

Maryland Local Government Investment Pool

An Investment Trust Fund of the State of Maryland

Financial Report
June 30, 2018

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Independent Auditor's Report

To the Treasurer
State of Maryland Treasurer's Office

Report on the Financial Statements

We have audited the accompanying financial statements of the Maryland Local Government Investment Pool (the Pool), an investment trust fund of the State of Maryland, which comprise the statement of fiduciary net position as of June 30, 2018, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Maryland Local Government Investment Pool as of June 30, 2018, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1, the financial statements presently only the Pool, an investment trust fund of the State of Maryland, and do not purport to, and do not, present fairly the financial position of the State of Maryland as of June 30, 2018, or the changes in its net position for the year ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Baltimore, Maryland
October 22, 2018

Maryland Local Government Investment Pool

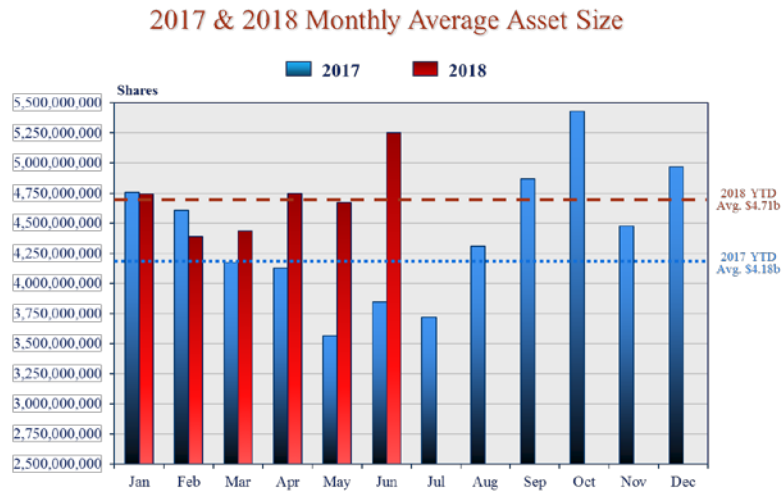
Management's Discussion and Analysis June 30, 2018

The Maryland Local Government Investment Pool's (the "Pool" or "MLGIP") management's discussion and analysis is designed to assist the reader in focusing on significant financial issues and provide a performance overview of the Pool's operations for the year ended June 30, 2018.

Portfolio information is disclosed including: portfolio securities and maturities, portfolio valuation, yields and earnings.

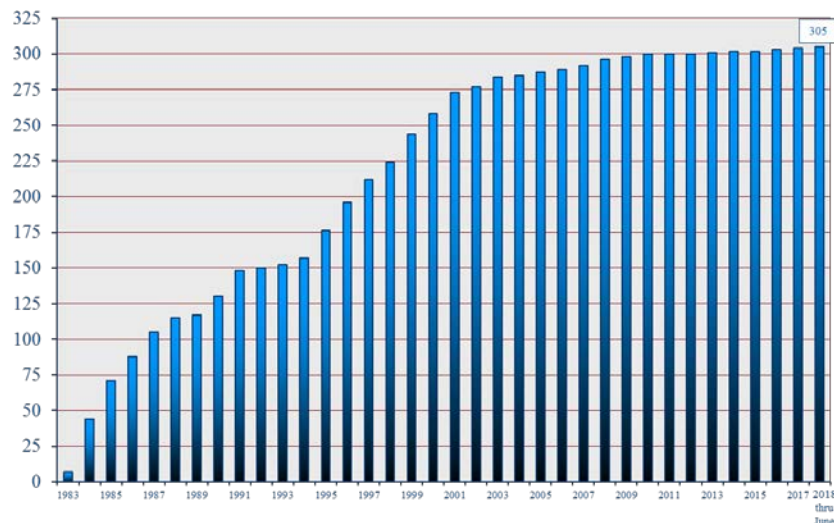
MLGIP Growth Charts

The average monthly balance in the Pool grew to \$5.3 billion in June 2018, up from \$3.7 billion in June 2017. The average monthly balance for 2018, as of June 30, 2018, was \$4.7 billion, up from \$4.2 billion for all of 2017.



The Pool had 305 registered participants as of June 30, 2018, up from 304 as of June 30, 2017.

Registered Participants



Maryland Local Government Investment Pool

Management's Discussion and Analysis June 30, 2018

Administrative Costs

In accordance with the terms of the services agreement, which began January 1, 2014, the Contractor, PNC Bank and PCA Capital Advisors charges an administrative fee based on the asset size of the Pool as follows:

0.025% on the total asset size

All administrative services, i.e. reporting, collections, custodial and fund transfers, are included in this fee. The fees are accrued daily and charged monthly to the Pool. All rates are disclosed net of all fees.

Fiscal Year 2018 Review

For most of the fiscal year, despite healthy economic activity and a strengthening labor market, inflation remained below the Federal Open Market Committee's (FOMC or Committee) 2% target. It wasn't until the latter part of the 12-month period that inflation measures reached or threatened to surpass the target. As a result, the FOMC remained committed to gradually normalizing policy by raising the federal funds rate over three consecutive quarters, from a range of 1.00%-1.25% to 1.75%-2.00%. While the Committee expressed willingness to let inflation run above its 2% target in the near term given the prolonged period that inflation remained below that level, the Committee elected to only increase the interest rate on excess reserves (IOER) by 20 basis points (bps) at the June 2018 meeting. Typically IOER moves in lockstep with the fed funds rate, but was held back a bit this time in an attempt to keep the fed funds rate in the middle of the target range.

The London interbank offered rate (LIBOR) curve steepened by about 25 bps during the fiscal year, as a result of the increases in the fed funds target rate. However, 3-month LIBOR, in particular, experienced some volatility during the year due to extraordinary circumstances. During the fourth calendar quarter of 2017, LIBOR increased more than 30 bps leading up to and after the FOMC meeting. We have typically seen LIBOR increase by about 15 bps ahead of a Fed rate hike. Due to regulations encouraging banks to actively manage down their balance sheets into year-end and the increase in LIBOR rates, commercial paper (CP) issuers were forced to issue securities at higher yields, particularly over year end, to meet their funding needs. The effects were most pronounced in the Tier 2 space; however, yields on A1/P1 CP also increased. The Tier 1 curve steepened by about 14 bps during the quarter, with 9-month CP reaching yields near 2%. Unfortunately for investors, immediately after the first of the year, the curve flattened again by about six bps and yields dropped four to 10 bps across maturities.

During the first quarter of 2018, increased foreign earnings repatriation, per the revised tax rules of December 2017's Tax Cuts and Jobs Act (TCJA) led to decreased demand for short-duration fixed income securities by corporate cash investors. Due to these investors' diminished presence in the new issue market, as well as their outright selling of holdings in the secondary market, the yield curve was impacted all the way down to money markets. The effects were particularly noticeable in the LIBOR – Overnight Indexed Swap (OIS) spread, which reached post-crisis highs. The widening was similar to the 2016 technical event related to money market fund reform, but managed to surpass the 2011 fundamental event related to the European debt crisis. These factors, along with a surge in T-bill issuance, resulted in a greater than 60 bps increase in 3-month LIBOR during one calendar quarter. Yields on money market instruments moved in step with LIBOR. Both agency discounts notes and top-tier CP experienced a 30 to 60 bps shift upwards across different points on the curve, while the Treasury bill curve experienced a parallel shift upwards of about 35 bps. In both instances, the yield changes realized during the quarter were greater than what would have been the result of just the increase in the fed funds rate alone.

Maryland Local Government Investment Pool

Management's Discussion and Analysis June 30, 2018

The Treasury bill (T-bill) market experienced debt-ceiling related volatility early in the fiscal year. The expiration of extraordinary measures in October 2017, the threat of a technical default, and a decrease in issuance caused yields to spike on related maturities.

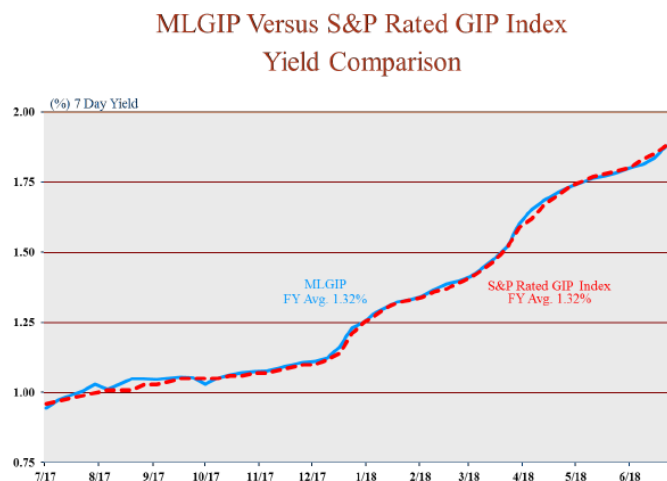
In late July 2017 (when 3-month T-bills were set to mature in October), the yield rose to 1.17% from just 1.04% a week earlier. Similarly, in early September, the yield on the 1-month T-bill jumped more than 25 bps in a week, reaching a high of 1.22%. Shortly thereafter, lawmakers struck a deal to provide \$15 billion in much-needed hurricane relief that also kept the government funded until December, which led yields to snap back, as the immediate threat was over. When the federal debt ceiling extension expired December 8, the yield impact on December Treasury maturities was modest, as Congress enacted "extraordinary measures" to fund the government through March 2018. However, 3-month T-bills auctioned in December were sold at the highest yields since 2008, due in part to the uncertainty surrounding the new March debt deadline.

The supply and demand imbalance remained an issue through much of the fiscal year, particularly at quarter ends. Over the course of the 12-month period, money market yields shifted upwards as a result of both fed moves and technical events. Three-month LIBOR increased by over 100 bps, to reach 2.33% by year-end, and CP moved in lock-step. Yields on agency discount notes increased as well; however, the curve flattened, as shorter maturities experienced greater movement than the longer end of the curve. At the same time, the T-Bill curve experienced a near parallel shift upwards of about 95 bps.

Given the money market landscape and expectations for continued increases in the fed funds target range, we maintained the weighted average maturity of the Maryland Local Government Investment Pool at the shorter end of the range for the fiscal year. We continued to invest in agency floating-rate notes, as the increases in LIBOR resulted in higher coupon payments with each reset date. Additionally, we maintained close to the maximum 10% allocation in CP, as it continued to provide a yield advantage over comparable maturity Treasuries and agencies. Finally, when T-bills were under pressure due to the debt-ceiling debate, we chose to avoid any potential risks and instead invest in agency discount notes. The Pool undoubtedly reaped the benefits of both Fed moves and market dynamics, as the 30-day average yield increased by 95 bps to 1.85% by the end of the fiscal year.

MLGIP vs. S&P Rated GIP Index

The following chart graphically depicts the Pool's yield and the S&P Rated GIP Index Yield for the year ended June 30, 2018:



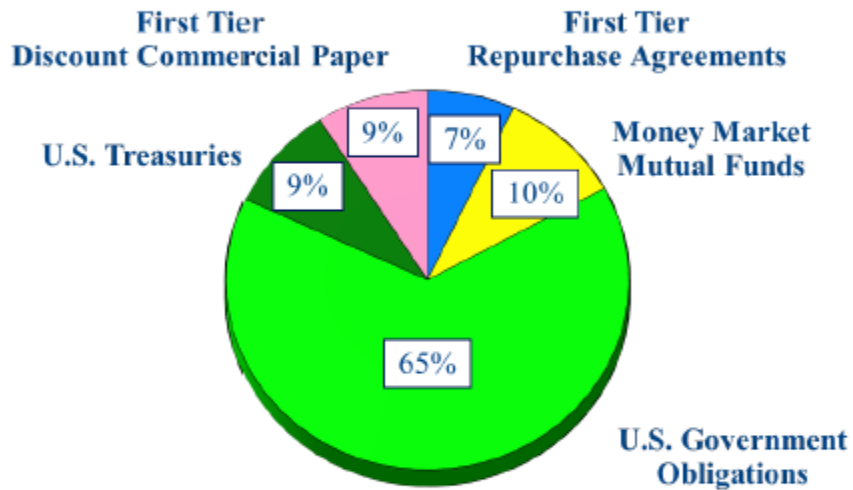
Maryland Local Government Investment Pool

**Management's Discussion and Analysis
June 30, 2018**

Pool Information as of June 30, 2018

Additional information on the Pool portfolio, as of June 29, 2018 as that was the final business day of the fiscal year, is reflected in the following graphic. This is available at www.mlqip.com:

**Portfolio Profile
June 29, 2018**



Shares Outstanding:	\$5,253,470,552
Weighted Avg. Maturity:	29 Days
Overnight Liquidity:	16%
Net Rate (1 Day):	1.8993%

Maryland Local Government Investment Pool

Statement of Fiduciary Net Position

June 30, 2018

Assets

Investments:

Money market mutual funds	\$ 530,840,127
Commercial paper	482,749,281
Government agency obligations	3,416,415,561
U.S. Treasury obligations	478,610,558
Repurchase agreements	<u>350,000,000</u>
Total investments	5,258,615,527

Investment income receivable	<u>3,060,972</u>
Total assets	<u>5,261,676,499</u>

Liabilities

Income distributions payable to participants	7,991,096
Accrued expenses	<u>107,914</u>
Total liabilities	<u>8,099,010</u>

Net Position

Net position held in trust for participants (equivalent to \$1.00 per share based on 5,253,470,552 shares outstanding)	<u><u>\$ 5,253,577,489</u></u>
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See notes to financial statements.

Maryland Local Government Investment Pool

**Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2018**

Operations:	
Additions:	
Investment earnings	<u>\$ 63,543,964</u>
Deductions:	
Administrative expenses	1,166,839
Distributions to participants of net investment earnings	<u>62,346,326</u>
Total deductions	<u>63,513,165</u>
Share transactions:	
Proceeds from issuance of 9,847,870,631 shares	9,847,870,631
Cost of 8,321,916,955 shares redeemed	<u>(8,321,916,955)</u>
Net increase in net position resulting from share transactions	<u>1,525,953,676</u>
Net increase in net position	1,525,984,475
Net position held in trust for participants:	
Beginning of year	<u>3,727,593,014</u>
End of year	<u><u>\$ 5,253,577,489</u></u>

See notes to financial statements.

Maryland Local Government Investment Pool

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

The Maryland Local Government Investment Pool, established under Chapter 119, Title 17 of the Local Government Article of the Annotated Code of Maryland (the Code), is made up of funds of authorized participants and funds of the State of Maryland (the State) over which the Maryland State Treasurer's Office (the Treasurer) has investment authority. The Pool is under the administrative control of the Treasurer. PNC Bank, National Association and PNC Capital Advisors, LLC (the contractor) has been contracted by the Treasurer to operate and manage the Pool.

During the year ended June 30, 2018, only the following were authorized participants in the Pool: the governing body of each county or municipality; a county board of education; the governing body of each road, drainage, improvement, construction, or soil conservation district or commission in the State; the Upper Potomac River Commission; any other political subdivision or body politic of the State; a local government insurance pool formed under Title 19, Subtitle 6 of the Insurance Article; and upon approval by the Treasurer, a unit of State government or an entity created by the State, if the funds of the unit or entity are not State money over which the Treasurer has investment authority.

A summary of the Pool's significant accounting policies follows:

Financial reporting entity: As described in the Maryland Comprehensive Annual Financial Report (CAFR), the State is the primary government, which includes all funds, elected offices, departments and agencies of the State as well as boards, commissions, authorities, universities and colleges over which the State's executive or legislative branches exercise legal control.

The Pool is not legally separate from the State and is, therefore, determined to be part of the primary government. The Pool is included in the State's CAFR as an investment trust fund (fiduciary fund). The scope of the Pool's financial statements presented herein is limited to the financial position of the Pool, including net position available to participants and the changes in net position.

Basis of accounting and measurement focus: The accounts of the Pool are maintained and reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that reflect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The most significant estimate is the valuation of investments. Actual results could differ from those estimates.

Investments: The Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended by GASB Statement No. 59, *Financial Instruments Omnibus* (GASB 59) and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* (GASB 79), establishes standards for accounting for investments held by governmental entities. The Pool complies with the provisions of paragraph 4 of GASB 79 and, thus, reports all investments at amortized cost (carrying value).

Maryland Local Government Investment Pool

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

GASB 79 addresses accounting and financial reporting for certain external investment pools and pool participants, specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies if it meets all of the applicable criteria: (1) transacts with participants at a stable net asset value (NAV) per share; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) shadow pricing requirements. The Pool meets the required criteria of GASB 79 and, therefore, measures its investments at amortized cost.

The Pool is invested in accordance with the provisions of Section 6-222 and 6-223 of the State Finance and Procurement Article of the Code and Title 17, Subtitle 3 of the Code. As more fully described in these Code sections, permissible investments include: certain obligations of the United States; certain obligations of a federal agency or federal instrumentality (so-called government agency obligations); certain repurchase agreements; certain bankers' acceptances; certain commercial paper; and certain money market mutual funds. No direct investment may have a maturity date of more than 13 months after its acquisition; however, floating rate notes may have a two-year final maturity as long as they have a reset date within 397 days.

Securities are valued daily on an amortized cost basis and are held to maturity under normal circumstances. Investments in money market mutual funds are valued at the closing NAV per share on the day of valuation.

Repurchase agreements: The Pool may agree to purchase portfolio securities from financial institutions, such as banks and broker-dealers, subject to the seller's agreement to repurchase them at an agreed upon date and price. The seller will be required, on a daily basis, to maintain collateral in the form of an obligation of the United States, its agencies or instrumentalities on behalf of the Pool at least equal to 102% of market value of securities subject to resale. The agreement is conditioned upon the collateral being deposited under the Federal Reserve book-entry system. Such agreements, which are fully collateralized at year-end, are stated separately in the Pool's portfolio of investments. In the event of a bankruptcy or default of certain sellers of repurchase agreements, the Pool could experience costs and delays in liquidating the underlying security, which is held as collateral, and the Pool might incur a loss if the value of the collateral held declines during this period.

Securities transactions: Purchases and sales are accounted for on the trade-date basis. Interest income is recorded as earned. Realized gains and losses, if any, from securities transactions are recorded on an identified cost basis.

Unit issues, redemptions and distributions: Admissions to and withdrawals from the Pool may be made daily at the daily unit value of the Pool.

Net investment income is accrued daily and allocated ratably to participating units. Such income is distributed as of the last calendar day of each month and paid on the first working business day of the following month.

Net position held in trust for participants: The net position held in trust for participants represents the total value of all participant deposits, including late deposits held in an overnight investment account as of June 30, 2018.

Maryland Local Government Investment Pool

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The Pool operates in a manner that is similar to that of an open-end mutual fund. Participant deposits and withdrawals are accounted for as purchases and sales of the Pool's capital shares. The amount of net proceeds from the sale of shares represents the gross withdrawals, which are redeemed from the Pool's shares during the year. The cost of shares purchased represents the gross deposits, which are invested in the Pool's shares during the year. These amounts do not include dividends or earnings, which are remitted directly to participants versus invested (or reinvested) in the Pool's shares.

Net position for the Pool is \$5,253,577,489 as of June 30, 2018.

Administrative costs: In accordance with the terms of the service agreement, the contractor charges an administrative fee of .025% on the asset size of the Pool.

All administrative services, including reporting, collection, custodial and fund transfers are included in this fee. The fee is accrued daily and charged monthly to the Pool, and is the responsibility of the participants in the Pool. The Pool incurred \$1,166,839 in fees for the year ended June 30, 2018.

Subsequent events: The Pool evaluated subsequent events for potential recognition and/or disclosure through October 22, 2018, the date that the financial statements were available to be issued. The Pool has determined there are no such events to report.

Note 2. Investments

General: The Treasurer is responsible for establishing the investment policy for the Pool, which is reviewed annually. Any proposed changes are reviewed by the Pool's Advisory Committee, which meets semiannually. The terms of the policy are designed to ensure the safety and liquidity of the funds deposited in the Pool.

Interest rate risk: Interest rate risk is the risk that changes in interest rates on debt instruments will adversely affect the carrying value of an investment. Much of the Pool's investment guidelines that are followed by the Pool are directed toward limiting interest rate risk, in order to maintain a stable NAV. Consistent with GASB 79, the dollar-weighted average portfolio maturity of the Pool is maintained at or below 60-calendar days. Further, the maximum maturity of any security purchased may not exceed 397 days. Floating rate note securities are deemed to have a maturity equal to the period remaining until readjustment but must have a reset date within 397 days.

The Pool's weighted average time to maturity by type of investment, excluding money market mutual funds, as of June 30, 2018, is as follows:

	Carrying Value	Weighted Average Days to Maturity
Commercial paper	\$ 482,749,281	51
Government agency obligations	3,416,415,561	31
U.S. Treasury obligations	478,610,558	58
Repurchase agreement	350,000,000	2
Total investments	<u>\$ 4,727,775,400</u>	<u>34</u>

Maryland Local Government Investment Pool

Notes to Financial Statements

Note 2. Investments (Continued)

The weighted average days to maturity of the portfolio as a whole, which includes money market mutual funds, is approximately 29 days.

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Applicable sections of the Code and the Pool's investment policy limit the types of securities available for investment to obligations of the U.S. government or its agencies or instrumentalities, bankers' acceptances, commercial paper, money market mutual funds and, in limited circumstances, obligations of political subdivisions. Bankers' acceptances and commercial paper are subject to certain credit rating, guarantee and/or collateral requirements. In accordance with the Pool's investment policy, commercial paper investments must have received the highest letter and numerical rating by at least two NRSRO as designated by the SEC, provided that such commercial paper may not exceed 10% of the Pool's total investments.

The credit ratings and book values of the investments, by type, are as follows:

Investment Type	Credit Rating Moody's/S&P	Carrying Value
Money market mutual funds*	Aaa-mf/AAAm	\$ 530,840,127
Commercial paper*	P-1/A-1, P-1/A-1+	482,749,281
Government agency obligations*	Aaa/AA+	3,416,415,561
U.S. Treasury obligations*	Aaa/AA+	478,610,558
Repurchase agreement**	P-1/A-1+	350,000,000
		<u>\$ 5,258,615,527</u>

*Some of these ratings are historical if they have not been updated by rating agencies.

**Rating is that of the repurchase agreement's counterparty.

Custodial credit risk: Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Pool will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Pool generally requires that securities purchased are to be held by the master custodian, acting as an independent third party, in its safekeeping or trust department. The Pool's investments are not exposed to custodial credit risk since the securities are held by the Pool or its agent in the Pool's name. Securities utilized in repurchase agreements are subject to additional restrictions. These restrictions are designed to limit the Pool's exposure to risk and ensure the safety of the investment. The market value of securities utilized as collateral for repurchase agreements must be at least 102% of the value of the repurchase agreement. As of June 30, 2018, the repurchase agreements have been collateralized with government agency obligations with a total market value of approximately \$356,988,294 and maturity dates ranging from May 31, 2022 to April 30, 2024.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Concentration of credit risk is mitigated by limiting the percentage of the portfolio invested with any one issuer. The Pool's investment policy establishes limits which restrict the maximum amount of exposure as a percent of total assets to any single issuer at the time of purchase. These limits are as follows:

- 15% maximum exposure in any one repurchase agreement counterparty
- 25% maximum exposure to any single federal agency or instrumentality

Maryland Local Government Investment Pool

Notes to Financial Statements

Note 2. Investments (Continued)

- No limit to exposure in U.S. Treasury obligations
- 5% maximum exposure to any single issuer's bankers' acceptances or commercial paper
- 25% maximum exposure to money market mutual funds and 5% maximum exposure to any individual money market mutual fund

The Pool's diversification percentage guidelines are measured from time of purchase and at no time throughout the year was a purchase made where a compliance issue developed.

The Pool's investments at June 30, 2018, included the following issuers which individually represented greater than 5% of its total assets:

Issuer	Carrying Value	Percent of Total Assets
Federal Farm Credit Bank	\$ 1,175,879,715	22.3%
Federal Home Loan Bank	1,179,692,498	22.4%
Federal Home Loan Mortgage Corp	574,266,504	10.9%
Federal National Mortgage Association	486,576,844	9.2%
U.S. Treasury obligations	478,610,558	9.1%
	<u>\$ 3,895,026,119</u>	<u>73.9%</u>

Fair value measurements and hierarchy: Although the Pool meets the requirements to carrying its investments at amortized cost, GASB 79 requires the Pool to include disclosures about the fair value measurements used in determining the fair value disclosures that are required by Statement No. 31 and No. 72. GASB No. 72 provides guidance for using fair value to measure assets and liabilities. It defines fair value, establishes a framework for using fair value and expands disclosures about fair value measurement. Under GASB No. 72, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. It clarifies the principle that fair value would be based on assumptions market participants would use when pricing the asset or liability. In support of this principle, GASB No. 72 establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under GASB No. 72, fair value measurements would be separately disclosed by level within the fair value hierarchy. The fair value of each investment held by the Pool is determined daily as well as of the statement of financial position date.

- Level 1:** Securities are valued using unadjusted quoted prices in active markets for identical assets or liabilities that the Pool has the ability to access at the measurement date.
- Level 2:** Securities are valued using inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3:** Securities are valued using inputs that are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

Maryland Local Government Investment Pool

Notes to Financial Statements

Note 2. Investments (Continued)

The following table sets forth the fair value of the securities held by the Pool, according to the hierarchy described in GASB No. 72, as of June 30, 2018.

Description	Assets at Fair Value as of June 30, 2018			
	Level 1	Level 2	Level 3	Total
Money market mutual funds	\$ 530,840,127	\$ -	\$ -	\$ 530,840,127
Commercial paper	-	482,723,403	-	482,723,403
Government agency obligations	-	3,416,360,820	-	3,416,360,820
U.S. Treasury obligations	-	478,633,634	-	478,633,634
Repurchase agreements	-	350,000,000	-	350,000,000
Total	\$ 530,840,127	\$ 4,727,717,857	\$ -	\$ 5,258,557,984

Summary of investments at June 30, 2018:

Type	Carrying Amount	Fair Value	Face/Par Principal Amount	Range of Interest Yields	Range of Maturity Dates
Money market mutual funds	\$ 530,840,127	\$ 530,840,127	\$ 530,840,127	NA	NA*
Commercial paper	482,749,281	482,723,403	484,273,000	1.88% - 2.43%	07/02/18 - 12/12/18
Government agency obligations					
Federal Farm Credit Bank	1,175,879,715	1,175,859,445	1,177,121,000	1.74% - 2.28%	07/03/18 - 03/13/20
Federal Home Loan Bank	1,179,692,498	1,179,684,963	1,180,499,000	1.71% - 2.17%	07/02/18 - 07/22/19
Federal Home Loan Mortgage Corp.	574,266,504	574,232,336	575,129,000	1.73% - 2.16%	07/06/18 - 08/08/19
Federal National Mortgage Association	486,576,844	486,584,076	487,140,000	1.69% - 2.03%	07/02/18 - 03/08/19
U.S. Treasury obligations	478,610,558	478,633,634	480,000,000	1.70% - 2.08%	07/19/18 - 01/31/19
Repurchase agreements	350,000,000	350,000,000	350,000,000	2.01% - 2.04%	07/02/18
	<u>\$ 5,258,615,527</u>	<u>\$ 5,258,557,984</u>	<u>\$ 5,265,002,127</u>		

*All money market mutual funds are highly liquid and have overnight availability.

Level 2 valuation: The fair value of commercial paper, government agency obligations, and treasury bills are based on observable inputs other than quoted prices in actively traded markets. The fair value of the repurchase agreements are held at the carrying amount due to the short-term nature of the agreement. Commercial paper, government agency obligations, U.S. Treasury obligations and repurchase agreements are generally categorized in Level 2 of the fair value hierarchy.

Note 3. Related Party Transactions

The State is a participant in the Pool. At June 30, 2018, the State's investment in the Pool totaled approximately \$201 million.

Supplementary Information

Maryland Local Government Investment Pool

Portfolio of Investments June 30, 2018

	Credit Quality Ratings Moody's/S&P	Par Value/ Face Amount or Number of Shares	Carrying Value	Fair Value
Securities *				
Money market mutual funds:				
Dreyfus Government Cash Management (DGCXX)	Aaa-mf/AAAm	\$ 29	\$ 29	\$ 29
Federated Funds (GOIXX)	Aaa-mf/AAAm	996	996	996
Goldman Sachs Financial (FGTXX)	Aaa-mf/AAAm	133,250,743	133,250,743	133,250,743
Morgan Stanley Institutional Liquidity Government (MVRXX)	Aaa-mf/AAAm	196,703,457	196,703,457	196,703,457
Wells Fargo Government (WFFXX)	Aaa-mf/AAAm	200,884,902	200,884,902	200,884,902
Total money market mutual funds			530,840,127	530,840,127
Commercial paper:				
ABN AMRO Funding USA LLC				
1.92%, due 07/25/2018	P-1/A-1	10,000,000	9,987,333	9,985,368
American Honda Finance Corp:				
2.08%, due 08/16/2018	P-1/A-1	5,000,000	4,986,775	4,986,293
Australia and New Zealand Banking Group				
2.00%, due 07/26/2018	P-1/A-1+	15,000,000	14,979,167	14,977,748
2.43%, due 12/11/2018	P-1/A-1+	15,000,000	14,837,000	14,835,000
Bank of New York and Mellon Corporation				
1.93%, due 07/16/2018	P-1/A-1+	5,000,000	4,995,979	4,995,393
2.25%, due 07/02/2018	P-1/A-1+	10,000,000	9,999,378	9,998,433
The Bank of Nova Scotia				
2.22%, due 08/02/2018	P-1/A-1	10,243,000	10,222,969	10,223,913
Bedford Row Funding Corporation				
2.36%, due 07/26/2018	P-1/A-1+	10,000,000	9,983,750	9,984,700
1.90%, due 07/02/2018	P-1/A-1+	7,000,000	6,999,631	6,998,877
2.31%, due 07/25/2018	P-1/A-1+	10,700,000	10,683,593	10,684,258
BNB Paribas USA				
2.42%, due 08/06/2018	P-1/A-1	9,250,000	9,227,800	9,230,209
Canadian Imperial Bank of Commerce:				
2.03%, due 09/28/2018	P-1/A-1	10,000,000	9,950,556	9,944,086
Coca-Cola Company:				
2.42%, due 12/12/2018	P-1/A-1+	10,000,000	9,891,122	9,889,241
2.29%, due 09/28/2018	P-1/A-1+	10,000,000	9,943,881	9,946,007
Colgate-Palmolive Company				
1.96%, due 07/12/2018	P-1/A-1+	10,000,000	9,994,011	9,993,049

(Continued)

Maryland Local Government Investment Pool

Portfolio of Investments (Continued) June 30, 2018

	Credit Quality Ratings Moody's/S&P	Par Value/ Face Amount or Number of Shares	Carrying Value	Fair Value
Commercial paper (continued):				
CPPIB Capital Inc.				
2.01%, due 08/20/2018	P-1/A-1+	\$ 10,000,000	\$ 9,972,222	\$ 9,970,302
CRC Funding, LLC				
2.29%, due 07/26/2018	P-1/A-1	10,000,000	9,984,167	9,984,700
2.32%, due 07/03/2018	P-1/A-1	10,000,000	9,998,717	9,997,869
2.26%, due 08/29/2018	P-1/A-1	13,000,000	12,952,063	12,952,772
Exxon Mobil Corporation				
1.88%, due 07/09/2018	P-1/A-1+	8,000,000	7,996,676	7,995,736
Fairway Finance Corporation:				
2.26%, due 08/20/2018	P-1/A-1	10,000,000	9,968,750	9,968,814
2.28%, due 09/18/2018	P-1/A-1	10,000,000	9,950,186	9,949,060
Gotham Funding Corporation				
1.97%, due 07/05/2018	P-1/A-1	10,000,000	9,997,811	9,996,727
2.31%, due 07/06/2018	P-1/A-1	10,000,000	9,996,806	9,996,169
JPMorgan Securities LLC:				
2.42%, due 11/28/2018	P-1/A-1	15,000,000	14,850,000	14,846,037
2.31%, due 09/21/2018	P-1/A-1	15,000,000	14,921,417	14,920,130
KFW:				
2.14%, due 07/11/2018	P-1/A-1+	10,000,000	9,994,083	9,993,933
2.15%, due 08/16/2018	P-1/A-1+	10,000,000	9,972,656	9,974,720
Liberty Street Funding Corporation:				
2.29%, due 09/10/2018	P-1/A-1	10,000,000	9,955,033	9,954,679
MetLife short-term funding:				
2.06%, due 07/16/2018	P-1/A-1+	10,000,000	9,991,458	9,989,148
2.16%, due 08/13/2018	P-1/A-1+	10,000,000	9,974,319	9,974,563
MUFG Bank, Ltd.				
2.32%, due 09/10/2018	P-1/A-1	10,000,000	9,954,639	9,955,774
National Securities Clearing Corporation				
2.06%, due 08/01/2018	P-1/A-1+	15,000,000	14,973,521	14,972,514
2.18%, due 09/10/2018	P-1/A-1+	15,000,000	14,935,804	14,935,030
2.22%, due 09/17/2018	P-1/A-1+	12,550,000	12,489,906	12,489,565
Nieuw Amsterdam Receivables Corporation:				
2.27%, due 08/13/2018	P-1/A-1	11,250,000	11,219,631	11,220,047
2.10%, due 08/03/2018	P-1/A-1	10,000,000	9,980,750	9,979,554

(Continued)

Maryland Local Government Investment Pool

Portfolio of Investments (Continued) June 30, 2018

	Credit Quality Ratings Moody's/S&P	Par Value/ Face Amount or Number of Shares	Carrying Value	Fair Value
Commercial paper (continued):				
Pfizer Inc Discount:				
2.11%, due 09/24/2018	P-1/A-1+	\$ 10,000,000	\$ 9,950,417	\$ 9,948,114
San Diego Gas & Electric Company				
1.95%, due 07/02/2018	P-1/A-1	11,100,000	11,099,399	11,098,224
Svenska Handelsbanken AB:				
2.21%, due 07/19/2018	P-1/A-1+	10,000,000	9,989,000	9,989,372
2.25%, due 09/05/2018	P-1/A-1+	11,180,000	11,134,497	11,135,484
Thunder Bay Funding LLC:				
2.06%, due 08/06/2018	P-1/A-1	10,000,000	9,979,500	9,977,865
Toronto-Dominion Holdings USA Inc:				
2.22%, due 08/14/2018	P-1/A-1	15,000,000	14,959,483	14,960,095
2.29%, due 09/19/2018	P-1/A-1	15,000,000	14,924,000	14,925,414
Toyota Motor:				
2.08%, due 07/02/2018	P-1/A-1+	10,000,000	9,999,425	9,998,417
Total commercial paper			482,749,281	482,723,403
Government agency obligations**:				
Federal Farm Credit Bank:				
2.28%, due 07/09/2018***	Aaa/AA+	30,000,000	30,001,135	30,001,393
2.10%, due 07/11/2018***	Aaa/AA+	30,000,000	30,000,000	30,001,354
2.21%, due 07/19/2018***	Aaa/AA+	8,550,000	8,551,001	8,551,216
2.15%, due 08/10/2018***	Aaa/AA+	12,000,000	11,999,603	12,002,955
1.96%, due 09/28/2018***	Aaa/AA+	30,000,000	29,999,707	29,999,097
2.02%, due 10/03/2018***	Aaa/AA+	25,000,000	25,000,000	25,011,154
1.96%, due 12/05/2018***	Aaa/AA+	25,000,000	24,999,998	25,009,642
1.96%, due 12/05/2018***	Aaa/AA+	18,000,000	18,003,500	18,006,942
2.12%, due 12/07/2018***	Aaa/AA+	10,000,000	9,999,746	10,003,535
1.88%, due 01/02/2019***	Aaa/AA+	25,000,000	25,000,000	24,996,207
1.98%, due 01/14/2019***	Aaa/AA+	16,300,000	16,309,694	16,306,778
2.25%, due 01/22/2019***	Aaa/AA+	25,000,000	25,041,732	25,042,250
2.01%, due 01/25/2019***	Aaa/AA+	16,200,000	16,203,695	16,211,869
1.89%, due 02/01/2019***	Aaa/AA+	20,000,000	19,999,751	19,998,222
1.89%, due 02/01/2019***	Aaa/AA+	20,000,000	20,000,000	19,998,222
2.06%, due 02/25/2019***	Aaa/AA+	15,000,000	15,008,228	15,005,349
1.89%, due 02/28/2019***	Aaa/AA+	15,000,000	14,999,505	14,992,775

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Maryland Local Government Investment Pool

Portfolio of Investments (Continued) June 30, 2018

	Credit Quality Ratings Moody's/S&P	Par Value/ Face Amount or Number of Shares	Carrying Value	Fair Value
Government agency obligations (continued)**:				
Federal Farm Credit Bank (continued):				
1.92%, due 03/12/2019***	Aaa/AA+	\$ 28,000,000	\$ 28,006,859	\$ 27,976,276
1.94%, due 03/12/2019***	Aaa/AA+	15,000,000	15,000,000	14,997,697
1.94%, due 04/03/2019***	Aaa/AA+	25,000,000	25,012,275	25,005,183
1.94%, due 04/03/2019***	Aaa/AA+	8,921,000	8,925,005	8,922,850
1.94%, due 04/25/2019***	Aaa/AA+	20,000,000	19,998,349	19,992,376
1.91%, due 06/13/2019***	Aaa/AA+	30,000,000	29,972,011	29,981,838
2.07%, due 06/24/2019***	Aaa/AA+	30,000,000	30,000,000	30,026,591
2.00%, due 11/25/2019***	Aaa/AA+	10,000,000	10,000,649	9,997,896
1.90%, due 12/02/2019***	Aaa/AA+	20,000,000	19,989,302	19,991,552
2.09%, due 12/11/2019***	Aaa/AA+	30,000,000	29,995,664	29,987,022
2.00%, due 01/21/2020***	Aaa/AA+	25,000,000	25,000,000	24,992,429
2.04%, due 03/13/2020***	Aaa/AA+	9,650,000	9,640,175	9,636,967
2.04%, due 03/13/2020***	Aaa/AA+	15,000,000	14,984,675	14,979,741
1.75%, due 07/03/2018	Aaa/AA+	25,000,000	24,997,583	24,998,700
1.74%, due 07/03/2018	Aaa/AA+	25,000,000	24,997,583	24,998,700
1.76%, due 07/05/2018	Aaa/AA+	40,000,000	39,992,178	39,993,760
1.79%, due 07/10/2018	Aaa/AA+	20,000,000	19,991,050	19,991,680
1.82%, due 07/10/2018	Aaa/AA+	10,000,000	9,995,450	9,995,840
1.74%, due 07/12/2018	Aaa/AA+	25,000,000	24,986,785	24,987,025
1.78%, due 07/12/2018	Aaa/AA+	30,000,000	29,983,683	29,984,430
1.80%, due 07/13/2018	Aaa/AA+	25,000,000	24,985,000	24,985,725
1.79%, due 07/16/2018	Aaa/AA+	15,000,000	14,988,875	14,989,095
1.76%, due 07/18/2018	Aaa/AA+	20,000,000	19,983,472	19,983,380
1.74%, due 07/23/2018	Aaa/AA+	30,000,000	29,968,283	29,967,270
1.85%, due 07/26/2018	Aaa/AA+	15,000,000	14,980,833	14,981,295
1.87%, due 07/26/2018	Aaa/AA+	20,000,000	19,974,167	19,975,060
1.83%, due 08/02/2018	Aaa/AA+	25,000,000	24,959,556	24,958,675
1.81%, due 08/03/2018	Aaa/AA+	15,000,000	14,975,250	14,974,395
1.89%, due 08/10/2018	Aaa/AA+	25,000,000	24,947,639	24,948,000
1.91%, due 08/14/2018	Aaa/AA+	20,000,000	19,953,556	19,954,140
1.84%, due 08/21/2018	Aaa/AA+	25,000,000	24,935,188	24,933,325
1.89%, due 08/28/2018	Aaa/AA+	25,000,000	24,924,278	24,924,000
1.95%, due 09/10/2018	Aaa/AA+	15,000,000	14,942,606	14,943,420
1.91%, due 09/13/2018	Aaa/AA+	22,500,000	22,412,125	22,411,485

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Maryland Local Government Investment Pool

Portfolio of Investments (Continued) June 30, 2018

	Credit Quality Ratings Moody's/S&P	Par Value/ Face Amount or Number of Shares	Carrying Value	Fair Value
Government agency obligations (continued)**:				
Federal Farm Credit Bank (continued):				
1.91%, due 09/18/2018	Aaa/AA+	\$ 20,000,000	\$ 19,916,611	\$ 19,915,940
1.93%, due 09/21/2018	Aaa/AA+	5,000,000	4,978,133	4,978,175
1.92%, due 09/26/2018	Aaa/AA+	7,000,000	6,967,858	6,967,562
1.99%, due 10/04/2018	Aaa/AA+	20,000,000	19,896,028	19,896,600
1.96%, due 10/12/2018	Aaa/AA+	25,000,000	24,861,236	24,859,750
2.04%, due 01/03/2019	Aaa/AA+	10,000,000	9,896,150	9,892,080
2.17%, due 03/19/2019	Aaa/AA+	10,000,000	9,846,300	9,842,560
Total Federal Farm Credit Bank			1,175,879,715	1,175,859,445
Federal Home Loan Bank:				
1.85%, due 07/09/2018	Aaa/AA+	13,333,000	13,327,519	13,328,147
1.85%, due 07/11/2018	Aaa/AA+	15,000,000	14,992,313	14,992,980
1.85%, due 07/11/2018	Aaa/AA+	20,000,000	19,989,750	19,990,640
1.86%, due 07/13/2018	Aaa/AA+	40,000,000	39,975,333	39,977,160
1.83%, due 07/13/2018	Aaa/AA+	18,790,000	18,778,538	18,779,271
1.76%, due 07/13/2018	Aaa/AA+	18,925,000	18,913,929	18,914,194
1.83%, due 07/16/2018	Aaa/AA+	10,000,000	9,992,396	9,992,730
1.85%, due 07/17/2018	Aaa/AA+	6,148,000	6,142,945	6,143,211
1.71%, due 07/18/2018	Aaa/AA+	40,000,000	39,967,889	39,966,760
1.86%, due 07/18/2018	Aaa/AA+	25,000,000	24,978,160	24,979,225
1.83%, due 07/18/2018	Aaa/AA+	15,000,000	14,987,073	14,987,535
1.85%, due 07/20/2018	Aaa/AA+	30,000,000	29,970,708	29,971,950
1.73%, due 07/23/2018	Aaa/AA+	40,000,000	39,957,956	39,956,360
1.87%, due 07/25/2018	Aaa/AA+	15,250,000	15,230,988	15,231,776
1.83%, due 07/25/2018	Aaa/AA+	25,000,000	24,969,667	24,970,125
1.88%, due 07/25/2018	Aaa/AA+	25,300,000	25,268,459	25,269,767
1.89%, due 08/03/2018	Aaa/AA+	14,499,000	14,474,013	14,474,250
1.89%, due 08/03/2018	Aaa/AA+	26,679,000	26,632,779	26,633,459
1.86%, due 08/03/2018	Aaa/AA+	30,380,000	30,328,341	30,328,141
1.84%, due 08/10/2018	Aaa/AA+	33,230,000	33,162,432	33,160,882
1.91%, due 08/15/2018	Aaa/AA+	20,000,000	19,952,500	19,953,060
1.92%, due 08/24/2018	Aaa/AA+	10,000,000	9,971,290	9,971,730
1.92%, due 09/25/2018	Aaa/AA+	25,000,000	24,885,632	24,885,475
2.09%, due 11/30/2018	Aaa/AA+	22,000,000	21,808,184	21,812,670

(Continued)

Maryland Local Government Investment Pool

Portfolio of Investments (Continued) June 30, 2018

	Credit Quality Ratings Moody's/S&P	Par Value/ Face Amount or Number of Shares	Carrying Value	Fair Value
Government agency obligations (continued)**:				
Federal Home Loan Bank (continued):				
1.87%, due 07/02/2018***	Aaa/AA+	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000
1.94%, due 07/13/2018***	Aaa/AA+	20,000,000	20,000,000	19,999,915
1.94%, due 07/19/2018***	Aaa/AA+	20,000,000	20,000,000	19,999,674
1.95%, due 08/20/2018***	Aaa/AA+	25,000,000	25,000,000	24,999,377
1.98%, due 08/23/2018***	Aaa/AA+	20,000,000	20,000,000	19,999,884
1.98%, due 08/27/2018***	Aaa/AA+	25,000,000	24,999,623	24,999,437
1.98%, due 08/27/2018***	Aaa/AA+	10,000,000	9,999,854	9,999,775
1.99%, due 08/28/2018***	Aaa/AA+	20,000,000	20,001,368	19,999,843
1.88%, due 09/05/2018***	Aaa/AA+	30,000,000	30,000,000	29,999,211
1.93%, due 09/11/2018***	Aaa/AA+	25,000,000	25,000,000	24,999,993
1.91%, due 10/12/2018***	Aaa/AA+	25,000,000	25,000,000	24,998,413
1.86%, due 11/02/2018***	Aaa/AA+	20,000,000	20,000,000	19,997,991
1.98%, due 11/07/2018***	Aaa/AA+	20,000,000	20,000,000	19,994,473
1.96%, due 11/09/2018***	Aaa/AA+	20,000,000	20,000,000	20,001,323
1.94%, due 11/29/2018***	Aaa/AA+	15,000,000	15,000,000	14,998,147
1.94%, due 12/11/2018***	Aaa/AA+	25,000,000	25,000,000	25,000,792
1.95%, due 12/13/2018***	Aaa/AA+	20,000,000	20,000,000	20,001,045
1.97%, due 12/18/2018***	Aaa/AA+	20,000,000	20,000,000	19,999,597
1.97%, due 12/27/2018***	Aaa/AA+	20,000,000	20,003,013	19,997,579
1.89%, due 01/04/2019***	Aaa/AA+	25,000,000	25,000,000	25,003,244
1.97%, due 01/14/2019***	Aaa/AA+	15,000,000	15,003,909	15,001,476
1.92%, due 02/04/2019***	Aaa/AA+	25,000,000	25,001,333	25,003,813
1.92%, due 02/04/2019***	Aaa/AA+	25,000,000	25,000,000	25,003,813
2.00%, due 02/08/2019***	Aaa/AA+	20,000,000	20,000,000	19,992,128
2.13%, due 02/13/2019***	Aaa/AA+	30,000,000	30,021,296	30,011,626
1.99%, due 03/15/2019***	Aaa/AA+	20,000,000	20,000,000	20,003,270
1.89%, due 04/05/2019***	Aaa/AA+	25,000,000	25,000,000	24,997,518
2.17%, due 06/12/2019***	Aaa/AA+	15,795,000	15,815,834	15,816,649
2.17%, due 06/12/2019***	Aaa/AA+	15,170,000	15,187,442	15,190,793
1.97%, due 07/09/2019***	Aaa/AA+	15,000,000	15,000,000	15,002,137
1.99%, due 07/22/2019***	Aaa/AA+	15,000,000	15,000,032	15,000,529
Total Federal Home Loan Bank			1,179,692,498	1,179,684,963

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Maryland Local Government Investment Pool

Portfolio of Investments (Continued) June 30, 2018

	Credit Quality Ratings Moody's/S&P	Par Value/ Face Amount or Number of Shares	Carrying Value	Fair Value
Government agency obligations (continued)**:				
Federal Home Loan Mortgage Corporation:				
1.74%, due 07/06/2018	Aaa/AA+	\$ 35,000,000	\$ 34,991,590	\$ 34,992,720
1.73%, due 07/16/2018	Aaa/AA+	25,000,000	24,982,083	24,981,825
1.76%, due 07/18/2018	Aaa/AA+	20,000,000	19,983,472	19,983,380
1.77%, due 07/18/2018	Aaa/AA+	25,000,000	24,979,222	24,979,225
1.92%, due 07/19/2018***	Aaa/AA+	25,000,000	25,000,000	24,999,650
1.82%, due 07/23/2018	Aaa/AA+	25,000,000	24,972,271	24,972,725
2.11%, due 07/24/2018***	Aaa/AA+	26,500,000	26,500,997	26,503,203
1.82%, due 07/30/2018	Aaa/AA+	16,110,000	16,086,550	16,086,576
1.82%, due 07/30/2018	Aaa/AA+	20,000,000	19,970,887	19,970,920
1.77%, due 08/03/2018	Aaa/AA+	20,349,000	20,316,170	20,314,264
1.90%, due 08/10/2018	Aaa/AA+	22,140,000	22,093,383	22,093,949
1.90%, due 08/10/2018	Aaa/AA+	15,000,000	14,968,417	14,968,800
1.90%, due 08/27/2018	Aaa/AA+	30,000,000	29,909,988	29,910,390
1.89%, due 09/19/2018	Aaa/AA+	20,000,000	19,916,222	19,914,860
1.92%, due 09/19/2018	Aaa/AA+	30,000,000	29,872,333	29,872,290
1.89%, due 09/24/2018	Aaa/AA+	40,000,000	39,822,444	39,818,920
1.91%, due 09/24/2018	Aaa/AA+	10,000,000	9,955,021	9,954,730
1.94%, due 10/24/2018	Aaa/AA+	25,000,000	24,846,267	24,843,250
1.95%, due 11/21/2018***	Aaa/AA+	25,000,000	25,000,000	24,998,517
1.96%, due 11/21/2018***	Aaa/AA+	20,000,000	20,000,000	19,999,588
1.90%, due 02/12/2019***	Aaa/AA+	15,000,000	15,000,000	14,997,264
2.16%, due 07/05/2019***	Aaa/AA+	10,000,000	10,015,293	10,008,929
2.16%, due 07/05/2019***	Aaa/AA+	10,000,000	10,015,293	10,008,929
2.16%, due 07/05/2019***	Aaa/AA+	25,030,000	25,068,601	25,052,350
1.93%, due 08/08/2019***	Aaa/AA+	20,000,000	20,000,000	20,002,677
2.07%, due 08/10/2018***	Aaa/AA+	20,000,000	20,000,000	20,002,405
Total Federal Home Loan Mortgage Corporation			574,266,504	574,232,336
Federal National Mortgage Association:				
1.77%, due 07/02/2018	Aaa/AA+	20,000,000	19,999,022	20,000,000
1.73%, due 07/03/2018	Aaa/AA+	20,000,000	19,998,091	19,998,960
1.69%, due 07/03/2018	Aaa/AA+	25,000,000	24,997,667	24,998,700
1.78%, due 07/09/2018	Aaa/AA+	20,000,000	19,992,133	19,992,720
1.75%, due 07/10/2018	Aaa/AA+	35,000,000	34,984,775	34,985,440

(Continued)

Maryland Local Government Investment Pool

Portfolio of Investments (Continued) June 30, 2018

	Credit Quality Ratings Moody's/S&P	Par Value/ Face Amount or Number of Shares	Carrying Value	Fair Value
Government agency obligations (continued)**:				
Federal National Mortgage Association (continued):				
1.76%, due 07/10/2018	Aaa/AA+	\$ 25,000,000	\$ 24,989,063	\$ 24,989,600
1.82%, due 07/10/2018	Aaa/AA+	25,000,000	24,988,688	24,989,600
1.72%, due 07/11/2018	Aaa/AA+	35,000,000	34,983,375	34,983,620
1.82%, due 07/11/2018	Aaa/AA+	42,500,000	42,478,514	42,480,110
1.83%, due 07/25/2018	Aaa/AA+	23,600,000	23,571,208	23,571,798
1.82%, due 07/31/2018	Aaa/AA+	10,000,000	9,984,917	9,984,940
1.85%, due 08/01/2018	Aaa/AA+	20,000,000	19,968,311	19,968,000
1.85%, due 08/01/2018	Aaa/AA+	40,000,000	39,936,278	39,936,000
1.90%, due 08/15/2018	Aaa/AA+	35,000,000	34,917,313	34,917,855
1.91%, due 08/29/2018	Aaa/AA+	26,940,000	26,856,112	26,856,675
1.88%, due 08/29/2018	Aaa/AA+	40,000,000	39,877,083	39,876,280
1.91%, due 08/29/2018	Aaa/AA+	20,000,000	19,937,722	19,938,140
2.03%, due 03/08/2019***	Aaa/AA+	24,100,000	24,116,572	24,115,638
Total Federal National Mortgage Association			486,576,844	486,584,076
Total government agency obligations			3,416,415,561	3,416,360,820
U.S. Treasury obligations:				
1.79%, due 07/19/2018	Aaa/AA+	20,000,000	19,982,150	19,983,720
1.75%, due 07/19/2018	Aaa/AA+	30,000,000	29,973,900	29,975,580
1.78%, due 07/26/2018	Aaa/AA+	20,000,000	19,975,417	19,976,967
1.70%, due 07/26/2018	Aaa/AA+	15,000,000	14,982,401	14,982,725
1.70%, due 07/26/2018	Aaa/AA+	15,000,000	14,982,401	14,982,725
1.76%, due 07/26/2018	Aaa/AA+	20,000,000	19,975,625	19,976,967
1.82%, due 08/02/2018	Aaa/AA+	30,000,000	29,951,707	29,954,146
1.80%, due 08/09/2018	Aaa/AA+	25,000,000	24,951,426	24,951,807
1.82%, due 08/09/2018	Aaa/AA+	25,000,000	24,950,979	24,951,807
1.81%, due 08/09/2018	Aaa/AA+	25,000,000	24,951,196	24,951,807
1.83%, due 08/16/2018	Aaa/AA+	40,000,000	39,907,208	39,908,938
1.78%, due 08/16/2018	Aaa/AA+	30,000,000	29,932,342	29,931,703
1.83%, due 08/30/2018	Aaa/AA+	25,000,000	24,924,375	24,923,894
1.89%, due 09/20/2018	Aaa/AA+	30,000,000	29,873,438	29,874,833
1.89%, due 09/27/2018	Aaa/AA+	25,000,000	24,885,081	24,885,964
1.88%, due 10/04/2018	Aaa/AA+	25,000,000	24,876,896	24,875,483

(Continued)

Maryland Local Government Investment Pool

Portfolio of Investments (Continued) June 30, 2018

	Credit Quality Ratings Moody's/S&P	Par Value/ Face Amount or Number of Shares	Carrying Value	Fair Value
U.S. Treasury obligations (continued):				
2.00%, due 11/01/2018	Aaa/AA+	\$ 20,000,000	\$ 19,864,529	\$ 19,866,224
2.05%, due 11/29/2018	Aaa/AA+	40,000,000	39,659,076	39,661,667
2.08%, due 10/31/2018***	Aaa/AA+	4,000,000	4,002,012	4,002,956
2.08%, due 10/31/2018***	Aaa/AA+	4,000,000	4,002,012	4,002,956
2.08%, due 10/31/2018***	Aaa/AA+	4,000,000	4,001,918	4,002,956
2.05%, due 01/31/2019***	Aaa/AA+	8,000,000	8,004,469	8,007,809
Total U.S. treasury obligations			478,610,558	478,633,634
Total securities			4,908,615,527	4,908,557,984
Repurchase Agreement – United States:				
Mitsubishi****:				
2.01%, due 07/02/2018	P-1/A-1+	200,000,000	200,000,000	200,000,000
RBC Investor & Treasury Services*****:				
2.04%, due 07/02/2018	P-1/A-1+	150,000,000	150,000,000	150,000,000
Total repurchase agreement			350,000,000	350,000,000
Total investments			\$ 5,258,615,527	\$ 5,258,557,984

* The carrying value of investments held approximates fair value at June 30, 2018.

** The issuers listed above under the heading Government Agency Obligations operate under a Congressional Charter. Their securities are neither issued or guaranteed by the U.S. Government. Ratings are those of the government agency and not that of the individual security held.

*** Variable rate security. The rate shown is as of June 30, 2018, and date shown is the next interest reset date.

**** The repurchase agreement has been collateralized with U.S. treasury obligations with a total market value of approximately \$203,929,675 and a maturity date of April 30, 2024. Rating is of the repurchase agreement's counterparty.

***** The repurchase agreement has been collateralized with U.S. treasury obligations with a total market value of approximately \$153,058,619 and maturity of May 31, 2022. Rating is of the repurchase agreement's counterparty.

Maryland Local Government Investment Pool

**Selected Participant Share and Ratio Information
Year Ended June 30, 2018**

Net asset value per share, beginning of year	<u>\$ 1.00</u>
Net investment earnings*	<u>0.013</u>
Less distributions to participants of net investment earnings*	<u>(0.013)</u>
Net asset value per share, end of year	<u><u>\$ 1.00</u></u>
Total return	<u><u>0.00%</u></u>
Ratio to average net position:	
Expenses	<u><u>0.03%</u></u>
Net investment earnings	<u><u>1.34%</u></u>

* Calculated using the average number of shares outstanding throughout the year ended June 30, 2018.