

Local Government Investment Pool Profile

North Carolina Investment Pool - Liquid Portfolio

Sept. 25, 2025

This report does not constitute a rating action

About the pool	AAAm
Last affirmation date	June 18, 2025
Pool type	Stable NAV Government Investment Pool
Investment advisor	PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc.
Custodian/administrator	Fifth Third Bank N.A.
Pool inception date	May 3, 2021
Pool rated since	April 29, 2021

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Rationale

S&P Global Ratings rates the North Carolina Investment Pool – Liquid Portfolio (NCIP – Liquid Portfolio) 'AAAm' based on its view of the quantitative characteristics of the fund's investments as well as the strong and experienced fixed-income management team at investment advisor PFM Asset Management (PFMAM).

For principal stability funds, we consider the sources of risk in a managed fund's portfolio and investment strategy and assess the impact that these risks could have on a fund's ability to maintain a stable or accumulating net asset value (NAV). These risks include credit quality; investment maturity; liquidity; portfolio diversification, index, and spread risk; management; and security-specific risks.

In our view, the fixed-income management team at PFMAM is supported by a strong investment operations infrastructure, commensurate with its long track record in local government investment pool management, and conservative investment practices and strict internal controls. We monitor NCIP- Liquid Portfolio’s statistics and investment holdings on a weekly basis.

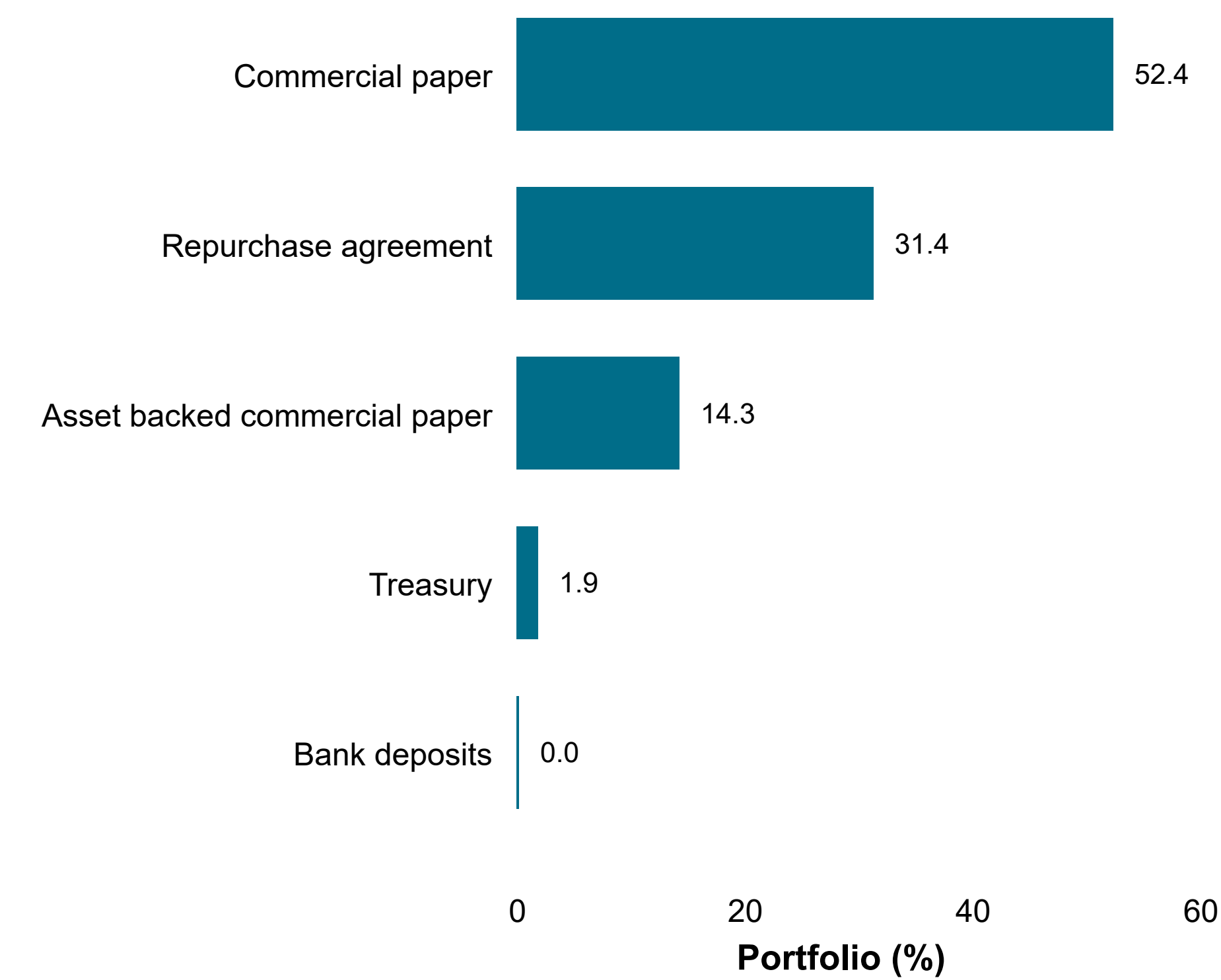
Fund statistics as of Sept. 25, 2025

Net asset value per share (\$)	Net assets (mil. \$)	Weighted average maturity (reset) - (days)	Weighted average maturity (final) - (days)	Seven-day yield (%)	30-day yield (%)
1.0003	1,508.00	43	81	4.22	4.34

Portfolio Snapshot

Chart 1

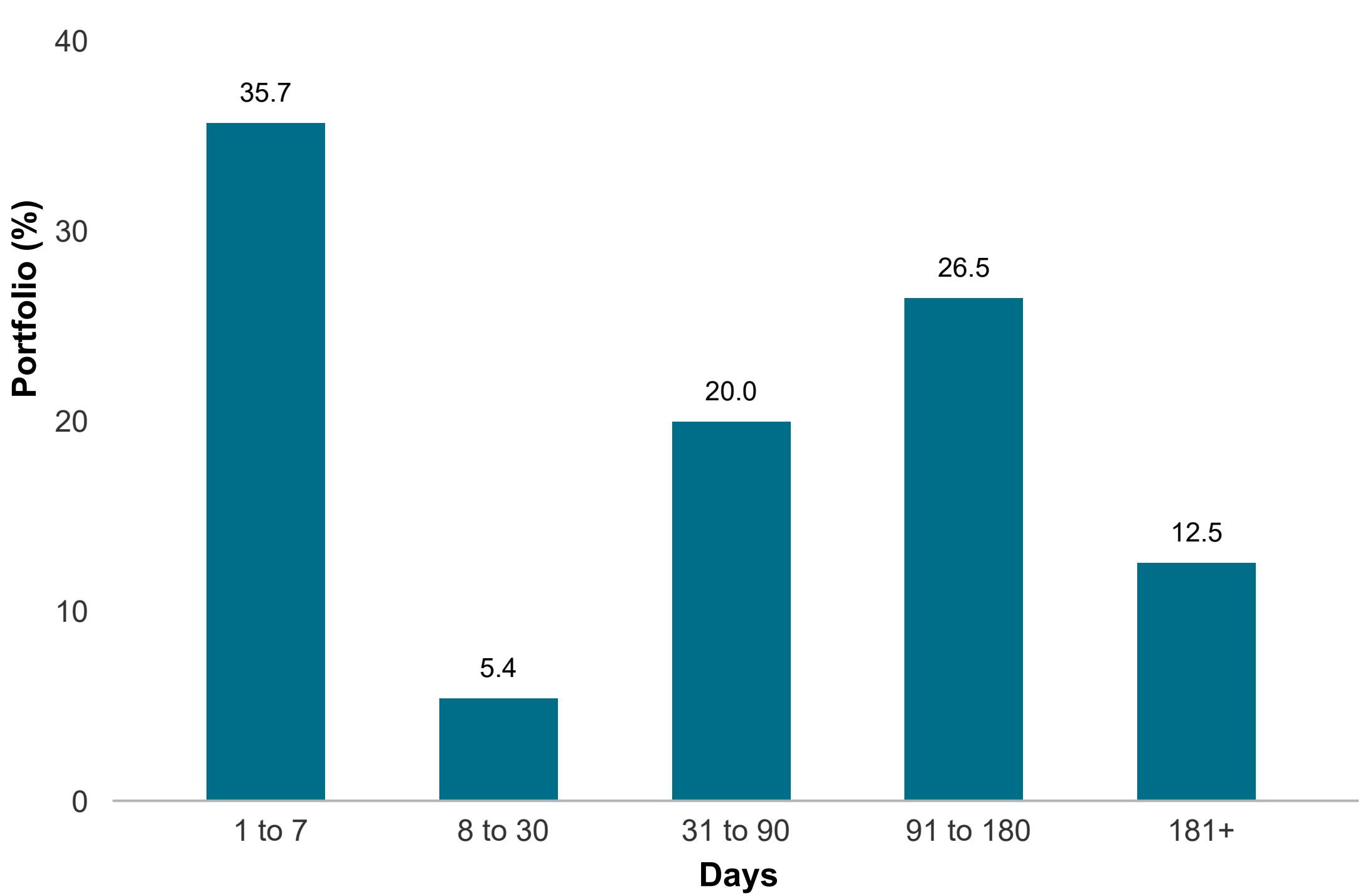
Portfolio composition



As of: September 2025

Chart 2

Average portfolio maturity distribution



As of: September 2025

Portfolio Assets

Established in 2021, NCIP – Liquid Portfolio is a commingled pool for local government entities in North Carolina to invest idle funds in various short-term investments in accordance with North Carolina statutes. The NCIP – Liquid Portfolio's investment policy--ratified annually by its board--is designed to uphold the fund's core objective of earning the highest income consistent with preserving principal and maintaining liquidity and a stable \$1.00 NAV. The fund is managed in accordance with the requirements of Statement No. 79 of the Governmental Accounting Standards Board.

As of Sept. 30, 2025, the portfolio comprised a diversified selection of high-quality money market instruments, including U.S. Treasury securities, asset-backed commercial paper, commercial paper, and repurchase agreements.

History/Trends

To mitigate NCIP- Liquid Portfolio's sensitivity to interest rate fluctuations, the fund's weighted average maturity to reset (WAM(R)) is actively managed within a 60-day limit. During the review period, the fund maintained an average WAM(R) of 41 days, aligning with its conservative approach. Reflecting its money-market-like investment strategy, NCIP- Liquid Portfolio's return profile closely tracks the S&P Rated Government Investment Pool Index and generally varies in response to interest rate movements.

As of Sept. 30, 2025, NCIP- Liquid Portfolio's reported assets under management of \$1.5 billion--an increase of approximately \$610 million year over year. Despite seasonal redemption cycles, the fund's assets have consistently grown over the past 12 months. In our view, its strong credit quality supports NAV stability, with an average of 59% of holdings rated 'A-1+' over the same period.

Chart 3

WAM (R) & WAM (F)

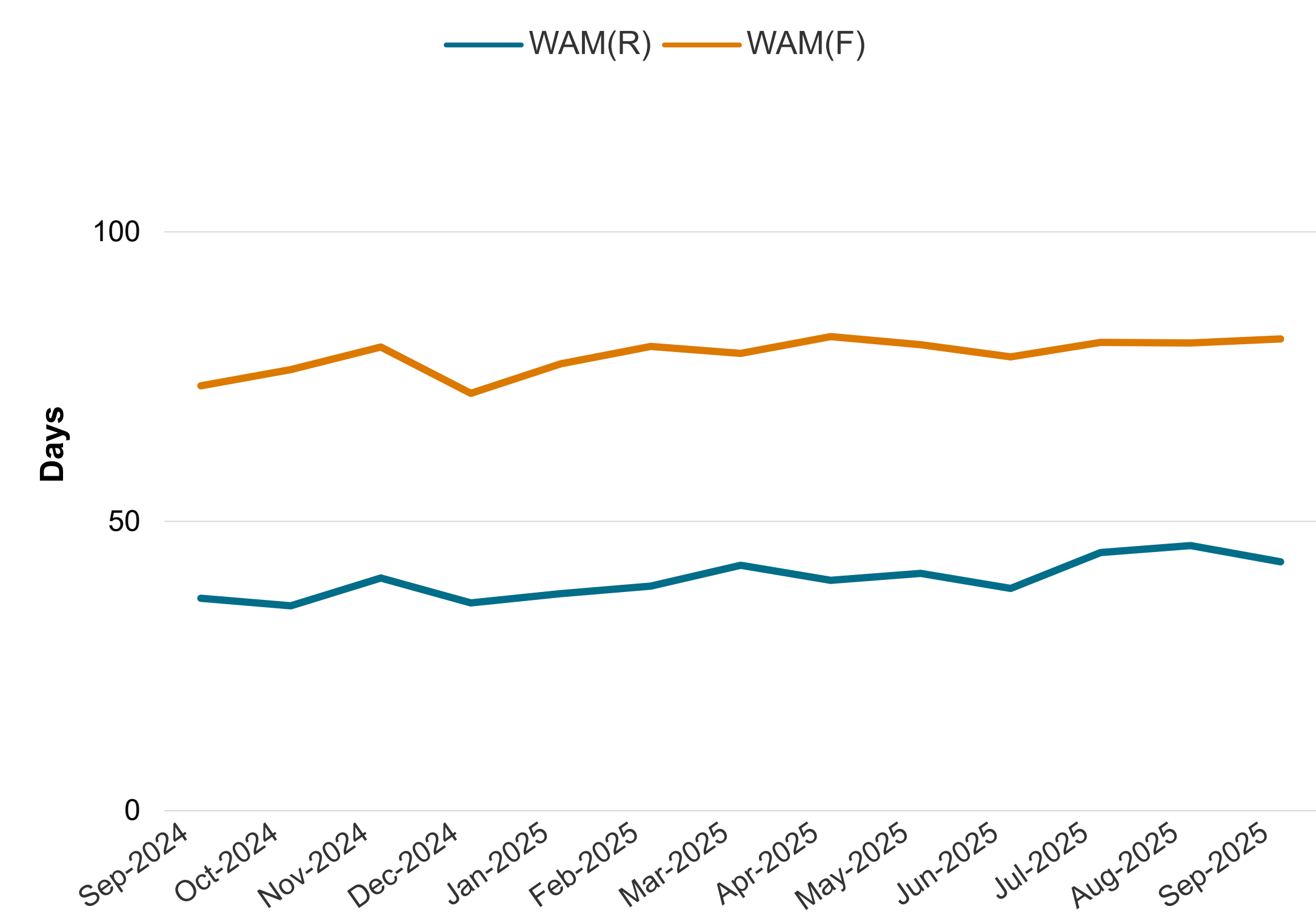


Chart 4

Portfolio seven-day net yield comparison

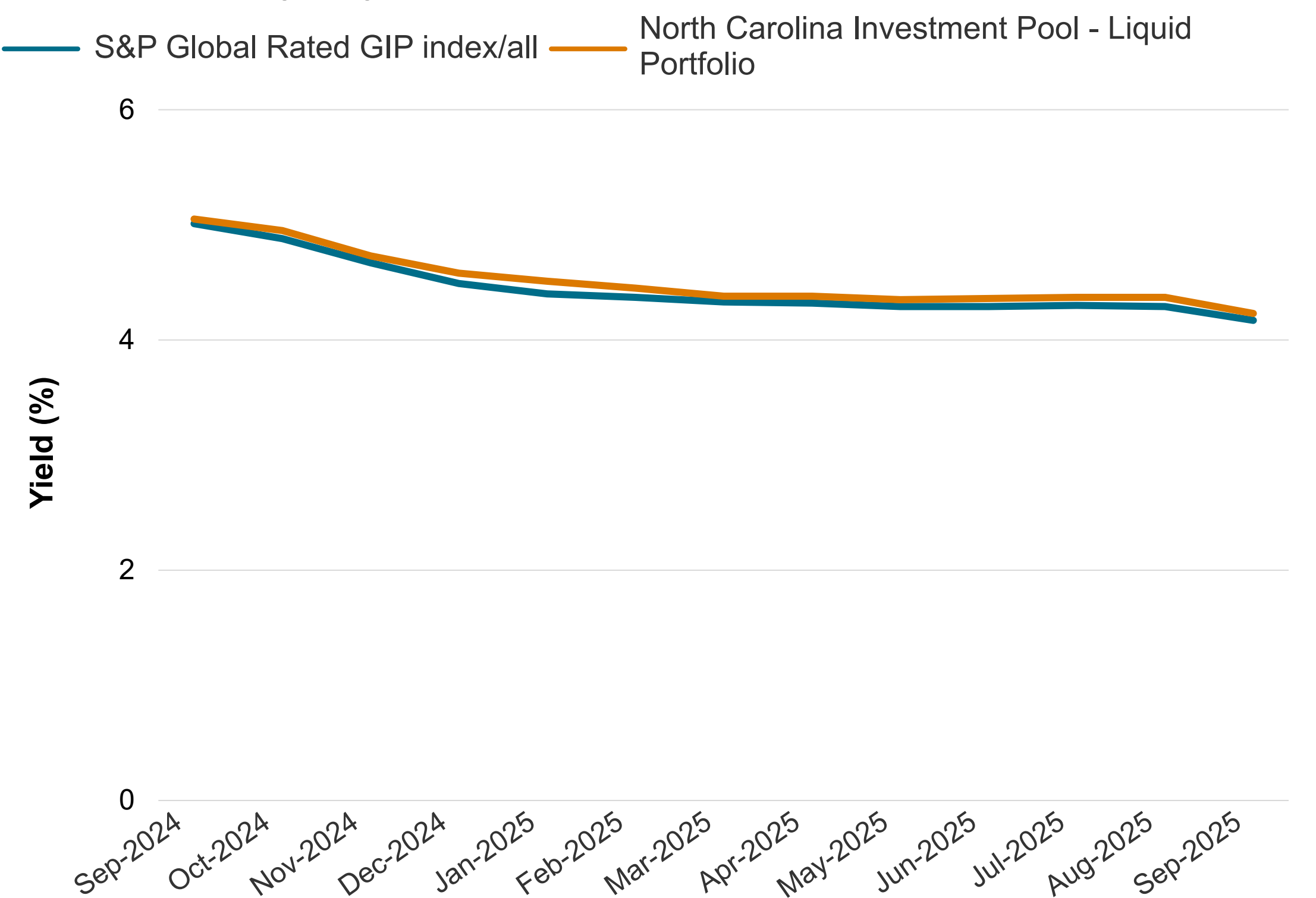


Chart 5

Net assets

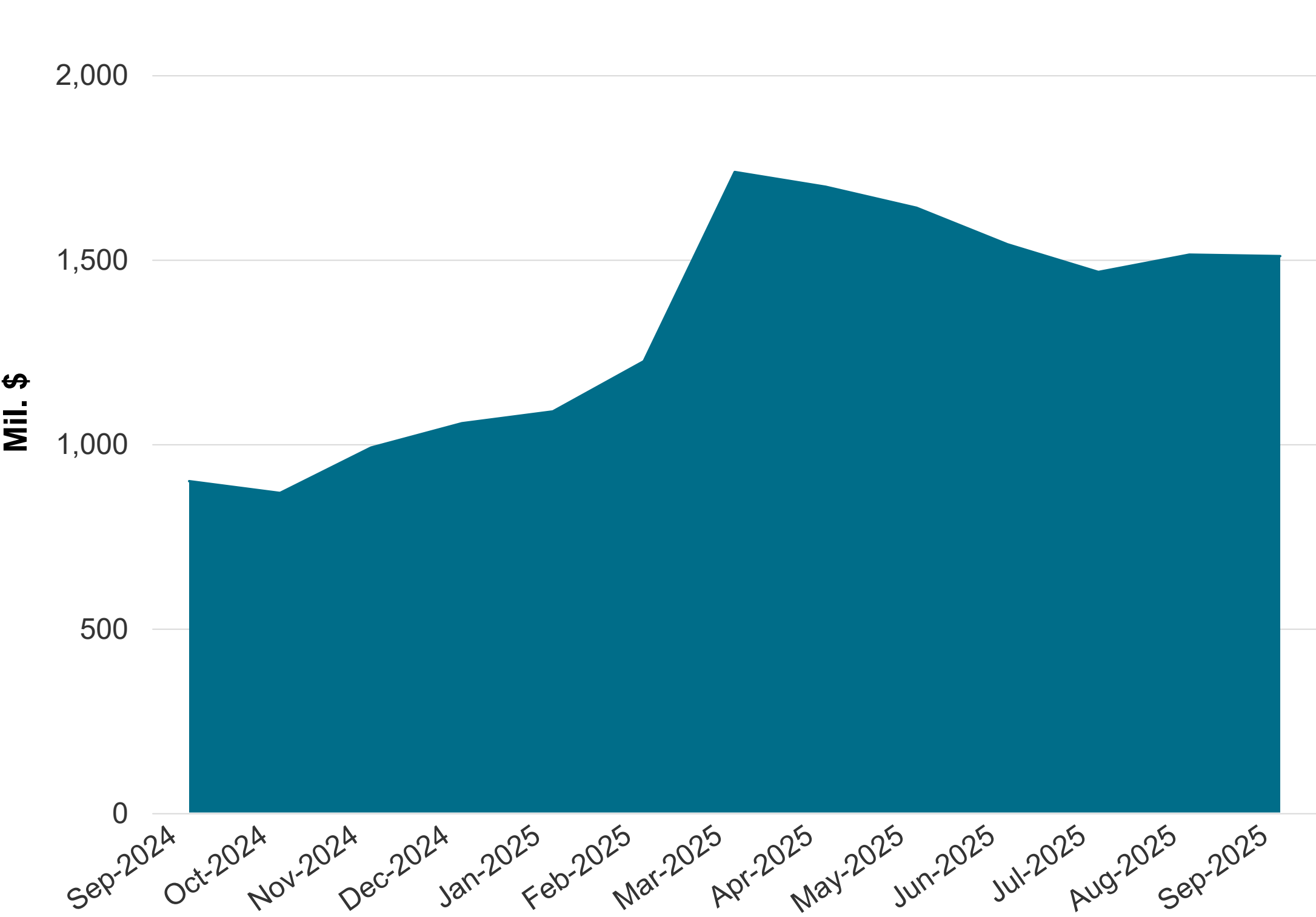
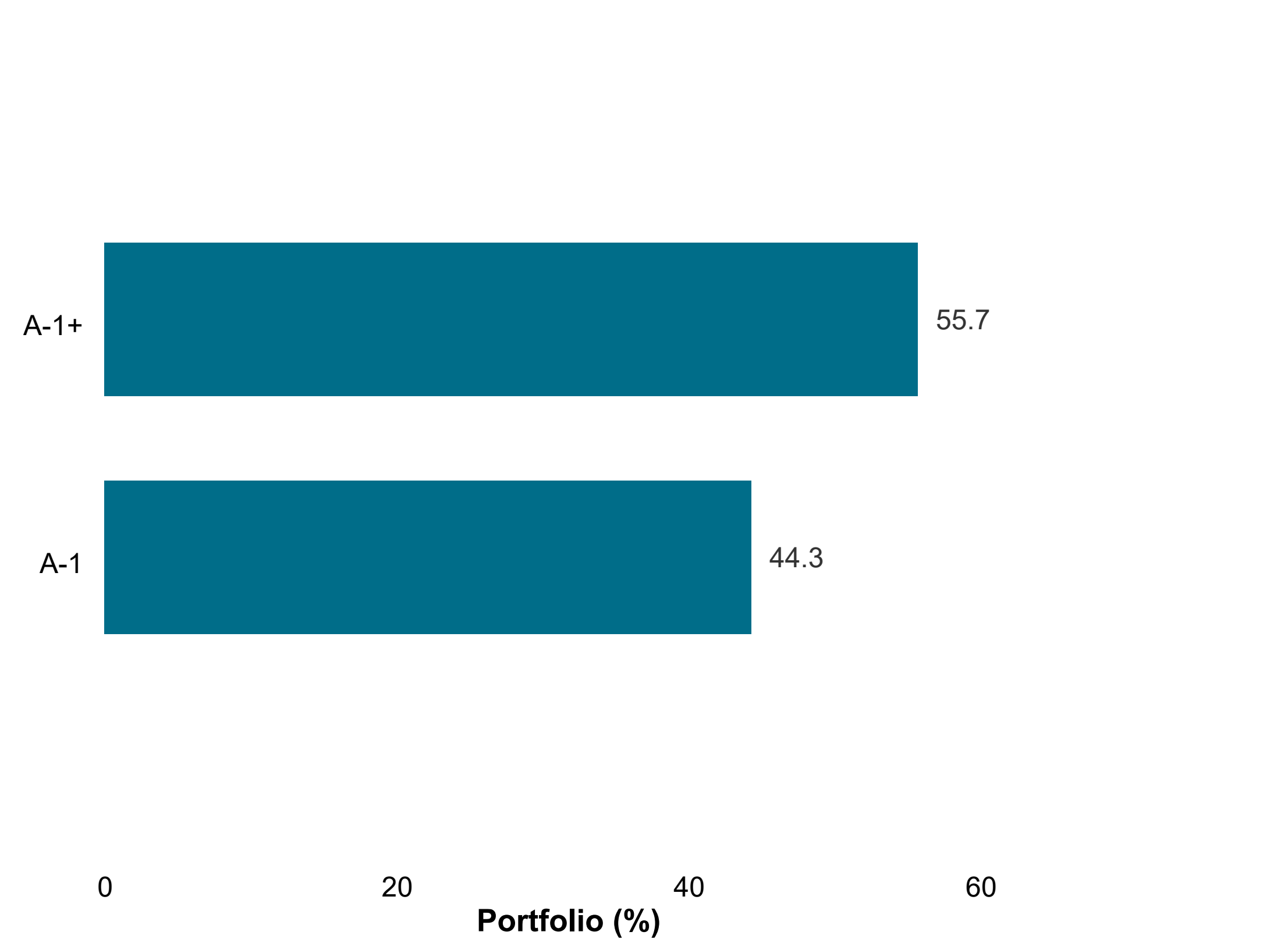


Chart 6

Credit quality



Related Criteria

- Criteria | Financial Institutions | Fixed-Income Funds: Principal Stability Fund Rating Methodology,July 26, 2024

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