



Arizona Treasurer's Report

Hon. Eileen I. Klein

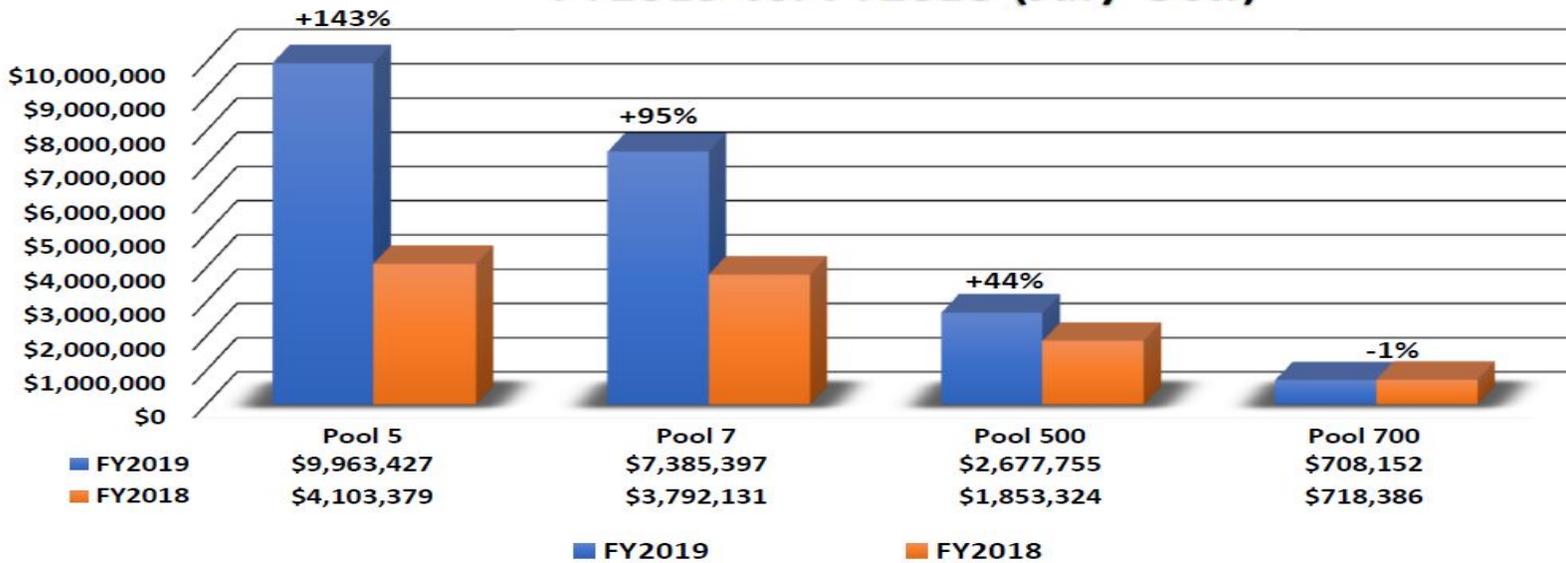
LGIP Edition

October 2018



We are excited to share October's investment results with our LGIP participants. The chart below compares earnings distributions for the four months of FY 2019 (July-October) compared to this time last year.

LGIP Earnings Distributions FY2019 vs. FY2018 (July-Oct.)



Pool 5 YTD earnings distributions more than doubled over last year while Pools 7 and 500 also saw significant earnings increases.

“While our LGIP portfolio managers pay close attention to equity markets, the October volatility in stocks had no impact on our LGIP short-term, fixed-income Pools as we achieved another outstanding month of earnings.

-Arizona Treasurer Klein

LGIP OCTOBER DISTRIBUTIONS

- Pool 5 \$2,687,151
- Pool 7 \$1,881,199
- Pool 500 \$689,077
- Pool 700 \$183,912

WHAT IS LGIP?

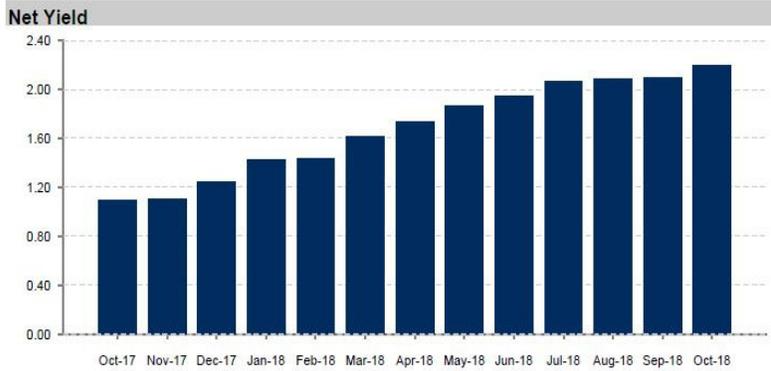
The Office of the State Treasurer Arizona operates four Local Government Investment Pools which are voluntary, fixed-income investment vehicles managed by Treasury staff. More than 150 cities, towns, counties, and other government entities have participated since the first LGIP pool began in 1980.

BENEFITS OF LGIP

- Pooled investments with other participants creating economies of scale
- Very low costs
- Safety with competitive yields
- 100% liquidity

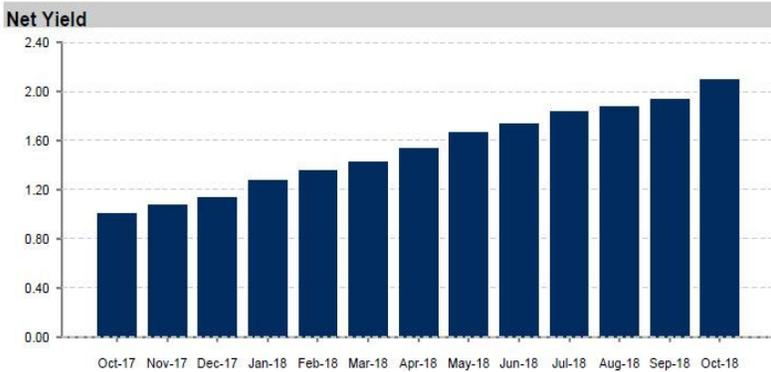
The Arizona Treasurer is responsible for the banking and investment management duties for the state, provides investment services to local governments, and manages the Land Endowment Trust Fund which primarily benefits public schools. Investment policy is set by the State Board of Investment (BOI) which meets monthly to review all Treasury investment activities. Visit aztreasury.gov for complete BOI reports.

OCTOBER 2018 LGIP PERFORMANCE RESULTS



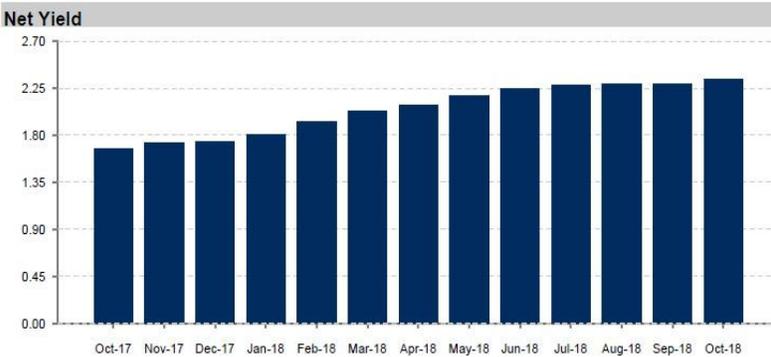
	Current Mth	Prior Mth	1 Year Ago
POOL 5 LGIP	2.20	2.10	1.09

Pool 5 is a diversified short-term fund similar to a prime money market fund. It invests in government securities, certificates of deposit, commercial paper of companies, and other highly liquid, low-risk securities. As of October 31, 2018, Pool 5 had \$1.70 Billion in assets with a Net Asset Value of \$1.00. The fund continues to maintain the highest rating from S&P (AAAF/S1+).



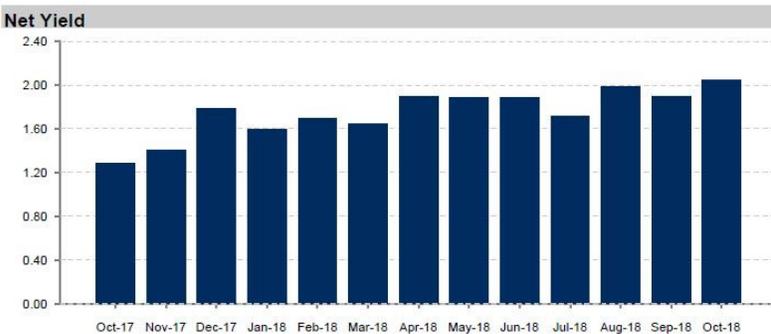
	Current Mth	Prior Mth	1 Year Ago
POOL 7 LGIP FF&C	2.10	1.93	1.00

Pool 7 is a short-term fund that invests only in securities backed by the full faith and credit of the United States Government and therefore has an AAA weighted average rating (Moody's). As of October 31, 2018, Pool 7 had \$1.12 Billion in assets with a Net Asset Value of \$1.00.



	Current Mth	Prior Mth	1 Year Ago
POOL 500 LGIP MED	2.34	2.29	1.67

Pool 500 is a medium-term fund investing in similar securities as Pool 5 but with longer maturities and a floating NAV for those participants with a longer-term investment horizon than Pool 5. As of October 31, 2018, Pool 500 had \$346.8 Million in assets and a floating Net Asset Value of \$1.0188. The weighted average rating (Moody's) of all securities is AA-3.



	Current Mth	Prior Mth	1 Year Ago
POOL 700 LGIP MD FF&C	2.05	1.89	1.28

Pool 700 is a full faith & credit, medium-term fund investing in similar securities as Pool 7 but with longer maturities and a floating NAV for those participants with a longer-term investment horizon than Pool 7. As of October 31, 2018, Pool 700 had \$135.5 Million in assets with a floating Net Asset Value of \$0.9890. The weighted average rating (Moody's) for all securities is AAA.