



JAMES L. McINTIRE  
State Treasurer

State of Washington  
Office of the Treasurer

---

The Local Government Investment Pool (LGIP) is an optional investment tool available to eligible governmental entities in the state of Washington. The LGIP, operated by the Office of the State Treasurer, was created by the Legislature in 1986 to enable governments to earn a competitive rate of return while maintaining the safety and liquidity of their excess funds.

During Fiscal Year 2012:

- The average balance in the LGIP portfolio was \$9.163 billion maintained by 530 participants.
- The LGIP had a net administrative charge of 0.687 basis points. This is the sixth year in a row that the LGIP has charged less than a basis point.

The LGIP has grown significantly, both in participation and portfolio size, since its inception in 1986. The Treasury Management System (TMS) continues to be a valuable resource for participants. TMS and the automation it provides, helps keep LGIP administrative costs at a minimum. Approximately 76 percent of daily LGIP transactions are currently initiated by participants via TMS.

I am proud to report the LGIP net rate of return during Fiscal Year 2012 outperformed its benchmark by 13 basis points. The benchmark is the iMoneyNet Inc. Government Only/Institutional Only Money Market Funds, which is comprised of privately managed money market funds similar to the LGIP. During Fiscal Year 2012, LGIP participants have earned \$12 million over what the average comparable money market fund would have generated.

On behalf of the staff at the Office of the State Treasurer, I want to thank you for your continued confidence in the LGIP. If you have questions or suggestions on how to improve our services, please call me at (360) 902-9001.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. McIntire".

James L. McIntire  
State Treasurer