

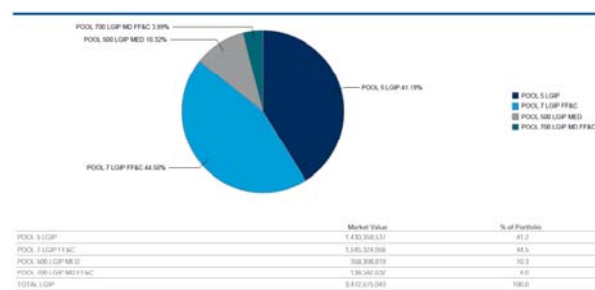
WHAT IS LGIP?

LGIP stands for Local Government Investment Pools. The Pools were established in the Arizona Constitution under **A.R.S. §35-326** (<https://www.azleg.gov/ars/35/00326.htm>) and the activity and performance of the pools are reviewed monthly by the State Board of Investment in accordance with **A.R.S. §35-311** (<https://www.azleg.gov/ars/35/00311.htm>).

Local Governments may also deposit money with the Treasurer for investment. These funds are invested in the Local Government Investment **Pools (/local-govt/)**. These deposits are voluntary, but provide many benefits to local governments. The Treasurer's office pools LGIP investments with other funds to provide greater liquidity and greater yield than possible on their own, and the Treasurer's Office provides this service at a much lower cost than other options.

LGIP ASSET ALLOCATION AND STRATEGY

UPDATED: June 30, 2019



The Arizona State Treasurer's Office operates four Local Government Investment Pools, which are voluntary investment vehicles operated by the Investment Management Division. More than 150 local governments have participated since the first LGIP began in 1980 to provide safe, liquid, and competitive yields for local government entities.

LGIP Pool 5 is similar to a short term money market fund and invests in government securities, certificates of deposit, commercial paper of companies, and other highly liquid and low-risk securities.

The second pool, the LGIP-GOV Pool 7, began in 1995 is established under the same administrative rules as the LGIP except that pool investments are limited to those securities that carry the full faith and credit of the United States government.

The LGIP lets local governments use the State Treasurer's resources to safely invest their funds while enjoying the economies of scale available from a \$3.47 Billion pooled fund investment portfolio.

The office also offers medium-term LGIP Pools with floating Net Asset Values for those clients with a longer term investment horizon than the money-market type Pools 5 and 7. These two medium-term funds, Pools 500 and 700 invested in similar securities as in Pools 5 and 7, but with longer maturities.

LGIP offers 100% liquidity to its participants

LGIP's investment objectives are:

- Safety of principal
- Maintaining adequate liquidity to meet cash flows

- Providing a competitive interest rate relative to other comparable investment alternatives

Local governments that are eligible to join are: cities and towns, counties, special taxing districts, municipal corporations, community and technical colleges, and four-year universities. Today LGIP Participants include:

- 82 Cities & Towns
- 48 Special Taxing Districts
- 11 Counties
- 7 Community Colleges & Universities
- 5 State Agencies
- State Operating Fund

LGIP PERFORMANCE [What is LGIP? \(/what-is-lgip/\)](#)

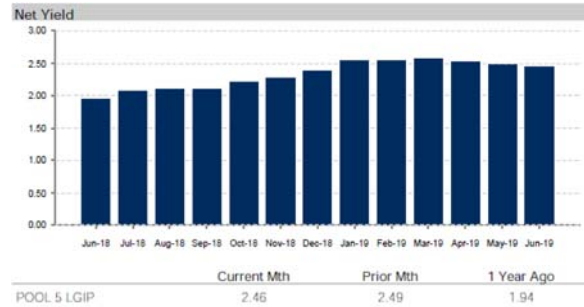
UPDATED: June 30, 2019

Any public entity in the state may participate in the LGIP program. It is structured to provide participants safety of principal, daily liquidity followed by investment income — in that order.

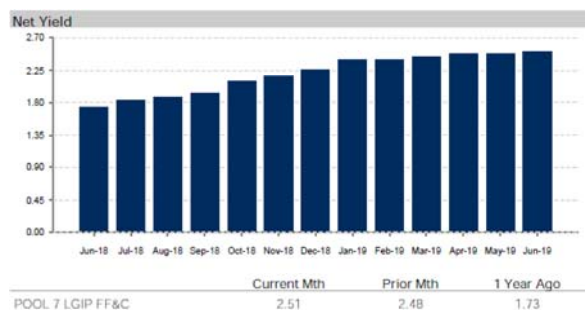
Monthly LGIP performance is reviewed by the Board of Investment. Detailed reports can be viewed .

Pool 5

Pool 5 is a diversified short-term fund similar to a prime money market fund. As of June 30, 2019, this pool had \$1.43 Billion in assets with a Net Asset Value of \$1.00. The fund continues to maintain the highest rating from S&P (AAA f/S1+).

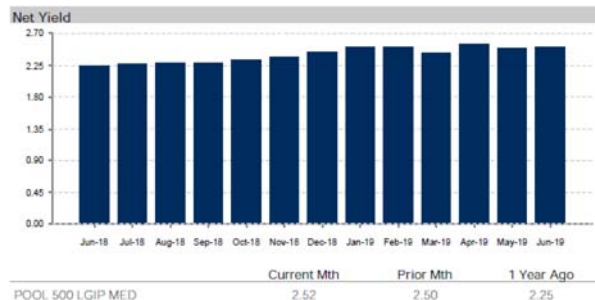
**Pool 7**

Pool 7 is a short-term fund that invests in only products backed by the full faith and credit of the United States Government. As of June 30, 2019, this pool had \$1.55 Billion in assets with a Net Asset Value of \$1.00. Because Pool 7 invests in securities backed by the U.S. Government, it has an AAA weighted average rating.



Pool 500

Pool 500 is a medium-term fund. As of June 30, 2019, this pool had \$358.3 Million in assets and a Floating Net Asset Value of \$1.0329. The weighted average rating of all the securities in this pool is AA-3.



Pool 700

Pool 700 is a full faith and credit medium-term fund. As of June 30, 2019, this pool had \$138.6 Million in assets with a Floating Net Asset Value of \$1.0102. Because Pool 700 invests in securities backed by the U.S. Government, it has an AAA weighted average rating.





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POOL 5 LGIP
HISTORICAL MONTHLY YIELDS

<u>DATE</u>	<u>% YIELD</u>	<u>DATE</u>	<u>% YIELD</u>
FY 2019-20			
JULY 2019	2.43	JANUARY 2020	
AUGUST 2019	2.30	FEBRUARY 2020	
SEPTEMBER 2019		MARCH 2020	
OCTOBER 2019		APRIL 2020	
NOVEMBER 2019		MAY 2020	
DECEMBER 2019		JUNE 2020	
FY 2018-19			
JULY 2018	2.07	JANUARY 2019	2.54
AUGUST 2018	2.09	FEBRUARY 2019	2.55
SEPTEMBER 2018	2.10	MARCH 2019	2.58
OCTOBER 2018	2.20	APRIL 2019	2.53
NOVEMBER 2018	2.26	MAY 2019	2.49
DECEMBER 2018	2.38	JUNE 2019	2.46
FY 2017-18			
JULY 2017	1.01	JANUARY 2018	1.42
AUGUST 2017	1.10	FEBRUARY 2018	1.43
SEPTEMBER 2017	1.07	MARCH 2018	1.61
OCTOBER 2017	1.09	APRIL 2018	1.75
NOVEMBER 2017	1.10	MAY 2018	1.86
DECEMBER 2017	1.24	JUNE 2018	1.94



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POOL 7 LGIP - US GOV
HISTORICAL MONTHLY YIELDS

<u>DATE</u>	<u>% YIELD</u>	<u>DATE</u>	<u>% YIELD</u>
FY 2019-20			
JULY 2019	2.34	JANUARY 2020	
AUGUST 2019	2.17	FEBRUARY 2020	
SEPTEMBER 2019		MARCH 2020	
OCTOBER 2019		APRIL 2020	
NOVEMBER 2019		MAY 2020	
DECEMBER 2019		JUNE 2020	
FY 2018-19			
JULY 2018	1.83	JANUARY 2019	2.40
AUGUST 2018	1.87	FEBRUARY 2019	2.40
SEPTEMBER 2018	1.93	MARCH 2019	2.45
OCTOBER 2018	2.10	APRIL 2019	2.49
NOVEMBER 2018	2.17	MAY 2019	2.48
DECEMBER 2018	2.27	JUNE 2019	2.51
FY 2017-18			
JULY 2017	0.89	JANUARY 2018	1.27
AUGUST 2017	0.89	FEBRUARY 2018	1.35
SEPTEMBER 2017	0.96	MARCH 2018	1.42
OCTOBER 2017	1.00	APRIL 2018	1.54
NOVEMBER 2017	1.07	MAY 2018	1.66
DECEMBER 2017	1.13	JUNE 2018	1.73



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POOL 500 LGIP - LONG-TERM
HISTORICAL MONTHLY YIELDS

<u>DATE</u>	<u>% YIELD</u>	<u>DATE</u>	<u>% YIELD</u>
FY 2019-20			
JULY 2019	2.48	JANUARY 2020	
AUGUST 2019	2.47	FEBRUARY 2020	
SEPTEMBER 2019		MARCH 2020	
OCTOBER 2019		APRIL 2020	
NOVEMBER 2019		MAY 2020	
DECEMBER 2019		JUNE 2020	
FY 2018-19			
JULY 2018	2.28	JANUARY 2019	2.51
AUGUST 2018	2.29	FEBRUARY 2019	2.51
SEPTEMBER 2018	2.29	MARCH 2019	2.43
OCTOBER 2018	2.34	APRIL 2019	2.23
NOVEMBER 2018	2.38	MAY 2019	2.50
DECEMBER 2018	2.45	JUNE 2019	2.52
FY 2017-18			
JULY 2017	1.64	JANUARY 2018	1.80
AUGUST 2017	1.31	FEBRUARY 2018	1.93
SEPTEMBER 2017	1.75	MARCH 2018	2.03
OCTOBER 2017	1.67	APRIL 2018	2.11
NOVEMBER 2017	1.73	MAY 2018	2.18
DECEMBER 2017	1.74	JUNE 2018	2.25



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POOL 700 LGIP - L-T US GOV FULL FAITH & CREDIT HISTORICAL MONTHLY YIELDS

<u>DATE</u>	<u>% YIELD</u>	<u>DATE</u>	<u>% YIELD</u>
FY 2019-20			
JULY 2019	2.17	JANUARY 2020	
AUGUST 2019	2.20	FEBRUARY 2020	
SEPTEMBER 2019		MARCH 2020	
OCTOBER 2019		APRIL 2020	
NOVEMBER 2019		MAY 2020	
DECEMBER 2019		JUNE 2020	
FY 2018-19			
JULY 2018	1.71	JANUARY 2019	2.21
AUGUST 2018	1.98	FEBRUARY 2019	2.31
SEPTEMBER 2018	1.89	MARCH 2019	2.00
OCTOBER 2018	2.05	APRIL 2019	2.67
NOVEMBER 2018	2.21	MAY 2019	2.15
DECEMBER 2018	2.60	JUNE 2019	2.21
FY 2017-18			
JULY 2017	1.31	JANUARY 2018	1.59
AUGUST 2017	1.82	FEBRUARY 2018	1.69
SEPTEMBER 2017	1.99	MARCH 2018	1.64
OCTOBER 2017	1.28	APRIL 2018	1.90
NOVEMBER 2017	1.40	MAY 2018	1.88
DECEMBER 2017	1.78	JUNE 2018	1.88