S&P Global
Ratings

Local Government Investment Pool Profile

Virginia Local Government Investment Pool EM

Sept. 30, 2025

This report does not constitute a rating action

About the pool	AAAf / S1+
Last affirmation date	Nov. 25, 2024
Pool type	Variable NAV Government Investment Pool
Investment advisor	Commonwealth of Virginia Department of the Treasury
Custodian/administrator	State Street Bank and Trust Co.
Pool inception date	July 1, 2017
Pool rated since	July 20, 2017

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Rationale
S&P Global Ratings rates the Virginia Local Government Investment Pool EM (LGIP EM), sponsored by Commonwealth of Virginia Department of the Treasury, based on a quantitative assessment of the portfolio's credit risk. We also consider a qualitative evaluation of management, which we deemed adequate.

The 'AAAf' fund credit quality rating (FCQR) indicates that LGIP EM's portfolio has extremely strong credit quality.

Key risk indicators we assessed were counterparty risk, concentration risk, liquidity, and the fund credit score cushion. The 'S1+' fund volatility rating indicates that the fund exhibits extremely low volatility of monthly returns compared with a portfolio of short-duration government securities with a maturity of 12 months or less.

Fund statistics as of Sept. 30, 2025

Net assets (mil. $)	30-day yield (%)	Effective duration
170.20	3.86	0.80

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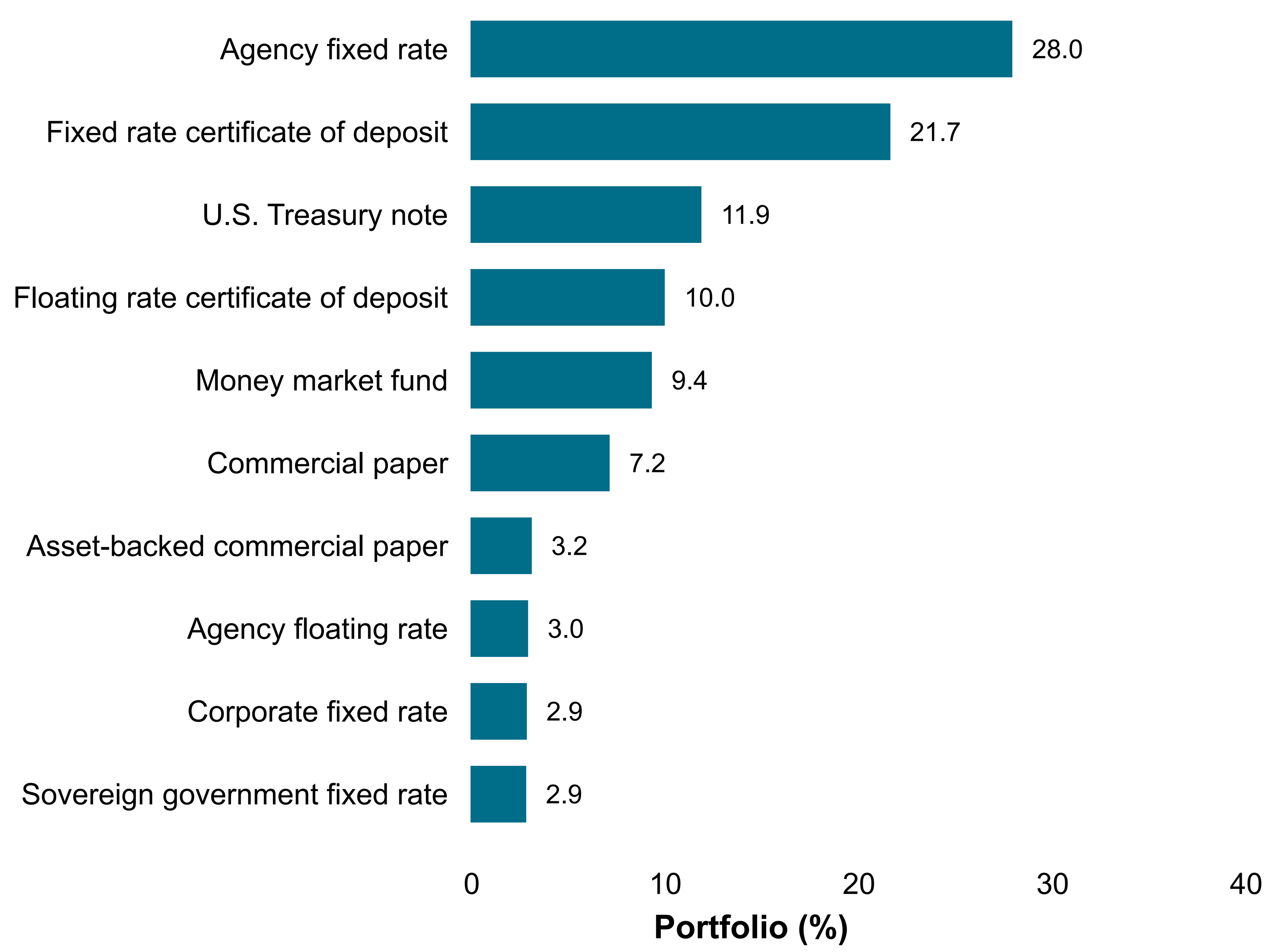
Portfolio Snapshot

Chart 1

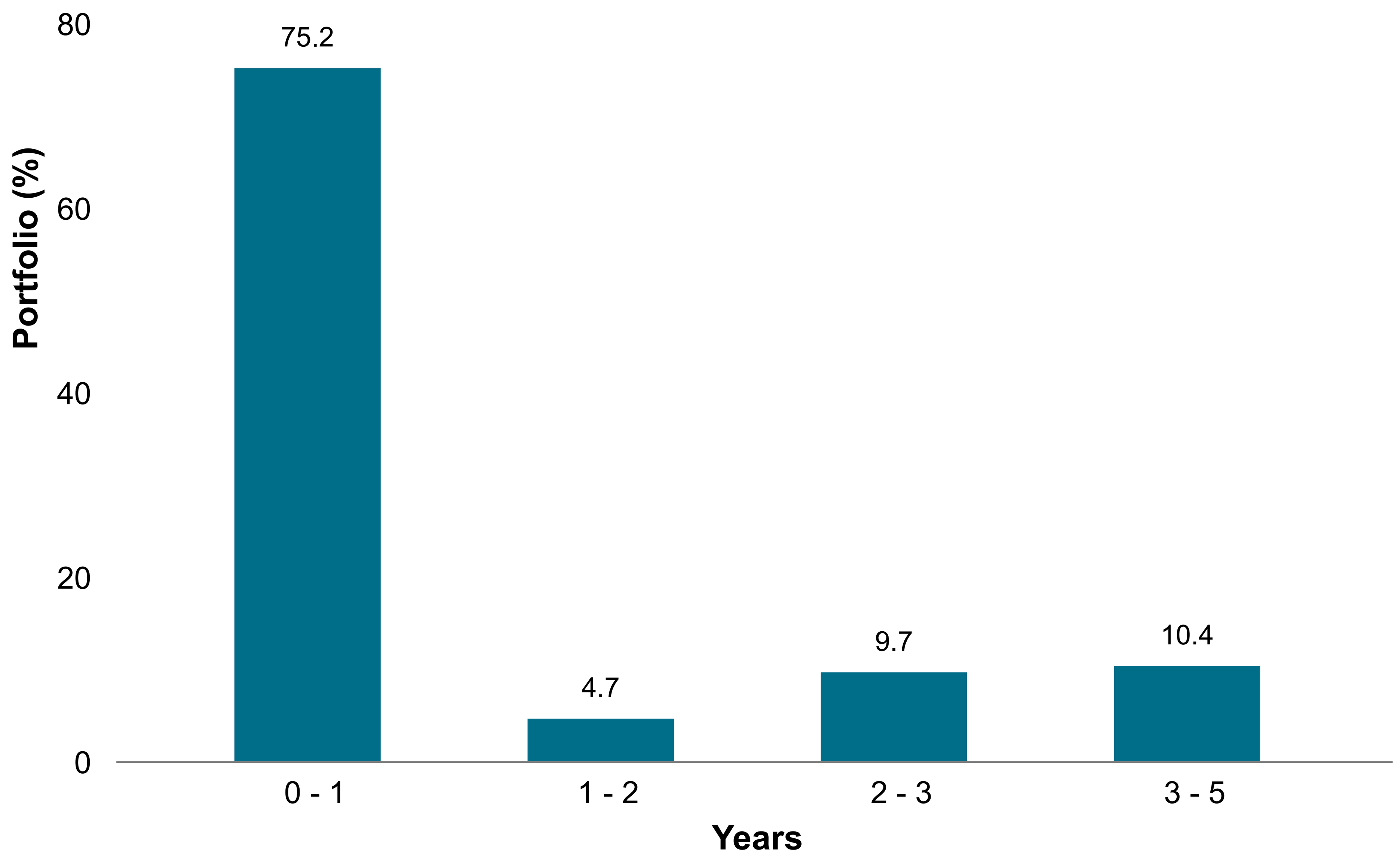
Portfolio composition



As of: September 2025

Chart 2

Average portfolio maturity distribution



As of: September 2025

Portfolio Snapshot

The Virginia Treasury's Cash Management & Investments Division oversees the LGIP EM, which is used by various governmental entities on a voluntary basis. The LGIP EM provides these entities with the opportunity to enhance their investment returns, comply with investment regulations set forth in the Code of Virginia Investment of Public Funds Act, and benefit from the efficiencies associated with large-scale investing and professional fund management. The management of the LGIP is conducted in accordance with Statement No. 79 of the Governmental Accounting Standards Board.

With over 25 years of collective experience, the team managing the fund has demonstrated their competence and expertise in overseeing the LGIP, in our view. The LGIP EM's objective is to provide participants, who are public entities, an alternative fluctuating net asset value (NAV) investment vehicle to the Virginia Treasury Local Government Investment Pool.

The portfolio is diversified, ensuring that no more than 4% of the value of the LGIP EM assets is invested in the securities of any single issuer. This limitation does not apply to securities issued by the U.S. government, its agencies, government-sponsored enterprises (GSEs), or sovereign governments.

As of Sept. 30, 2025, the pool's largest concentration of investments is in agency fixed-rate securities and certificates of deposit. The LGIP EM benchmark is the ICE BofA U.S. 1-Year Treasury Bill Index plus 15 basis points.

History/Trends

Over the past 12 months, an average of 70% of the portfolio consisted of maturities ranging from zero to one year, resulting in a weighted average maturity (WAM) slightly under one year. The LGIP EM holds only high-quality fixed-income securities with a maximum maturity of five years and an expected weighted average maturity of one year.

Across all rated LGIPs on the fund credit quality rating scale, yields have consistently declined, reflecting the prevailing lower interest rates observed over the past several quarters.

The pool has recently experienced a decline in assets, which is largely cyclical and exhibits seasonal patterns, particularly with retirement payments occurring at the beginning of each month. Additionally, property tax collections significantly affect cash flows.

The credit quality of the portfolio has remained stable over the past 12 months, with 'AA' rated securities representing approximately 48% of the total. The remaining portion is diversified among 'A' rated securities, as well as short-term investments rated 'A-1+' and ‘A-1’. This balanced distribution underscores a robust credit profile.

Chart 3

Net assets

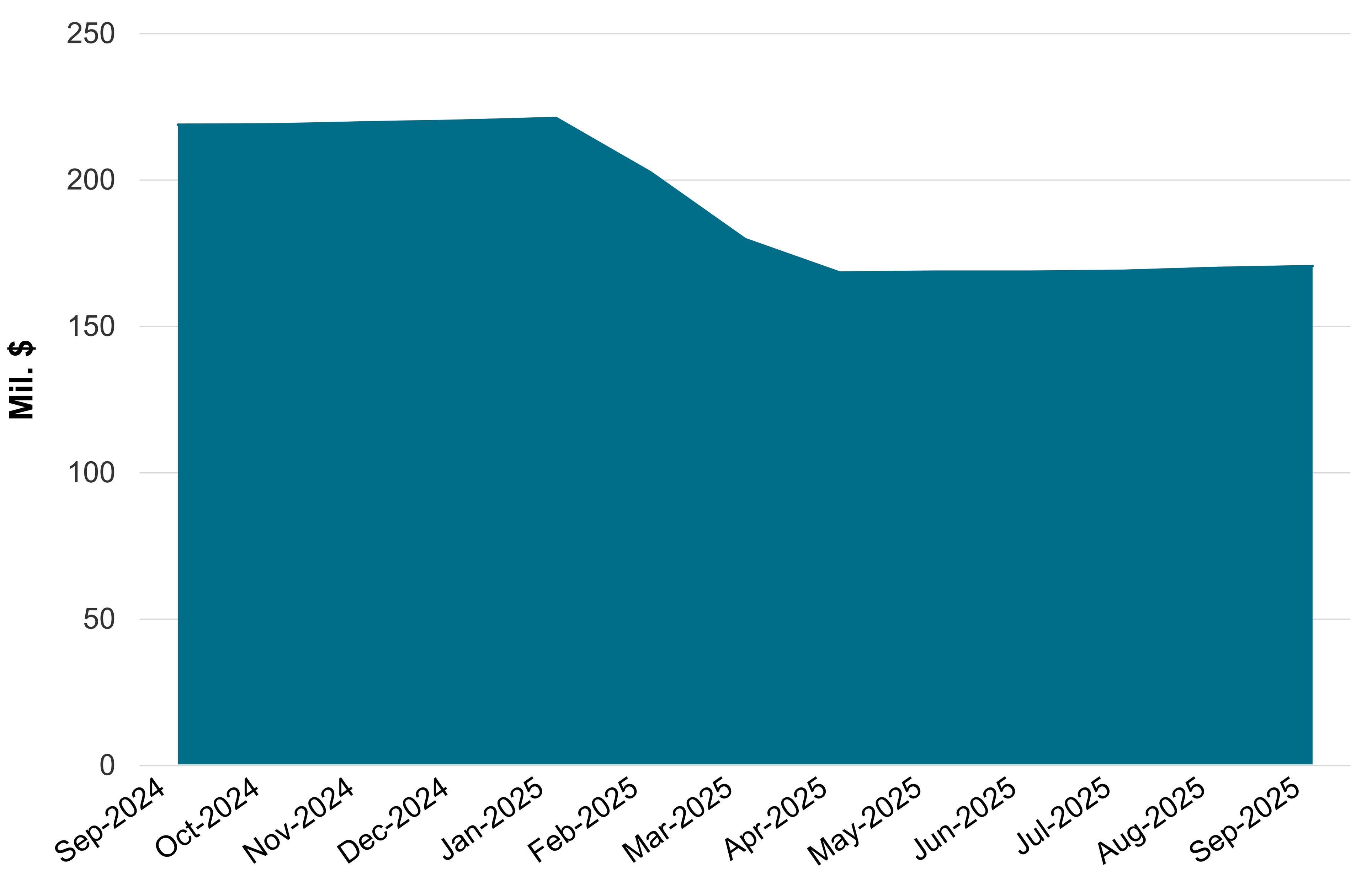
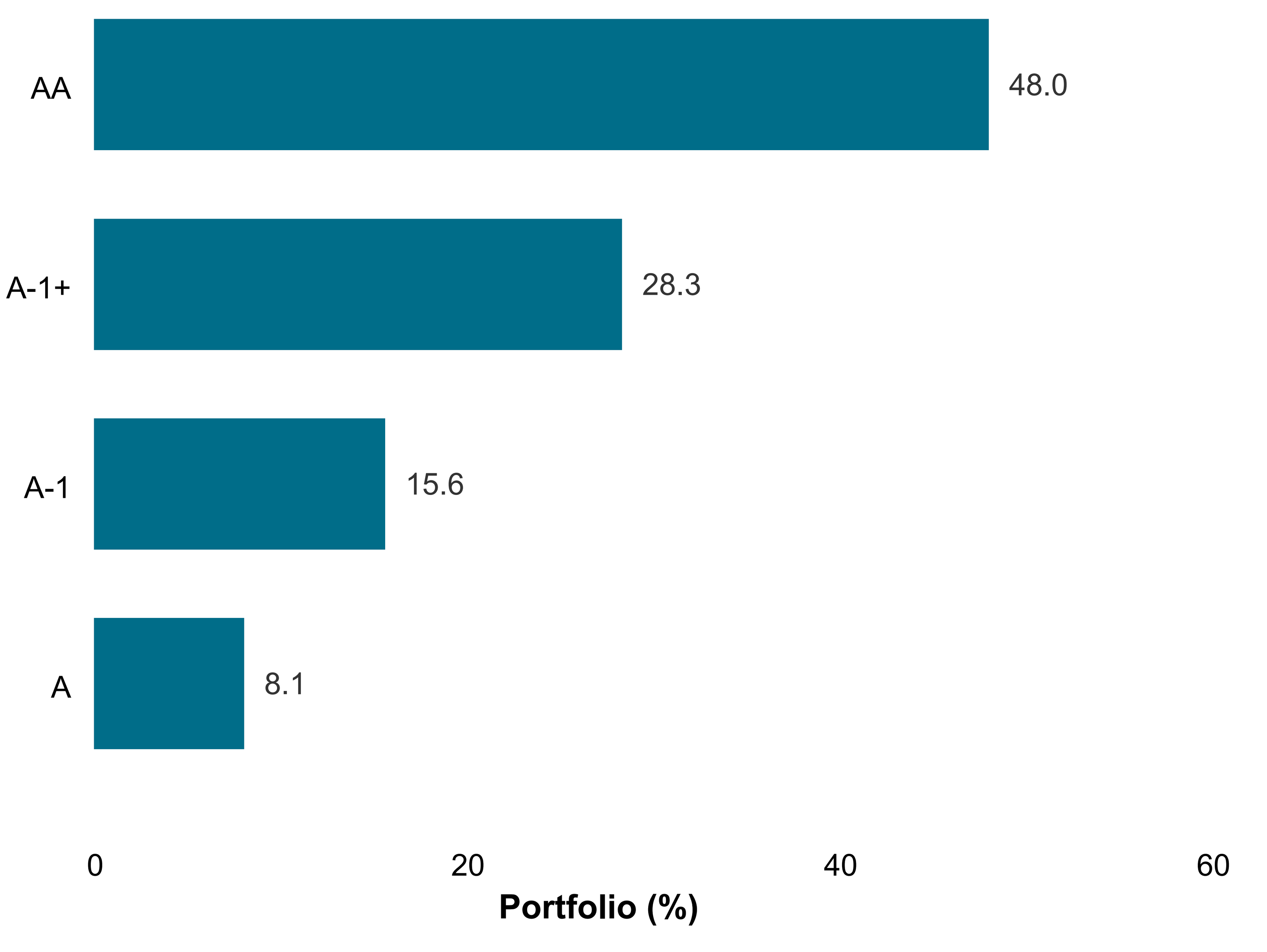


Chart 4

Credit quality



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Related Criteria

- Criteria | Financial Institutions | Fixed-Income Funds: Fund Credit Quality Ratings Methodology,July 26, 2024
- Criteria | Financial Institutions | Fixed-Income Funds: Fund Volatility Ratings Methodology,June 26, 2017