



SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL

Curtis M. Loftis, Jr., Treasurer

Administered by South Carolina State Treasurer's Office

TREASURER'S MESSAGE



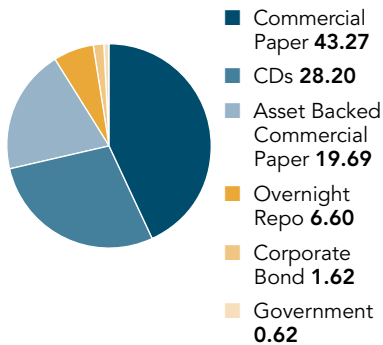
Curtis M. Loftis, Jr.
Treasurer

In times of market volatility, Local Government Investment Pools have consistently proven to be a reliable option for public entities, offering stability and a dependable source of income. Our commitment to the three pillars of safety, daily liquidity, and competitive yields remains unwavering. These principles have guided our investment strategy and will continue to do so, ensuring that your investments are well-protected regardless of current market conditions as our strategy is built to withstand broader market fluctuations. Our long-term approach is designed to navigate varying economic challenges and deliver consistent results.

Thank you for trusting us with your investments.

LGIP AT A GLANCE

PORTFOLIO COMPOSITION (%) AS OF 3/31/25



MARCH 31, 2025

- Pool Balance: \$16,384,918,130.67
- LGIP Rate: 4.54%

LGIP PARTICIPANT BREAKDOWN

- 40 Counties
- 119 Municipalities
- 81 School Districts
- 86 Special Purpose Districts
- 17 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 3/31/25

- Weighted Average Maturity: 62 Days
- Weighted Average Life: 81 Days
- iPAS allows participants to stay up to date on account information, including transactions.

Visit the iPAS website here:

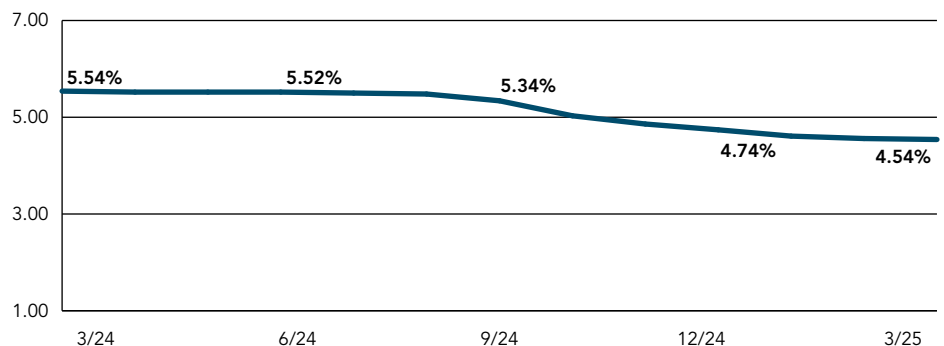
<https://lgip.sc.gov/iPAS/login.ipas>

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.



LOOKING FOR MERCHANT CARD SERVICES?

Are you aware that local governments in South Carolina have the option to participate in the State Treasurer's merchant card contract with First Data Merchant Services, LLC? Participating in the State Treasurer's merchant card contract may help you lower your processing fees plus save you time and resources in procuring a merchant card provider.

For more information, please reach out to Rick Morrison at First Data Merchant Services, LLC at 614-736-1247 or rick.morrison@fiserv.com. You can also access the State Treasurer's merchant card contract, called the Payment Solutions Agreement, on the [Treasurer's website](#).

COMMENTARY

The growth of liquidity products since the Federal Reserve first hiked rates in 2022 has been something to behold, and that trend continued in the first quarter. Total US money market assets under management (AUM) topped \$7 trillion for the first time in March and those of global money funds have also reached record highs, according to the Investment Company Institute. One popular reason for the increase is investors are placing cash in liquidity products to weather the storm in the equity market and the uncertainty created by the Trump administration. But that theory is belied by the nature of the inflows, which we see as growing at a rate consistent with the migration to money funds seen over the last several quarters. We can't pinpoint from where those assets came. But the steady nature of the inflows supports the hypothesis that people are fed up with low interest rates of other products rather than hiding from the stock market correction.

Fed Chair Powell resurrected the term "transitory" at the March policy-setting meeting. We thought that radioactive word was long buried after he repeatedly used it to describe pandemic-related inflation in 2021. His point was that the potential impacts of Trump's whipsaw approach to tariffs might be inflationary in the short term but not in the long term, as they might lead to better productivity. We and some of his colleagues are not so sure. During the quarter, the Fed kept rates in a target range of 4.25-4.5% but projected that easing won't return until the second half of this year. It reduced the monthly pace of quantitative easing from \$25 billion to \$5 billion, while keeping the number of mortgage-backed securities rolling off the Fed balance sheet at \$35 billion. Powell was right about one point: policymakers' decisions were based on data that didn't reflect the tariff turmoil. That impact will be messy, and he emphasized they do not alter policy due to "what-ifs."

At the end of the month, yields on 1-, 3-, 6- and 12-month US Treasuries were 4.30%, 4.30%, 4.23% and 4.03%, 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.