

# LGIP

LOCAL GOVERNMENT INVESTMENT POOL

INVESTMENT CIRCULAR

June 30, 2009



Commonwealth of Virginia  
Department of the Treasury

Manju Ganeriwala  
State Treasurer

**COMMONWEALTH OF VIRGINIA**  
**LOCAL GOVERNMENT INVESTMENT POOL**  
**“INVESTMENT CIRCULAR”**

**Manju Ganeriwala**  
**State Treasurer**

**ADVISORY BOARD**  
**Treasury Board**  
**Commonwealth of Virginia**

**CUSTODIAN & SERVICING**  
**JPMorgan Chase Bank**

**INDEPENDENT AUDITORS**  
**Auditor of Public Accounts**  
**Commonwealth of Virginia**

# TABLE OF CONTENTS

I.	Overview	
	Purpose.....	4
	Statutory Authority .....	4
	Policy Statement .....	4
	Yield Information.....	5
	Net Asset Value .....	5
	Valuation.....	5
	Advantages.....	6
	Performance .....	6
II.	Investment Policy and Guidelines	
	Investment Policy .....	8
	Investment Objectives.....	8
	Authorized Investments and Credit Quality .....	8
	Prohibited Investments or Actions.....	9
	Diversification .....	10
	Maturity Limitations .....	10
	Amortized Cost vs Market-Based Valuation .....	10
	Securities Lending .....	10
	Reporting .....	11
III.	Management and Compliance	
	Investment Management.....	12
	Maintenance of Constant Share Price.....	12
	Management Fees .....	12
	Safekeeping Policies .....	12
	Audit and Compliance .....	13
IV.	Participant Information	
	Opening an Account .....	14
	How to Invest in the LGIP .....	14
	How to Redeem a LGIP Investment .....	15
	Transaction Size.....	15
	Change of Authorization.....	16
	Closing an Account.....	16
	Dividends and Distributions .....	16
	Monthly Statements .....	16
	Communication with Participants.....	17
V.	Investment Personnel .....	18
VI.	Directory .....	19
VII.	Sample LGIP Statement.....	20
VIII.	LGIP Application.....	23

# OVERVIEW

## **PURPOSE**

The Local Government Investment Pool (LGIP) offers public entities of the Commonwealth of Virginia the opportunity to participate in a professionally managed, 'AAAm' rated by Standard and Poor's, diversified portfolio structured to meet the unique requirements of Virginia's "Investment of Public Funds" statutes. Within the framework of the Virginia statutes, the LGIP is structured to provide public entities an investment alternative that minimizes the risk of principal loss, while offering daily liquidity and a competitive rate of return. Through the LGIP, public finance officials can share in the benefits and advantages of large-scale institutional investment management provided by the Investment Division of the State Treasurer's office.

## **STATUTORY AUTHORITY**

The 1980 session of the Virginia General Assembly enacted the "Local Government Investment Pool Act", Sections 2.2-4600 through 2.2-4606 of the *Code of Virginia*, authorizing the Treasury Board to administer the LGIP for the benefit of public entities of the Commonwealth. As permitted by law, the Treasury Board has delegated the administrative aspects of managing the LGIP to the State Treasurer.

## **POLICY STATEMENT**

It is the policy of the LGIP management, pursuant to Treasury Board guidelines, to invest the LGIP assets in a manner which will seek the highest investment return consistent with the maximum preservation of principal; to manage the LGIP portfolio to meet the daily liquidity needs of participants; to ensure compliance with all Virginia statutes governing the investment of public funds; and to administer the LGIP in a manner which enables localities to comply with generally accepted accounting principles and the Governmental Accounting Standards Board's (GASB) reporting requirements. LGIP shares are offered exclusively and continuously to public entities of the Commonwealth.

The Treasury Board is committed to managing the LGIP in accordance with certain risk limiting provisions to maintain a stable net asset value (NAV) at \$1.00 per share. Although the LGIP cannot guarantee a \$1.00 share price, this goal is facilitated as follows:

1. The LGIP is rated 'AAAm' by Standard and Poor's and managed in a manner to comply with their 'AAAm' rating requirements.
2. The LGIP is managed in accordance with the "2a-7 like pool" risk limiting requirements of GASB Statement No. 31.
3. The portfolio securities are valued by the amortized cost method, and on a weekly basis this valuation is compared to current market to monitor any variance.

4. At the time of purchase, portfolio securities must have a remaining maturity of thirteen months or less, except adjustable rate government securities may have a remaining maturity of up to 762 calendar days.
5. The dollar weighted average maturity of the portfolio may not exceed 90 days.
6. Investments are limited to short-term, high quality credits that can be readily converted into cash with limited price variation.

## **YIELD INFORMATION**

The LGIP yield is updated daily and can be viewed on the LGIP page of Treasury's website at [www.trsvirginia.gov/cash/lqip.asp](http://www.trsvirginia.gov/cash/lqip.asp) or by calling the staff at (800) 643-7800 or (804) 786-1156. Yields are quoted net of the LGIP six basis point management and administration fee.

The "Daily Yield" refers to the income generated by your investment on that day expressed as an annual percentage. Both the 7-day Yield and the Average Monthly Yield reflect the same methodology—averaged over the applicable period.

The "Effective Yield" assumes that the income earned is reinvested on a monthly basis. It is slightly higher due to the effect of compounding.

## **NET ASSET VALUE (NAV)**

The NAV of the LGIP is determined at the close of each business day. It is calculated by adding the amortized cost value of all portfolio securities and other assets, deducting actual and accrued liabilities, and dividing by the number of units (shares) outstanding.

## **VALUATION**

The LGIP portfolio is valued by the amortized cost valuation technique, which does not take into account unrealized gains and losses. Registered money market funds are permitted to use this method of valuation pursuant to Rule 2a-7 of the Securities and Exchange Commission; provided, certain risk limiting conditions are met to minimize share price fluctuations. The LGIP adheres to these rules pursuant to its investment guidelines outlined in the "Investment Policy and Guidelines" section of this Circular.

The amortized cost valuation method values securities at their acquisition cost adjusted for amortization of premium or accretion of discount rather than at their value based on current market factors. While this method provides certainty of valuation, it may result in periods during which values as determined by amortized cost are higher or lower than the price the LGIP would receive if the individual securities were sold. To monitor the extent of any fluctuation, the LGIP portfolio is marked-to-market on a weekly basis and the market-based valuation is compared to the amortized cost valuation in accordance with procedures outlined in the "LGIP Investment Policy and Guidelines". Portfolio valuation oversight is also provided by S&P on a weekly basis. The Treasury Board reviews the LGIP investment portfolio and performance on a monthly basis.

## **ADVANTAGES**

The LGIP offers the public investor diversification, daily liquidity, and professional management; which provide greater liquidity and higher yields over time than would be obtained through individual investments of similar maturities. Through participation in the LGIP, public entities can take advantage of additional benefits:

1. *Convenience and Compliance* - Participants own shares of a diversified portfolio managed in compliance with Virginia's "Investment of Public Funds" and safekeeping statutes as well as required Governmental Accounting Standards Board reporting standards.
2. *Cash Management* - Same day liquidity permits flexibility and fine-tuning of cash management needs.
3. *Costs* – All administrative and management fees are deducted from the LGIP earnings accrual each day prior to distribution of the earnings to participants; therefore, fees are totally transparent to participants. (See Management Fees for fee calculation).
4. *Electronic Data Interchange (EDI)* - Direct investment of EDI payments from the State into the locality's LGIP account is permissible. This ensures immediate investment without the necessity of prior notification and eliminates the need and cost to wire funds to the LGIP. EDI information may be obtained online at [www.doa.virginia.gov/](http://www.doa.virginia.gov/)
5. *Online access to Account Information* – Account information can be viewed 24/7 through a secure online web site.
6. *Statements* - Monthly statements include all transactions, the earnings rate, and the monthly dividend.
7. *Competitiveness* – The LGIP offers a competitive rate of return, which should enhance the rates offered to you on alternative investments.

## **PERFORMANCE**

The LGIP has consistently achieved its investment objective of providing investors with a high level of current investment income consistent with the constraints of its primary objective of preservation of principal. The following summary provides a 5-year yield comparison to the Treasury 3-month Constant Maturity benchmark and taxable institutional money market funds reporting to iMoneyNet, Inc. (formerly IBC Financial Data, Inc.) These are two widely accepted benchmarks used for money market fund comparisons.

## 5-YEAR AVERAGE ANNUALIZED YIELD COMPARISONS

Fiscal Year	<u>LGIP</u>	Treasury 3-Month Constant Maturity <sup>1</sup>	iMoneyNet Money Fund Monitor™ Institutional Index <sup>2</sup>
2009	<b>1.70%</b>	0.55%	0.98%
2008	<b>4.22%</b>	2.91%	3.63%
2007	<b>5.28%</b>	5.01%	4.91%
2006	<b>4.14%</b>	4.17%	3.81%
2005	<b>2.13%</b>	2.27%	1.79%

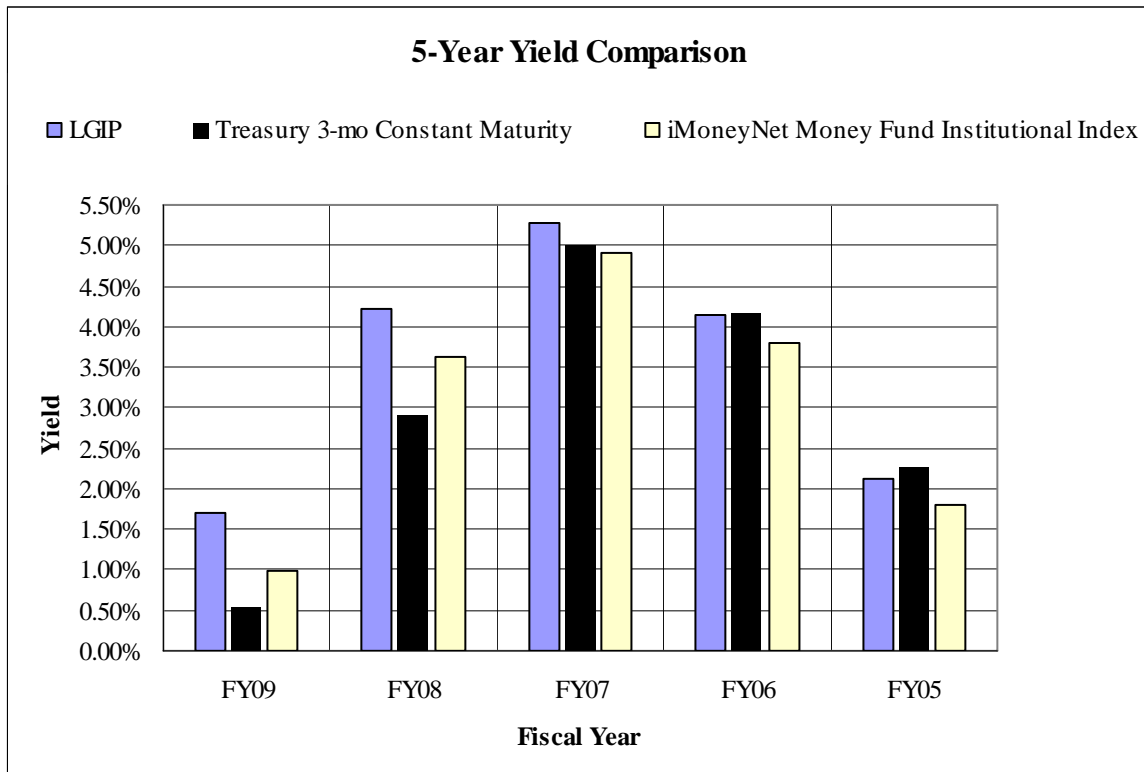
5-Year Average **3.49%** 2.98% 3.02%

<sup>1</sup>Federal Reserve Statistical Release H.15. Benchmark changed to Treasury 3-mo Constant Maturity from 91-Day T. Bill effective July 2005.

<sup>2</sup>Average monthly "Total Institutions-Only Average" Yields reported by iMoneyNet, Inc.

The monthly reinvestment of dividends results in an **effective yield** for each period as follows:

<u>LGIP</u>	<u>Effective Yield</u>
FY09	1.72%
FY08	4.30%
FY07	5.41%
FY06	4.21%
FY05	2.14%



\*Benchmark changed to Treasury 3-mo Constant Maturity from 91-Day T-Bill effective July 2005.

**Investment Policy and Guidelines**  
**Adopted by the Treasury Board**  
**March 16, 2005**  
**(Effective April 1, 2005)**

**INVESTMENT POLICY**

It is the policy of the Treasury Board of the Commonwealth to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily liquidity needs of the LGIP and conforming to all state statutes governing the investment of public funds. Investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Although the LGIP is not registered with the Securities and Exchange Commission (SEC) as an investment company, it operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940 and in accordance with Statement No. 31 of the Governmental Accounting Standards Board definition of "2a-7 like pools".

**INVESTMENT OBJECTIVES**

The primary objectives, in priority order, of the LGIP investment activities shall be:

1. **Safety.** Safety of principal is the foremost objective. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.
2. **Liquidity.** The LGIP investment portfolio will remain sufficiently liquid to enable it to meet all operation requirements that might be reasonably anticipated.
3. **Return on Investment.** The LGIP investment portfolio shall be designed with the objective of attaining a market rate of return, taking into account its investment risk constraints and the cash flow characteristics of the Pool.

**AUTHORIZED INVESTMENTS AND CREDIT QUALITY**

Authorized investments for public funds are set forth in the "Investment of Public Funds Act" of the *Code of Virginia* Sections 2.2-4500 through 2.2-4517. Within the permitted statutory framework, the Treasury Board limits the investment of LGIP assets to the following categories of securities and subject to the prescribed credit quality limitations at the time of purchase. In the event a security is downgraded to a level that ceases to meet the LGIP credit quality standards, the Department of the Treasury shall promptly reassess the security to determine what action, if any, will be in the best interest of the LGIP and its participants.

Authorized investments are:

1. Obligations issued or guaranteed by the U. S. government, an agency thereof, or U.S. Government Sponsored Enterprises (GSEs). These securities can be held directly, in the form

of repurchase agreements collateralized by such debt securities, and in the form of a registered money market or mutual fund provided that the portfolio of the fund is limited to such evidences of indebtedness.

2. Repurchase Agreements collateralized by obligations issued or guaranteed by the U. S. government, an agency thereof, or GSEs. The collateral on repurchase agreements is required to be at least 102% of the value of the repurchase agreement. Collateralization requirements on longer-term repurchase agreements will vary depending on the frequency of substitutions and frequency of market valuation. Market fluctuations could result in the value of the collateral increasing or decreasing between the valuation and published closing prices.
3. Non-Negotiable certificates of deposit and time deposits of Virginia banks and savings institutions federally insured to the maximum extent possible and collateralized under the Virginia Security for Public Deposits Act, Sections 2.2-4400 through 2.2-4411 of the *Code of Virginia*.
4. Negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks. The issuing entity must be rated not lower than P-1 by Moody's Investment Services **and** A-1 by Standard and Poor's, Inc.
5. Banker's acceptances with major U. S. banks and domestic offices of international banks. The issuing entity must be rated not lower than P-1 by Moody's Investors Service **and** A-1 by Standard and Poor's Corporation.
6. Commercial paper issued by domestic corporations rated not lower than P-1 by Moody's Investors Service **and** A-1 by Standard & Poor's Corporation.
7. Short-term corporate notes of domestic corporations. Minimum rating requirements are Aa and AA or better by Moody's Investors Service **and** Standard & Poor's Corporation or short-term ratings of P-1 and A-1 respectively, whichever is applicable, including sub-categories or gradations indicating relative standing
8. Short-term taxable municipal obligations issued by state and local governments, their agencies and instrumentalities. Minimum rating requirements are Aa and AA or better by Moody's Investors Service **and** Standard & Poor's Corporation or short-term ratings of MIG 1/VMIG 1 and SP-1/A-1 respectively, whichever is applicable, including sub-categories or gradations indicating relative standing.

### **PROHIBITED INVESTMENTS OR ACTIONS**

1. CMOs, inverse floaters, IOs, POs, and Z-tranche securities, etc.
2. Futures, options, options on futures, margin buying, leveraging, and commodities. Forward trades are permitted as long as they are procured during normal "when issued" periods for individual markets and as long as cash is reserved or a security will mature to cover the purchase.

## **DIVERSIFICATION**

The LGIP will diversify its investments by security type and by issuer consistent with the following guidelines:

1. The portfolio will be diversified with not more than 5% of the value of the LGIP assets invested in the securities of any single issuer. This limitation shall not apply to securities of the U. S. Government or agency thereof, or GSEs.
2. The maximum percentage of the portfolio permitted in each eligible asset category is as follows:

U. S. Treasury and Agency Securities .....	100% maximum
Repurchase Agreements.....	50% maximum
Bankers Acceptances, Negotiable Certificates .....	40% maximum
of Deposit and/or Negotiable Bank Deposit Notes	
Commercial Paper.....	35% maximum
Non-Negotiable Certificates of Deposit .....	5% maximum
Corporate Notes and Bank Notes.....	25% maximum
Taxable Municipal Obligations .....	10% maximum

## **MATURITY LIMITATIONS**

The average dollar weighted maturity for the LGIP portfolio may not exceed 90 days. The final maturity of any individual security may not exceed 397 days from the time of purchase, except adjustable rate government securities may have a remaining maturity of up to 762 calendar days.

## **AMORTIZED COST VS MARKET-BASED VALUATION**

The LGIP shall strive to maintain a stable asset value per share of \$1.00 using the amortized cost method of valuation. If the LGIP's current market-based net asset value per share should deviate from its amortized cost price per share by an amount exceeding ½ of 1 percent, the State Treasurer, Chairman of the Treasury Board, shall assess the situation and determine what action, if any, is in the best interest of the LGIP and its participants.

## **SECURITIES LENDING**

The LGIP will be permitted to participate in the Department of the Treasury securities lending program pursuant to the current policy and guidelines adopted by the Treasury Board.

## **REPORTING**

Summary investment information, including a copy of the LGIP investment portfolio at current market, is reported to the Treasury Board on a monthly basis. Additional information will be provided if deemed appropriate or if requested.

# **MANAGEMENT AND COMPLIANCE**

## **INVESTMENT MANAGEMENT**

The Treasury Board of the Commonwealth of Virginia serves as investment adviser to the LGIP. Authority is granted pursuant to Section 2.2-4602 of the *Code of Virginia*. The Treasury Board, created by Section 2.2-2415 of the *Code of Virginia*, consists of the State Treasurer (Chair), the Comptroller, the Tax Commissioner, and four citizen members appointed by the Governor. The Treasury Board has delegated administration of the LGIP to the State Treasurer, subject to approved policies and guidelines. The State Treasurer is responsible for the direct management of approximately \$12.3 billion in investments; the development of cash management policies; forecasting cash receipts and disbursements; procurement of statewide banking services, issuance and management of Commonwealth debt; protection of the employees and assets of the Commonwealth, including political subdivisions and constitutional officers; administration of the Security for Public Deposits Act; and administration of the Unclaimed Property Act and Escheat statutes. The State Treasurer also serves as a member of nine State boards and authorities.

The State Treasurer's investment staff, subject to approved policies and guidelines issued by the Treasury Board, makes investment decisions for the LGIP and executes orders to buy and sell securities on behalf of the LGIP. The State Treasurer has contracted with JPMorgan Chase Bank to provide Master Custody for the Commonwealth, including custody and specialized mutual fund services for the LGIP.

## **MAINTENANCE OF CONSTANT SHARE PRICE**

Shares are purchased and redeemed at their NAV which, barring extraordinary circumstances, will maintain the constant price of \$1.00 per share. Management procedures used to facilitate this end include minimizing market and credit risks while maintaining sufficient liquidity through investments in short-term, high quality credits that can readily be converted into cash with limited price variation.

## **MANAGEMENT FEES**

Pool participants are charged an all-inclusive six basis points annual management fee, which is calculated daily and deducted from the daily earnings accrual prior to distribution to participants. For example, the annual fee for each \$1,000 invested in the LGIP is \$0.60. The fee is totally transparent to participants.

## **SAFEKEEPING POLICIES**

Established safekeeping policies of the LGIP ensure that securities purchased by the State Treasurer's staff are held in a manner that maximizes the State Treasurer's ability to maintain control over such securities at all times. All security transactions are delivery versus payment (DVP); i.e., the custody bank will not release the funds to pay for purchased securities until securities are delivered, regardless of settlement date. LGIP securities are required to be held in the LGIP's custody account and kept separate from all securities owned by the custody bank. The ownership and

title to such securities remain vested in the Treasurer of Virginia, the legal custodian of the securities. The Global Custody Department of JPMorgan Chase Bank holds LGIP securities in custody.

Repurchase Agreements are collateralized by obligations issued or guaranteed by the U. S. government, an agency thereof, or GSEs. A custodial bank holds the securities for the LGIP until the agreement(s) matures. Provisions of the repurchase agreement require the securities to be marked-to-market on a daily basis and the collateral is required to be at least 102% of the value of the repurchase agreement.

## **AUDIT AND COMPLIANCE**

The Virginia Auditor of Public Accounts examines the financial statements and per share data of the LGIP as of June 30 following the close of each fiscal year. The Auditor also assesses the accounting principles used and the management of the LGIP and evaluates the overall financial statement presentation. Based on the audit an opinion is issued. The audited financial statements and the Independent Auditor's Report are provided to participants annually. The LGIP financial statements are issued in compliance with GASB Statement No. 31. In addition to the independent auditor's examination, the LGIP is included in the Department of the Treasury's internal audit plan.

The LGIP presents monthly performance data and portfolio market valuation to the Commonwealth Treasury Board for their review. Pricewaterhouse Coopers LLP has performed an Independent Type II Service Audit Report on the controls of JP Morgan Investor Services and Chase Global Funds Services Company (an affiliate of JPMorgan Chase Bank) applicable to the processing of transactions for the Fiduciary Operations. Pricewaterhouse Coopers LLP issues a "Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness relevant to Fiduciary Operations Supporting Retirement Services, Securities Services and Securities Lending Clients within the Global Institutional Services Organization" (the "SAS 70 Document") upon completion of their audit. The latest report is available upon request.

# PARTICIPANT INFORMATION

## OPENING AN ACCOUNT

Shares of the LGIP investment portfolio are offered on a continuous basis to public entities of the Commonwealth of Virginia. Requests can be accepted until **10:00 a.m.** on the date of investment or redemption; however, participants are urged to contact the LGIP on the prior business day whenever practical. An account can be opened with an initial investment of \$1,000. Subsequent investments or redemptions can be made in any amount. A public unit can open as many accounts as needed to simplify record keeping. A properly completed application indicating all individuals authorized to transact for the account must be received for each account before a redemption can be honored. Applications should be mailed to:

LGIP  
C/O Department of the Treasury  
Cash Management and Investments, 3rd Floor  
P. O. Box 1879  
Richmond, VA 23218-1879

## HOW TO INVEST IN THE LGIP

Investments can be made through any of the following methods:

1. By Wire: Funds received by wire are invested for same day credit when the LGIP staff is **notified prior to 10:00 a.m.** on the date of investment. Investments are made on the assumption that the funds will be received and the LGIP account is automatically credited without waiting for the actual receipt of the funds. If unavoidable circumstances prevent the transfer of funds, it will be necessary for the LGIP to deduct the interest accrued for that date from the account's monthly dividend distribution. In the event this is necessary the participant will always be contacted to discuss the circumstances and a follow up letter outlining the details will be provided. **Advise the LGIP staff by 10:00 a.m. of your daily investment transactions by calling (800) 643-7800 toll free in Virginia, (804) 786-1156 or (804) 225-3166.**

Instruct your bank to wire federal funds in the amount of your investment to:

Bank of America  
ABA #0260-0959-3  
For credit to LGIP  
Account #00000223-6801  
FBO: Your Account Name and/or  
LGIP Fund Number

2. By Check: Checks drawn on your bank account should be made payable to LGIP and mailed as follow:

ATTN: PROCESS IMMEDIATELY  
LGIP  
C/O Department of the Treasury  
Cash Management and Investments, 3rd Floor  
P. O. Box 1879  
Richmond, Virginia 23218-1879

Please be aware that investment by check will delay credit to your account and the anticipated loss in earnings should be compared with the cost of a wire.

3. Direct Deposit: Arrangements can be made for EDI transfers of funds from the State to be directly invested into your LGIP account. Your account will be automatically credited on the transfer date and the normal telephone advice to the LGIP is not required. Additional information regarding such investments may be obtained by calling the LGIP or by visiting the Department of Accounts online at [www.doa.virginia.gov/](http://www.doa.virginia.gov/).

### **HOW TO REDEEM A LGIP INVESTMENT**

Redemptions can be made on any banking day. There are **no redemption fees or withdrawal penalties**; however, the LGIP must have a properly executed LGIP application on file before a redemption can be honored. All redemptions are executed by wire transfer. Redemption requests will be honored in accordance with the instructions provided on the official LGIP application form. Please call our office if you have any questions regarding this policy.

**Redemption Requests** can be made by calling the LGIP staff **prior to 10:00 a.m.** on the same day funds are needed. Redemption requests received after 10:00 a.m. will be processed the following business day.

Telephone the LGIP staff at:  
(800) 643-7800 toll free in Virginia,  
(804) 786-1156  
(804) 225-3166

**Transfers Between Accounts** – Inter-fund transfers between LGIP accounts may be arranged and are subject to the purchase and redemption requirements stated above. Contact the LGIP staff to request a transfer between accounts.

### **TRANSACTION SIZE**

An account may be opened with an initial investment of \$1,000. Subsequent transactions are not restricted in size. Participants are encouraged to consider the cost effectiveness of small transfers.

## **CHANGE OF AUTHORIZATION**

The LGIP application permits the "Primary Authorized Public Official" to delegate authority to other individuals to act on their behalf in communicating transaction information to the LGIP. **If there is a change in the status of any of the authorized individuals, it is the responsibility of the "Primary Authorized Public Official" to immediately notify the State Treasurer's LGIP staff.** Maintaining up-to-date records prevents possible delays in transfers and ensures the integrity of the program.

## **CLOSING AN ACCOUNT**

Participants should contact LGIP staff for assistance in closing an account.

## **DIVIDENDS AND DISTRIBUTIONS**

Net investment income is declared daily as a dividend to each participant account. Daily dividends are accrued throughout the month and automatically reinvested in additional shares at month end.

## **MONTHLY STATEMENTS**

Statements are scheduled to be mailed by the 5<sup>th</sup> business day of each month. Participants have the option to consolidate accounts on one statement or receive individual statements. Statements contain the following information.

- *Average Monthly Yield* is an arithmetic average of the "Daily Yields" for the period.
- *Effective Yield* assumes reinvestment of the monthly dividend at the current "Average Monthly Yield." It is slightly higher due to the effect of monthly compounding.
- *Investment Account Summary* lists all individual accounts and balances as of the statement date.
- *Account Year-to-Date Summary* is the calendar year-to-date summary of all Investments, Redemptions and Dividends by account.
- *Transaction Detail* lists individual transactions during the month and the accompanying daily account balances in date order.

## **COMMUNICATION WITH PARTICIPANTS**

The LGIP strives to provide ongoing communication between LGIP management and participants to assist them in evaluating their investment decisions and to keep participants abreast of information relative to the operation of the LGIP. To enhance communication a quarterly newsletter is emailed to participants, summarizing investment guideline compliance, performance, and providing a discussion of current issues relating to the management of public funds in general and the LGIP in particular. In addition, a copy of the LGIP investment portfolio at market value and original cost is furnished quarterly and at any other time upon request.

The LGIP web page provides the daily and 7-day yield, an interactive copy of the LGIP application, the "Investment Circular," LGIP Audited Financial Statements, the latest copy of the LGIP Newsletter and a FAQ section. To visit the LGIP on the web, go to Treasury's home page [www.trs.virginia.gov](http://www.trs.virginia.gov), scroll down and select the Local Government Investment Pool icon or go directly to the LGIP at [www.trs.virginia.gov/cash/lqip.asp](http://www.trs.virginia.gov/cash/lqip.asp).

## INVESTMENT PERSONNEL

**Timothy J. Wilhide** is the Director of Cash Management and Investments for the Department of the Treasury. He assumed this position in June 2009 after being a fixed income portfolio manager for Hartford Investment Management Co. He has been involved in fixed income management for 33 years, including being the Director of Cash Management and Investment for the Pennsylvania Treasury. He holds a Bachelor of Arts from Gannon University and a Masters of Business Administration from the University of Delaware.

**Margaret H. Layne** is the Chief Investment Officer for the Department of the Treasury and has been in this position since 1982. She manages the Commonwealth's General Account investment portfolio and is responsible for the daily investment operations of the department. She holds a Bachelor of Science degree in Accounting from Virginia Polytechnic Institute and State University and a Master of Science degree in Finance from Virginia Commonwealth University. Ms. Layne was awarded the Chartered Financial Analyst designation in 1986.

**Belinda W. Blanchard** is the LGIP Portfolio Manager and has managed the overall program since 1985. She is a Chartered Financial Analyst and earned her Master of Business Administration and Bachelor of Science degree in Business from Virginia Commonwealth University. Ms. Blanchard serves on the Board of Directors of the Virginia Credit Union. She also serves as the Chair of the Endowment Fund of her church.

**Judith P. Milliron** is the Senior Investment Analyst. She is responsible for supervision of the shareholder side of the LGIP, oversight of the mutual fund accounting, reporting and compliance, and assisting the portfolio managers in the daily investment process. Ms. Milliron has been with the Department of Treasury since 1990 spending most of her time in the Investment Division. She holds a Bachelor of Arts degree in Political Science from Virginia Commonwealth University.

**Mary S. Ligon** is the LGIP Client Service Analyst. She is responsible for the shareholder side of the LGIP. Ms. Ligon joined the Investment Division in 2005 after serving as Assistant Manager of Trust Accounting for Treasury's Operations Division. She earned her Bachelor of Science degree in Business Administration from Longwood University.

**Howard J. Kaplan** is the Credit Analyst. He is responsible for the oversight of credit research. He assumed this position in May 2009 after being a Director and Senior Fixed Income Research Analyst in Bank of America's cash management group since 1992. He holds a Masters of Business Administration from the University of Richmond and a Bachelors of Business Administration from the College of William and Mary.

# **DIRECTORY**

## **ADMINISTRATION**

Manju Ganeriwala, State Treasurer  
Robert S. Young, Deputy State Treasurer

Members of the Treasury Board:

Manju Ganeriwala, Chair  
Janie E. Bowen  
K. David Boyer, Jr.  
Kenneth N. Daniels, Ph.D.  
Douglas W. Densmore, Esq.  
Robert C. Goodman, Jr., Esq.  
David Von Moll, CPA

## **CASH MANAGEMENT AND INVESTMENTS**

Timothy J. Wilhide, Director, Cash Management and Investments  
Margaret H. Layne, CFA, Investment Officer  
Belinda W. Blanchard, CFA, LGIP Manager  
Judith P. Milliron, Senior Investment Analyst  
Mary S. Ligon, LGIP Client Service Analyst  
Howard J. Kaplan, Credit Analyst

## **ADDRESSES:**

Street Address: Commonwealth of Virginia  
Department of the Treasury  
James Monroe Building  
101 North 14th Street, 3rd Floor  
Richmond, Virginia 23219

Mailing Address: P. O. Box 1879  
Richmond, Virginia 23218-1879

Telephone Numbers: (800) 643-7800 toll free in Virginia  
(804) 786-1156  
(804) 225-3166

Facsimile Number: (804) 225-3478

**SAMPLE**  
**LGIP STATEMENT**

Commonwealth of Virginia  
 State Treasurer, PO Box 1879  
 Richmond, VA 23218-1879



Local Government Investment Pool

650  
 ABC COUNTY TREASURERS OFFICE  
 GENERALFUND  
 123 MAIN ST  
 ABC VA 22222-2222

**Account Statement**

August 1, 2003 through August 29, 2003

Dealer Address  
 COUNTY OF ABC  
 123 MAIN ST  
 ABC VA 23601

DEALER NUMBER: ABCCO  
 BRANCH NUMBER: 000000  
 REP. NUMBER: HOUSE

ACCOUNT INFORMATION: 800-643-7800

Page 1 of 2

**Investment Account Summary**

Holdings	Account Number	Total Shares	Share Price	Fund Value	% of
ABC COUNTY TREASURERS OFFICE GENERAL	6300000000	10,762,355.660	\$1.00	\$10,762,355.66	100.000/0
TOTAL VALUE				\$10,762,355.66	100.000/0

**Account Year-to-Date Summary**

	Account Number	Investments	Redemptions	Dividends	Capital Gains
ABC COUNTY TREASLRERS OFFICE GENERAL FUND	6300000000	\$30,740,855.45	\$29,175,089.16	\$73,560.45	\$0.00
TOTAL VALUE		\$30,740,855.45	\$29,175,089.16	\$73,560.45	\$0.00

**Transaction Detail**

Trade Date	Transaction	Dollar Amount	Price	Shares	Total Shares
------------	-------------	---------------	-------	--------	--------------

ABC COUNTY TREASURERS OFFICE  
 GENERAL

ACCOUNT NUMBER: 6300000000

	BALANCE FORWARD				12,534,756.190
08/04/03	REDEMPTION-WIRE	\$400,000.00-	\$1.00	400,000.000-	12,134,756.190
08/05/03	PURCHASE BY WIRE	\$91,098.37	\$1.00	91,098.370	12,225,054.560
08/06/03	PURCHASE BY WIRE	\$3,200.00	\$1.00	3,200.000	12,229,054.560
08/08/03	PURCHASE BY WIRE	\$2,574.16	\$1.00	2,574.160	12,231,628.720
08/11/03	PURCHASE BY WIRE	\$67,319.95	\$1.00	67,319.950	12,298,948.670
08/12/03	PURCRASE BY WIRE	\$792.50	\$1.00	792.500	12,299,741.170
08/13/03	PURCHASE BY WIRE	\$27,044.86	\$1.00	27,044.860	12,326,786.030
08/15/03	PURCHASE BY WIRE	\$1,273,482.52	\$1.00	1,273,482.520	13,600,268.550

# LGIP

## Local Government Investment Pool

### Account Statement

August 1, 2003 through August 29, 2003

ABC COUNTY TREASURERS OFFICE  
GENERAL FUND  
123 MAIN ST  
ABC VA 22222-2222

Page 2 of 2

### Transaction Detail

Trade Date	Transaction	Dollar Amount	Price	Shares	Total Shares
08/18/03	PURCHASE BY WIRE	\$485.78	\$1.00	485.780	13,600,754.330
08/19/03	PURCHASE BY WIRE	\$18,213.35	\$1.00	18,213.350	13,618,967.680
08/22/03	PURCHASE BY WIRE	\$197,736.94	\$1.00	197,736.940	13,816,704.620
08/25/03	PURCHASE BY WIRE	\$12,781.21	\$1.00	12,781.210	13,829,485.830
08/26/03	REDEMPTION-WIRE	\$200,000.00-	\$1.00	200,000.000-	13,629,485.830
08/26/03	PURCHASE BY WIRE	\$6,601.66	\$1.00	6,601.660	13,636,087.490
08/28/03	REDEMPTION-WIRE	\$3,800,000.00-	\$1.00	3,800,000.000-	9,836,087.490
08/29/03	PURCHASE BY WIRE	\$1,415,016.41	\$1.00	1,415,016.410	11,251,103.900
08/29/03	REDEMPTION-WIRE	\$500,000.00-	\$1.00	500,000.000-	10,751,103.900
08/29/03	DIV REIN	\$11,251.76	\$1.00	11,251.760	10,762,355.660
	ENDING BALANCE	\$10,762,355.66	\$1.00		10,762,355.660

THE AVERAGE MONTHLY YIELD FOR AUGUST 2003 WAS 1.0467%.  
THE EFFECTIVE MONTHLY YIELD FOR AUGUST 2003 WAS 1.0518%.



**WITHDRAWAL WIRE TRANSFER INSTRUCTIONS:**

I hereby authorize the Commonwealth of Virginia LGIP to act upon instructions received by telephone from an authorized caller to pay amounts representing redemptions from my LGIP account(s) and wire funds to the bank account(s) designated below.

**You must include a voided check or preprinted deposit slip.**

1. Name of Bank \_\_\_\_\_ Bank Telephone Number \_\_\_\_\_  
ABA # \_\_\_\_\_ Account Number \_\_\_\_\_  
Account Name \_\_\_\_\_  
Bank Address \_\_\_\_\_

**Tape your voided check or preprinted deposit slip here.**

Any Locality	654
123 Any Street	
Anywhere, VA 45678	
PAY TO THE ORDER OF	
_____	\$ _____
_____	DOLLARS
MEMO	
<input type="text" value="123456789"/>	<input type="text" value="123456789876543"/> 654

2. Name of Bank \_\_\_\_\_ Bank Telephone Number \_\_\_\_\_  
ABA # \_\_\_\_\_ Account Number \_\_\_\_\_  
Account Name \_\_\_\_\_  
Bank Address \_\_\_\_\_

**Tape your voided check or preprinted deposit slip here.**

Any Locality	654
123 Any Street	
Anywhere, VA 45678	
PAY TO THE ORDER OF	
_____	\$ _____
_____	DOLLARS
MEMO	
<input type="text" value="123456789"/>	<input type="text" value="123456789876543"/> 654

3. Name of Bank \_\_\_\_\_ Bank Telephone Number \_\_\_\_\_  
 ABA # \_\_\_\_\_ Account Number \_\_\_\_\_  
 Account Name \_\_\_\_\_  
 Bank Address \_\_\_\_\_

**Tape your voided check or preprinted deposit slip here.**

Any Locality	654
123 Any Street	
Anywhere, VA 45678	
PAY TO THE ORDER OF _____ \$ _____	
_____ DOLLARS	
MEMO _____	
<input type="text" value="123456789"/>	<input type="text" value="123456789876543"/> 654

**Signature of Primary Authorized Public Official**

- The undersigned represents and warrants that he/she has the full power and authority to invest in the LGIP and to make investments on behalf of the above named public entity.
- I hereby request that the LGIP establish an account or accounts for the investment and reinvestment of the public entity's funds in accordance with the LGIP Investment Circular and agree to be bound by the terms as may be supplemented and amended.
- I hereby authorize the LGIP to act on instructions received from those authorized in this application.
- The undersigned agrees that the certifications, instructions and authorizations contained in this application will remain in effect until the LGIP receives written notification of change.

\_\_\_\_\_  
 Signature of Primary Authorized Public Official

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Print Name and Title