

3 and 4 more 25 basis point hikes during 2019. The median expectation for the target Fed Funds rate by the end of 2019 is 3.13 percent, approximately 100 basis points higher than the current effective Fed Funds rate.

Recently, the LGIP increased its Repurchase Agreement ('repo') or repo limits with two counterparties due to the relative attractiveness of overnight-secured funding rates compared to unsecured longer-term rates. Supply of Treasury Bills has increased materially thus far in 2018 and will continue to increase from tax cuts and higher levels of spending at the Federal level. Therefore, overnight investment balances, and repo in particular, will likely comprise a higher level of LGIP assets in the near term than in prior periods.

Local Government Investment Pool Extended Maturity Portfolio

Finally, for participants in the LGIP EM ('Extended Maturity') fund, you will notice some text on the monthly statement that directs you to the LGIP webpage to find an 'LGIP EM Portfolio Valuation Template.' The LGIP EM is a floating net asset value ('NAV') fund in which the share price, unlike the 'stable-value' LGIP fund share price of \$1.00 per share, will increase or decrease depending on the daily mark-to-market valuation of the underlying securities in the portfolio. The template intends to assist EM participants in calculating the valuation impact of changes in the fund's share price on their portfolio value during the month. Please feel free to call the LGIP line (800) 643-7800 with any template questions.