



SOUTHERN ILLINOIS UNIVERSITY

SENIOR VICE PRESIDENT FOR FINANCIAL & ADMINISTRATIVE AFFAIRS AND BOARD TREASURER  
STONE CENTER - MAIL CODE 6801 / 1400 DOUGLAS DRIVE / CARBONDALE, ILLINOIS 62901

May 3, 2019

**Members of the Board Finance Committee**

Roger Tedrick, Chair  
Ed Curtis  
Subhash Sharma  
Amy Sholar  
Molly Smith

Dear Members of the Finance Committee:

The Finance Committee will meet on Thursday, May 16, 2019, immediately following the Academic Matters Committee in Ballroom B of the Student Center, Southern Illinois University Carbondale, Carbondale, Illinois. The agenda is enclosed.

The Quarterly Investment Report for the third quarter of FY 19 is also enclosed.

Yours truly,

Duane Stucky  
Senior Vice President for Financial and Administrative Affairs  
and Board Treasurer

DS/sjp

Enclosures

cc: J. Phil Gilbert                      John M. Dunn  
Ed Hightower                          Randall Pembroke  
Brione Lockett                         Jerry Kruse  
John Simmons                          Other Interested Parties  
J. Kevin Dorsey

## AGENDA

### MEETING OF THE SOUTHERN ILLINOIS UNIVERSITY BOARD OF TRUSTEES FINANCE COMMITTEE

Thursday, May 16, 2019  
Immediately following the Academic Matters Committee

Ballroom B  
Student Center  
Southern Illinois University Carbondale

1. Approval of Minutes of the March 28, 2019 meeting (attached).
2. Notice of Proposed Revision to Board of Trustees Policies: Change to Purchasing Policies [Amendment to 5 Policies of the Board C] and Change to Property and Physical Facilities Policies [Amendment to 6 Policies of the Board B] (Board Agenda Item I). (This item to be discussed jointly with the Architecture and Design Committee).
3. Proposed Student Fee Matters, SIUC [Amendment to 4 Policies of the Board Appendix A] (Board Agenda Item L).
4. Approval of Revision to Alternate Tuition Program: Active Duty Military Students, SIUE [Amendment to 4 Policies of the Board Appendix B, 1,B-5] (Board Agenda Item M).
5. Approval of the International Student Exchange Program, Study Abroad Program Fee, SIUE (Board Agenda Item N).
6. Approval of Purchase: Lease Agreement for University Housing Laundry Equipment, SIUC (Board Agenda Item O)
7. Approval of Purchase: Educational Advisory Board Membership for Navigate and Transfer Portal Programs, Carbondale Campus, SIUC (Board Agenda Item P).
8. Approval of Purchase: Medical Office Building Lease, School of Medicine, SIUC (Board Agenda Item Q).
9. Approval of Purchase: 340B Pharmaceutical Program, School of Medicine, SIUC (Board Agenda Item R).
10. Approval of Lease and Purchase for Computer Workstation Program, SIUE (Board Agenda Item S).

11. Approval of Purchase: Call Center Support for Student Financial Aid Office, SIUE (Board Agenda Item T).
12. Approval of Appointment and Salary of an Interim Vice Chancellor for Research, SIUC (Board Agenda Item U).
13. Approval of Appointment and Salary of Associate Provost for Finance and Administration, School of Medicine (Board Agenda Item V).
14. Approval of Salary and Appointment of the Acting Vice President for Academic Affairs, Southern Illinois University System (Board Agenda Item AA).
15. Information Item: Quarterly Investment Report.
16. Other Business
17. Adjournment

**BOARD OF TRUSTEES  
SOUTHERN ILLINOIS UNIVERSITY**

**Minutes of the Finance Committee Meeting**

**March 28, 2019**

The Finance Committee met in the School of Medicine Auditorium at 801 North Rutledge, Southern Illinois University School of Medicine, Springfield, IL. Present were: Roger Tedrick (Chair), Ed Curtis, Subhash Sharma, Amy Sholar and Molly Smith. Other Board members present were: J. Phil Gilbert, Ed Hightower, Brione Lockett and John Simmons. Executive Officers present were: Interim President J. Kevin Dorsey; Interim Chancellor John M. Dunn, SIUC; Dean and Provost Jerry Kruse, School of Medicine; General Counsel Lucas Crater; Vice President for Student and Academic Affairs Brad Colwell; and Senior Vice President for Financial and Administrative Affairs and Board Treasurer Duane Stucky.

**Minutes**

Trustee Sholar recommended approval of the minutes of the February 14, 2019 meeting as submitted. The motion was seconded by Trustee Curtis and passed by the Committee.

**Approval of Purchase: Member Services Agreement, Broadcasting Services (WSIU), SIUC (Board Agenda Item N).**

Interim Chancellor John M. Dunn reviewed the proposed matter.

Trustee Sholar recommended approval of the matter and that it be placed on the Board's agenda. The motion was duly seconded by Trustee Sharma and was passed by the Committee.

**Proposed Revisions to Board of Trustees Policies: Change to Investment Policy [Amendment to 5 Policies of the Board O] (Board Agenda Item T).**

Senior Vice President for Financial and Administrative Affairs and Board Treasurer Duane Stucky reviewed the proposed matter.

Trustee Sharma recommended approval of the matter and that it be placed on the Board's agenda. The motion was duly seconded by Trustee Sholar and was passed by the Committee.

**Authorization for the Sale of Bonds: "Series 2019A Housing and Auxiliary Facilities System Revenue Bonds" Resurface/Rebuild Parking Lots, SIUE (Board Agenda Item V).**

Senior Vice President for Financial and Administrative Affairs and Board Treasurer Duane Stucky reviewed the proposed matter.

Trustee Curtis recommended approval of the matter and that it be placed on the Board's agenda. The motion was duly seconded by Trustee Sholar and was passed by the Committee.

**Approval of Salary and Appointment of Head Basketball Coach, SIUE (Board Agenda Item W).**

Chancellor Pembroke reviewed the proposed appointment and requested Finance Committee approval of the salary of:

Brian Barone as Interim Head Men's Basketball Coach, SIUE, with an annual salary of \$187,000, effective March 29, 2019, and continuing through March 31, 2021.

Trustee Sharma recommended approval of the matter and that it be placed on the Board's agenda. The motion was duly seconded by Trustee Sholar and was passed by the Committee.

**Approval of Salary and Appointment of Special Assistant to the President (Board Agenda Item X).**

Interim President Dorsey reviewed the proposed appointment and requested Finance Committee approval of the salary of:

Gary Giacomelli as Special Assistant to the Interim President for the Southern Illinois University System on a part-time basis for six months, with a total salary of \$41,666.70, effective April 1, 2019.

Trustee Curtis recommended approval of the matter and that it be placed on the Board's agenda. The motion was duly seconded by Trustee Sharma and was passed by the Committee.

**Information Item: Quarterly Investment Report.**

Senior Vice President for Financial and Administrative Affairs and Board Treasurer Duane Stucky indicated that the Public Funds Investment Act requires this report be furnished to the entire Board.

**Approval of Salary and Appointment: Head Men's Basketball Coach, SIUC (Current and Pending Board Agenda Item).**

Interim Chancellor Dunn reviewed the proposed appointment and requested Finance Committee approval of the salary of:

Bryan Mullins as Head Men's Basketball Coach, SIUC, with an annual salary of \$475,000, effective April 1, 2019, on a five-year contract.

Trustee Sholar recommended approval of the matter and that it be placed on the Board's agenda. The motion was duly seconded by Trustee Sharma and was passed by the Committee.

**Other Business**

There being no further business, the meeting was adjourned.

DS/sjp



# Southern Illinois University

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Quarterly Investment Report  
March 31, 2019

# Market Update

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## SUMMARY

- U.S. economic conditions are characterized by: (1) moderating gross domestic product (GDP) growth, as the impact of fiscal stimulus wanes; (2) continued strength in the labor market, with a low unemployment rate of 3.8%; (3) improving conditions in the housing market, as mortgage rates have fallen and home price increases have moderated; and (4) potential imbalances, including a growing budget deficit, trade deficit, trade tensions, and challenges over border security funding.
- As abrupt as the widespread risk-off sentiment was that enveloped the final three months of 2018, so too was the rebound to kick off 2019. Equity markets, credit spreads, and volatility all ended the quarter at about where they were six months ago.
- The strength and resiliency of the U.S. economy and capital markets were seemingly overshadowed by international affairs. Dominating the front page were the longest government shutdown in U.S. history, lingering U.S.-China trade disputes, and an increasingly awkward Brexit. Forecasts for global growth continue to be revised lower.
- The Federal Reserve (Fed) left the federal funds target range unchanged at 2.25% to 2.50%. The Fed remains “on hold” while assessing global economic and financial developments and muted inflation pressures to determine what future adjustments to rates might be warranted. This stance shifted the market-implied probability for the next Fed move to be a rate cut rather than a rate hike.
- The S&P 500 Index rebounded strongly in the first quarter, generating a total return of 13.6% – the strongest start to a year since 1998. International indices generally were just as strong in local currencies; however, a modestly stronger dollar muted performance in U.S. dollar terms.

## ECONOMIC SNAPSHOT

- Real GDP in the U.S. moderated to an annualized rate of 2.2% in the fourth quarter, following strong second quarter and third quarter figures of 4.2% and 3.4%, respectively. Growth of 3.0% for the year was the strongest calendar year since 2005.
- Strength in the labor market persists, reflected in a low unemployment rate, strong job growth, and jobless claims near multi-decade lows. Over the quarter, non-farm payrolls increased 541,000, below the 2018 quarterly average of 670,000, due largely to the weak February figure impacted by the government shutdown. The unemployment rate ended the quarter at 3.8%, while wage growth moderated a bit.
- U.S. inflation remained in the Fed's comfort zone as they aim to safeguard against runaway inflation, a risk that has yet to appear. Many gauges of price increases remain near the Fed's 2.0% target.

## OUTLOOK

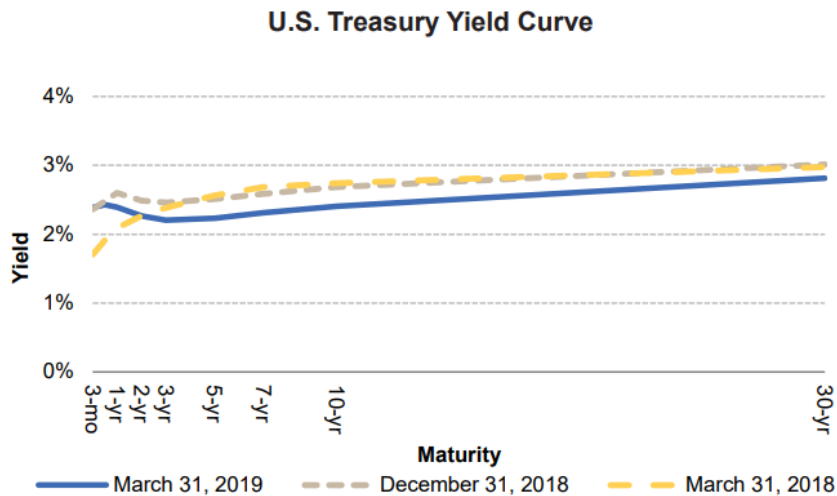
- Boosted by lower mortgage rates and slowing home price appreciation, housing sales have rebounded after waning for much of 2018. Manufacturing and consumer confidence gauges remained positive but have recently tapered. While consumer sentiment remains very high, the difference between future and current assessments of economic conditions indicates consumers are less optimistic about the future.
- In short-term markets, money market investors continue to reap the benefits of overnight yields at a decade high. Although yields on short-term commercial paper and bank CDs moderated with the outlook for a patient Fed, yields remain attractive relative to those on short, or even intermediate-term, government securities.



# Market Update

## INTEREST RATES

- U.S. Treasury yields fell and the yield curve continued to flatten throughout the quarter as maturities beyond one year declined 20-30 basis points (bps) (0.20% to 0.30%). At quarter-end, the yield on a 3-Month Treasury bill stood at 2.38%, the 5-Year note was 2.23%, and the 10-Year note yielded 2.41%.
- For a brief, week-long stint just ahead of quarter-end, the yield spread between 3-Month and 10-Year Treasuries turned negative. Despite the historical interpretation as a recession indicator, other measures of market and economic conditions – such as credit spreads and jobless claims – don't portend a recession near-term.
- The rally in yields during the first quarter generated strong absolute returns for the majority of bond indices, with longer maturities outperforming shorter ones. For example, the 3-Month Treasury Bill Index generated 0.60% of total return, while the 5-Year and 10-Year Treasury Indices returned 1.88% and 3.10%, respectively.



Source: Bloomberg, as of 3/31/2019.

## SECTOR PERFORMANCE

- Absolute returns were strong across the board in the first quarter. Diversification in non-Treasury sectors boosted returns, as most sectors tightened from the wider spreads experienced toward the end of 2018.
- Federal agency spreads stayed narrow during the first quarter – less than 5 bps for maturities inside of five years. However, the modest incremental yield relative to Treasuries generated slightly positive excess returns for the quarter. Callable structures slightly underperformed non-callable counterparts of similar maturity due to falling rates. Longer agency indices outperformed shorter indices on an absolute and excess return basis.
- Supranationals also performed well due to modestly higher incremental income and narrowing yield spreads. They can serve as a diversifier for government securities.
- Investment-grade (IG) corporates were one of the best performing fixed income sectors. With falling yields and narrowing yield spreads, longer durations and lower credit quality ruled the day, both on an absolute and excess return basis. By industry, energy and communications led, with utilities and consumer non-cyclicals lagging.
- With the market's "risk on" reversal in the first quarter, mortgage-backed securities (MBS) – regardless of structure, coupon, and collateral type – generated positive excess returns. Agency-backed commercial mortgage-backed securities (CMBS) outperformed the majority of other agency-backed securitized investments.

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# Summary of Operating Investments

## Summary of Operating Investments

### Market Value (\$ in millions)\*

	<b>3/31/2019</b>
Illinois Funds	\$ 74.0
US Bank Commercial Paper Sweep	25.8
Subtotal Cash & Cash Equivalents	<u>\$ 99.7</u>
Short Term Portfolio	46.4
Intermediate Term Portfolio	159.5
Total Portfolio	<u><u>\$ 305.6</u></u>
<u>Book Value (\$ in millions)</u>	<u><u>\$ 304.8</u></u>

### Asset Allocation (\$ in millions)\*

<b>Sector</b>	<b>3/31/2019</b>	
Money Market Mutual Funds / LGIP	\$ 74.5	24.4%
U.S. Treasury Bonds/Notes	69.6	22.8%
Federal Agency Bonds/Notes	20.8	6.8%
Federal Agency MBS	23.7	7.8%
Federal Agency CMO	30.0	9.8%
Supra-National Agency Bonds/Notes	23.1	7.6%
Commercial Paper	37.5	12.3%
Commercial Paper Sweep (US Bank)	25.8	8.4%
<b>Subtotal</b>	<u><b>304.9</b></u>	<u><b>99.8%</b></u>
Accrued Interest	0.7	0.2%
<b>Total</b>	<u><b>\$ 305.6</b></u>	<u><b>100.0%</b></u>

### Current Yields (Annualized)

	<b>3/31/2019</b>
<b>Illinois Funds</b>	2.47%
<b>US Bank Commercial Paper Sweep</b>	1.85%
Benchmark: S&P Rated Government Investment Pool Index	2.30%

### Performance Summary (Total Return)\*\*

	<b>Current Quarter</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>Since Inception</b>
<b>Short Term Portfolio</b>	0.74%	2.53%	-	-	-	1.67%
Benchmark: BofA Merrill Lynch 3-Month Treasury Bill Index	0.60%	2.12%	-	-	-	1.37%
<b>Intermediate Term Portfolio</b>	1.73%	3.75%	1.26%	-	-	1.80%
Benchmark: Barclays Intermediate U.S. Govt. Securities	1.58%	3.79%	0.97%	-	-	1.63%

\*Detail may not add to total due to rounding

\*\*Returns are gross of fees. Current Quarter total return is presented on a periodic basis. Trailing returns are presented, on an annualized basis.

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# SIU - Intermediate Term Portfolio

## Investment Approach

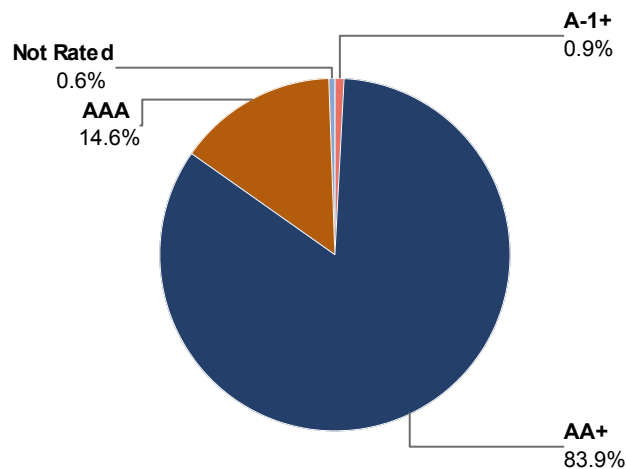
- The University's Intermediate Term portfolio is actively managed by PFM Asset Management, LLC. PFM seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and are therefore invested in fixed-income securities with maturity dates up to 10 years. This actively managed portfolio generally consists of all securities types available to the University in accordance with the permitted investments as described in the Illinois Public Funds Investment Act and the University's Investment Policy and Guidelines.

**Portfolio Statistics**

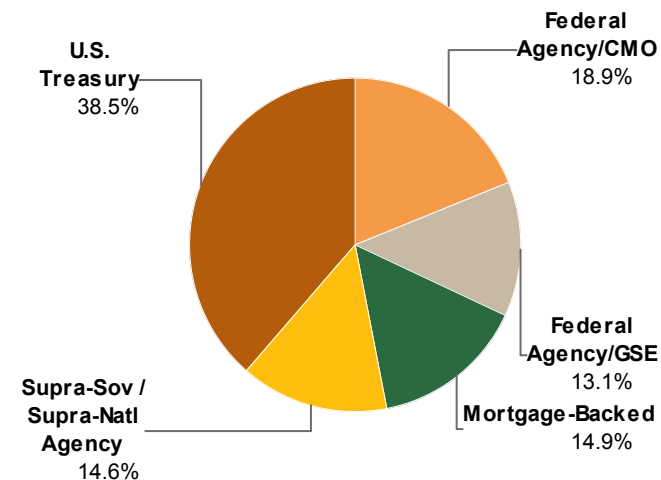
As of March 31, 2019

<b>Par Value:</b>	\$157,420,112
<b>Total Market Value:</b>	\$159,502,413
<b>Security Market Value:</b>	\$158,766,623
<b>Accrued Interest:</b>	\$678,165
<b>Cash:</b>	\$57,625
<b>Amortized Cost:</b>	\$157,949,750
<b>Yield at Market:</b>	2.48%
<b>Yield at Cost:</b>	2.60%
<b>Effective Duration:</b>	3.52 Years
<b>Duration to Worst:</b>	3.77 Years
<b>Average Maturity:</b>	6.97 Years
<b>Average Credit: *</b>	AA

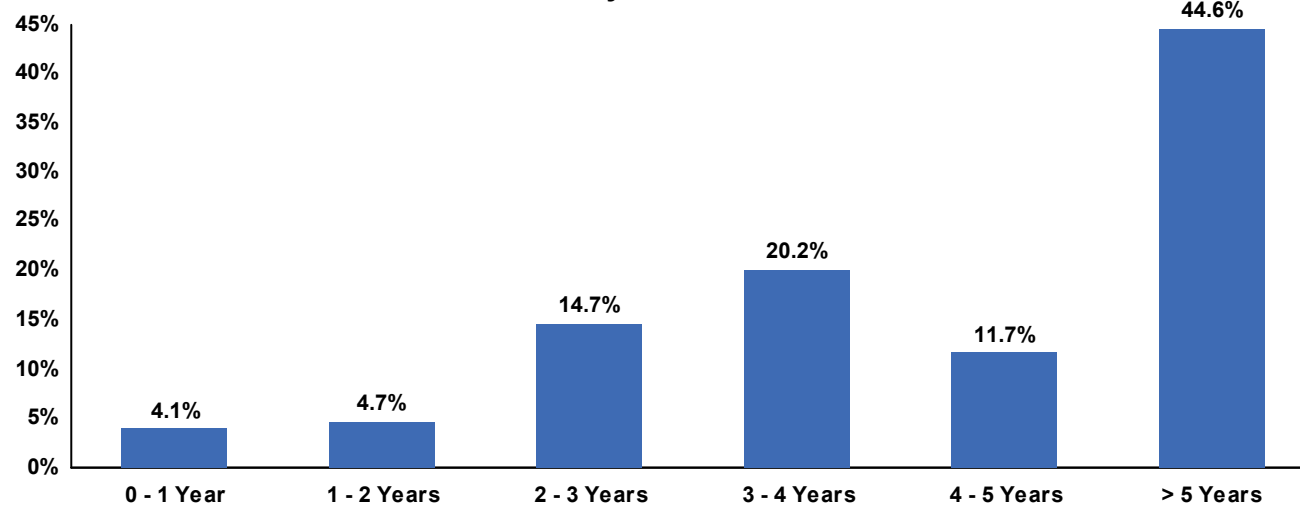
**Credit Quality (S&P Ratings)**



**Sector Allocation**



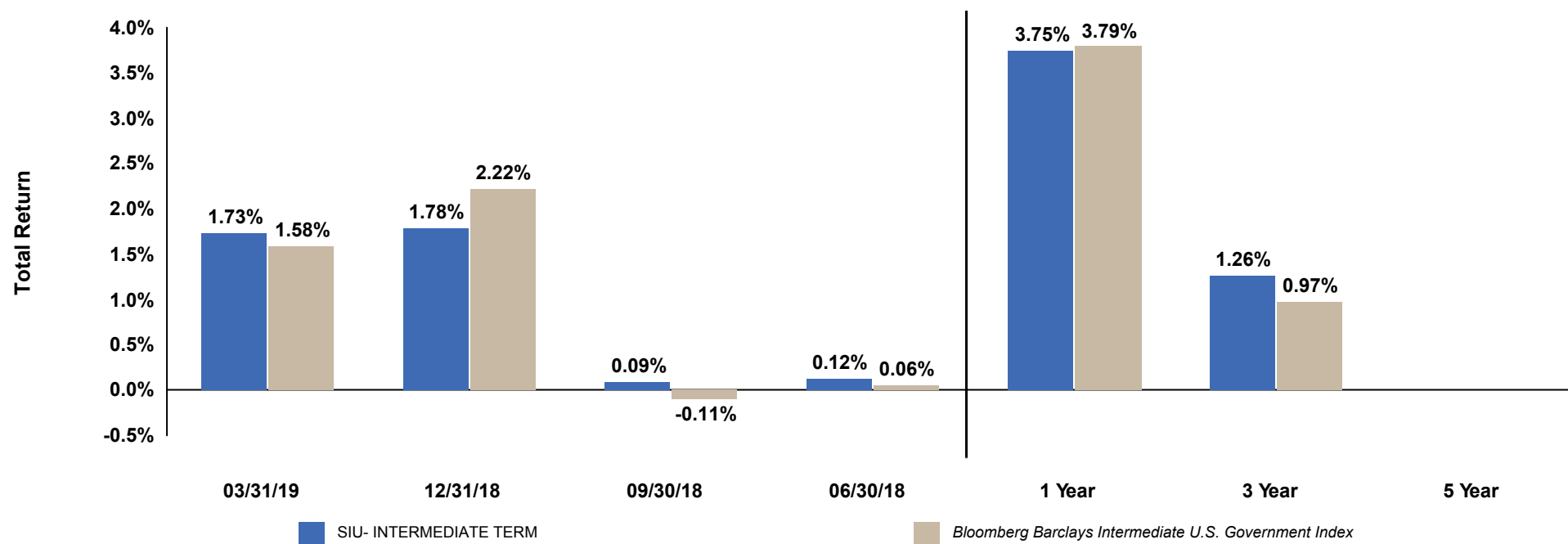
**Maturity Distribution**



\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		03/31/19	12/31/18	09/30/18	06/30/18	1 Year	3 Year	5 Year
<b>SIU- INTERMEDIATE TERM</b>	3.52	1.73%	1.78%	0.09%	0.12%	3.75%	1.26%	-
<i>Net of Fees **</i>	-	1.71%	1.76%	0.07%	0.10%	3.68%	1.19%	-
<b>Bloomberg Barclays Intermediate U.S. Government Ii</b>	3.69	1.58%	2.22%	-0.11%	0.06%	3.79%	0.97%	-
<b>Difference (Gross)</b>		0.15%	-0.44%	0.20%	0.06%	-0.04%	0.29%	-
<b>Difference (Net)</b>		0.13%	-0.46%	0.18%	0.04%	-0.11%	0.22%	-



Portfolio performance is gross of fees unless otherwise indicated. \*\* Fees were calculated based on average assets during the period at the contractual rate.

**Portfolio Earnings****Quarter-Ended March 31, 2019**

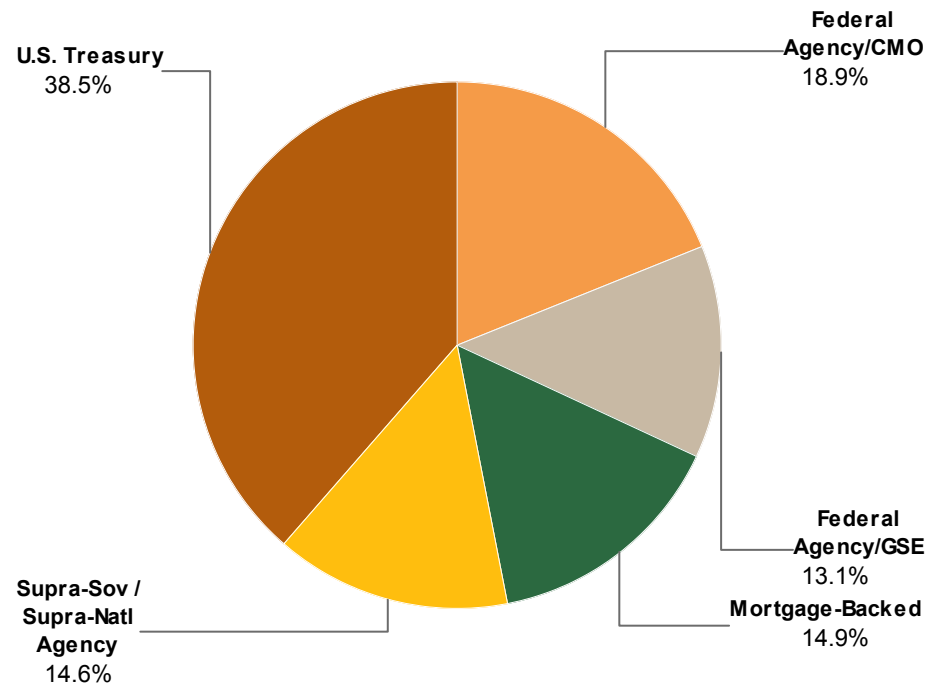
	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (12/31/2018)</b>	\$154,573,101.71	\$155,484,253.30
<b>Net Purchases/Sales</b>	\$2,512,950.01	\$2,512,950.01
<b>Change in Value</b>	\$1,680,571.42	(\$47,453.09)
<b>Ending Value (03/31/2019)*</b>	\$158,766,623.14	\$157,949,750.22
<b>Interest Earned</b>	\$1,032,951.04	\$1,032,951.04
<b>Portfolio Earnings</b>	\$2,713,522.46	\$985,497.95

\*Amount does not include cash/STIF balances and accrued interest.

**Sector Allocation**

*As of March 31, 2019*

Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	61,200,619	38.5%
Federal Agency/CMO	29,973,312	18.9%
Mortgage-Backed	23,712,522	14.9%
Supra-Sov / Supra-Natl Agency	23,100,218	14.6%
Federal Agency/GSE	20,779,952	13.1%
<b>Total</b>	<b>\$158,766,623*</b>	<b>100.0%</b>



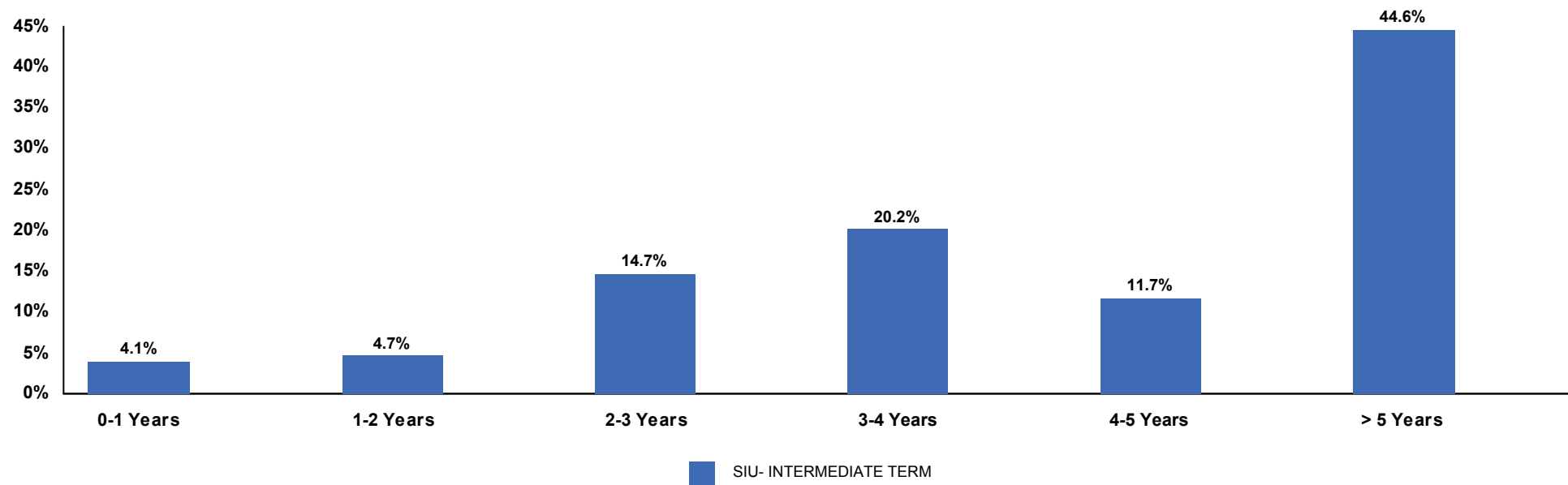
\*Amount does not include cash/STIF balances and accrued interest. Detail may not add to total due to rounding.



**Maturity Distribution**

*As of March 31, 2019*

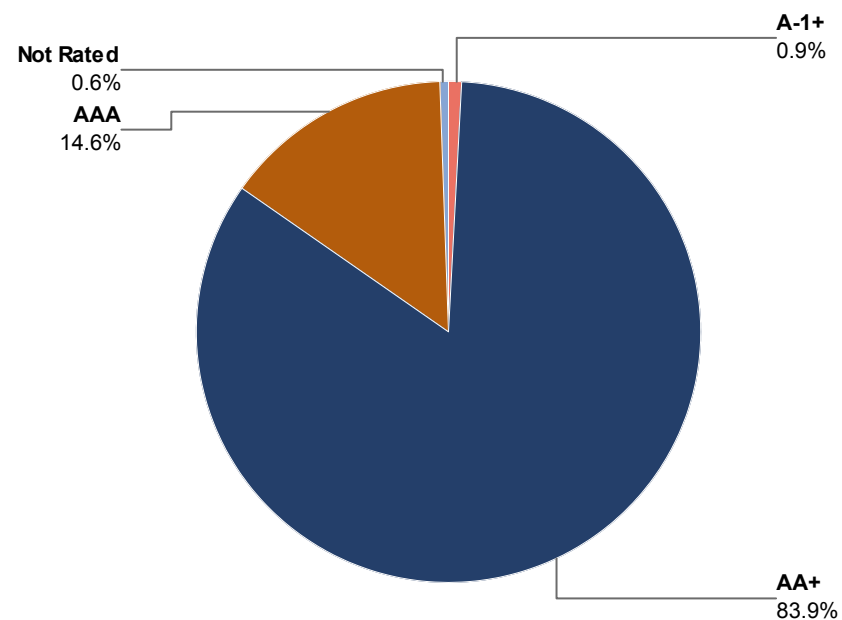
Portfolio	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
SIU- INTERMEDIATE TERM	2.48%	6.97 yrs	4.1%	4.7%	14.7%	20.2%	11.7%	44.6%



**Credit Quality**

*As of March 31, 2019*

<b>S&amp;P Rating</b>	<b>Market Value (\$)</b>	<b>% of Portfolio</b>
<b>AA+</b>	\$133,167,667	83.9%
<b>AAA</b>	\$23,100,218	14.6%
<b>A-1+</b>	\$1,499,208	0.9%
<b>Not Rated</b>	\$999,530	0.6%
<b>Totals</b>	<b>\$158,766,623*</b>	<b>100.0%</b>



\*Amount does not include cash/STIF balances and accrued interest. Detail may not add to total due to rounding.

## Sector/Issuer Distribution

As of March 31, 2019

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Federal Agency/CMO</b>			
FANNIE MAE	6,067,627	20.2%	3.8%
FREDDIE MAC	21,466,751	71.6%	13.5%
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	2,438,934	8.1%	1.5%
<b>Sector Total</b>	<b>29,973,312</b>	<b>100.0%</b>	<b>18.9%</b>
<b>Federal Agency/GSE</b>			
AGENCY FOR INTERNATIONAL DEVELOPMENT	3,272,050	15.7%	2.1%
FANNIE MAE	5,929,747	28.5%	3.7%
FEDERAL HOME LOAN BANKS	1,968,258	9.5%	1.2%
FREDDIE MAC	4,011,124	19.3%	2.5%
TENNESSEE VALLEY AUTHORITY	5,598,773	26.9%	3.5%
<b>Sector Total</b>	<b>20,779,952</b>	<b>100.0%</b>	<b>13.1%</b>
<b>Mortgage-Backed</b>			
FANNIE MAE	14,018,065	59.1%	8.8%
FREDDIE MAC	8,783,428	37.0%	5.5%
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	911,029	3.8%	0.6%
<b>Sector Total</b>	<b>23,712,522</b>	<b>100.0%</b>	<b>14.9%</b>
<b>Supra-Sov / Supra-Natl Agency</b>			

## SIU- INTERMEDIATE TERM

## Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
AFRICAN DEVELOPMENT BANK	6,503,463	28.2%	4.1%
ASIAN DEVELOPMENT BANK	10,157,904	44.0%	6.4%
INTER-AMERICAN DEVELOPMENT BANK	4,603,120	19.9%	2.9%
INTERNATIONAL FINANCE CORPORATION	1,835,731	7.9%	1.2%
<b>Sector Total</b>	<b>23,100,218</b>	<b>100.0%</b>	<b>14.5%</b>
<b>U.S. Treasury</b>			
UNITED STATES TREASURY	61,200,619	100.0%	38.5%
<b>Sector Total</b>	<b>61,200,619</b>	<b>100.0%</b>	<b>38.5%</b>
<b>Portfolio Total</b>	<b>158,766,623 *</b>	<b>100.0%</b>	<b>100.0%</b>

\*Amount does not include cash/STIF balances and accrued interest.

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# SIU - Short Term Portfolio

## Investment Approach

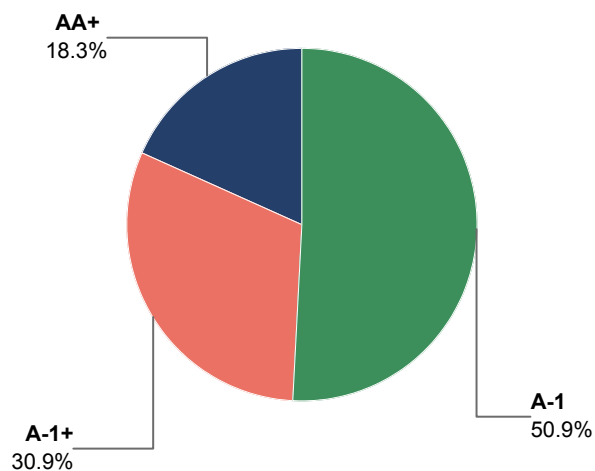
- The University's Short-Term portfolio is actively managed by PFM Asset Management, LLC. The short-term portfolio is structured to match the University's anticipated liquidity needs. The portfolio's duration typically ranges from 0 – 12 months, but is limited to a maximum maturity of 3 years. These funds are designed to be used for specific, predictable cash flows (i.e. payroll, debt service) as well as a liquidity cushion of cash available for any unforeseen expenses. Typical investments include, short-term U.S. Treasuries, short-term Federal Agencies, and commercial paper. Permitted investments are limited to those as described in the Illinois Public Funds Investment Act and the University's Investment Policy and Guidelines.

**Portfolio Statistics**

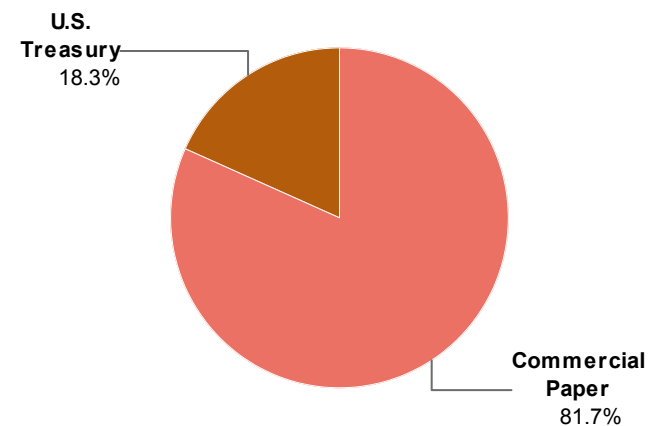
As of March 31, 2019

<b>Par Value:</b>	\$46,375,000
<b>Total Market Value:</b>	\$46,362,271
<b>Security Market Value:</b>	\$45,928,661
<b>Accrued Interest:</b>	\$7,346
<b>Cash:</b>	\$426,264
<b>Amortized Cost:</b>	\$45,914,862
<b>Yield at Market:</b>	2.61%
<b>Yield at Cost:</b>	2.73%
<b>Effective Duration:</b>	0.40 Years
<b>Duration to Worst:</b>	0.40 Years
<b>Average Maturity:</b>	0.40 Years
<b>Average Credit: *</b>	A

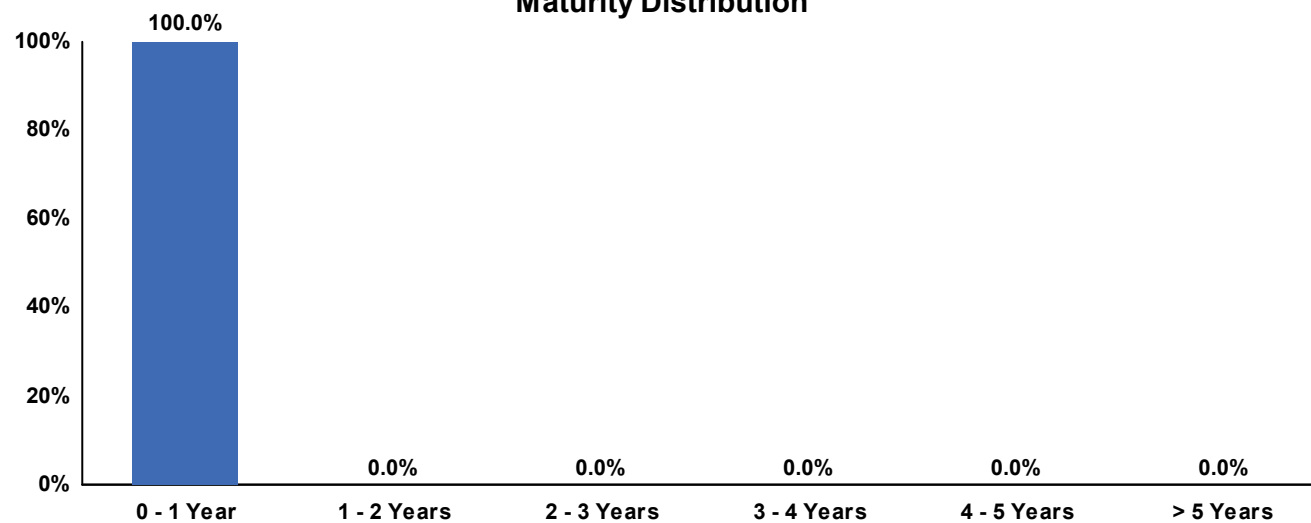
**Credit Quality (S&P Ratings)**



**Sector Allocation**



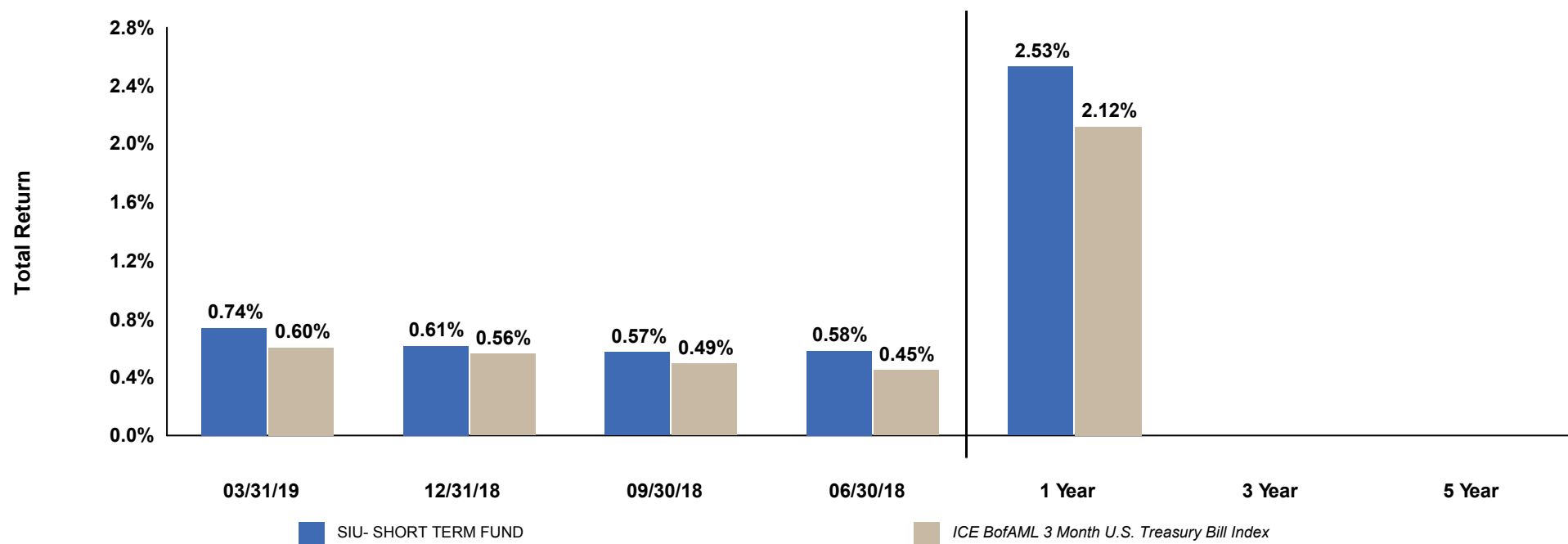
**Maturity Distribution**



\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		03/31/19	12/31/18	09/30/18	06/30/18	1 Year	3 Year	5 Year
SIU- SHORT TERM FUND	0.40	0.74%	0.61%	0.57%	0.58%	2.53%	-	-
<i>Net of Fees **</i>	-	0.72%	0.59%	0.55%	0.56%	2.46%	-	-
ICE BofAML 3 Month U.S. Treasury Bill Index	0.16	0.60%	0.56%	0.49%	0.45%	2.12%	-	-
Difference (Gross)		0.14%	0.05%	0.08%	0.13%	0.41%	-	-
Difference (Net)		0.12%	0.03%	0.06%	0.11%	0.34%	-	-



Portfolio performance is gross of fees unless otherwise indicated. \*\* Fees were calculated based on average assets during the period at the contractual rate.

## Portfolio Earnings

Quarter-Ended March 31, 2019

	Market Value Basis	Accrual (Amortized Cost) Basis
<b>Beginning Value (12/31/2018)</b>	\$31,080,379.44	\$31,083,139.86
<b>Net Purchases/Sales</b>	\$14,596,639.67	\$14,596,639.67
<b>Change in Value</b>	\$251,641.47	\$235,082.95
<b>Ending Value (03/31/2019)*</b>	\$45,928,660.58	\$45,914,862.48
<b>Interest Earned</b>	\$28,433.55	\$28,433.55
<b>Portfolio Earnings</b>	\$280,075.02	\$263,516.50

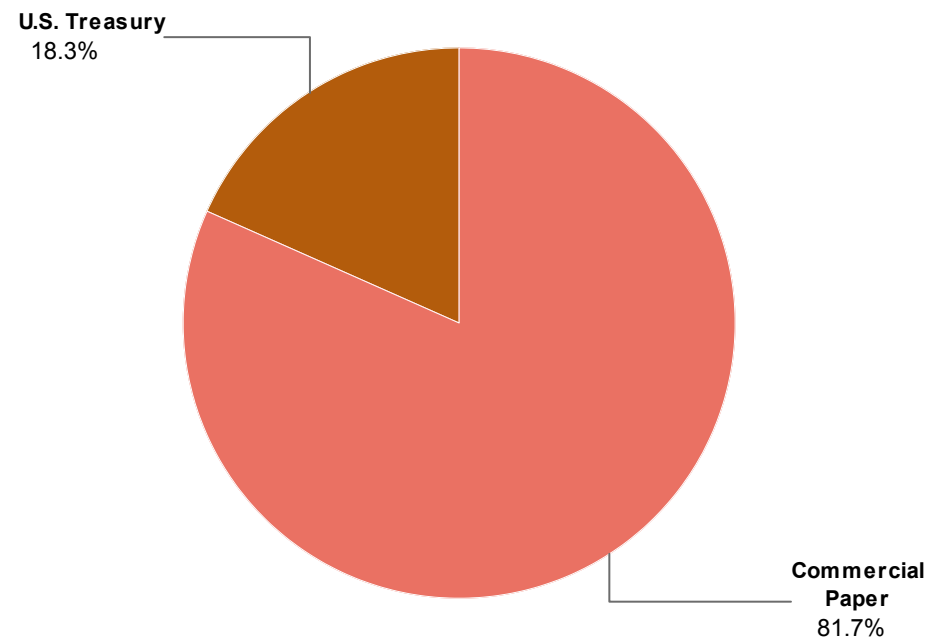
\*Amount does not include cash/STIF balances and accrued interest.



**Sector Allocation**

*As of March 31, 2019*

Sector	Market Value (\$)	% of Portfolio
Commercial Paper	37,535,358	81.7%
U.S. Treasury	8,393,302	18.3%
<b>Total</b>	<b>\$45,928,661*</b>	<b>100.0%</b>

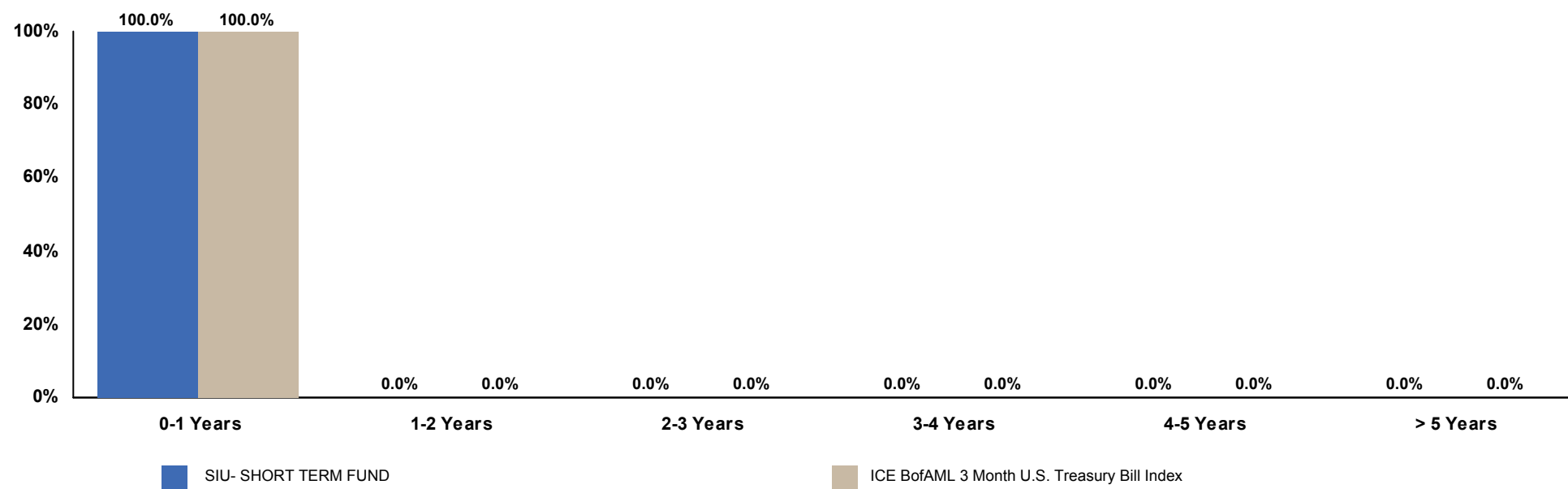


\*Amount does not include cash/STIF balances and accrued interest. Detail may not add to total due to rounding.

**Maturity Distribution**

*As of March 31, 2019*

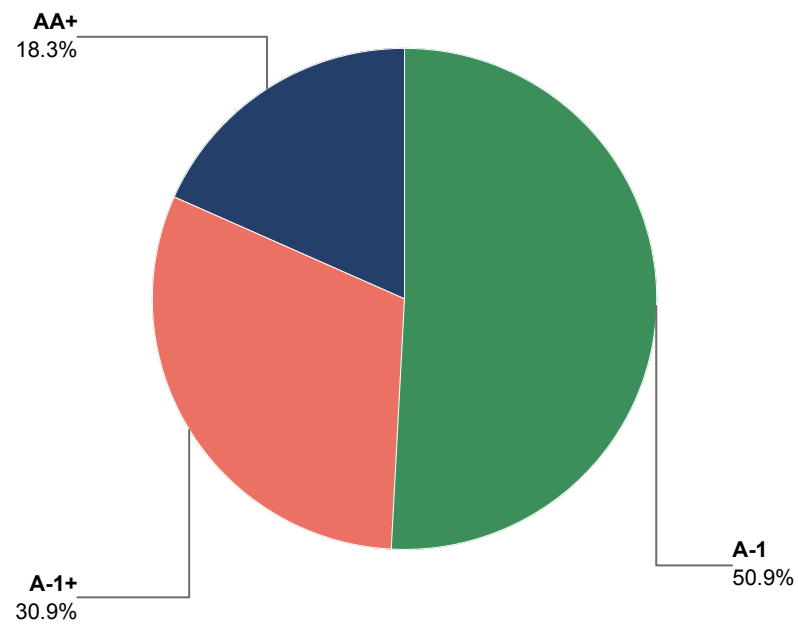
Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
SIU- SHORT TERM FUND	2.61%	0.40 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ICE BofAML 3 Month U.S. Treasury Bill Index	2.37%	0.24 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%



**Credit Quality**

*As of March 31, 2019*

<b>S&amp;P Rating**</b>	<b>Market Value (\$)</b>	<b>% of Portfolio</b>
A-1	\$23,354,180	50.9%
A-1+	\$14,181,178	30.9%
AA+	\$8,393,302	18.3%
<b>Totals</b>	<b>\$45,928,661*</b>	<b>100.0%</b>



\*Amount does not include cash/STIF balances and accrued interest. Detail may not add to total due to rounding.

\*\* Includes short-term and long-term ratings.

## Sector/Issuer Distribution

As of March 31, 2019

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Commercial Paper</b>			
ALPINE SECURITIZATION LLC	547,543	1.5%	1.2%
AMERICAN HONDA FINANCE	2,391,036	6.4%	5.2%
APPLE INC	2,365,066	6.3%	5.1%
BEDFORD ROW FUNDING CORP	1,335,084	3.6%	2.9%
BNP PARIBAS	2,324,542	6.2%	5.1%
CANADIAN IMPERIAL BANK OF COMMERCE	281,434	0.7%	0.6%
CISCO SYSTEMS INC	298,723	0.8%	0.7%
COCA-COLA COMPANY	2,373,908	6.3%	5.2%
CREDIT AGRICOLE SA	1,343,801	3.6%	2.9%
CREDIT SUISSE GROUP	1,828,124	4.9%	4.0%
FAIRWAY FINANCE COMPANY LLC	1,039,097	2.8%	2.3%
HSBC HOLDINGS PLC	1,334,679	3.6%	2.9%
ING BANK NV	1,481,234	3.9%	3.2%
JP MORGAN CHASE & CO	1,333,418	3.6%	2.9%
MITSUBISHI UFJ FINANCIAL GROUP INC	2,324,377	6.2%	5.1%
NATIXIS NY BRANCH	2,374,668	6.3%	5.2%
NESTLE SA	2,369,990	6.3%	5.2%
PRUDENTIAL FINANCIAL INC	2,085,421	5.6%	4.5%
RABOBANK NEDERLAND	2,376,322	6.3%	5.2%
ROYAL BANK OF CANADA	1,036,350	2.8%	2.3%
TORONTO-DOMINION BANK	2,324,411	6.2%	5.1%

## SIU- SHORT TERM FUND

## Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
TOYOTA MOTOR CORP	2,366,134	6.3%	5.2%
<b>Sector Total</b>	<b>37,535,358</b>	<b>100.0%</b>	<b>81.7%</b>
<b>U.S. Treasury</b>			
UNITED STATES TREASURY	8,393,302	100.0%	18.3%
<b>Sector Total</b>	<b>8,393,302</b>	<b>100.0%</b>	<b>18.3%</b>
<b>Portfolio Total</b>	<b>45,928,661*</b>	<b>100.0%</b>	<b>100.0%</b>

\*Amount does not include cash/STIF balances and accrued interest.

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# Illinois Funds

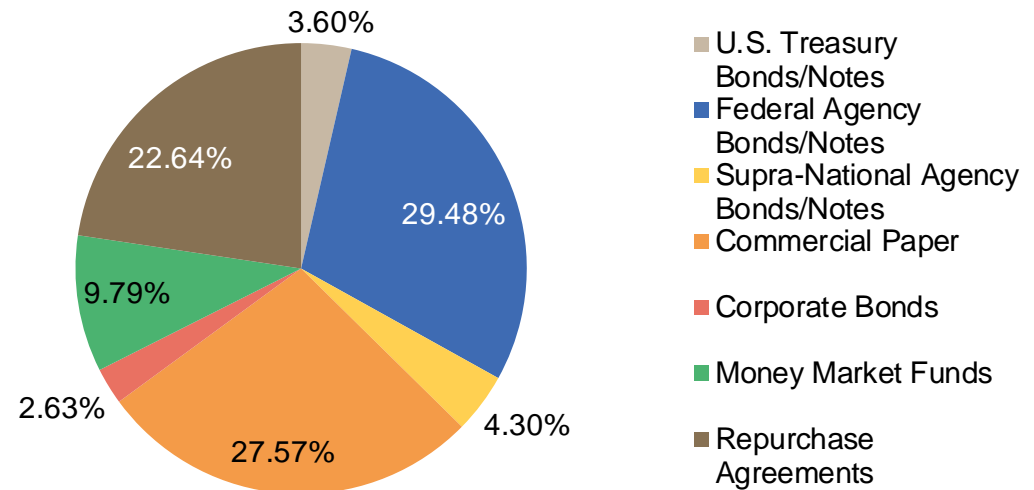
## Investment Approach

- The Illinois Funds is a Local Government Investment Pool (LGIP) operated by the Illinois State Treasurer's Office. The Illinois Funds strives to provide an inexpensive investment vehicle that features safety, daily liquidity and yield for Illinois public funds programs. The fund is managed by the Office of the State Treasurer in Springfield, Illinois, and contained a combined \$5.5 billion in total assets as of March 31, 2019. The fund is currently rated AAAm by Standard & Poor's.

## Illinois Funds Account Overview

Illinois Funds	
Beginning Value (12/31/2018)	\$75,362,027.92
Net Deposits (Withdrawals)	(\$1,986,364.93)
Interest Earned	\$597,173.78
Ending Value (3/31/19)	\$73,972,836.77

**Illinois Funds  
Sector Allocation  
as of March 31, 2019**



	Current Yield as of 3/31/19
Illinois Funds	2.47%
Benchmark: S&P Rated Government Investment Pool Index	2.30%

<b>Weighted Average Maturity</b>	51 Days
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# U.S. Bank Commercial Paper Sweep

## Investment Approach

- In lieu of providing collateral on daily operating liquidity balances, US Bank provides a daily commercial paper investment sweep option. Deposits are automatically moved to the sweep account at the end of each business day and invested overnight in US Bank National Association commercial paper, an unsecured, short-term promissory note. Funds from the maturing commercial paper are available on the next business day. US Bank commercial paper carries a credit rating of A-1+ by Standard & Poor's and P-1 by Moody's.



## U.S. Bank Commercial Paper Sweep Account Overview

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<b>U.S. Bank Commercial Paper Sweep</b>	
Beginning Value (12/31/2018)	\$43,742,441.69
Net Deposits (Withdrawals)	(\$18,081,240.45)
Interest Earned	\$115,099.95
Ending Value (3/31/19)	\$25,776,301.19

	<b>Current Yield as of 3/31/19</b>
U.S. Bank Commercial Paper Sweep	1.85%
Benchmark: S&P Rated Government Investment Pool Index	2.30%

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# Capital Investments

## Capital Investments Position

<b>Investment Balance</b> <b>Market Value (\$ in millions)</b>	<b>3/31/2018</b>	<b>6/30/2018</b>	<b>9/30/2018</b>	<b>12/31/2018</b>	<b>3/31/2019</b>
<b>Housing &amp; Auxiliary Facilities System</b>					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	25.1	7.1	13.3	15.4	21.7
Debt Service Reserve	8.3	6.1	6.1	6.2	6.2
Total HAFS	33.4	13.2	19.4	21.5	28.0
<b>Medical Facilities System</b>					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	1.7	0.5	0.9	1.3	1.7
Debt Service Reserve	-	-	-	-	-
Total MFS	1.7	0.5	0.9	1.3	1.7
<b>Certificates of Participation</b>					
Construction Proceeds	2.2	1.5	1.1	0.7	0.2
Interest Sinking Fund	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-
Total COPS	2.2	1.5	1.1	0.7	0.2
Total Market Value of Portfolio	\$ 37.3	\$ 15.1	\$ 21.5	\$ 23.6	\$ 29.9
<b>Investment Balance</b> <b>Book Value (\$ in millions)</b>	\$ 37.3	\$ 15.1	\$ 21.6	\$ 23.6	\$ 29.9

*\*Capital Investments are managed internally and are invested in high quality, low risk government securities. The investment maturity, rate of return and type are limited by covenants in the debt financing documents.*

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**IMPORTANT DISCLOSURES**

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- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.
- Any information contained in this report pertaining to Illinois Funds, US Bank Commercial Paper Sweep, and the Capital Investments Position were sourced from their respective month end statements. Information for the Intermediate and Short-Term Portfolios was sourced from their respective quarter-end statements provided by PFM.

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**GLOSSARY**

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

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**GLOSSARY**

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.