Local Government Investment Pool (LGIP) and Intermediate Term Fund (ITIF)

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Past presentation slide to the State Funding Board (Updated with current data)
Local Government Investment Pool (as of 7/29/2022)

$29.7 billion: $23.9B SPIF and $5.7B LGIP

Over 1300 Accounts
Investing cash

- Cash management’s Policy
  - US Government Securities
  - A1/P1 Corporate Commercial Paper
  - Other short-term securities
  - Weighted average maturity cannot exceed 60 days
LGIP Characteristics

• The LGIP operates under the policy requirements of safety and liquidity (7/29/2022).
  - Stress Testing – the Principal Stability Fund Rating Sensitivity Matrix developed by S&P
  - Commercial Paper Analysis
  - Daily Liquidity: 32.6%
  - WAM 43 days

• The SPIF and LGIP have the same investment attributes.

• The SPIF/LGIP operates under the stable-dollar fund ($1).

• Current Earnings Rate (Gross of fee): 2.02% as of Aug 22.
LGIP Takeaway

FOCUS on SAFETY

Normal Yield Curve

Yield vs. Maturity

LIQUIDITY
Intermediate Term Investment Fund (ITIF)
• Cash management’s Policy
  • US Government Securities
  • A1/P1 Corporate Commercial Paper
  • Other short-term securities
  • Maturity cannot exceed 5 years at the time of acquisition
ITIF Notes

• The ITIF is ideal for funds that will not need cash for 2-3 years.

• Long term investments are sensitive to interest rate changes.

• Investment criteria are as same as the SPIF/LGIP except the maturity is longer.

• Managed internally just like the LGIP; administrative fee is 0.05%.

• Est Current yield as of August 22, 2022 : 2.95%
ITIF Takeaway

Focus on Safety

Interest Rate Risk

Liquidity
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- This site contains the participant manual, historical rates, and historical portfolio listings