



Curtis M. Loftis, Jr., Treasurer

# SOUTH CAROLINA

## OFFICE OF THE STATE TREASURER

### Portfolio Performance Summary

As of 12/31/23

Account/ Benchmark	Market Value	Annualized Total Returns (Net)			
		1-Year	3-Years	5-Years	10-Years
<b>LGIP<sup>1</sup></b> 80% 90dTbill, 20% BBShort Gov	\$ 12,057,149,304.12	5.39 5.07	2.40 2.13	2.06 1.91	1.47 1.28
<b>Education Improvement Fund<sup>2</sup></b> Overnight Bank Funding Rate	\$ 534,137,395.37	5.22 5.05	2.30 2.29	1.90 1.86	1.30 1.28
<b>State General Fund<sup>3</sup></b> BBC Govt/Credit 1-3 Years	\$ 11,670,039,563.76	4.76 4.61	0.81 0.09	1.66 1.51	1.31 1.24
<b>State Investment Pool<sup>4</sup></b> BBC Govt/Credit 1-5 Years	\$ 12,610,865,920.00	5.15 4.89	-0.09 -0.62	1.61 1.54	1.37 1.27
<b>Insurance Reserve Fund<sup>5</sup></b> BBC Intermediate Govt/Credit	\$ 648,570,675.04	5.13 5.24	-1.43 -1.63	1.68 1.59	1.94 2.00
<b>Long-Term Pool<sup>6</sup></b> BBC Govt/Credit	\$ 295,941,503.92	5.74 5.72	-3.37 -3.53	1.32 1.41	1.94 1.86
<b>LTDI Trust Fund<sup>6</sup></b> BBC Govt/Credit	\$ 33,471,827.33	5.85 5.72	-3.39 -3.53	1.47 1.41	1.94 1.83
<b>SCRHI Trust Fund<sup>5</sup></b> BBC Intermediate Govt/Credit	\$ 1,634,341,733.94	5.17 5.24	-1.39 -1.63	1.71 1.59	2.00 1.99

#### Liquidity requirements and daily fluctuations in investable balances affect investment options.

The State Treasurer's Office currently manages approximately \$39.5 billion in U.S. fixed income securities. This amount's estimated range is between \$30 billion and \$40 billion depending upon the cyclical nature of cash flows for State agencies, local governments and political subdivisions and the revenues they receive. More than 1500 accounts are managed by the STO for the State agencies, local governments, and political subdivisions.

The South Carolina Office of the State Treasurer is responsible for the administration, management, and investment of the State's funds. The investment of State funds is managed through multiple investment portfolios to preserve the State's capital, while maintaining liquidity and obtaining the best relative rates of return.

The mission of the State Treasurer's Office is to safely and effectively manage the funds for the State's agencies, local governments, and political subdivisions. The office manages multiple U.S. fixed income portfolios and the Local Government Investment Pool, which invests in money market securities and US Government guaranteed backed instruments. The authority to invest State Funds is limited to the State Treasurer under S.C. Code of Laws § 11-13- 30.

It is important to recognize that investment decisions involve managing the State's daily fluctuating cash flows and anticipating future revenues and expenditures. STO Staff manages cash balances available to anticipate the future use of these funds. Also, earnings on investments provide one of the many sources of revenue for the State and Local Governments annually. Consequently, the soundness and success of an investment program is of primary importance to meet the State's funding needs.

# Disclosures & Index

***Liquidity requirements and daily fluctuations in investable balances affect investment options.***

***The SCSTO prepares this report in accordance with data supplied by the adviser and the custodian .***

Total return represents the change in value of an investment after reinvesting all income and capital gains. Annualized total return is the geometric average amount of money earned by an investment each year over a given time period. Stated benchmarks reflect a blending over time.

Past performance is no guarantee of future results.

## ***Index definitions:***

The following benchmarks are used as a relative performance measure for each of the SCSTO's portfolios; the benchmarks utilized reflect similar target composition/maturity ranges as the underlying portfolios.

<sup>1</sup> Index: Represents a customized blend of the 90-day T-Bill and Bloomberg Barclays Short-Term Government/Credit Indexes.

<sup>2</sup> Overnight Bank Funding Rate: Published by the Federal Reserve Bank of New York, this rate is calculated as a volume-weighted median of overnight federal funds transactions and certain Eurodollar transactions.

<sup>3</sup> Bloomberg Barclays US Govt/Credit 1-3 Year Bond Index: Includes all medium and larger issues of U.S. government, investment-grade corporate debt, and investment-grade international dollar-denominated bonds that have maturities of between 1-3 years.

<sup>4</sup> Bloomberg Barclays US Govt/Credit 1-5 Year Bond Index: Includes investment grade, U.S. dollar-denominated, fixed-rate Treasuries, government-related and corporate securities that have a remaining maturity of 1-5 years.

<sup>5</sup> Bloomberg Barclays Intermediate Govt/Credit Bond Index: Includes all intermediate government and investment-grade corporate debt securities with maturities of 1-10 years.

<sup>6</sup> Bloomberg Barclays Govt/Credit Bond Index: Includes all government and investment-grade corporate debt securities with maturities of at least one year.