP was responsible for investing over $7.4 billion in local public funds as of March 2019, and last year it posted its highest participant yield since 2008.

LGIP enables local government bodies to collectively invest in a single large pool of funds, allowing local political subdivisions to concentrate on what they do best – serving the people in their local communities – rather than worrying about financial markets, risk and diversification.

Among the benefits of LGIP: A participant can get its money out whenever it needs it, and it can put its money in whenever it wants. In addition, money can be left in the pool for days, months or even years, whichever course best fits your strategy.

Selecting investments that are suitable for local governments shouldn’t be a guessing game. LGIP possesses a hard-working, disciplined team of professionals and offers local governments enhanced opportunities to safely earn the highest yields on investments.

Portfolio Overview as of March 31, 2019
- LGIP’s Weighted Average Maturity: 51.26 Days
- Weighted Average Life: 56.65 Days
- Credit Rating is A+

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

LGIP At a Glance
Portfolio Composition (%)
As of 3/31/19
- Commercial paper 91.1
- Government 5.6
- Overnight Repo 3.3

March 31, 2019
- Mkt Value: $7,424,616,758
- LGIP Rate: 2.47%

LGIP Participant Breakdown
- 34 Counties
- 87 Municipalities
- 64 School Districts
- 54 Special Purpose Districts
- 9 Special Needs Boards
- 8 Councils of Government

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.

Quarterly Update May 2019
Administered by South Carolina State Treasurer’s Office

Curtis M. Loftis, Jr., Treasurer
MEET OUR TEAM

Melissa D. Simmons, CPA, CFP was promoted to Director of Banking and Investments for the agency in November 2018.

Simmons joined the State Treasurer’s Office staff in August 2016, as a Senior Assistant State Treasurer and Director of the Banking Division, which provides banking services and solutions for state agencies, colleges and universities. In her expanded role, she will also oversee the agency’s investment management of $18 billion in portfolios and cash, the Local Government Investment Pool, and various financial assets for the State.

Simmons was a financial advisor with Ameriprise Financial Advisors for eight years. Her experience includes portfolio analysis, investment planning, tax planning, insurance planning and estate planning. She has also served the State of South Carolina for 20 years in various auditing, management and financial roles at the State Auditor’s Office and at the Department of Health and Human Services.

A South Carolina native, Simmons is a 1989 graduate of the University of South Carolina with a bachelor’s degree in accounting. She is a Certified Public Accountant and Certified Financial Planner and has completed executive training with the Governor’s Excel Leadership Institute.

CONTACT INFORMATION

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

Commentary

In the first quarter of 2019, an economic slowdown, a government shutdown, drawn-out Chinese trade negotiations, a shift in Federal Reserve policy and other issues served to push the liquidity space from a period of rising rates to one marked by steady yields.

December’s Federal Open Market Committee (FOMC) sent the money markets a mixed message, as policymakers hiked the federal funds rate but lowered economic growth and rate projections. A sharp sell-off in the risk markets prompted Fed authorities to do an abrupt about-face, initially preaching “patience” about further rate increases in early January and then essentially taking a 2019 rate hike off the table in their March meeting projections. Policymakers also downgraded expectations for U.S. gross domestic product and inflation this year, and said they would bring an early end to their balance-sheet reduction program.

To be sure, the message was not dire. The Fed said it expected the economy to continue to grow, only not as fast as in 2018, and stated that its reliance on data means it is possible it may raise rates at least once more in this cycle if metrics improve. Although it would take strong, repeated communication to set up a hike in the next six months, Chair Jerome Powell has positioned the Fed to credibly act in either direction; it could feasibly dial back stimulus or push it forward.

On the economic front, the data vacillated but generally reflected moderating growth over the winter. The housing market entered 2019 still in a funk, but looked to be rebounding as the quarter ended. Consumer confidence tumbled early on the heels of poor holiday retail sales, but recovered to moderate levels. Leading economic indicators treaded water, and manufacturing and service readings were volatile but still expansionary. Lastly, the labor market remained robust, although data suggested that slack remained.

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.