

LGIP

LOCAL GOVERNMENT INVESTMENT POOL

INVESTMENT CIRCULAR

June 30, 2016



Commonwealth of Virginia
Department of the Treasury

Manju S. Ganeriwala
State Treasurer

COMMONWEALTH OF VIRGINIA
LOCAL GOVERNMENT INVESTMENT POOL
“INVESTMENT CIRCULAR”

Manju S. Ganeriwala
State Treasurer

ADVISORY BOARD
Treasury Board
Commonwealth of Virginia

CUSTODIAN
JPMorgan Chase Bank

TRANSFER AGENT
U.S. Bancorp Fund Services, LLC

INDEPENDENT AUDITORS
Auditor of Public Accounts
Commonwealth of Virginia

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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:

- The LGIP is rated 'AAAm' by Standard and Poor's and managed in a manner to comply with their 'AAAm' rating requirements.
- The LGIP is managed in accordance with GASB Statement No. 79.
- 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.
- 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.aspx or by calling the staff at (800) 643-7800 or (804) 786-1156. Yields are quoted net of the LGIP four 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 may be slightly higher due to the effect of compounding.

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. *Online Account Services through a secure website available 24/7* – Purchase or Redeem investments. View account balances and historical activity.
5. *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/
6. *Statements* - Monthly statements are available electronically or via email.
7. *Competitiveness* – The LGIP offers a competitive rate of return, which should enhance the rates offered to you on alternative investments.

PERFORMANCE

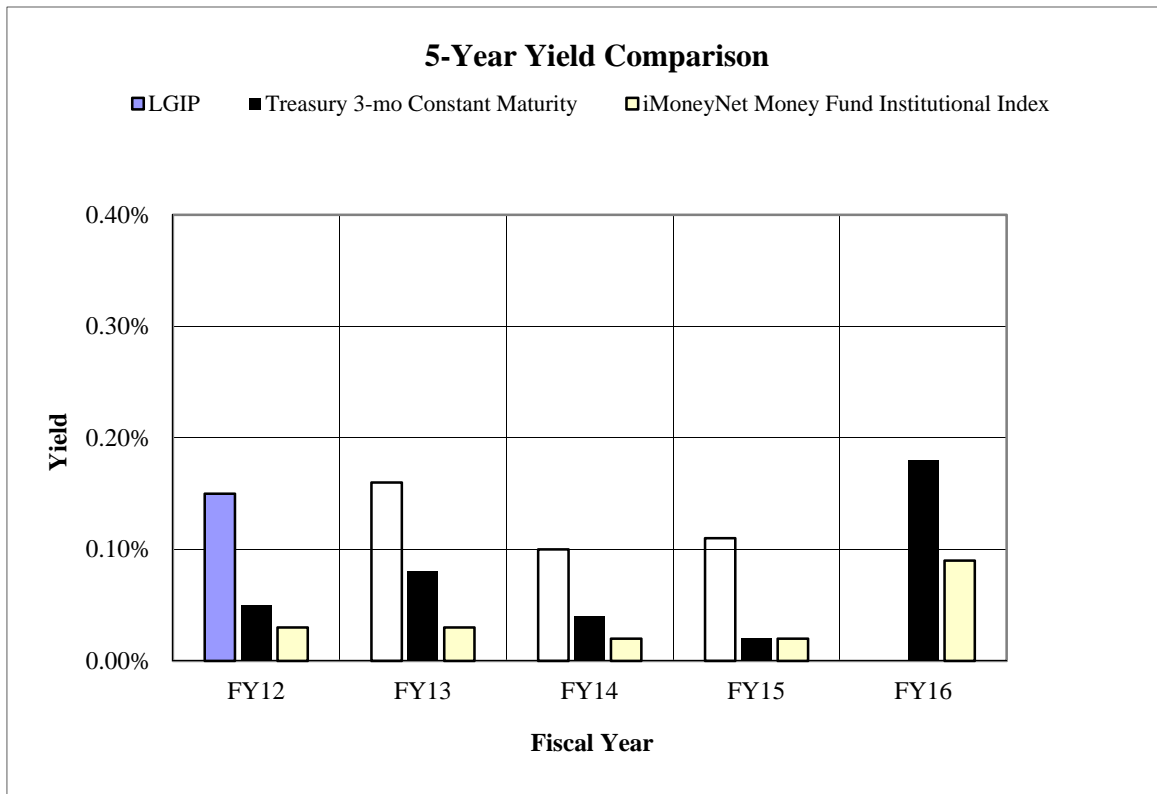
The LGIP has consistently achieved its investment objective of providing investors with a high level of current investment income consistent with the constraints of its primary objective of preservation of principal. The following summary provides a 5-year yield comparison to the Treasury 3-month Constant 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 ¹	iMoneyNet Money Fund Monitor TM Institutional Index ²
2016	0.32%	0.18%	0.09%
2015	0.11%	0.02%	0.02%
2014	0.10%	0.04%	0.02%
2013	0.16%	0.08%	0.03%
2012	0.15%	0.05%	0.03%
5-Year Average	0.17%	0.07%	0.04%

¹Federal Reserve Statistical Release H.15.

²Average monthly “Total Institutions–Only Average” Yields reported by iMoneyNet, Inc.



Local Government Investment Pool (LGIP)
Investment Policy and Guidelines
Adopted by the Treasury Board
Date: May 18, 2016

POLICY

It is the policy of the Treasury Board of the Commonwealth to invest LGIP funds in a manner which will provide the highest investment return with the maximum security while meeting the daily liquidity needs of the LGIP. Portfolio management will conform to all state statutes governing the investment of public funds and in accordance with Standard & Poor's (S&P) AAAM requirements. 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. The LGIP shall be managed in accordance with the requirements of Statement No. 79 of the Governmental Accounting Standards Board (GASB). Compliance with the standard enables the LGIP to elect to report its investments at amortized cost. Participants in the LGIP should also report their investments in the LGIP at amortized cost. Compliance with Statement 79 requires that all of the following criteria are met:

1. The LGIP transacts with its participants at a stable net asset value per share (for example, all contributions and redemptions are transacted at \$1.00 net asset value per share).
2. All statement requirements for portfolio maturity, quality, diversification, and liquidity are met.
3. A shadow price is calculated and meets Statement 79 requirements.

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 and in accordance with the liquidity requirements of both Statement No. 79 and S&P's AAAM requirements.
3. **Return on Investment.** The LGIP investment portfolio shall be designed with the objective of attaining a market rate of return throughout economic cycles, taking into account its investment risk constraints and the liquidity requirements of the Pool.

AUTHORIZED INVESTMENTS

Authorized investments for public funds are set forth in the "Investment of Public Funds Act" of the *Code of Virginia* Sections 2.2-4500, et seq. Within the permitted statutory framework, the Treasury Board limits the investment of LGIP assets to the following categories of securities, subject to internally prescribed credit quality limitations.

The LGIP is empowered by statute and Treasury Board approved investment policy to invest in the following types of securities:

1. Obligations issued or guaranteed by the U. S. government, an agency thereof, or U.S. Government Sponsored Enterprises (GSE). 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 GSE. The collateral on overnight repurchase agreements is required to be at least 100% of the value of the repurchase agreement. Longer term repurchase agreements are required to have collateralization in excess of 100% and/or be marked to market on a daily basis.
3. Negotiable certificates of deposit, negotiable bank deposit notes, and banker's acceptances. Such securities are limited to domestic banks and domestic offices of foreign banks.
4. Commercial paper issued by domestic corporations.
5. Corporate notes.
6. Municipal obligations issued by state and local governments, their agencies and instrumentalities as permitted by the *Code of Virginia*.
7. Dollar denominated obligations of sovereign governments and companies that are fully guaranteed by such sovereign governments.
8. Obligations issued, guaranteed or assumed by the International Bank for Reconstruction and Development "IBRD" (World Bank).

CREDIT QUALITY

The LGIP will in all cases place emphasis on securities of high credit quality and marketability. Holdings are subject to the following credit quality limitations at time of purchase:

1. Repurchase Agreements transacted with counterparties with a minimum credit rating of A-1 by Standard & Poor's.
2. Negotiable certificates of deposit, negotiable bank notes, and banker's acceptances of domestic banks and domestic offices of foreign banks rated at least A-1 by Standard and Poor's and P-1 by Moody's.
3. Commercial paper notes of domestic corporations rated at least A-1 by Standard & Poor's and P-1 by Moody's.
4. Corporate securities must be rated at least AA by Standard & Poor's and Aa by Moody's or short-term ratings of A-1 by Standard & Poor's and P-1 by Moody's.

5. Municipal obligations issued by state and local governments, their agencies and instrumentalities. Minimum rating requirements are AA by Standard & Poor's and Aa by Moody's or short-term ratings of SP-1/A-1 by Standard and Poor's and MIG 1/VMIG 1 by Moody's.
6. Dollar denominated obligations of sovereign governments and companies that are fully guaranteed by such sovereign governments must be rated at least AAA by Standard & Poor's and Aaa by Moody's Investor Service.

DIVERSIFICATION

The LGIP will diversify its investments by security type and by issuer consistent with the following guidelines. Further internal limitations may be imposed relative to in-house credit quality criteria and market circumstances.

1. Issuer Concentration: The portfolio will be diversified with not more than four percent 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, agency thereof, GSE, or sovereign government.
2. Security Type: The maximum percentage of the portfolio permitted in each eligible asset category is as follows:
 - U. S. Treasury, Agency, and/or GSE Securities 100% maximum
 - Repurchase Agreements.....50% maximum
 - Single Dealer limits
 - A-1+ counterparty 50% maximum (of portfolio assets)
 - A-1 counterparty 25% maximum (of portfolio assets)
 - Banker's Acceptances, Negotiable Certificates of Deposit and/or Negotiable Bank Deposit Notes.....40% maximum
 - Commercial Paper.....35% maximum
 - Corporate Notes25% maximum
 - Municipal Obligations 10% maximum
 - Obligations of Sovereign Governments..... 10% maximum
 - IBRD (World Bank).....5% maximum

MATURITY LIMITATIONS

1. The maximum dollar-weighted average portfolio maturity (WAM) is 60 days.
2. The maximum dollar-weighted average portfolio life (WAL) is 120 days.
3. The maximum final maturity per fixed-rate investment and non-sovereign government floating-rate investment is 13 months (397 days).
4. The maximum final maturity per sovereign government (including sovereign government related/guaranteed) floating-rate security is two years (762 days).

LIQUIDITY REQUIREMENTS

1. Daily Liquid Assets – 10% minimum
2. Weekly Liquid Assets – 30% minimum
3. Illiquid Securities – Limited to 5 percent of total assets. Defined as a security that cannot be sold or disposed of within 7 calendar days at approximately the carrying value by the LGIP.

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 one-half of one 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.

STRESS TESTING

The LGIP will conduct weekly stress testing to examine its ability to maintain a stable NAV in the event of certain hypothetical individual or concurrent external shocks such as increases in short-term interest rates, increases in shareholder redemptions, downgrades or defaults of portfolio securities, or widening or narrowing of spreads of portfolio securities relative to their benchmarks. Compliance with the stress testing criteria will be reported to the Treasury Board at their next regularly scheduled meeting or before if deemed appropriate.

SHADOW PRICE

A Shadow Price is calculated weekly to determine the net asset value per share calculated using the market value of all investments +/- net receivables/payables divided by the number of shares. The Shadow Price provides evidence that investments measured at amortized cost are not significantly different from fair value. The Shadow Price should not deviate by more than one half of one percent from the net asset value.

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.

REPORTING

On a monthly basis the LGIP will report to the Treasury Board summary investment and performance information, stress test compliance, and provide a copy of the LGIP investment portfolio at current market value. Additional information will be provided if deemed appropriate or if requested. The LGIP Investment Policy and Guidelines will be reviewed annually by the Treasury Investment Staff and, amendments presented to the Treasury Board as required or appropriate.

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 \$9 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, and US Bancorp Fund Services, LLC to provide specialized mutual fund services for the LGIP.

NET ASSET VALUE (NAV) AND MAINTENANCE OF CONSTANT SHARE PRICE

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.

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.

The LGIP portfolio is valued by the amortized cost valuation technique, which does not take into account unrealized gains and losses. Amortized cost valuation is permitted provided the LGIP investment portfolio meets all of the criteria of GASB Statement 79. 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.

MANAGEMENT FEES

Pool participants are charged an all-inclusive four 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 \$0.40. 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.

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. 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 issued reports on the Suitability of the Design and Operating Effectiveness of Controls for the following: 1) JPMorgan Chase Bank, N.A. Investor Services (J.P. Morgan) Global Custody Report on Investor Services' Description of its Global Custody System, 2) JPMorgan Chase Bank, N.A., Institutional Accounting Report on Investor Services' Description of its Institutional Accounting System; and 3) JPMorgan Chase & Co., Corporate & Investment Bank's (J.P. Morgan) Information Technology Report on the Corporate & Investment Bank's Description of its Information Technology General Controls System (SOC 1). The latest report is available upon request.

Ernst & Young LLP was engaged by U.S. Bancorp Fund Services, LLC, to perform a Type 2 examination to report on controls at the Company in accordance with the AICPA's Statements on Standards for Attestation Engagements, particularly AT section 801 (AT 801), Reporting on Controls at a Service Organization (SOC 1). 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 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

LGIP FUND MANAGEMENT SYSTEM (FMS)

The LGIP has developed a web based online transaction entry system. You will be able to enter transactions (Buys, Sells, Inter Fund) for the LGIP accounts that you currently maintain. This system offers an alternative to contacting the LGIP to initiate transfer requests by phone or fax. If you are interested in getting access to this online system, please contact LGIP Staff at the telephone numbers below.

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 or by creating your Buy Transaction in the online LGIP FMS.**

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/.

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 **or by creating a Sell transaction in the online LGIP FMS 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 or create an Interfund Transaction in the online LGIP FMS to request a transfer between accounts.

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

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.

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

Participants can view statements and transactions online via FANWEB. Each user has an ID and password for online access.

Statements are scheduled to be mailed by the 5th 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

Newsletter

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 and posted on the web, 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.

LGIP Web Postings

The LGIP web page provides the daily and 7-day yield, an interactive copy of the LGIP application, the "Investment Circular," the LGIP investment portfolio, LGIP Audited Financial Statements, the latest copy of the LGIP Newsletter, S&P's Fund Profile and a FAQ section. To visit the LGIP on the web, go to Treasury's home page www.trsvirginia.gov, scroll down and select the Local Government Investment Pool icon or go directly to the LGIP at www.trsvirginia.gov/cash/lqip.aspx.

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.

Belinda W. Blanchard is the Commonwealth's Investment Officer. She manages Treasury investment programs and is responsible for the daily operations of the department. She has managed investment portfolios for the Department of the Treasury 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.

Neil E. Boege is the Assistant Investment Officer. Neil joined the Cash Management and Investments group in July 2013 and helps with the Treasury investment programs and daily operations of the department. He previously worked in the Markets Group at the Federal Reserve Bank of New York as a Senior Trader/Analyst executing the Federal Reserve's various open market operations and was responsible for market monitoring, primarily short-dated Treasuries. Neil holds a Master of Science degree in Finance from Boston College, a Master of Arts degree in International Studies from Johns Hopkins SAIS, and a Bachelor of Arts degree in Economics from the University of Rochester.

Stacey J. Piercy is the LGIP Client Service Analyst. She is responsible for the shareholder side of the LGIP. Prior to joining Treasury, Stacey had been with Bank of America for more than a decade most recently as the Assistant Vice President, Operations Team Lead. She also held positions as Operations Manager and Officer, Research and Adjustments Representative. Stacey has a Bachelor of Science degree in Business from Norfolk State University.

Judith P. Milliron is the Senior Investment Analyst. She is responsible for the management of the day to day relationship between Treasury and external vendors for investment related programs, reporting and compliance, and assisting the portfolio managers in the daily investment process. Ms. Milliron has been with the Department of Treasury since 1989 spending most of her time in the Investment Division. She earned a Bachelor of Arts degree in Political Science from Virginia Commonwealth University.

John F. Ockerman is the Credit Analyst. He is responsible for maintaining and monitoring the department's independent credit ratings for all credit obligations on or eligible for inclusion in the Treasury investment programs. He previously worked as an Equity Research Analyst at Davenport & Company LLC and is a Chartered Financial Analyst. He earned his Bachelor of Business Administration degree from The College of William and Mary.

DIRECTORY and CONTACT INFORMATION

ADMINISTRATION

Manju S. Ganeriwala, State Treasurer

Members of the Treasury Board:

Manju S. Ganeriwala, Chair
Neil Amin
Craig M. Burns
Douglas Densmore
Lou Mejia
David Von Moll, CPA

CASH MANAGEMENT AND INVESTMENTS

Timothy J. Wilhide, Director, Cash Management and Investments
Belinda W. Blanchard, CFA, Investment Officer
Neil E. Boege, Assistant Investment Officer
Stacey J. Piercy, LGIP Client Service Analyst
Judith P. Milliron, Senior Investment Analyst
John F. Ockerman, CFA, Credit Analyst

CONTACT INFORMATION:

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

Application Form
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)

Commonwealth of Virginia
 Department of the Treasury
 P. O. Box 1879
 Richmond, VA 23218-1879
 Local (804) 786-1156 or (800) 643-7800 toll free in Virginia
 Fax (804) 225-3478

For Internal Use Only
 Dealer ID: _____

[] New Account [] Account Change Date _____

Public Entity Name _____

Account Name _____

Mailing Address _____

Telephone Number _____ Tax Identification Number _____

Fax Number _____ E-mail Address _____

Do you wish to consolidate your account statements? Yes _____ No _____

I, _____ of _____
 Name & Title of Primary Authorized Public Official (Type or Print)

am the duly authorized public official charged with the duty of handling public funds for the aforementioned public entity. Pursuant to such authority, I am authorized to delegate and have delegated to the following person(s) the authority to communicate with the State Treasurer's office. Each individual listed below, including myself, will be authorized to; (i) act on behalf of the public entity in connection with LGIP transactions, (ii) obtain account information, and (iii) establish secure online access to the public entity's LGIP account(s).

- | | | | | |
|----|---------------------------|-------|---------------|---------|
| 1. | Name of Authorized Caller | Title | Email Address | Phone # |
| 2. | Name of Authorized Caller | Title | Email Address | Phone # |
| 3. | Name of Authorized Caller | Title | Email Address | Phone # |
| 4. | Name of Authorized Caller | Title | Email Address | Phone # |

The State Treasurer's office is hereby authorized to act upon purchase or redemption requests for the public entity's LGIP account(s) upon receipt of instructions by phone, fax or LGIP FMS from any of the above named individual(s), who will identify themselves by name, public entity, and assigned account identification number. Such individual(s) is authorized to act for this public entity until their authority is revoked by written notice to the State Treasurer's office, which notice will be effective upon receipt.

Additional individuals only authorized to obtain the public entity's balances and interest information.

- | | |
|-------------------------------------|-------------------------------------|
| 1. _____ | 2. _____ |
| Print Name, Title and Email Address | Print Name, Title and Email Address |

WITHDRAWAL WIRE TRANSFER INSTRUCTIONS:

I hereby authorize the Commonwealth of Virginia LGIP to act upon instructions received by 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