



SOUTHERN ILLINOIS UNIVERSITY

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

April 17, 2020

Members of the Board Finance Committee

Roger Tedrick, Chair
Ed Curtis
Mackenzie Rogers
Subhash Sharma

Dear Members of the Finance Committee:

The Finance Committee will meet on Thursday, April 30, 2020, at 11 a.m. in the Large Dining Room of the Stone Center at the Southern Illinois University System Office in Carbondale, Illinois (live stream video at siusystem.edu through Youtube and through Zoom). The agenda is enclosed.

Yours truly,

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

DS/sjp

Enclosures

cc: J. Phil Gilbert Dan Mahony
Ed Hightower John M. Dunn
Brione Lockett Randall Pembroke
Amy Sholar Jerry Kruse
John Simmons Other Interested Parties

AGENDA

MEETING OF THE SOUTHERN ILLINOIS UNIVERSITY BOARD OF TRUSTEES FINANCE COMMITTEE

Thursday, April 30, 2020
11 a.m.

Large Dining Room
Stone Center
Southern Illinois University System Office
Carbondale, Illinois,
live stream video at siusystem.edu through Youtube
and through Zoom

1. Approval of Minutes of the February 13, 2020 meeting (attached).
2. Proposed Student Insurance Fee Matter and Proposed Change to the School of Medicine Fee Policy, SIUC [Amendment to 4 Policies of the Board Appendix A] (Board Agenda Item H).
3. Approval of Purchase: Computers and Computer Accessories, Carbondale Campus, SIUC (Board Agenda Item I).
4. Approval to Purchase: Promotional Items and Printed Apparel, SIUE (Board Agenda Item L).
5. Approval of Purchase: Trash and Recycling Removal Services, SIUE (Board Agenda Item M).
6. Approval of Salary and Reappointment of Acting Vice President for Academic Affairs for the Southern Illinois University System (Board Agenda Item N).
7. Temporary Financial Arrangements for Fiscal Year 2021 (Board Agenda Item O).
8. Approval of Purchase: Medical Professional Liability Insurance and Broker Services, Southern Illinois University (Board Agenda Item P).
9. Authorization for the Sale of Certificates of Participation Series 2020A, School of Dental Medicine Advanced Care Clinic (Board Agenda Item Q).
10. Information Item: Quarterly Investment Report.
11. Other Business
12. Adjournment

**BOARD OF TRUSTEES
SOUTHERN ILLINOIS UNIVERSITY**

Minutes of the Finance Committee Meeting

February 13, 2020

The Finance Committee met in the Meridian Ballroom on the 1st Floor of the Morris University Center, Southern Illinois University Edwardsville, Edwardsville, IL. Present were: Roger Tedrick (Chair), Ed Curtis, Mackenzie Rogers and Subhash Sharma. Other Board members present were: J. Phil Gilbert, Ed Hightower, Brione Lockett and John Simmons. Absent was: Amy Sholar. Executive Officers present were: Interim Chancellor John M. Dunn, SIUC; Chancellor Randall Pembroke, SIUE; Dean and Provost Jerry Kruse, School of Medicine; General Counsel Lucas Crater; Acting Vice President for Academic Affairs Jim Allen; and Senior Vice President for Financial and Administrative Affairs and Board Treasurer Duane Stucky.

Minutes

Trustee Curtis recommended approval of the minutes of the December 5, 2019 meeting as submitted. The motion was seconded by Trustee Sharma and passed by the Committee.

Approval of Purchase: Miscellaneous Flooring Materials, Carbondale Campus, SIUC (Board Agenda Item O).

Interim Chancellor John M. Dunn 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 Rogers 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 P).

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

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.

Proposed Tuition Rates and Fee Matters, SIUC [Amendment to 4 Policies of the Board Appendix A] (Board Agenda Item Q).

Interim Chancellor John M. Dunn 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 Rogers and was passed by the Committee.

Proposed Tuition Rates and Fee Matters, SIUC [Amendment to 4 Policies of the Board Appendix B] (Board Agenda Item R).

Chancellor Randall Pembroke 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 Sharma and was passed by the Committee.

Approval of Salary and Appointment: Dean, School of Law, SIUC (Board Agenda Item S).

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

Camille Davidson as Dean and Professor with tenure, School of Law, SIUC, with an annual salary of \$230,004, effective no later than July 1, 2020.

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

Approval of Salary and Appointment: Interim Director, School of Analytics, Finance and Economics, College of Business, SIUC (Board Agenda Item T).

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

Dr. Kevin Sylwester as Interim Director, School of Analytics, Finance and Economics, College of Business, SIUC, with an annual salary of \$150,000, effective January 1, 2020.

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

Approval of Salary: Director, Plant and Service Operations, SIUC (Board Agenda Item V).

Interim Chancellor John M. Dunn reviewed the proposed matter and requested Finance Committee approval of the salary of:

Brad Dillard as Director, Plant and Service Operations, SIUC, with an annual salary of \$158,000, effective February 14, 2020.

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

Approval of Salary and Appointment: Interim Director, School of Management and Marketing, College of Business, SIUC (Board Agenda Item U).

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

Dr. John Goodale as Interim Director, School of Management and Marketing, College of Business, SIUC, with an annual salary of \$187,296, effective January 1, 2020.

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

Approval of Salary: Football Coach, SIUC (Board Agenda Item W).

Interim Chancellor John M. Dunn reviewed the proposed matter and requested Finance Committee approval of the salary of:

Nick Hill as Head Football Coach, SIUC, with an annual salary of \$185,000, effective January 1, 2020.

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

Approval of Salary and Appointment: Associate Dean of the School of Pharmacy, SIUE (Board Agenda Item X).

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

Dr. Jessica Kerr as Associate Dean of the School of Pharmacy, SIUE, with an annual salary of \$166,000, effective January 1, 2020.

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

Revised Vice President for Academic Affairs Title (Board Agenda Item Y).

Acting Vice President for Academic Affairs Jim Allen 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 Rogers and was passed by the Committee.

Information Item: Quarterly Investment Report.

Senior Vice President and Board Treasurer Duane Stucky reviewed the Quarterly Investment Report.

Other Business

There being no further business, the meeting was adjourned.

DS/sjp



Southern Illinois University

Quarterly Investment Report
December 31, 2019

Market Update

SUMMARY

- In Q4, U.S. economic conditions were characterized by: (1) moderate economic growth; (2) robust job growth and elevated consumer confidence; (3) strong housing market, but mixed manufacturing activity; (4) growing risks to the economic outlook, including reescalation of trade conflicts, fallout from impeachment proceedings and the 2020 U.S. presidential election, and deteriorating business confidence and investment, and; (5) geopolitical risks taking center stage.
- After delivering two rate cuts in Q3, the Fed cut the overnight fed funds target rate again in October to the new range of 1.50% to 1.75%. The dynamics supporting the rate cuts were similar to those cited for the first two, including weakness in global growth, ongoing trade uncertainty and muted inflation. The Fed is expected to hold their target range steady over the near-term absent a “material reassessment of their outlook.”
- Bond yields ended the year down markedly across the curve, boosting fixed income returns. In Q4 the yield curve steepened modestly, which was generally attributed to an improved economic outlook and a decline in uncertainties plaguing investors. U.S. equity markets continued to rally to new record highs. The S&P 500 Index returned 9.1% for Q4, and 31.5% for the year.

ECONOMIC SNAPSHOT

- The U.S. economy grew a moderate 2.1% in Q3. The reading highlighted continued reliance on the American consumer as consumer spending, which was 2%, accounted for nearly all of the growth. Government spending and residential housing were also positive contributors, while business investment was a detractor, marking the first back-to-back contraction in business investment of more than 1% since 2009.

ECONOMIC SNAPSHOT *(continued)*

- The U.S. labor market continued to grow at a solid pace in the final quarter of the year. The U.S. economy added an average of 180,000 jobs in Q4, bringing the 2019 monthly average to 177,000 which fell short of the 223,000 average of monthly gains in 2018. The unemployment rate held steady at a 50-year low of 3.5% to round out the year.
- Inflation remains muted, showing no indication of substantial upward price pressure heading into Q1. Year-over-year growth in the core Consumer Price Index reached 2.3% in December, while the Fed’s preferred inflation gauge, the core Personal Consumption Expenditure price index, dropped to 1.5% on a yearly basis in November, which is well below the Fed’s 2% target. Price pressures on services were stable in Q4, while price pressures on goods drifted lower amid a de-escalation of trade tensions.
- Housing fundamentals remained strong in Q4. New home sales made solid gains in November, marking the best three months of growth since 2007, a sign of housing market momentum amid low interest rates and steady economic growth.

OUTLOOK

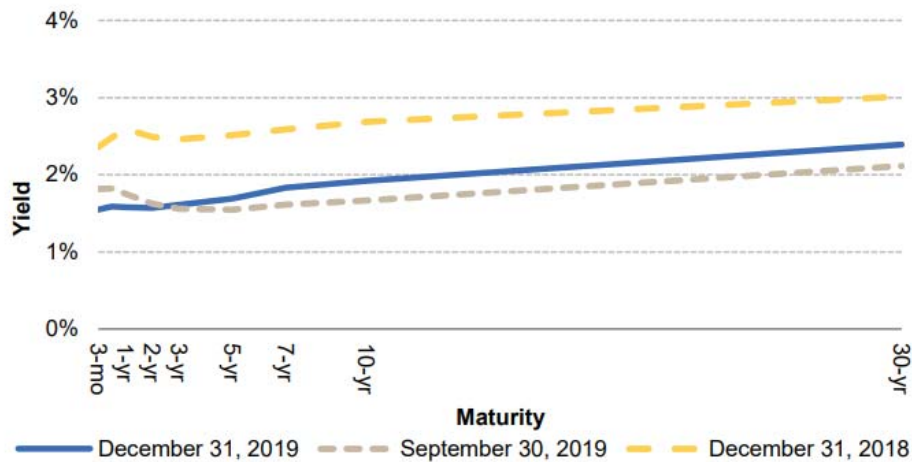
- U.S. economic fundamentals are stable and firm at the start of the new year and consensus view is that the U.S. avoids a recession in 2020. But, political risks in the U.S. are headed for a crescendo and international geopolitical events remain a significant source of uncertainty and risk for 2020. The Fed is expected to remain on hold for an extended period and rates to remain mostly range-bound in the near-term.

Market Update

INTEREST RATES

- After falling for four consecutive quarters, the U.S. Treasury yield curve twisted around the 3-year inflection point in Q4. Shorter-term rates declined up to 0.40% and longer term rates rose as much as 0.30%. This steepening effect is evidenced by the spread between the 3-month and 10-year Treasuries, which began the quarter at -14 bps and finished the quarter at +11 bps.
- Shorter-duration portfolios benefitted from the decline in yields in the short-end of the curve, while longer-duration portfolios were negatively impacted by the rise in long-term rates. The 3-month Treasury bill index generated 0.46% of total return for the quarter, while 10-year and 30-year Treasuries returned -1.77% and -4.93%, respectively.
- With the expectations for the Fed now on hold, ultra-short rates stabilized and settled into an equilibrium by year-end. Investors found incremental value in short-term credit opportunities in Q4, as yield spreads on commercial paper and bank CDs widened to attractive levels, helping to offset a portion of recent declines in money market yields

U.S. Treasury Yield Curve



Source: Bloomberg, as of 12/31/2019.

SECTOR PERFORMANCE

- Broad portfolio diversification was additive to portfolio performance in Q4. Lower quality corporates and mortgage-backed securities (MBS) led the pack and drove positive performance, as spreads generally tightened across the board.
- Federal agency and supranational returns were muted as spread levels remained near historic tight and scarce supply largely limited value, capping both sectors' excess returns. The slight incremental income relative to Treasuries helped buoy relative performance, as each sector generally traded in a tight range.
- Corporate bonds performed top-of-class again, as yield spreads broke prior 2019 lows and challenged post-recession tightness. As a result, investment-grade corporates generated attractive excess returns for Q4, with longer duration and lower quality issuers once again outperforming their shorter and higher-quality counterparts.
- Following a volatile Q3, MBS saw a retracement of volatility and spreads. As a result, most coupon and collateral structures generated strong absolute and relative performance. After leading the pack for most of 2019, performance of agency-backed commercial MBS lagged its peers in Q4.
- Short-term investors found opportunities from wider spreads on money market credit investments (commercial paper and negotiable bank CDs). Increased allocations to these sectors at attractive levels helped cushion the impact of a lower Fed overnight target rate.

Summary of Operating Investments

Summary of Operating Investments

Market Value (\$ in millions)*

	12/31/2019
Illinois Funds	\$ 46.5
US Bank Commercial Paper Sweep	47.9
Subtotal Cash & Cash Equivalents	<u>\$ 94.4</u>
Short Term Portfolio	24.0
Intermediate Term Portfolio	165.3
Total Portfolio	<u><u>\$ 283.8</u></u>
<u>Book Value (\$ in millions)</u>	<u>\$ 280.6</u>

Asset Allocation (\$ in millions)*

<u>Sector</u>	<u>12/31/2019</u>	
Money Market Mutual Funds / LGIP	\$ 47.1	16.6%
U.S. Treasury Bonds/Notes	58.2	20.5%
Federal Agency Bonds/Notes	16.6	5.8%
Federal Agency MBS	23.3	8.2%
Federal Agency CMO	29.5	10.4%
Supra-National Agency Bonds/Notes	20.3	7.2%
Corporate Notes	16.4	5.8%
Commercial Paper	23.7	8.3%
Commercial Paper Sweep (US Bank)	47.9	16.9%
Subtotal	283.0	99.7%
Accrued Interest	0.8	0.3%
Total	\$ 283.8	100.0%

Current Yields (Annualized)

	12/31/2019
Illinois Funds	1.72%
US Bank Commercial Paper Sweep	1.25%
Benchmark: S&P Rated Government Investment Pool Index	1.55%

Performance Summary (Total Return)**

	Current Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception
Short Term Portfolio	0.58%	2.59%	1.91%	-	-	1.85%
Benchmark: BofA Merrill Lynch 3-Month Treasury Bill Index	0.46%	2.28%	1.67%	-	-	1.56%
Intermediate Term Portfolio	0.14%	5.47%	2.76%	2.18%	-	2.24%
Benchmark: Barclays Intermediate U.S. Govt. Securities	0.01%	5.20%	2.57%	1.99%	-	2.07%

*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.

SIU - Intermediate Term Portfolio

Investment Approach

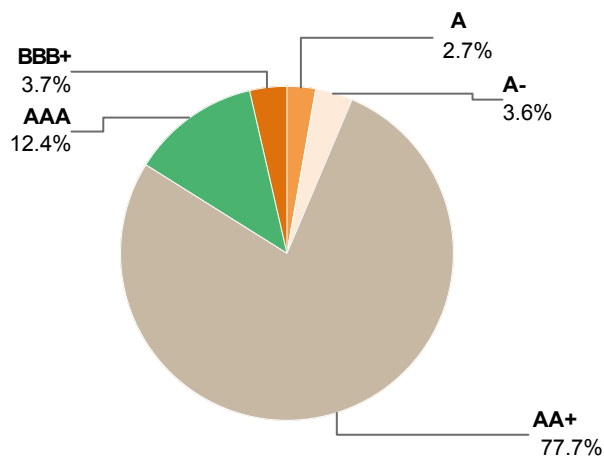
- The University's Intermediate Term portfolio is actively managed by PFM Asset Management, LLC. PFM seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and are therefore 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

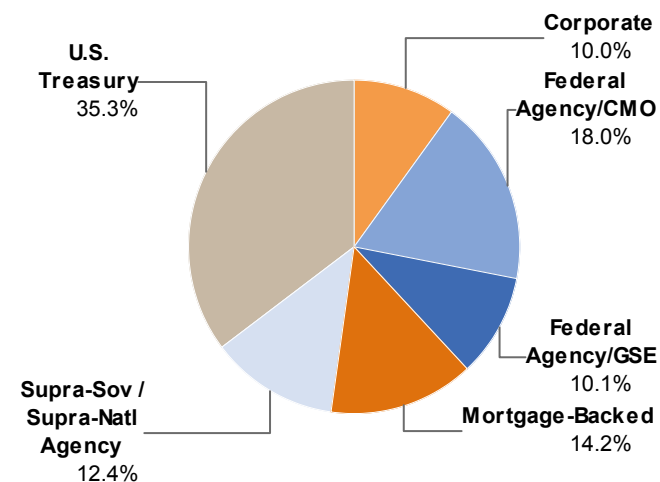
As of December 31, 2019

Par Value:	\$159,012,513
Total Market Value:	\$165,339,630
Security Market Value:	\$164,264,329
Accrued Interest:	\$823,955
Cash:	\$251,346
Amortized Cost:	\$161,046,909
Yield at Market:	1.96%
Yield at Cost:	2.51%
Effective Duration:	3.60 Years
Duration to Worst:	3.89 Years
Average Maturity:	7.26 Years
Average Credit: *	AA

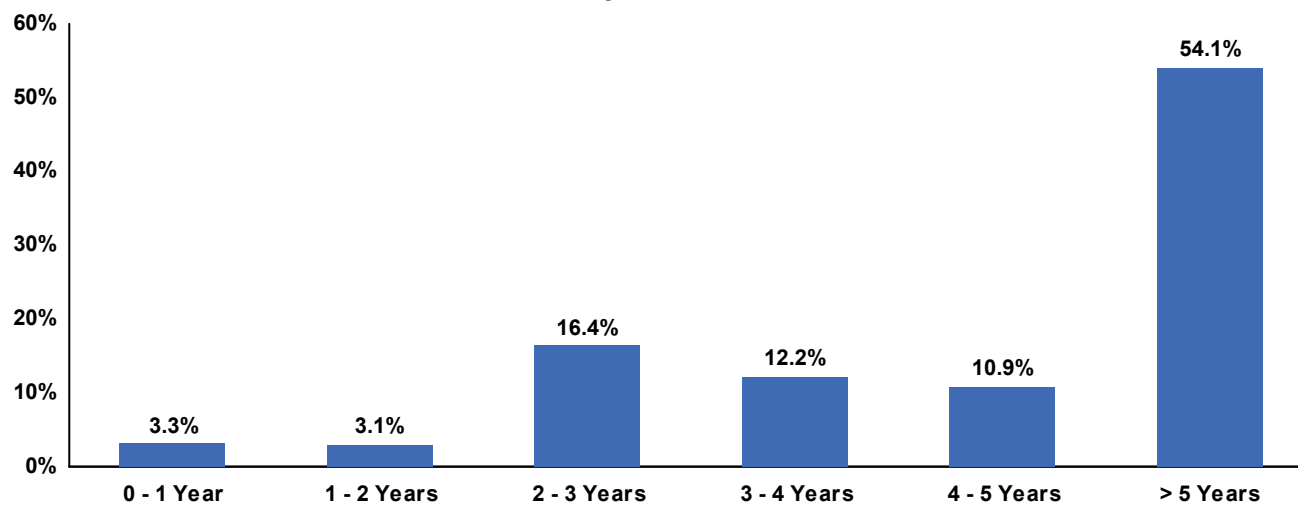
Credit Quality (S&P Ratings)



Sector Allocation



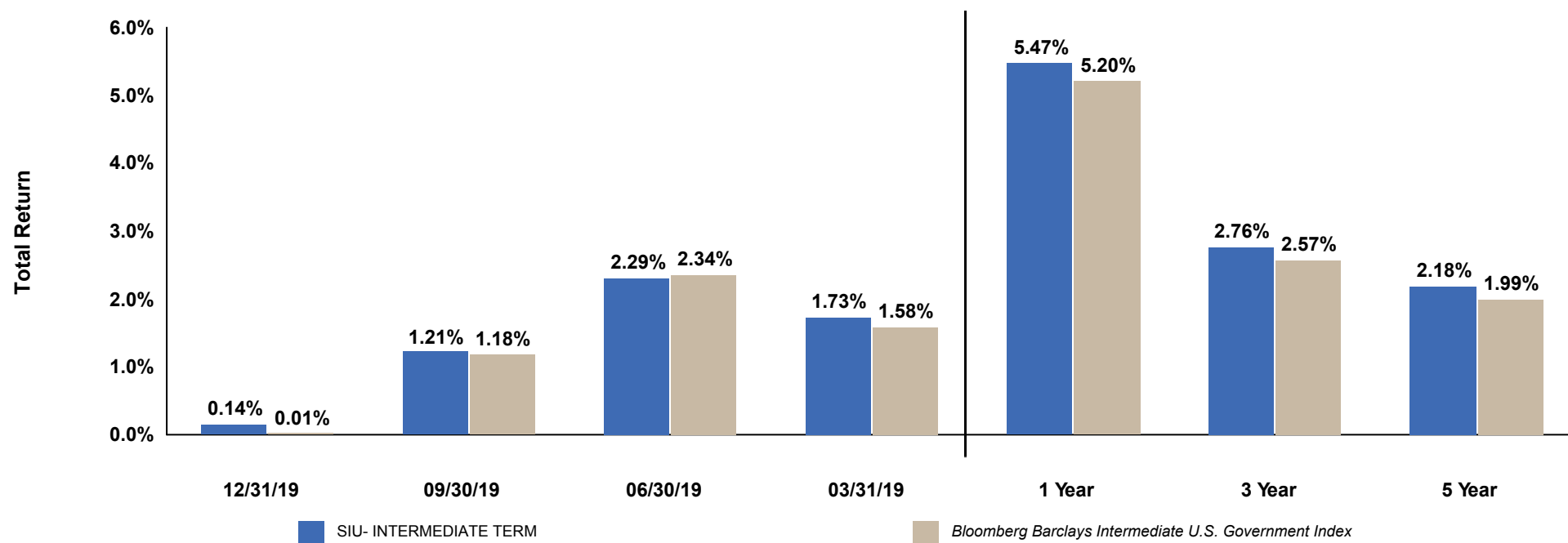
Maturity Distribution



* 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		
		12/31/19	09/30/19	06/30/19	03/31/19	1 Year	3 Year	5 Year
SIU- INTERMEDIATE TERM	3.60	0.14%	1.21%	2.29%	1.73%	5.47%	2.76%	2.18%
<i>Net of Fees **</i>	-	0.12%	1.19%	2.27%	1.71%	5.40%	2.69%	2.11%
Bloomberg Barclays Intermediate U.S. Government Ii	3.77	0.01%	1.18%	2.34%	1.58%	5.20%	2.57%	1.99%
Difference (Gross)		0.13%	0.03%	-0.05%	0.15%	0.27%	0.19%	0.19%
Difference (Net)		0.11%	0.01%	-0.07%	0.13%	0.20%	0.12%	0.12%



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

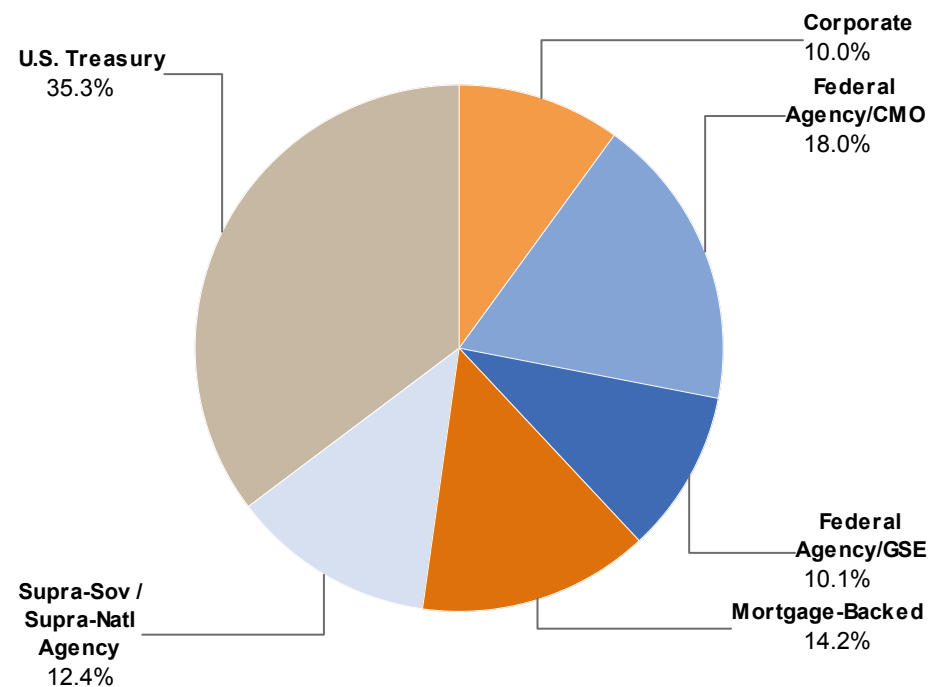
Portfolio Earnings
Quarter-Ended December 31, 2019

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (09/30/2019)	\$164,234,816.45	\$160,169,362.89
Net Purchases/Sales	\$893,851.53	\$893,851.53
Change in Value Ending	(\$864,338.85)	(\$16,304.94)
Value (12/31/2019)*	\$164,264,329.13	\$161,046,909.48
Interest Earned	\$1,091,091.92	\$1,091,091.92
Portfolio Earnings	\$226,753.07	\$1,074,786.98

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

Sector Allocation
As of December 31, 2019

Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	58,188,228	35.3%
Federal Agency/CMO	29,481,156	18.0%
Mortgage-Backed	23,322,446	14.2%
Supra-Sov / Supra-Natl Agency	20,301,306	12.4%
Federal Agency/GSE	16,571,571	10.1%
Corporate	16,399,623	10.0%
Total	\$164,264,329*	100.0%

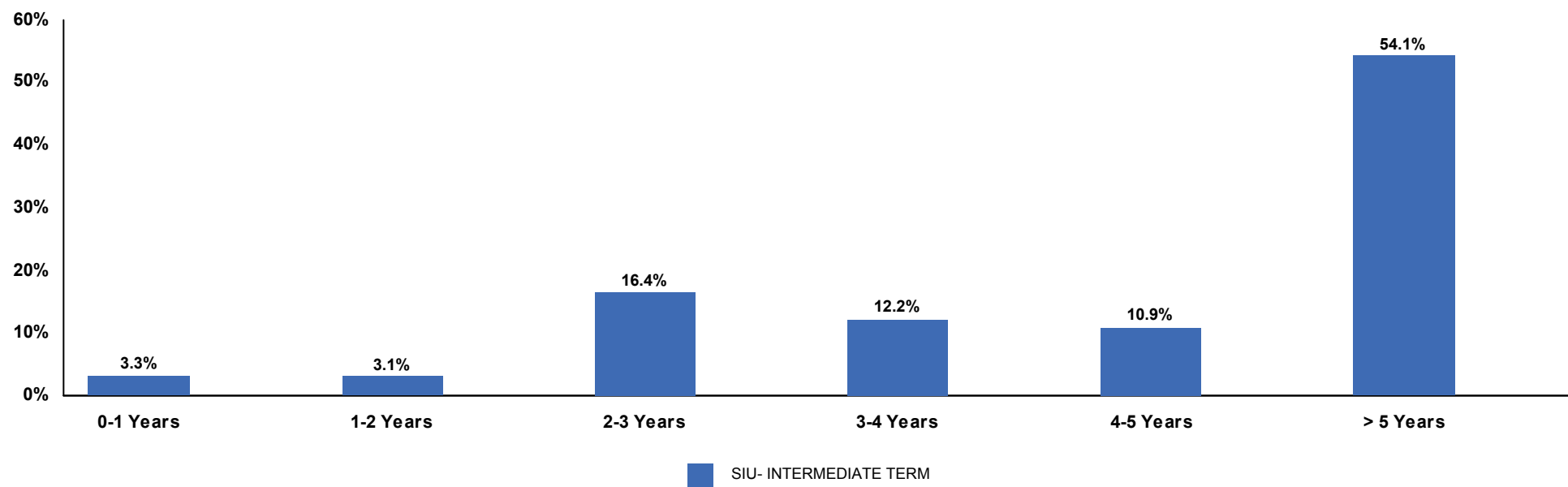


*Amount does not include cash/STIF balances and accrued interest. Detail may not add to total due to rounding.

Maturity Distribution

As of December 31, 2019

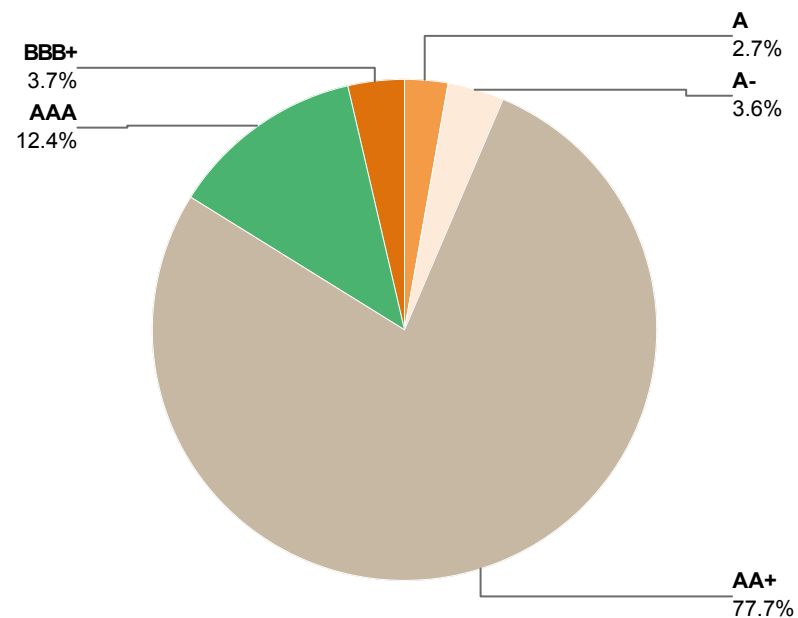
Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
SIU- INTERMEDIATE TERM	1.96%	7.26 yrs	3.3%	3.1%	16.4%	12.2%	10.9%	54.1%



Credit Quality

As of December 31, 2019

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$127,563,400	77.7%
AAA	\$20,301,306	12.4%
BBB+	\$6,098,175	3.7%
A-	\$5,947,201	3.6%
A	\$4,354,247	2.7%
Totals	\$164,264,329*	100.0%



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

Sector/Issuer Distribution

As of December 31, 2019

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Corporate			
AMERICAN EXPRESS CO	1,527,495	9.3%	0.9%
AMERICAN HONDA FINANCE	1,511,667	9.2%	0.9%
BB&T CORPORATION	1,537,487	9.4%	0.9%
CITIGROUP INC	1,524,035	9.3%	0.9%
GOLDMAN SACHS GROUP INC	1,518,945	9.3%	0.9%
JP MORGAN CHASE & CO	2,860,645	17.4%	1.7%
MORGAN STANLEY	1,527,701	9.3%	0.9%
THE BANK OF NEW YORK MELLON CORPORATION	2,842,580	17.3%	1.7%
WELLS FARGO & COMPANY	1,549,070	9.4%	0.9%
Sector Total	16,399,623	100.0%	10.0%
Federal Agency/CMO			
FANNIE MAE	6,271,037	21.3%	3.8%
FREDDIE MAC	21,003,863	71.2%	12.8%
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	2,206,257	7.5%	1.3%
Sector Total	29,481,156	100.0%	17.9%
Federal Agency/GSE			
AGENCY FOR INTERNATIONAL DEVELOPMENT	2,278,476	13.7%	1.4%
FANNIE MAE	4,461,396	26.9%	2.7%

SIU- INTERMEDIATE TERM

Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
FEDERAL HOME LOAN BANKS	2,010,635	12.1%	1.2%
FREDDIE MAC	2,102,525	12.7%	1.3%
TENNESSEE VALLEY AUTHORITY	5,718,539	34.5%	3.5%
Sector Total	16,571,571	100.0%	10.1%
Mortgage-Backed			
FANNIE MAE	12,157,524	52.1%	7.4%
FREDDIE MAC	10,456,537	44.8%	6.4%
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	708,385	3.0%	0.4%
Sector Total	23,322,446	100.0%	14.2%
Supra-Sov / Supra-Natl Agency			
AFRICAN DEVELOPMENT BANK	6,586,133	32.4%	4.0%
ASIAN DEVELOPMENT BANK	7,301,064	36.0%	4.4%
INTER-AMERICAN DEVELOPMENT BANK	4,563,080	22.5%	2.8%
INTERNATIONAL FINANCE CORPORATION	1,851,029	9.1%	1.1%
Sector Total	20,301,306	100.0%	12.4%
U.S. Treasury			
UNITED STATES TREASURY	58,188,228	100.0%	35.4%
Sector Total	58,188,228	100.0%	35.4%
Portfolio Total	164,264,329*	100.0%	100.0%

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

SIU - Short Term Portfolio

Investment Approach

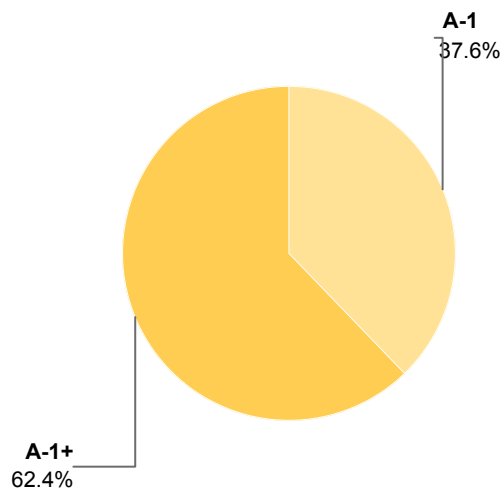
- The University's Short-Term portfolio is actively managed by PFM Asset Management, LLC. The short-term portfolio is structured to match the University's anticipated liquidity needs. The portfolio's duration typically ranges from 0 – 12 months, but is limited to a maximum maturity of 3 years. These 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

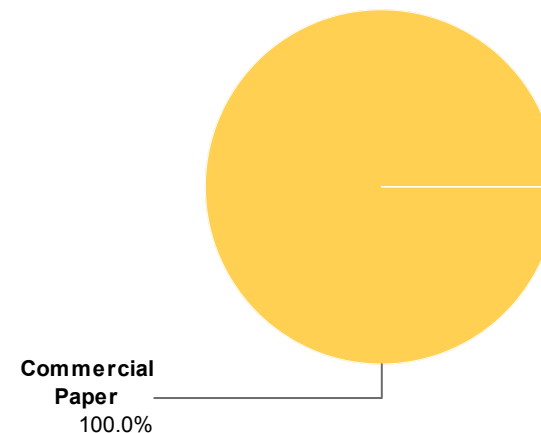
As of December 31, 2019

Par Value:	\$23,900,000
Total Market Value:	\$24,036,282
Security Market Value:	\$23,680,032
Accrued Interest:	-
Cash:	\$356,250
Amortized Cost:	\$23,672,445
Yield at Market:	1.88%
Yield at Cost:	1.97%
Effective Duration:	0.48 Years
Duration to Worst:	0.48 Years
Average Maturity:	0.49 Years
Average Credit: *	AA

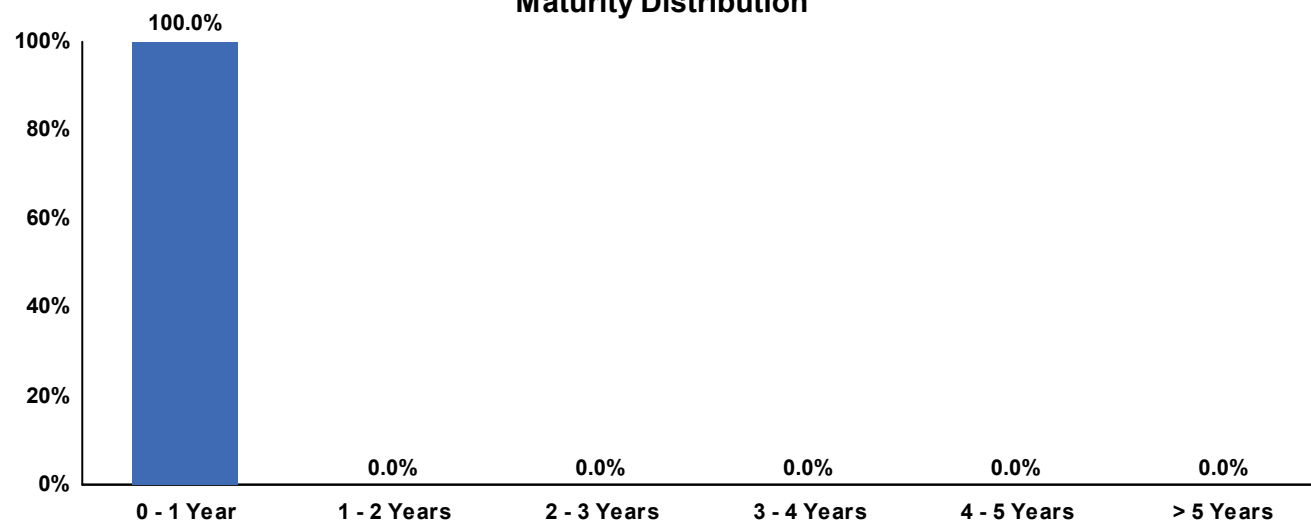
Credit Quality (S&P Ratings)



Sector Allocation



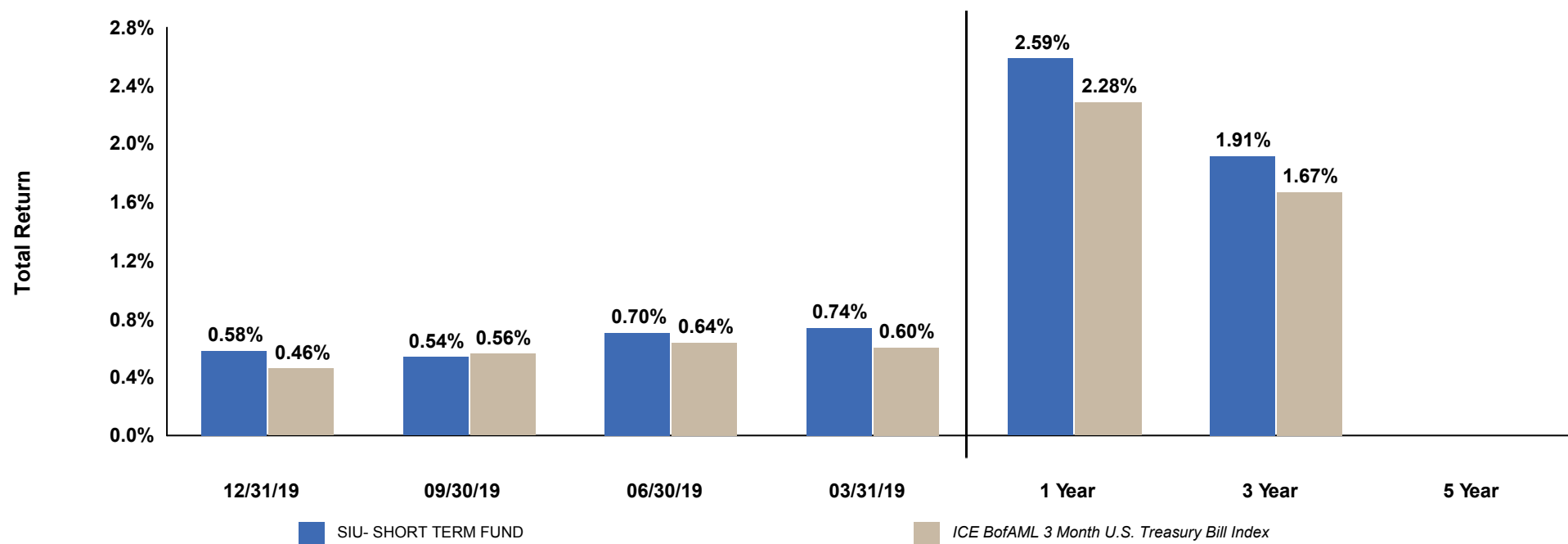
Maturity Distribution



* 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		
		12/31/19	09/30/19	06/30/19	03/31/19	1 Year	3 Year	5 Year
SIU- SHORT TERM FUND	0.48	0.58%	0.54%	0.70%	0.74%	2.59%	1.91%	-
Net of Fees **	-	0.56%	0.52%	0.68%	0.72%	2.52%	1.84%	-
ICE BofAML 3 Month U.S. Treasury Bill Index	0.15	0.46%	0.56%	0.64%	0.60%	2.28%	1.67%	-
Difference (Gross)		0.12%	-0.02%	0.06%	0.14%	0.31%	0.24%	-
Difference (Net)		0.10%	-0.04%	0.04%	0.12%	0.24%	0.17%	-



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

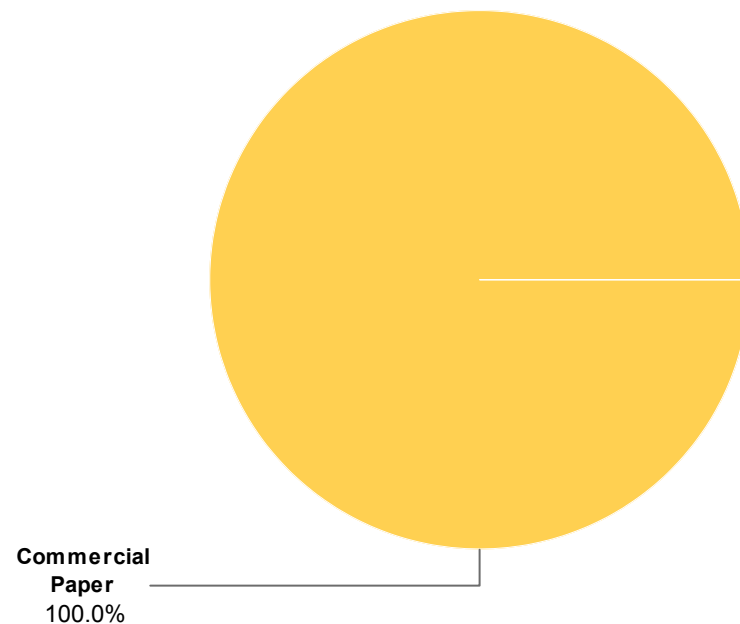
Portfolio Earnings
Quarter-Ended December 31, 2019

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (09/30/2019)	\$23,682,335.90	\$23,685,678.68
Net Purchases/Sales	(\$140,362.50)	(\$140,362.50)
Change in Value Ending	\$138,058.80	\$127,128.82
Value (12/31/2019)*	\$23,680,032.20	\$23,672,445.00
Interest Earned	\$11,652.41	\$11,652.41
Portfolio Earnings	\$149,711.21	\$138,781.23

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

Sector Allocation
As of December 31, 2019

Sector	Market Value (\$)	% of Portfolio
Commercial Paper	23,680,032	100.0%
Total	\$23,680,032*	100.0%

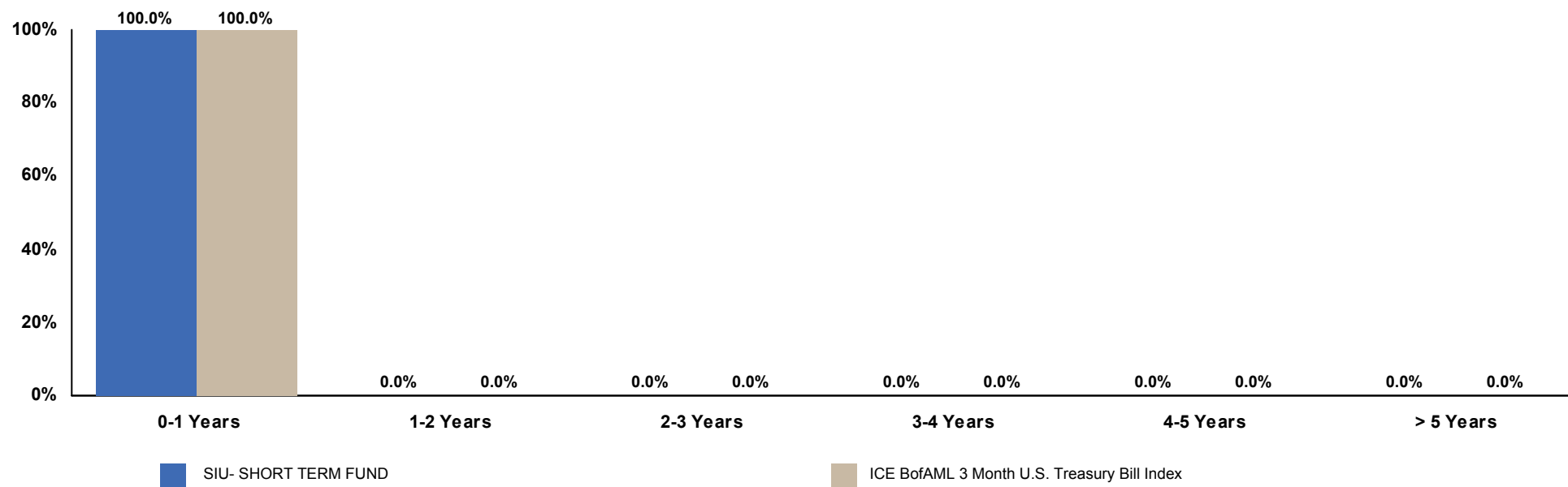


*Amount does not include cash/STIF balances and accrued interest. Detail may not add to total due to rounding.

Maturity Distribution

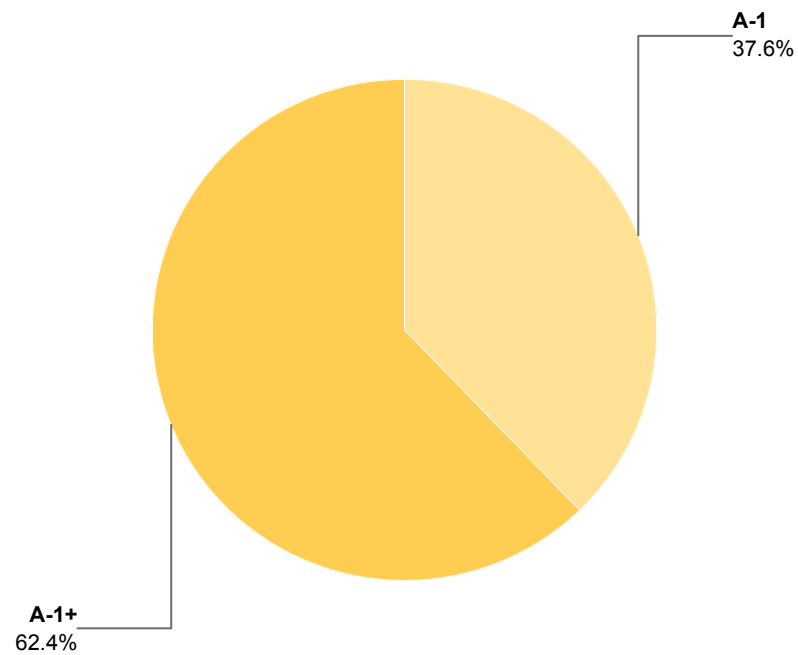
As of December 31, 2019

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	1.88%	0.49 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ICE BofAML 3 Month U.S. Treasury Bill Index	1.52%	0.24 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Credit Quality
As of December 31, 2019

S&P Rating	Market Value (\$)	% of Portfolio
A-1+	\$14,765,575	62.4%
A-1	\$8,914,457	37.7%
Totals	\$23,680,032*	100.0%



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

Sector/Issuer Distribution

As of December 31, 2019

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
CREDIT SUISSE GROUP	3,962,472	16.7%	16.7%
MITSUBISHI UFJ FINANCIAL GROUP INC	4,951,985	20.9%	20.9%
OLD LINE FUNDING LLC	4,957,635	20.9%	20.9%
TORONTO-DOMINION BANK	4,954,255	20.9%	20.9%
TOYOTA MOTOR CORP	4,853,685	20.5%	20.5%
Sector Total	23,680,032	100.0%	100.0%
Portfolio Total	23,680,032*	100.0%	100.0%

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

Illinois Funds

Investment Approach

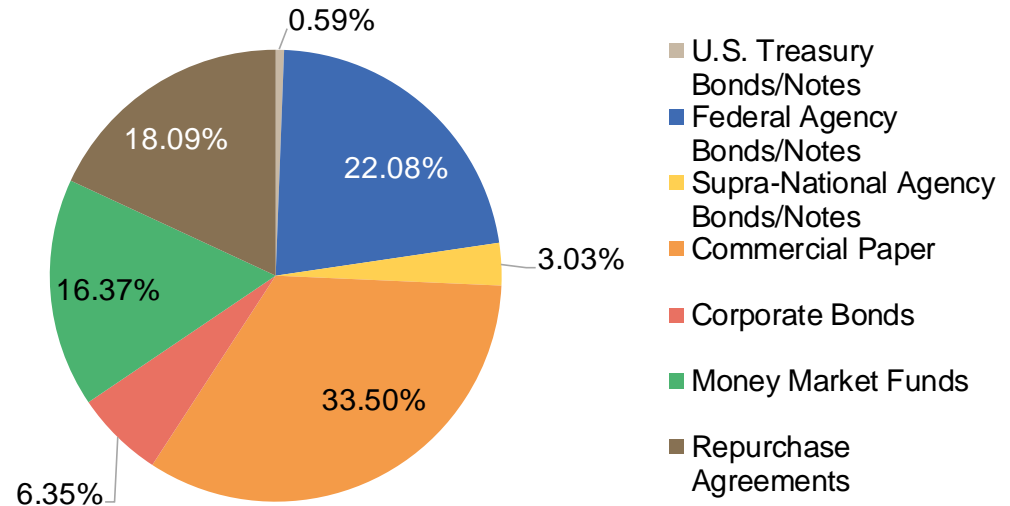
- The Illinois Funds is a Local Government Investment Pool (LGIP) operated by the Illinois State Treasurer's Office. The Illinois Funds strives to provide an inexpensive investment vehicle that features safety, daily liquidity and yield for Illinois public funds programs. The fund is managed by the Office of the State Treasurer in Springfield, Illinois, and contained a combined \$5.9 billion in total assets as of December 31, 2019. The fund is currently rated AAAm by Standard & Poor's.

Illinois Funds Account Overview

Illinois Funds	
Beginning Value (9/30/2019)	\$95,681,558.70
Net Deposits (Withdrawals)	(\$49,496,380.95)
Interest Earned	\$298,203.20
Ending Value (12/31/19)	\$46,483,380.95

	Current Yield as of 12/31/19
Illinois Funds	1.72%
Benchmark: S&P Rated Government Investment Pool Index	1.55%

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



Weighted Average Maturity	44 Days
----------------------------------	---------

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

U.S. Bank Commercial Paper Sweep	
Beginning Value (9/30/2019)	\$23,124,889.95
Net Deposits (Withdrawals)	\$24,722,366.89
Interest Earned	\$85,037.65
Ending Value (12/31/19)	\$47,932,294.49

	Current Yield as of 12/31/19
U.S. Bank Commercial Paper Sweep	1.25%
Benchmark: S&P Rated Government Investment Pool Index	1.55%

Capital Investments

Investment Approach

- PFM Asset Management LLC actively manages the Interest Sinking Fund accounts. The Interest Sinking Fund accounts are managed to follow a cash flow driven strategy that is based on the University's debt service collection schedule and bondholder payment dates.
- PFM Asset Management LLC actively manages the Debt Service Reserve Fund. The Debt Service Reserve Fund is generally managed to a duration of between 1 and 3 years depending on prevailing market conditions. Breakeven and sensitivity analyses are used to determine duration targets in an attempt to minimize downside and replenishment risk.
- Construction proceeds are invested in accordance with the anticipated drawdown schedule of the project(s) being financed and in accordance with debt financing documents.

Capital Investments Position

Investment Balance Market Value (\$ in millions)	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019
Housing & Auxiliary Facilities System					
Construction Proceeds	-	-	4.7	2.2	0.7
Interest Sinking Fund	15.4	21.7	7.1	13.7	16.1
Debt Service Reserve	6.2	6.2	6.2	6.2	6.1
Total HAFS	21.5	28.0	18.1	22.1	22.9
Medical Facilities System					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	1.3	1.7	0.5	0.9	1.3
Debt Service Reserve	-	-	-	-	-
Total MFS	1.3	1.7	0.5	0.9	1.3
Certificates of Participation					
Construction Proceeds	0.7	0.2	0.1	-	-
Interest Sinking Fund	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-
Total COPS	0.7	0.2	0.1	-	-
Total Market Value of Portfolio	\$ 23.6	\$ 29.9	\$ 18.6	\$ 23.1	\$ 24.2
Investment Balance Book Value (\$ in millions)	\$ 23.6	\$ 29.9	\$ 18.6	\$ 23.0	\$ 24.2

**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.*

IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- 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.

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 or 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.

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.