



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

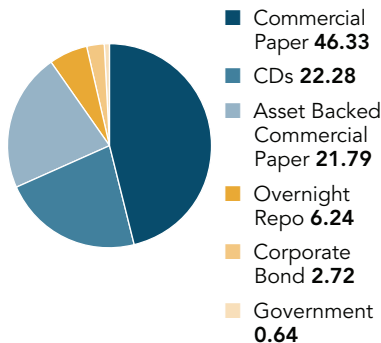
The South Carolina Local Government Investment Pool continues to stand out as a dependable solution for public entities seeking stability and consistent income. Total earnings returned to participants for fiscal year 2025 reached an impressive \$723 million, which demonstrates the expertise of our portfolio management team. Our guiding principles of safety, daily liquidity, and competitive yield remain at the heart of our investment approach. These values have long shaped our approach and will continue to do so, ensuring your investments are safeguarded against market volatility through a resilient and well-structured framework.

Thank you for trusting us with your investments.

LGIP AT A GLANCE

PORTFOLIO COMPOSITION (%)

AS OF 6/30/25



JUNE 30, 2025

- Pool Balance: \$15,896,161,656.53
- LGIP Rate: 4.47%

LGIP PARTICIPANT BREAKDOWN

- 40 Counties
- 119 Municipalities
- 83 School Districts
- 90 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 6/30/25

- Weighted Average Maturity: 75 Days
- Weighted Average Life: 91 Days
- iPAS allows participants to stay up to date on account information, including transactions.

Visit the iPAS website here:

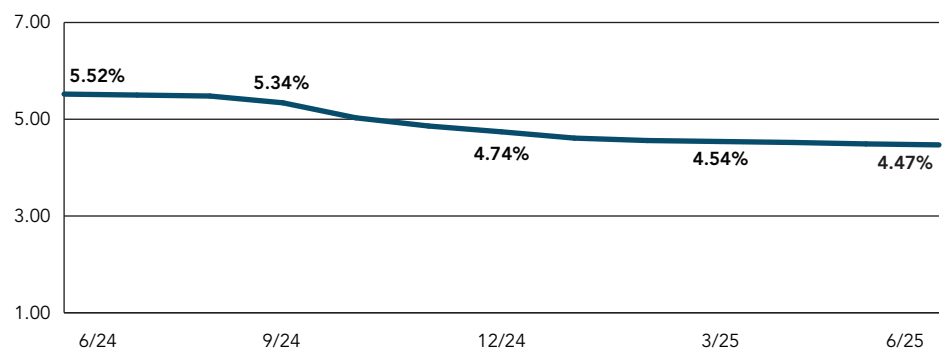
<https://lgip.sc.gov/iPAS/login.ipas>

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.



PICKENS COUNTY TREASURER DALE LOOPER



Treasurer Loftis visited with Treasurer Looper last month where he spoke very highly of the LGIP Team at the State Treasurer's Office.

"The LGIP staff have always been very helpful when we've needed any assistance"
- Treasurer Looper

COMMENTARY

Monetary policy, it is often said, operates with "Long and Variable Lags." In the second quarter, it could be said to have long legs, too, as the Federal Reserve essentially stepped over the last three months. Policymakers neither changed the fed funds target range of 4.25-4.5% nor substantially altered their take on the economy, inflation, employment and interest rates. The Federal Open Market Committee (FOMC) statement in June maintained the tone set in March, namely emphasizing uncertainty and advocating a "wait-and-see" approach. At 3.9%, its Summary of Economic Projections indicated the same median fed funds rate for year-end 2025 as it did in March. That implies that FOMC officials still expect to lower interest rates twice by 25 basis points before the end of the year, with the first likely coming in their September meeting not in July, and the second arriving in December.

The reason for the similarity of the two time periods is that few uncertainties of the first quarter were resolved in the second, prominently tariffs, fiscal policy, geopolitics, criticism, debt ceiling, and inflation/employment: President Trump's announcement of multiple tariffs on April 2 rattled markets, but he had already imposed levies on Canada and Mexico; lawmakers' plodding work on a new tax code, begun in the opening months of the year, remained unfinished; Israel and the US attacked Iran, but that was an expansion of the continuing conflict in the Middle East; Trump continued to lambast Fed Chair Powell for not lowering rates; Congress did not move to raise the US debt limit; and lastly, inflation and the labor market did not materially change.

For investors, another constant was the popularity and role of money market funds. Appetite remained for their stated goals of providing liquidity, stability, diversification and an attractive relative yield. Industry-wide, flows were largely positive.

At quarter-end, yields on 1-, 3-, 6- and 12-month US Treasuries were 4.28%, 4.33%, 4.26% and 3.98%, 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.