



SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL

Curtis M. Loftis, Jr., Treasurer

Administered by South Carolina State Treasurer's Office

TREASURER'S MESSAGE



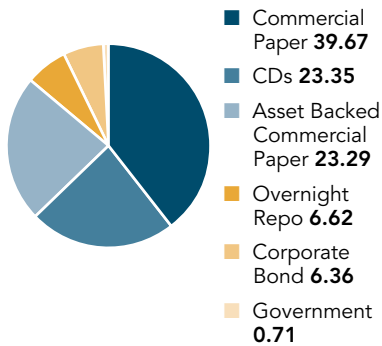
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Treasurer

The Federal Reserve trimmed interest rates by 25 basis points in September. As we enter a lowering and gradual easing rate environment in the marketplace, yields of cash management products, like Local Government Investment Pools (LGIPs), tend to have a lagging effect and offer a yield advantage when compared to bank deposit accounts and some securities in the direct market. This is because some of the holdings in LGIP products have locked in higher rates and many of these pool securities won't mature until a later time. In contrast, some securities in the direct market, especially overnight securities and those with floating rates, track the Fed movements immediately. In a Fed rate cut environment, we believe the South Carolina LGIP will provide pool participants with a more attractive rate than they may be able to obtain on their own.

We appreciate your trust and partnership as we continue to strive toward providing our pool participants with the highest standard of financial stewardship in an evolving market environment.

LGIP AT A GLANCE

PORTFOLIO COMPOSITION (%) AS OF 9/30/25



SEPTEMBER 30, 2025

- Pool Balance: \$14,471,313,441.37
- LGIP Rate: 4.40%

LGIP PARTICIPANT BREAKDOWN

- 41 Counties
- 122 Municipalities
- 83 School Districts
- 92 Special Purpose Districts
- 18 Disability and Special Needs
- 10 Council of Government

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 9/30/25

- Weighted Average Maturity: 66 Days
- Weighted Average Life: 97 Days
- iPAS allows participants to stay up to date on account information, including transactions.

Visit the iPAS website here:

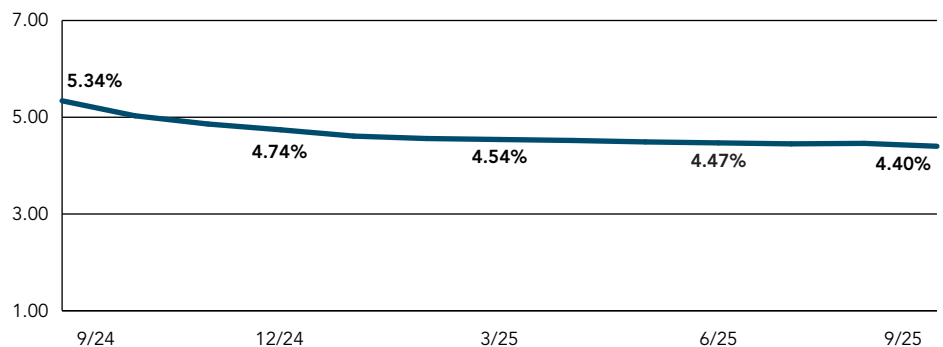
<https://lgip.sc.gov/iPAS/login.ipas>

Visit the LGIP website here:

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

LGIP MONTHLY RATE (%)

The high fed funds rate is holding the current plateau. The Pool continues to take advantage of these higher rates which is reflected in the monthly yield.



CYBER SECURITY

Email phishing is a common form of cyber-attack where scammers attempt to lure you into clicking links, providing sensitive information, opening an attachment, or undertaking an action on behalf of the attacker.

Common forms of phishing include:

- **Spear Phishing:** Targeted at specific individuals or organizations, with the attacker often using research to incorporate personalized details to make the scam more convincing.
- **Whaling:** Aimed at high-profile individuals such as senior executives.
- **Business Email Compromise (BEC):** When a legitimate business partner's email account becomes compromised, an attacker sends out emails from that account. While this may appear to be a trusted sender, these types of emails are difficult to block at our email gateway and often hard to detect by the recipient.

Watch for the red flags:

- **Suspicious sender:** Often, phishing emails come from addresses that mimic legitimate ones but with slight variations in spelling or characters.
- **Urgent language:** Phishing emails try to create a sense of urgency, claiming your account will be locked or payments are overdue.
- **Unusual requests or requests for sensitive information:** Emails will ask you to perform actions that are not routine, and often ask for sensitive information such as passwords, credit card details, or Social Security numbers.
- **Poor formatting, spelling and grammar:** Many phishing messages contain simple or poor formatting and spelling and grammar mistakes.

Stay vigilant and protect your financial security.

COMMENTARY

It is said that the financial markets hate uncertainty; by the end of the third quarter, they appeared resigned to it. The reporting period opened with concern about the potential impact of tariffs, the apparent weakening of the US labor market and the likelihood that the central bank would resume its rate-cutting cycle.

Partly because many of the proposed tariffs were delayed for negotiations and partly because companies refrained from passing the increasing costs onto consumers, inflation did not rise as some economists had predicted. It didn't fall, either, staying in a range that, while far below the 40-year highs of 2022, remained above the Fed's 2% target. Despite this, the Fed indicated that it had pivoted to focus on employment. The Bureau of Labor Statistics' (BLS) premier measure, the monthly nonfarm payrolls report, showed that the US added only 73,000 jobs in July and 22,000 in August. Then, in September, the BLS reported it had overstated employment over the last 12 months by nearly 1 million jobs. Fed Chair Powell said the softening in the labor market, attributable to mass deportations and a slowing economy, was a major factor in the Federal Open Market Committee's (FOMC) decision to lower rates by a quarter-point in its September meeting. But he acknowledged that inflation continues to be a problem, characterizing the rate cut as "risk management."

The FOMC's new Summary of Economic Projections indicated the likelihood that it would issue two additional quarter-point hikes by year-end. But when the federal government shut down as the quarter ended, the BLS said it might not be able to release the September jobs report. Without that data, the expected rate cut in October became less certain.

At quarter-end, yields on 1-, 3-, 6- and 12-month US Treasuries were 4.11%, 3.94%, 3.84% and 3.68%, respectively.

CONTACT INFORMATION

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

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.