**Treasurer's Message**

During this extraordinary time, we want to assure participants we remain committed to helping our local communities. We have and will continue to provide uninterrupted service for LGIP.

Compared to similar investment options, the South Carolina LGIP continues to be an attractive choice. If you are looking for a place to invest funds received from the CARES Act, I would highly encourage you to contact our team. We work closely with our investment partner to provide relative safety and attractive returns in times of uncertainty, while providing flexibility to facilitate liquidity needs.

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.

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**LGIP At a Glance**

**Portfolio Composition (%)**

AS OF 6/30/20

- Commercial paper **80.96**
- Government **9.54**
- Money Fund Sweep **9.50**

**June 30, 2020**

- Mkt Value: $8,427,799,890
- LGIP Rate: 0.76%

**LGIP Participant Breakdown**

- 39 Counties
- 93 Municipalities
- 65 School Districts
- 56 Special Purpose Districts
- 11 Disability and Special Needs
- 8 Council of Governments in 8 counties

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**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.

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**Portfolio Overview As of June 30, 2020**

- LGIP's Weighted Average Maturity: 57.81
- Weighted Average Life: 59.71

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](https://lgip.sc.gov/iPAS/login.ipas)


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**LGIP Monthly Rate (%)**

*Monthly Rates*
State Treasurer Curtis Loftis is reminding local governments, public agencies and commissions, and special purpose districts that they should check the state's Unclaimed Property database to see if they have funds that rightfully belong to them. Examples of unclaimed property include uncashed checks, missing vendor payments, insurance premium refunds and forgotten investments like certificates of deposit, to name a few. The Treasurer's Office acts as custodian of these funds until they are claimed by their rightful owners.

Simply visit Treasurer.sc.gov and click on the Unclaimed Property link to begin your search.

**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**

The shutdown of the U.S. in an effort to contain the Covid-19 pandemic began in March, but the parade of abysmal economic reports began in the second quarter. The labor market led the way in shocking fashion in April as nonfarm payrolls plunged by 20.5 million jobs, the unemployment rate soared to 14.7% and continuing jobless claims climbed over 20 million. No economic metric escaped the downturn, with data for manufacturing, the housing market, retail sales and many more falling off a cliff. The National Bureau of Economic Research made it official by declaring that the U.S. entered a full-fledged recession in February.

While the Federal Reserve stated that its emergency programs, such as the Money Market Mutual Fund Liquidity Facility (MMLF) and the Primary Dealer Credit Facility (PDCF), saved the liquidity markets from an even greater crisis, officials said they would not hesitate to add more stimulus and special purpose vehicles if needed. Policymakers kept the fed funds target range at 0-0.25% in the reporting period, but made clear they were not considering setting rates below zero. The Fed's increased purchases of government securities since the outbreak pushed its balance sheet to more than $7 trillion at quarter-end.

Asset flows in the liquidity space diversified in the quarter. The concentration in government funds was pared as flows into the municipal sector were net positive and assets poured back into prime offerings, especially institutional prime money market funds. The short end of the Treasury yield curve rose and the London interbank offered rate (Libor) fell.

As the quarter progressed, many states and cities began to open up, business brought back employees and new coronavirus infections dropped, giving hope to the possibility that the U.S. economy would recover quicker than expected. Among the areas with improving data were the labor market and retail sales. But this thesis was challenged at the end of the reporting period due to a resurgence of cases.

Treasuries ended the second quarter with 1-month at 0.13%, 3-month at 0.15%, 6-month at 0.18% and 12-month at 0.17%. Libor ended the quarter with 1-month at 0.16%, 3-month at 0.30%, 6-month at 0.37% and 12-month at 0.55%.