



Arizona Treasurer's Report

State Treasurer Eileen I. Klein

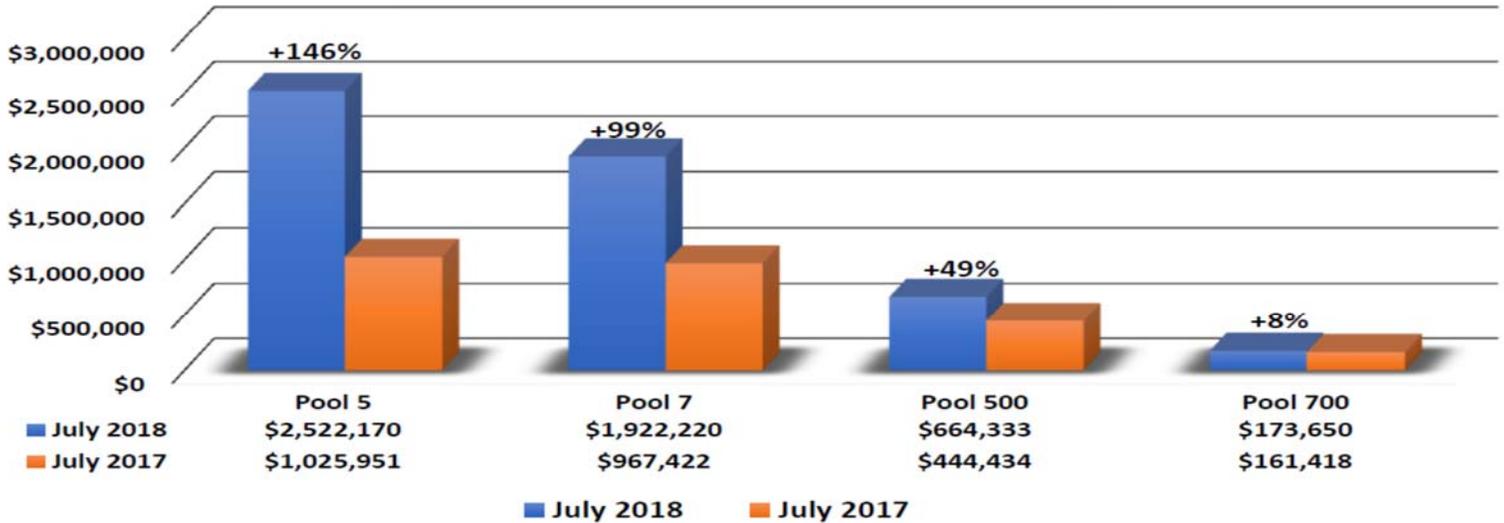
July 2018 Monthly Report

LGIP Edition



Our first month of fiscal year 2019 is in the books! We are excited to share this month's investment results with our LGIP participants. The chart below compares July 2018 earnings distributions to July 2017.

LGIP Earnings Distributions July 2018 vs. July 2017



Pool 5 more than doubled its earnings distributions over July 2017, while earnings in Pool 7 nearly doubled over the same time frame.

“Interest rates remained strong in July and we expect stronger results if the Fed raises rates in September as expected. Going forward, the Treasury will continue putting safety first as we look for opportunities in a rising interest rate environment.”

-Arizona Treasurer Klein

LGIP JULY DISTRIBUTIONS

- Pool 5 \$2,522,170
- Pool 7 \$1,922,220
- Pool 500 \$664,333
- Pool 700 \$173,650

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 economy of scale
- Significantly lower costs
- 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.

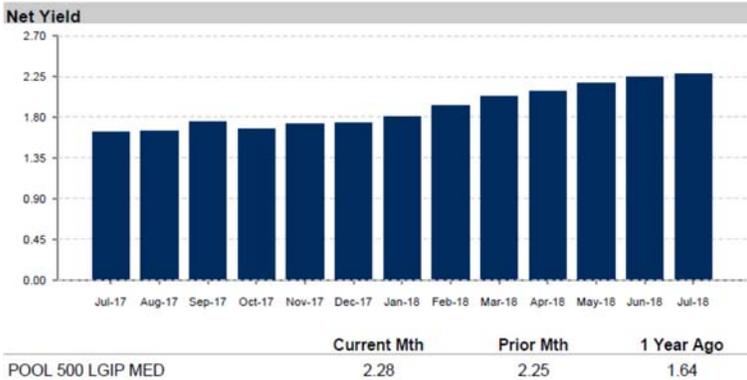
JULY 2018 LGIP PERFORMANCE RESULTS



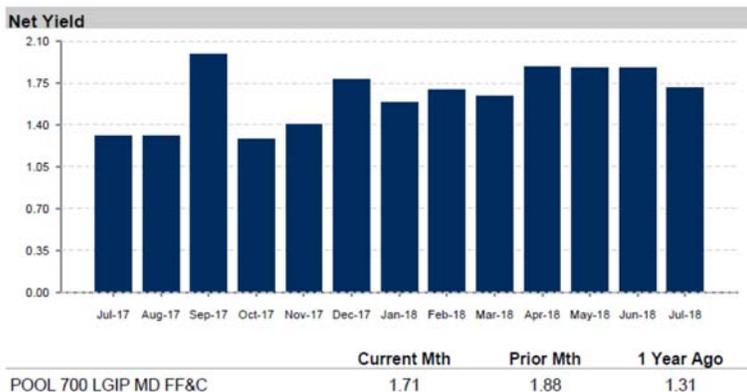
Pool 5 is a diversified short-term fund similar to a prime money market fund. It invests in government securities, certificates of deposit, commercial paper of companies, and other highly liquid, low-risk securities. As of July 31, 2018, Pool 5 had \$1.421 Billion in assets with a Net Asset Value of \$1.00. The fund continues to maintain the highest rating from S&P (AAAF/S1+).



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 July 31, 2018, Pool 7 had \$1.292 Billion in assets with a Net Asset Value of \$1.00.



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 July 31, 2018, Pool 500 had \$343.6 Million in assets and a floating Net Asset Value of \$1.0209. The weighted average rating (Moody's) of all securities is AA-3.



Pool 700 is a full faith and 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 July 31, 2018, Pool 700 had \$118 Million in assets with a floating Net Asset Value of \$0.9935. The weighted average rating (Moody's) for all securities is AAA.