



# 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

As we continue to monitor the Federal Open Market Committee meetings for insights on monetary policy changes, we were pleased to see a small increase for Repo rates, which is a critical part of our pool investments.

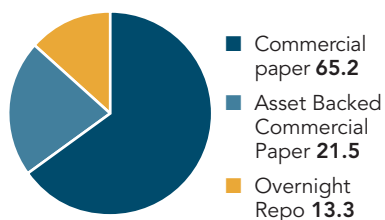
We also want to remind LGIP participants that as funds come in from the American Rescue Plan, putting those funds into LGIP may be a good choice as elected officials, council members and others who make the spending decisions firm up community needs and priorities. You have the benefits of skilled investors managing the portfolio along with the liquidity to pull funds when the time is right.

If you have questions about how to best use LGIP for these new funding sources, please contact our Investments staff to schedule a review of your questions and needs.

Thank you for allowing the State Treasurer's Office to assist your agency or community meet its financial goals.

### LGIP AT A GLANCE

#### PORTFOLIO COMPOSITION (%) AS OF 6/30/21



#### JUNE 30, 2021

- Mkt Value: \$8,496,497,004
- LGIP Rate: 0.09%

#### LGIP PARTICIPANT BREAKDOWN

- 40 Counties
- 94 Municipalities
- 69 School Districts
- 62 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 6/30/21

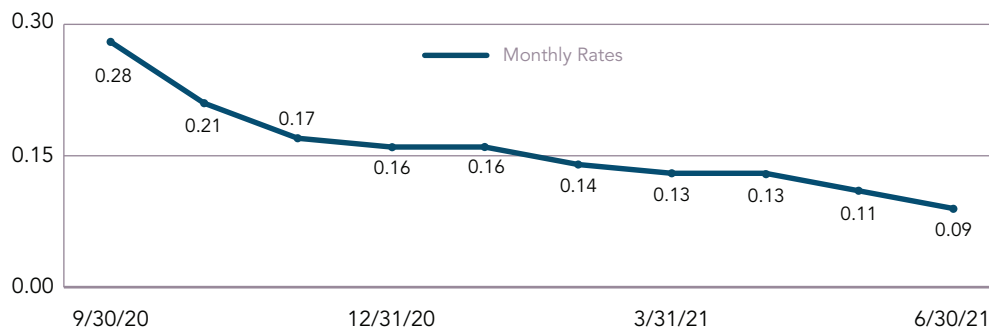
- Weighted Average Maturity: 50.0
- Weighted Average Life: 51.4

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 (%)



## 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 up-coming 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:

**Melona Lacomba**  
Accounting Manager  
(803) 734-4490  
[melona.lacomba@sto.sc.gov](mailto:melona.lacomba@sto.sc.gov)

**Mike Addy**  
Senior Portfolio Investments Analyst  
(803) 734-2620  
[mike.addy@sto.sc.gov](mailto:mike.addy@sto.sc.gov)

**Melissa Simmons**  
Director of Banking & Investments  
(803) 734-2662  
[melissa.simmons@sto.sc.gov](mailto:melissa.simmons@sto.sc.gov)

If you have any questions about LGIP please email [sto.lgip@sto.sc.gov](mailto:sto.lgip@sto.sc.gov)

## COMMENTARY

In the U.S., the second quarter of 2021 may be remembered as the inflection point in the long struggle against Covid-19.

After a slow rollout earlier in the year, the vaccination drive gained steam, with the majority of the U.S. adult population receiving at least one coronavirus vaccine dose by the end of the reporting period and approval granted for teenagers. With new cases of infection dropping in concert with vaccinations, most of the mandated restrictions that state and local governments implemented to stem the pandemic were lifted. With these re-openings, employers began to rehire workers and consumer demand returned. The labor market saw substantial improvement during the reporting period, with initial jobless and continuing jobless claims falling and non-farm payrolls growing. Bolstered by pent-up demand and high personal savings, consumers began to shop, eat out, travel, attend sporting events and other activities they had curtailed in previous quarters.

These factors continued to fuel market consternation that the robust nature of the recovery would lead to high inflation. While the Federal Reserve acknowledged the anxiety, policymakers largely dismissed concerns, calling the rise in prices "transitory." They maintained that the large-scale disinflationary factors in place before the pandemic—including aging demographics, accelerating globalization and increased automation—eventually would counter any emerging price pressures. They remained more concerned about avoiding economic malaise leading to deflation and reiterated their willingness to allow inflation to exceed their preferred 2% mark for "some time."

But policymakers softened that stance in the June Federal Open Market Committee meeting. While they kept the fed funds target range at 0-0.25% throughout the quarter, they indicated that they might raise rates earlier than previously thought. This was shown in the median fed funds projection in the so-called "dot plot," which put liftoff squarely in 2023, with two rate hikes by the end of that year. The broad money markets did receive some relief in the June meeting as Fed officials increased the rate on the Reverse Repo Facility and Interest on Excess Reserves by 5 basis points each, to 5 and 15 basis points, respectively.

At the end of the quarter, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 0.04%, 0.05%, 0.06% and 0.07%, respectively; the 1-, 3-, 6- and 12-month London interbank offered rates (Libor) were 0.1%, 0.15%, 0.16% and 0.25%, respectively.

---

*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 at [treasurer.sc.gov](https://treasurer.sc.gov).*