



Southern Illinois University

Quarterly Investment Report
September 30, 2023

Market Update

SUMMARY

- The third quarter was characterized by the consumer continuing to spend, supported by rising wages and a strong labor market. The potential for additional monetary policy tightening by the Federal Reserve (Fed) remains possible in light of the Fed's projections for stronger gross domestic product (GDP) growth, higher inflation, and slightly lower unemployment for the balance of the year. As interest rates climbed to recent highs, equity markets declined from calendar year highs and modest de-risking swept markets near quarter-end.
- After initially showing signs of cooling in July, U.S. inflation (as measured by CPI) posted two straight large monthly increases in August and September, rising by 0.6% and 0.4% month-over-month (MoM) respectively. The August reading was the biggest monthly increase of 2023 as higher shelter costs and rising energy prices fed much of the gain. Core inflation, which excludes food and energy, continues to moderate, rising 4.1% year-over-year, down from 4.3% in August and 4.7% in July.
- The Fed met twice during Q3, increasing the target rate 25 basis points (bps) in July to a new range of 5.25% to 5.50% while holding that range steady following the September meeting. Despite the pause in September, the post-meeting dot plot projections dominated headlines as calendar year end 2024 and 2025 median rate expectations were adjusted higher by 50 bps each, highlighting the reality of a potentially "higher for much longer" interest rate environment.
- Equity markets declined off their intra-quarter and year-to-date (YTD) highs largely in response to the increased outlook for an extended period of higher yields. The S&P 500 Index closed the quarter down 3.3%, although YTD is still up over 13%.

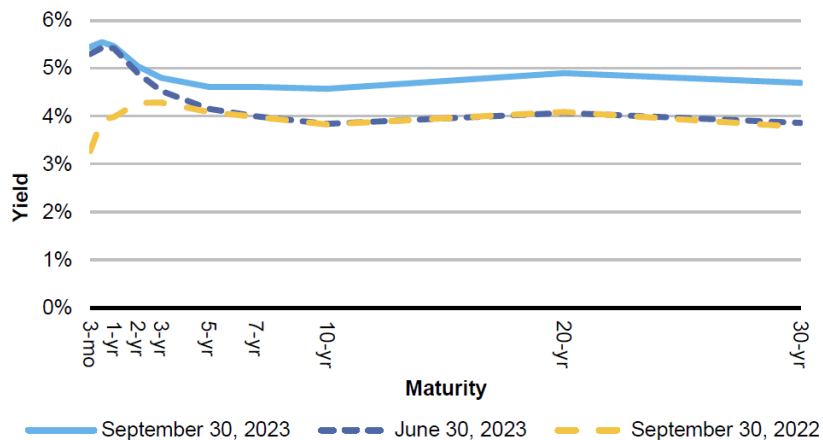
ECONOMIC SNAPSHOT

- Real GDP increased at an annual rate of 2.1% in Q2 2023. Although slightly slower than the Q1 2023 final release of 2.2%, Q2 growth was much higher than originally expected in July and as a result caused the Fed to double their growth projections for calendar year 2023 to 2.1% from 1.0% three months ago.
- Consumer spending was revised significantly lower to a 0.8% annualized rate, down from the 1.7% in the previous estimate. Stronger business fixed investment helped offset the slowdown in consumer spending, buoying the headline GDP figure. The consumer's ability to continue to carry the economy remains the center of attention as headwinds begin to mount, including higher prices at the pump, increasing shelter costs, slowing wage growth, the depletion of additional savings accumulated during the pandemic, and the looming reinstatement of student loan payments.
- A strong U.S. labor market remains a tailwind to economic growth and consumer outlooks. Over the quarter, the U.S. economy added 799,000 new jobs, besting the Q2 rate of 603,000 while remaining well above the pre-COVID pace. The unemployment rate (3.8%) remains near all-time lows and the labor force participation rate also trended upward and is now at the highest level since the pandemic.

INTEREST RATES

- U.S. Treasury yields increased across the entire curve during Q3, with most tenors closing the quarter at multi-decade highs. While the yield curve still remains deeply inverted due to yields on the front end reacting to several quarters of Fed rate increases, more recent yield increases have been led by longer maturities.
- Over the quarter, the yield on a 2-, 10-, and 30-year U.S. Treasury security increased 15 bps, 73 bps, and 84 bps, respectively, while the yield on a 3-month U.S. Treasury Bill increased only 5 bps. The increase in the 30-year yield marked the largest quarterly increase in more than 14 years. Along with the steepening of the curve, the inversion of the yield curve became less severe by quarter-end. After reaching a low of -108 bps in early July, the yield difference between the 2-and 10-year U.S. Treasury yield closed the quarter at -47 bps.
- As a result of higher absolute yields on longer-maturity tenors, U.S. Treasury indexes with durations greater than three years posted negative total returns in Q3. On the flipside, along with relatively muted rate increases over the quarter, short-duration indices posted positive total returns, as higher income more than offset negative price impacts.

U.S. Treasury Yield Curve



Source: Bloomberg, as of 9/30/2023.

SECTOR PERFORMANCE

- Diversification away from U.S. Treasury securities was generally additive to fixed-income performance during Q3 as spreads across most sectors tightened or remained relatively stable. Broadly, lower quality and longer duration securities outperformed their higher quality and shorter-term counterparts.
- Federal agency and supranational spreads traded in a low and narrow range for the better part of the last several quarters. Incremental income from these sectors continue to benefit portfolios, especially those with government-heavy mandates.
- Investment-grade (IG) corporates eked out positive excess returns for the quarter as modest spread widening was offset by higher incremental income, underscoring the attractive total return attributes of the sector in the current environment. Even with sector spreads widening, higher yields and elevated income in the sector helped offset those negative price returns. Financial issuers and lower-rated credit issuers outperformed their industrial and higher-quality counterparts notably during Q3 as lingering spread tightening continued from mid-March wides.
- Agency mortgage-backed securities broadly underperformed during Q3 as spreads widened, approaching multi-year highs by quarter-end. Along with volatility that has remained historically high and bank balance sheet sales that further weighed on valuations, agency-backed mortgages were one of the worst performing sectors during the quarter, regardless of structure and collateral.

Summary of Operating Investments

Summary of Operating Investments

Market Value (\$ in millions)*

	9/30/2023
Illinois Funds	\$ 123.6
US Bank Investment Sweep	19.2
IntraFi Network Deposits	5.3
Subtotal Cash & Cash Equivalents	\$ 148.0
Short Term Portfolio	20.8
Intermediate Term Portfolio	152.7
LMC Intermediate Term Portfolio	25.4
Total Portfolio	<u>\$ 346.9</u>

Book Value (\$ in millions)

<u>\$ 361.8</u>

Current Yields (Annualized)

Illinois Funds	5.54%
US Bank Investment Sweep	4.96%
IntraFi Network Deposits	5.43%
Benchmark: S&P Rated Government Investment Pool Index	5.26%

Asset Allocation (\$ in millions)*

Sector	9/30/2023	
Money Market Mutual Funds	\$ 124.9	36.0%
U.S. Treasury Bonds/Notes	57.4	16.6%
Federal Agency Bonds/Notes	22.9	6.6%
Federal Agency Mortgage Backed Securities	33.9	9.8%
Federal Agency Commercial Mortgage Backed Securities	27.9	8.0%
Federal Agency Collateralized Mortgage Obligations	6.8	2.0%
Supra-National Agency Bonds/Notes	14.7	4.2%
Corporate Notes	12.5	3.6%
Commercial Paper	20.8	6.0%
US Bank Investment Sweep	19.2	5.5%
IntraFi Network Deposits	5.3	1.5%
Subtotal	346.2	99.8%
Accrued Interest	0.7	0.2%
Total	\$ 346.9	100.0%

Performance Summary (Total Return)**

	Current Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception
Short Term Portfolio	1.35%	4.77%	1.80%	1.94%	-	1.79%
Benchmark: BofA Merrill Lynch 3-Month Treasury Bill Index	1.31%	4.47%	1.70%	1.72%	-	1.55%
Intermediate Term Portfolio	-0.73%	1.93%	-2.76%	0.85%	-	0.98%
Benchmark: Barclays Intermediate U.S. Govt. Securities	-0.78%	1.33%	-3.17%	0.68%	-	0.77%

LMC Intermediate Term Portfolio

Benchmark: Barclays Intermediate U.S. Govt. Securities

Portfolio opened in September 2023, performance calculations to begin 10/1/23

*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

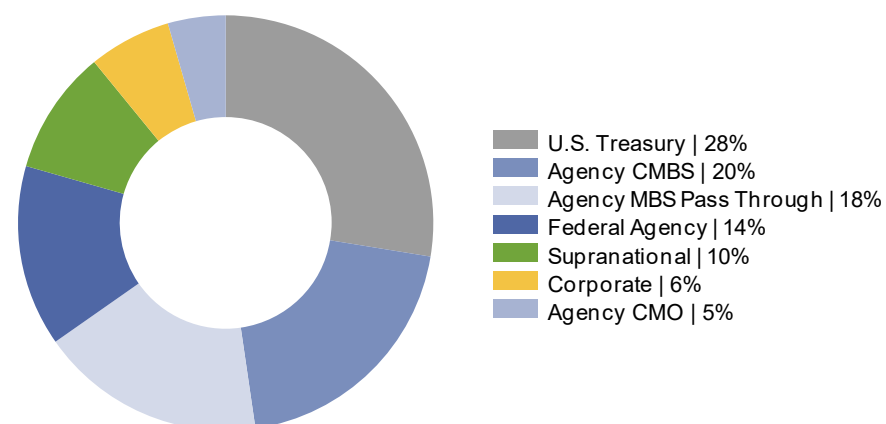
- The University's Intermediate Term portfolio is actively managed by PFM Asset Management, LLC. PFM seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and are therefore 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 Snapshot - SIU- INTERMEDIATE TERM¹

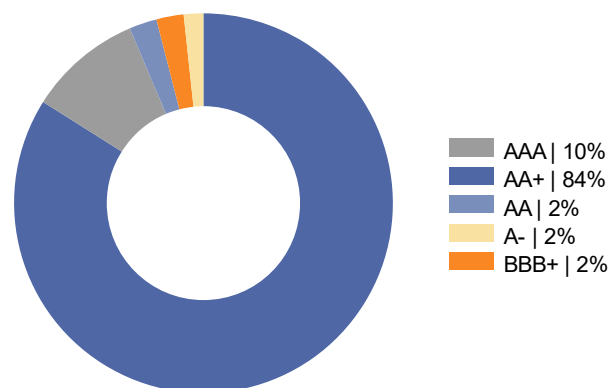
Portfolio Statistics

Total Market Value	\$152,726,368.49
Securities Sub-Total	\$151,898,334.21
Accrued Interest	\$546,874.55
Cash	\$281,159.73
Portfolio Effective Duration	3.54 years
Benchmark Effective Duration	3.65 years
Yield At Cost	2.61%
Yield At Market	4.82%
Portfolio Credit Quality	AA

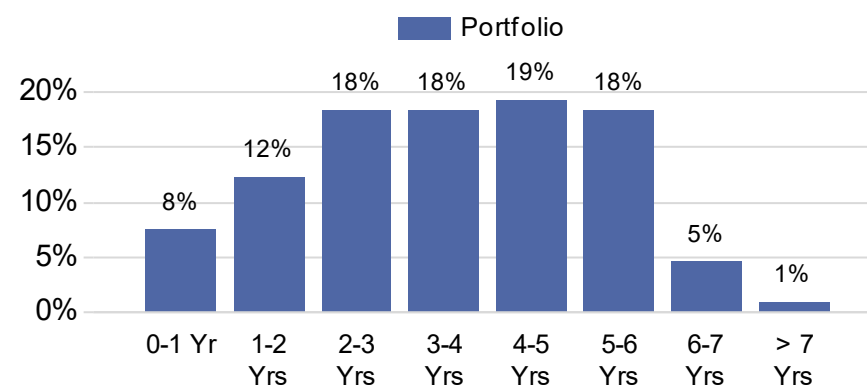
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is Bloomberg Barclays Intermediate U.S. Government Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Issuer Diversification

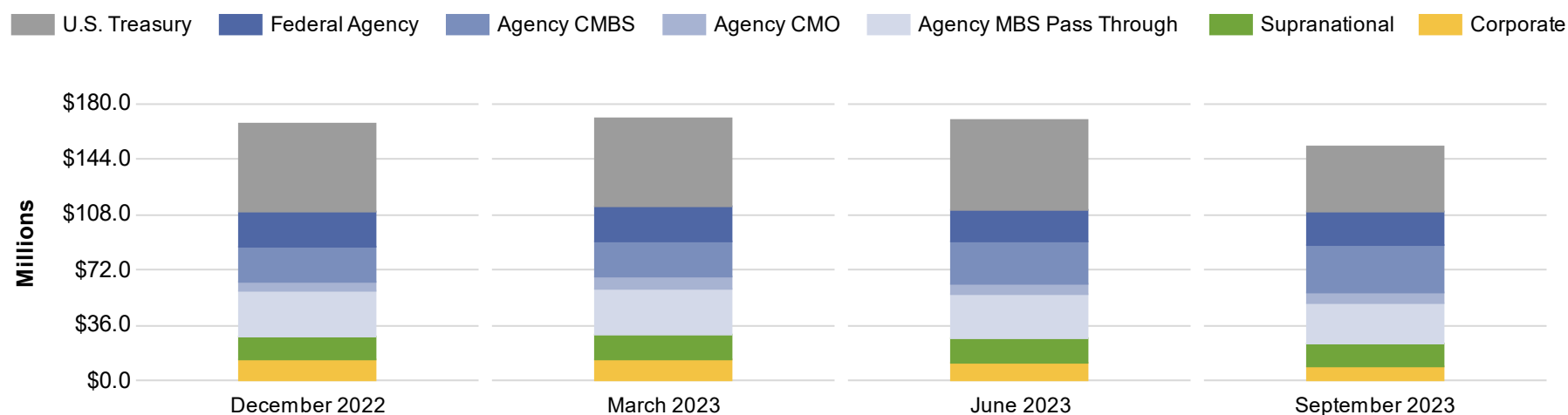
Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	27.7%	
UNITED STATES TREASURY	27.7%	AA / Aaa / AA
Federal Agency	14.1%	
AGENCY FOR INTERNATIONAL DEVELOPMENT	1.3%	AA / Aaa / NR
FANNIE MAE	6.9%	AA / Aaa / AA
FREDDIE MAC	2.5%	AA / Aaa / AA
TENNESSEE VALLEY AUTHORITY	3.4%	AA / Aaa / AA
Agency CMBS	20.0%	
FREDDIE MAC	20.0%	AA / Aaa / AA
Agency CMO	4.5%	
FANNIE MAE	0.8%	AA / Aaa / AA
FREDDIE MAC	2.4%	AA / Aaa / AA
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	1.3%	AA / Aaa / AA
Agency MBS Pass Through	17.6%	
FANNIE MAE	11.5%	AA / Aaa / AA
FREDDIE MAC	5.9%	AA / Aaa / AA
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	0.1%	AA / Aaa / AA
Supranational	9.7%	
AFRICAN DEVELOPMENT BANK	1.8%	AAA / Aaa / AAA
ASIAN DEVELOPMENT BANK	0.5%	AAA / Aaa / AAA
INTER-AMERICAN DEVELOPMENT BANK	3.8%	AAA / Aaa / AAA
INTERNATIONAL FINANCE CORPORATION	0.9%	AAA / Aaa / NR
INTL BANK OF RECONSTRUCTION AND DEV	2.8%	AAA / Aaa / AAA

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	6.4%	
CITIGROUP INC	0.8%	BBB / A / A
GOLDMAN SACHS GROUP INC	0.8%	BBB / A / A
HSBC HOLDINGS PLC	0.9%	A / A / A
MORGAN STANLEY	0.9%	A / A / A
ROCHE HOLDINGS INC	1.6%	AA / Aa / AA
USAA CAPITAL CORP	0.8%	AA / Aa / NR
WELLS FARGO & COMPANY	0.7%	BBB / A / A
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

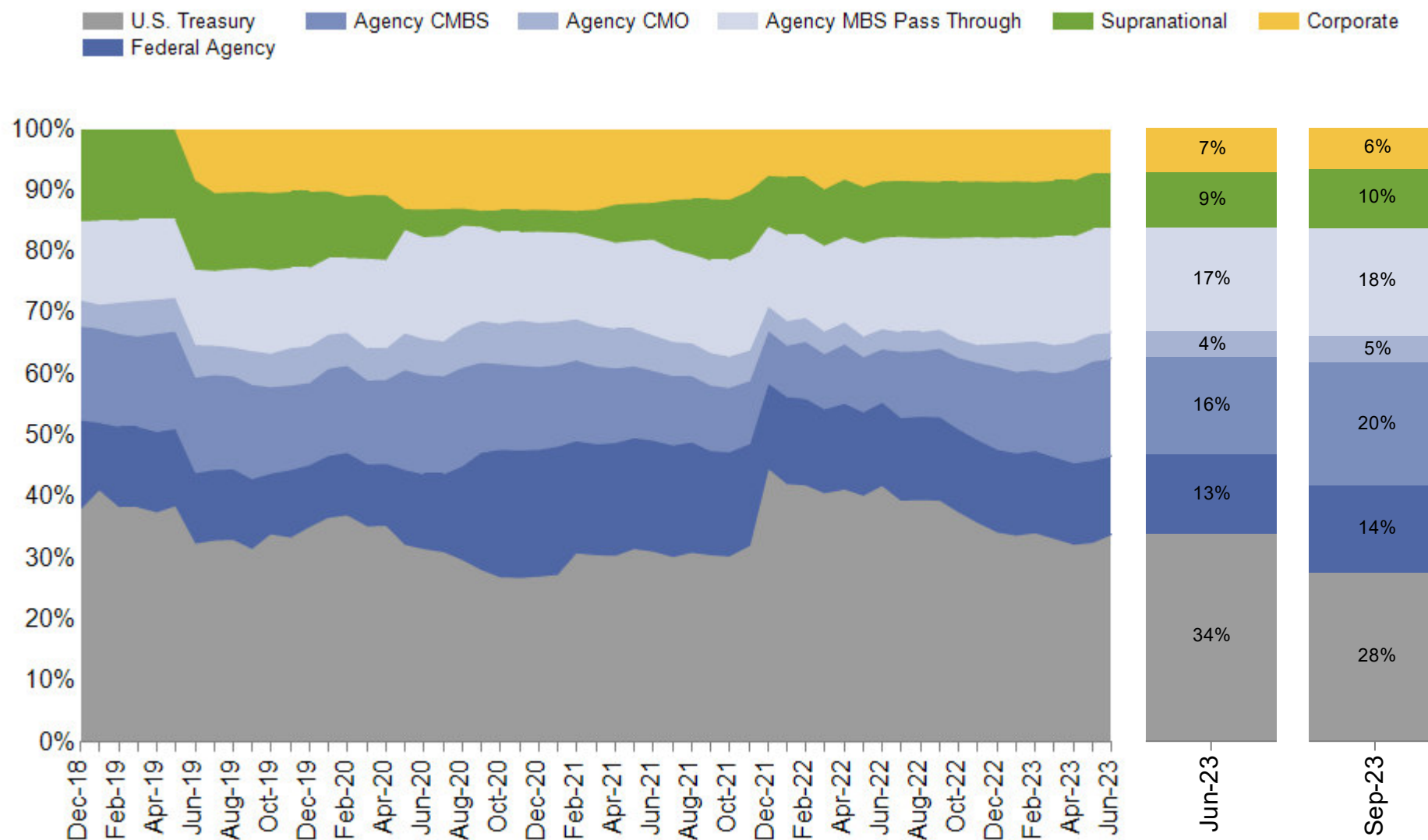
Sector Allocation Review - SIU- INTERMEDIATE TERM

Security Type	Dec-22	% of Total	Mar-23	% of Total	Jun-23	% of Total	Sep-23	% of Total
U.S. Treasury	\$57.6	34.4%	\$57.2	33.4%	\$57.5	34.0%	\$42.1	27.6%
Federal Agency	\$22.5	13.5%	\$22.8	13.3%	\$21.6	12.8%	\$21.4	14.1%
Agency CMBS	\$22.5	13.5%	\$23.4	13.7%	\$27.0	15.9%	\$30.5	20.1%
Agency CMO	\$6.4	3.8%	\$7.9	4.6%	\$7.4	4.3%	\$6.8	4.5%
Agency MBS Pass Through	\$29.0	17.3%	\$30.2	17.7%	\$28.7	16.9%	\$26.7	17.6%
Supranational	\$15.2	9.1%	\$15.6	9.1%	\$15.4	9.1%	\$14.7	9.7%
Corporate	\$13.9	8.4%	\$14.0	8.2%	\$11.8	7.0%	\$9.7	6.4%
Total	\$167.1	100.0%	\$171.1	100.0%	\$169.3	100.0%	\$151.9	100.0%



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

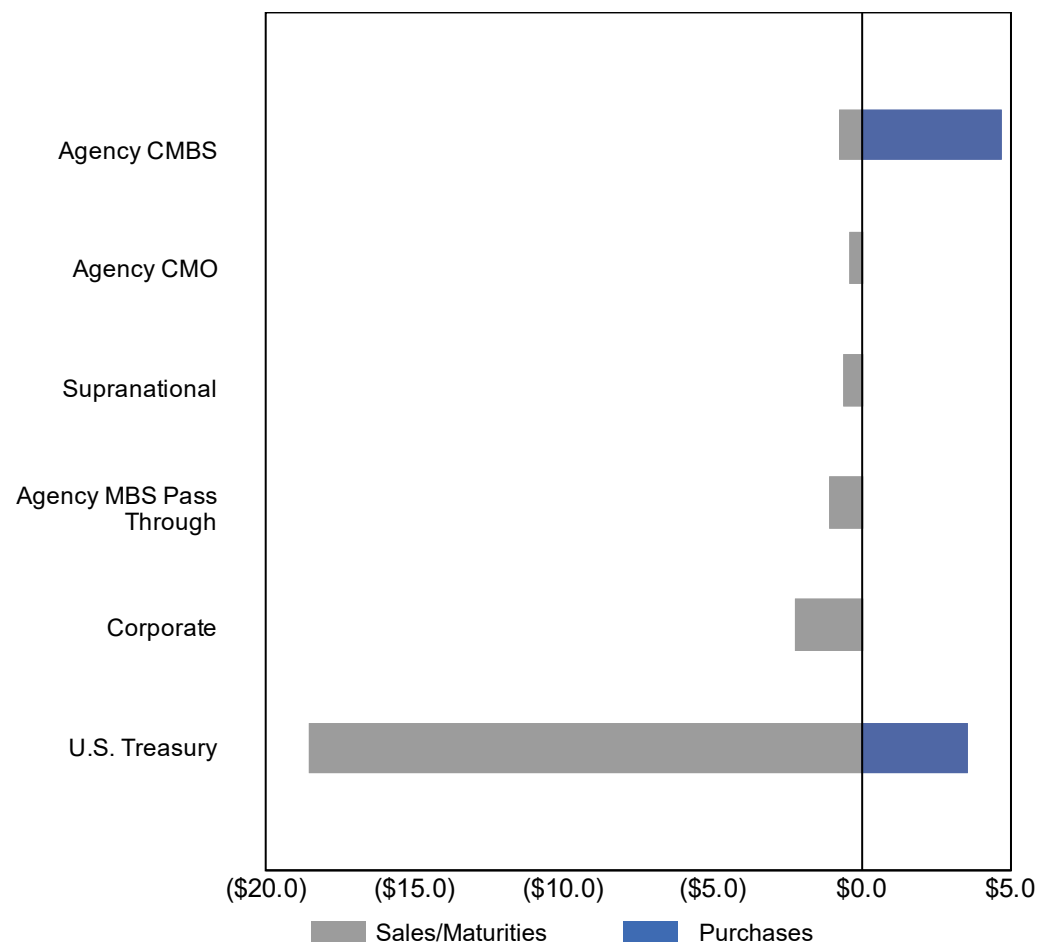
Historical Sector Allocation - SIU- INTERMEDIATE TERM



Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFAM.

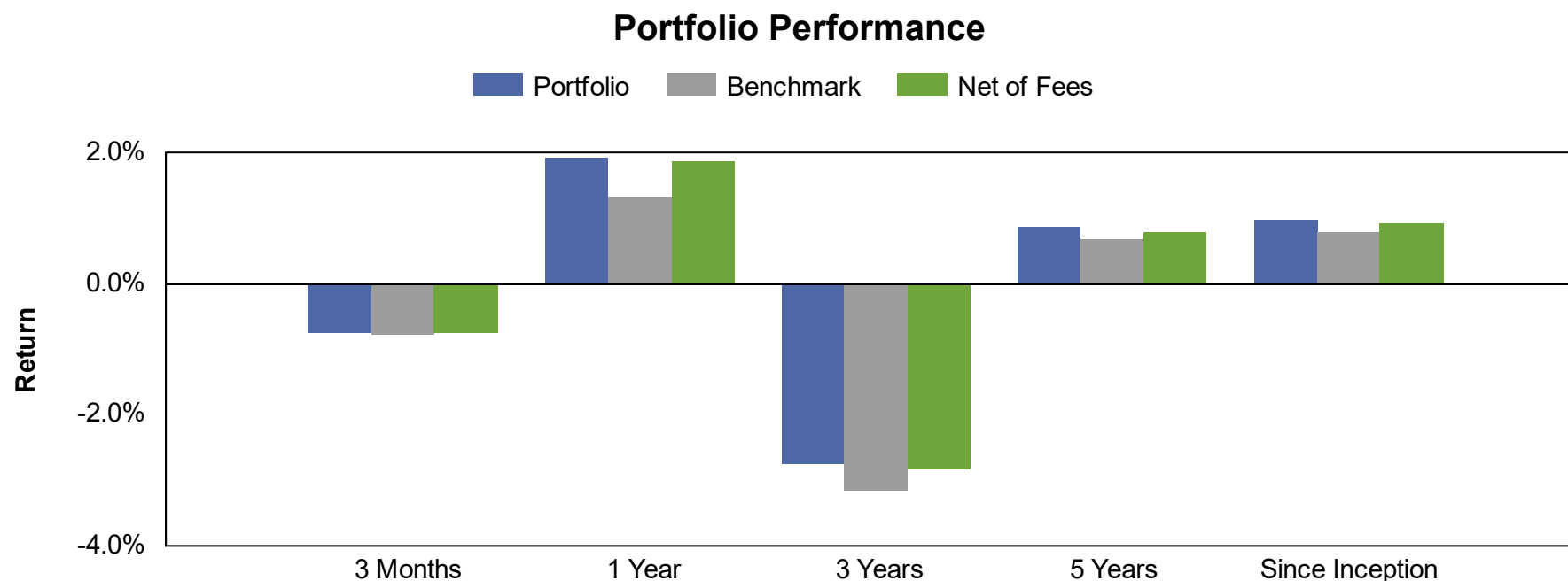
Portfolio Activity - SIU- INTERMEDIATE TERM

Net Activity by Sector
(\$ millions)



Sector	Net Activity
Agency CMBS	\$3,993,948
Agency CMO	(\$364,372)
Supranational	(\$602,518)
Agency MBS Pass Through	(\$1,044,076)
Corporate	(\$2,209,900)
U.S. Treasury	(\$14,974,471)
Total Net Activity	(\$15,201,389)

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$1,077,476	\$4,079,475	\$11,189,756	\$19,443,723	\$28,204,076
Change in Market Value	(\$2,219,523)	(\$738,699)	(\$25,508,971)	(\$13,238,411)	(\$16,725,069)
Total Dollar Return	(\$1,142,047)	\$3,340,776	(\$14,319,215)	\$6,205,312	\$11,479,007
Total Return³					
Portfolio	-0.73%	1.93%	-2.76%	0.85%	0.98%
Benchmark ⁴	-0.78%	1.33%	-3.17%	0.68%	0.77%
Basis Point Fee	0.02%	0.07%	0.07%	0.07%	0.07%
Net of Fee Return	-0.75%	1.86%	-2.83%	0.78%	0.91%

1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is September 30, 2014.

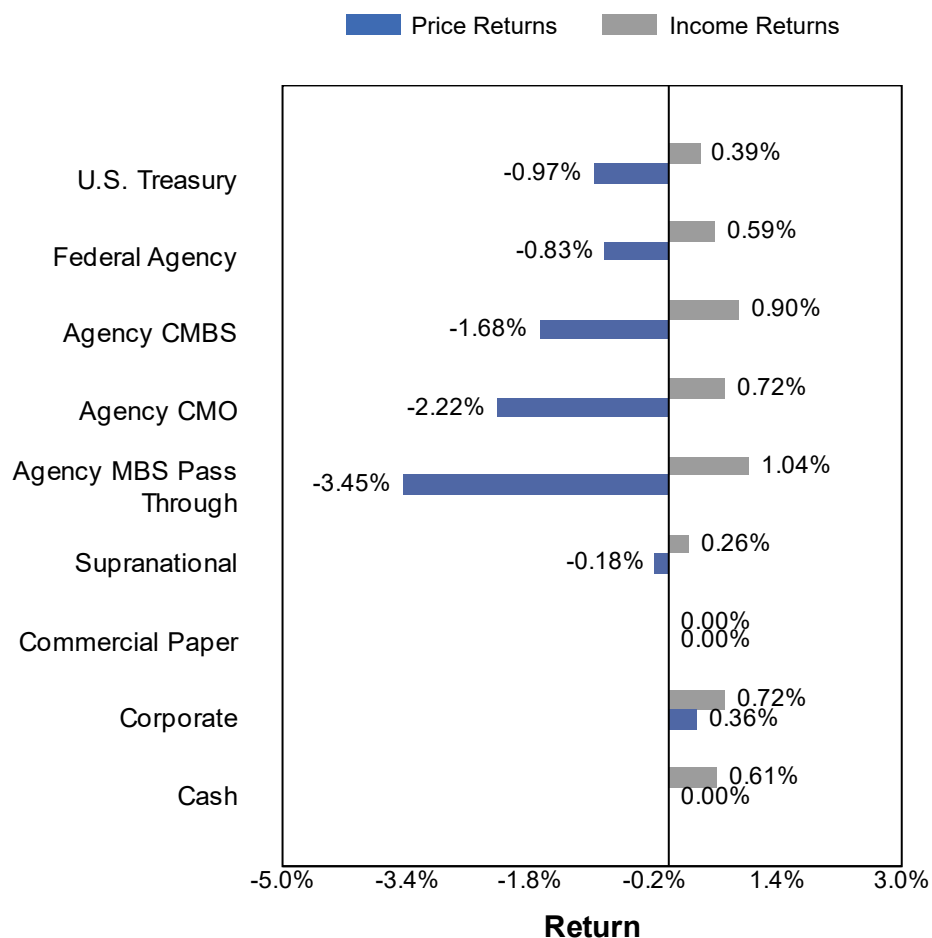
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

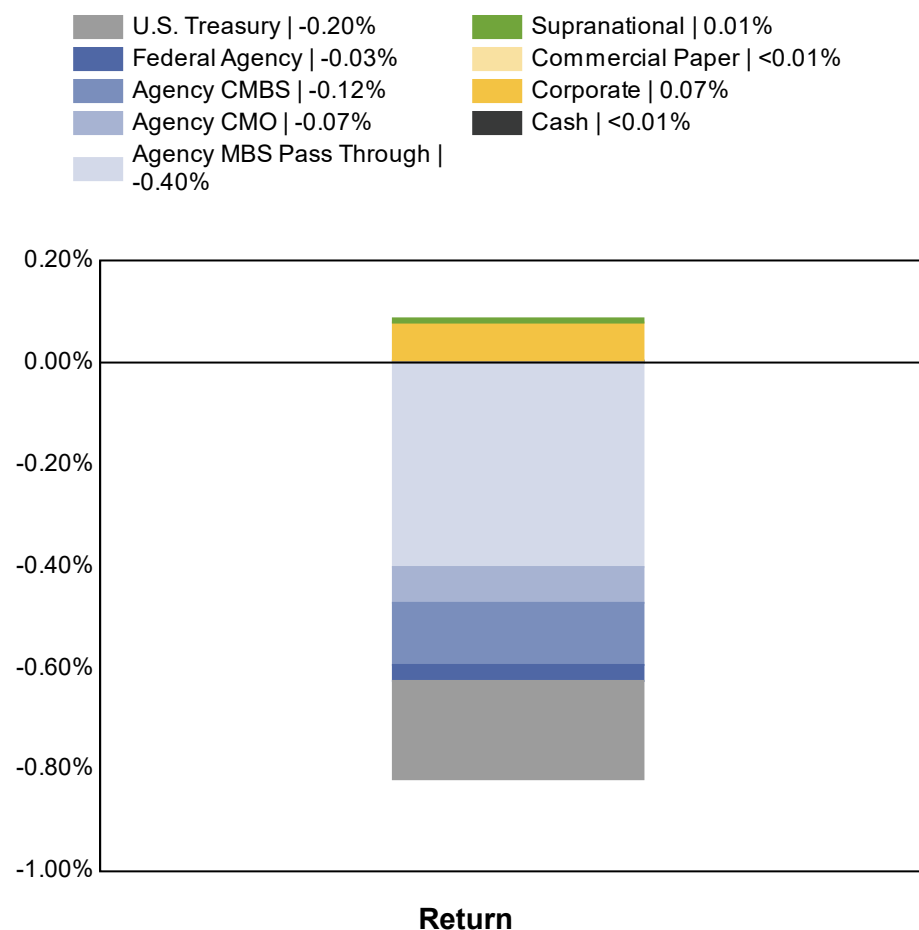
4. The portfolio's benchmark is Bloomberg Barclays Intermediate U.S. Government Index. Source: Bloomberg.

Quarterly Sector Performance

Total Return by Sector

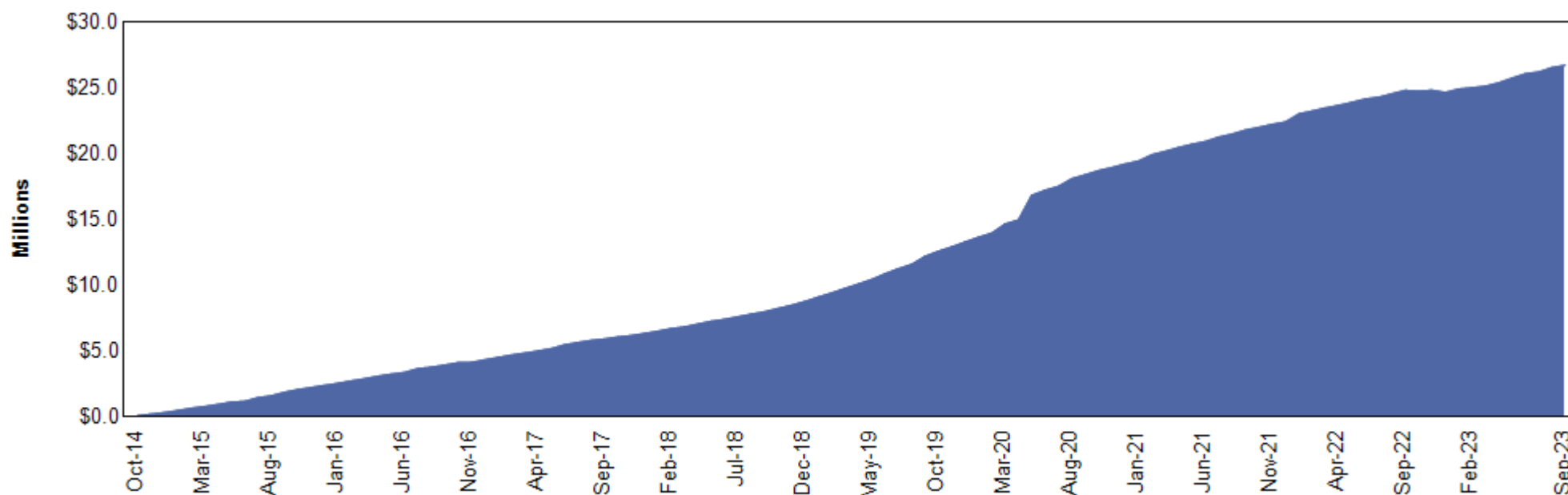


Contribution to Total Return



1. Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Income returns calculated as interest earned on investments during the period.
3. Price returns calculated as the change in market value of each security for the period.
4. Returns are presented on a periodic basis.

Accrual Basis Earnings - SIU- INTERMEDIATE TERM



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$1,077,476	\$4,079,475	\$11,189,756	\$19,443,723	\$28,204,076
Realized Gains / (Losses) ³	(\$1,896,159)	(\$3,519,173)	(\$2,527,740)	\$297,148	\$470,059
Change in Amortized Cost	\$1,464,888	\$1,338,008	(\$340,539)	(\$1,028,013)	(\$1,960,864)
Total Earnings	\$646,205	\$1,898,310	\$8,321,477	\$18,712,857	\$26,713,271

1. The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2014.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Realized gains / (losses) are shown on an amortized cost basis.

SIU – LMC Intermediate Term Portfolio

Investment Approach

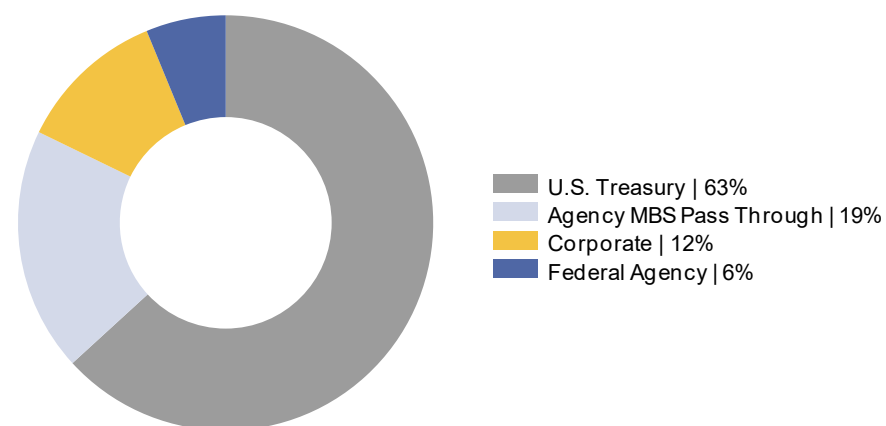
- A portion of the University's Intermediate Term portfolio is managed by LM Capital Group LLC ("LMC"), a certified BEP firm. LMC seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or 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 Snapshot - SIU- LMC INTERMEDIATE TERM¹

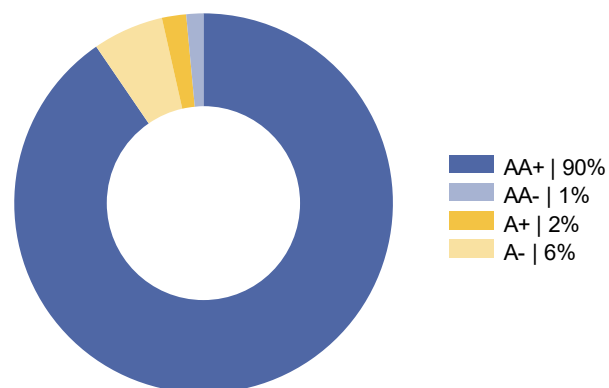
Portfolio Statistics

Total Market Value	\$25,357,224.63
Securities Sub-Total	\$24,200,983.20
Accrued Interest	\$140,030.50
Cash	\$1,016,210.93
Portfolio Effective Duration	3.55 years
Benchmark Effective Duration	3.65 years
Yield At Cost	4.84%
Yield At Market	4.98%
Portfolio Credit Quality	AA

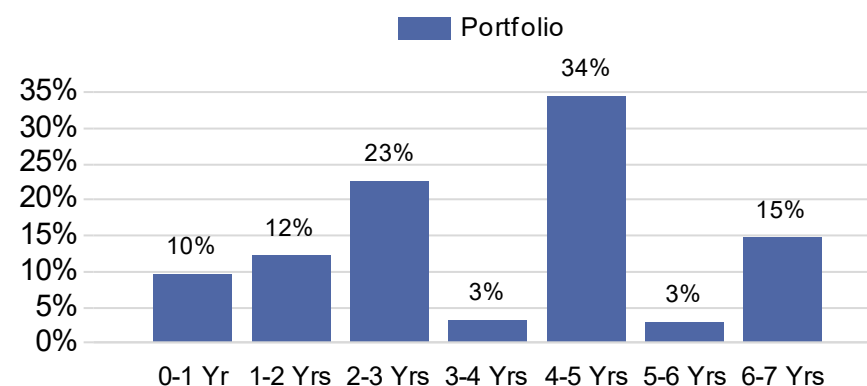
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is Bloomberg Barclays Intermediate U.S. Government Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

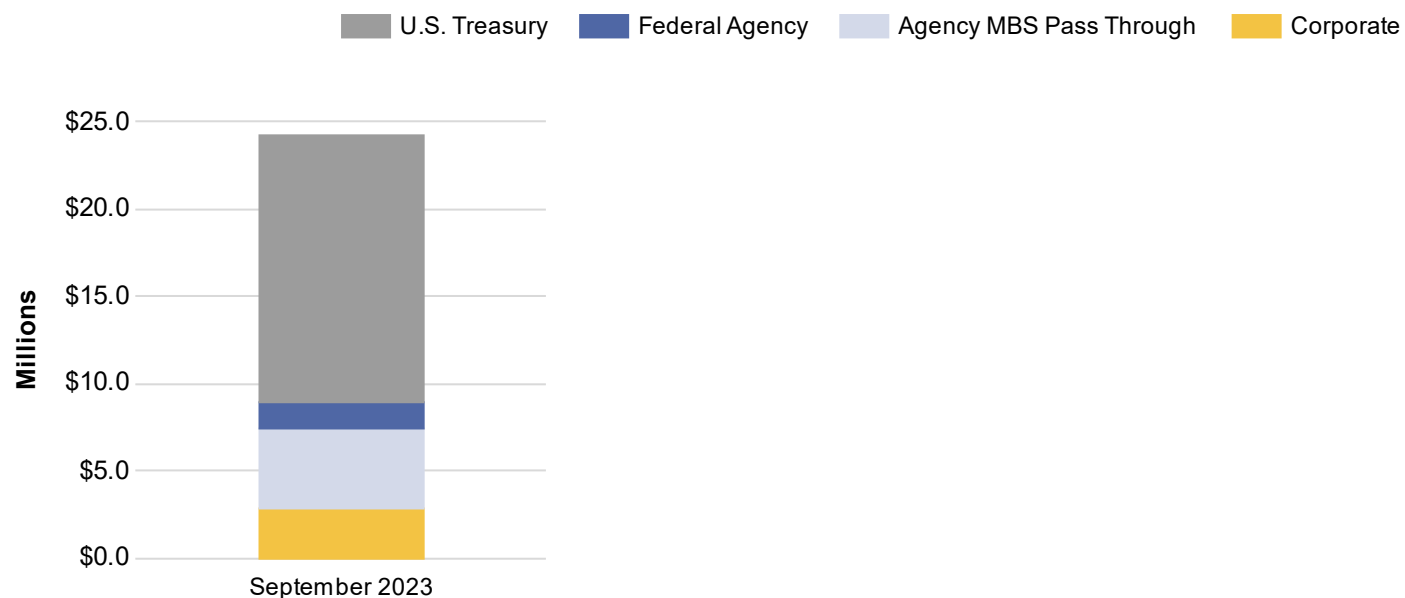
Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	63.2%	
UNITED STATES TREASURY	63.2%	AA / Aaa / AA
Federal Agency	6.2%	
FEDERAL FARM CREDIT BANKS	4.1%	AA / Aaa / AA
FEDERAL HOME LOAN BANKS	2.1%	AA / Aaa / NR
Agency MBS Pass Through	19.0%	
FANNIE MAE	7.8%	AA / Aaa / AA
FREDDIE MAC	8.1%	AA / Aaa / AA
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	3.0%	AA / Aaa / AA
Corporate	11.7%	
APPLE INC	2.1%	AA / Aaa / NR
BANK OF AMERICA CO	2.1%	A / Aa / AA
COMCAST CORP	2.0%	A / A / A
JP MORGAN CHASE & CO	2.1%	A / A / AA
METLIFE INC	1.5%	AA / Aa / AA
MORGAN STANLEY	2.0%	A / A / A
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Sector Allocation Review - SIU- LMC INTERMEDIATE TERM

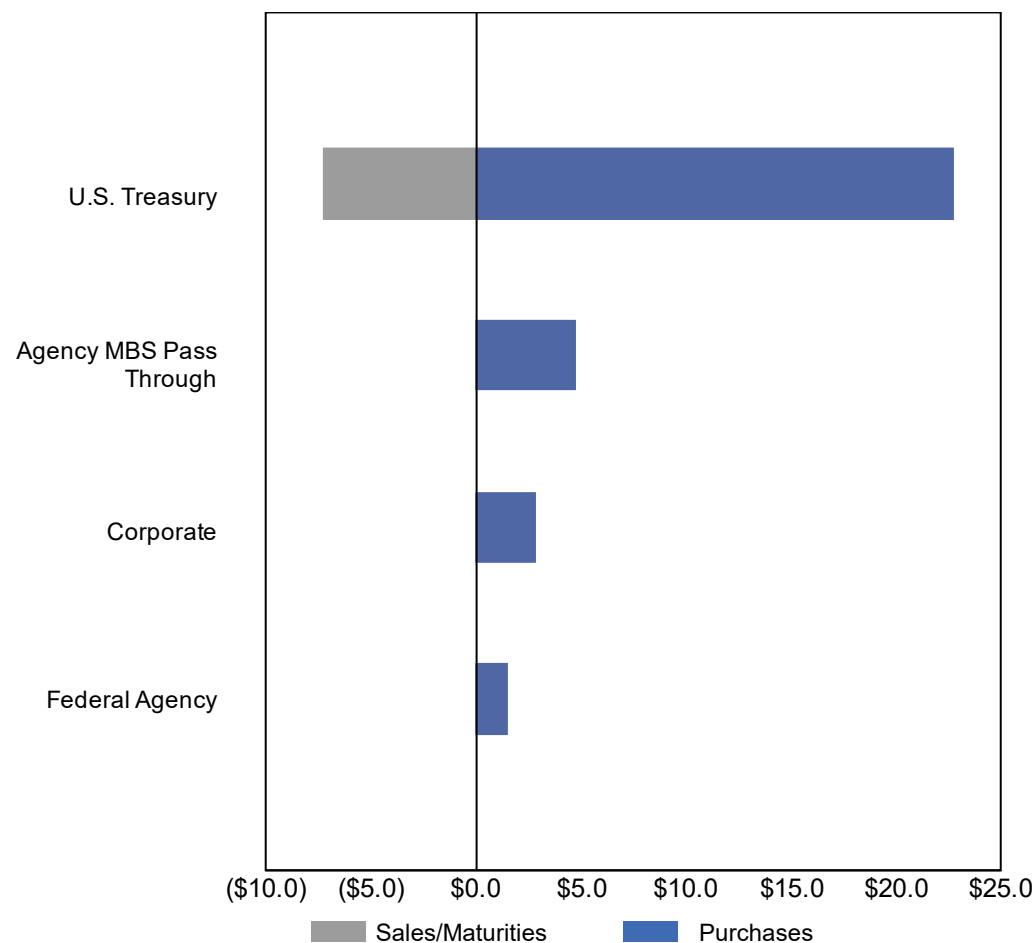
Security Type	Sep-23	% of Total	
U.S. Treasury	\$15.3	63.2%	
Federal Agency	\$1.5	6.2%	
Agency MBS Pass Through	\$4.6	19.0%	
Corporate	\$2.8	11.6%	
Total	\$24.2	100.0%	



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

Portfolio Activity - SIU- LMC INTERMEDIATE TERM

Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$15,481,691
Agency MBS Pass Through	\$4,677,675
Corporate	\$2,844,693
Federal Agency	\$1,500,611
Total Net Activity	\$24,504,670

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

SIU - Short Term Portfolio

Investment Approach

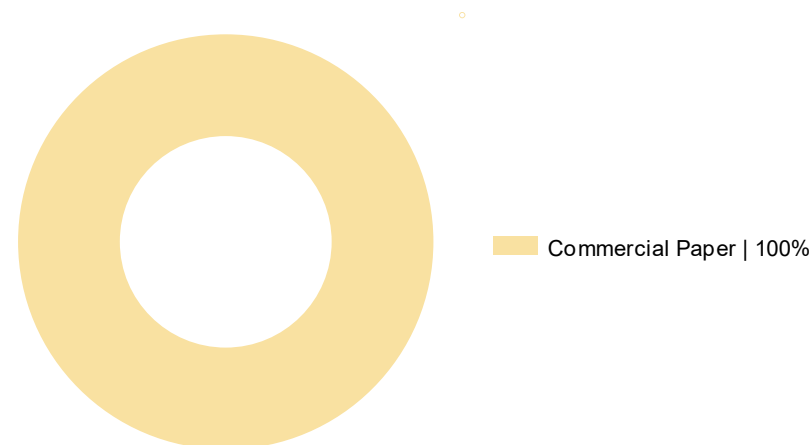
- The University's Short-Term portfolio is actively managed by PFM Asset Management, LLC. The short-term portfolio is structured to match the University's anticipated liquidity needs. The portfolio's duration typically ranges from 0 – 12 months, but is limited to a maximum maturity of 3 years. These 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 Snapshot - SIU- SHORT TERM FUND¹

Portfolio Statistics

Total Market Value	\$20,784,201.34
Securities Sub-Total	\$20,752,961.04
Accrued Interest	\$0.00
Cash	\$31,240.30
Portfolio Effective Duration	0.69 years
Benchmark Effective Duration	0.16 years
Yield At Cost	5.92%
Yield At Market	6.03%
Portfolio Credit Quality	A

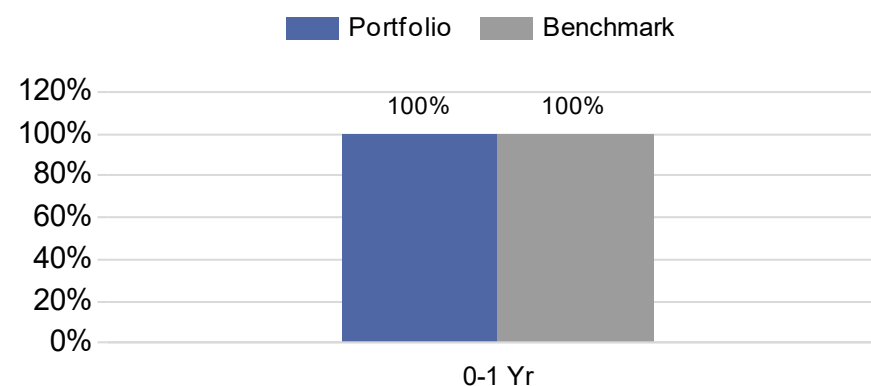
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofA 3 Month U.S. Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

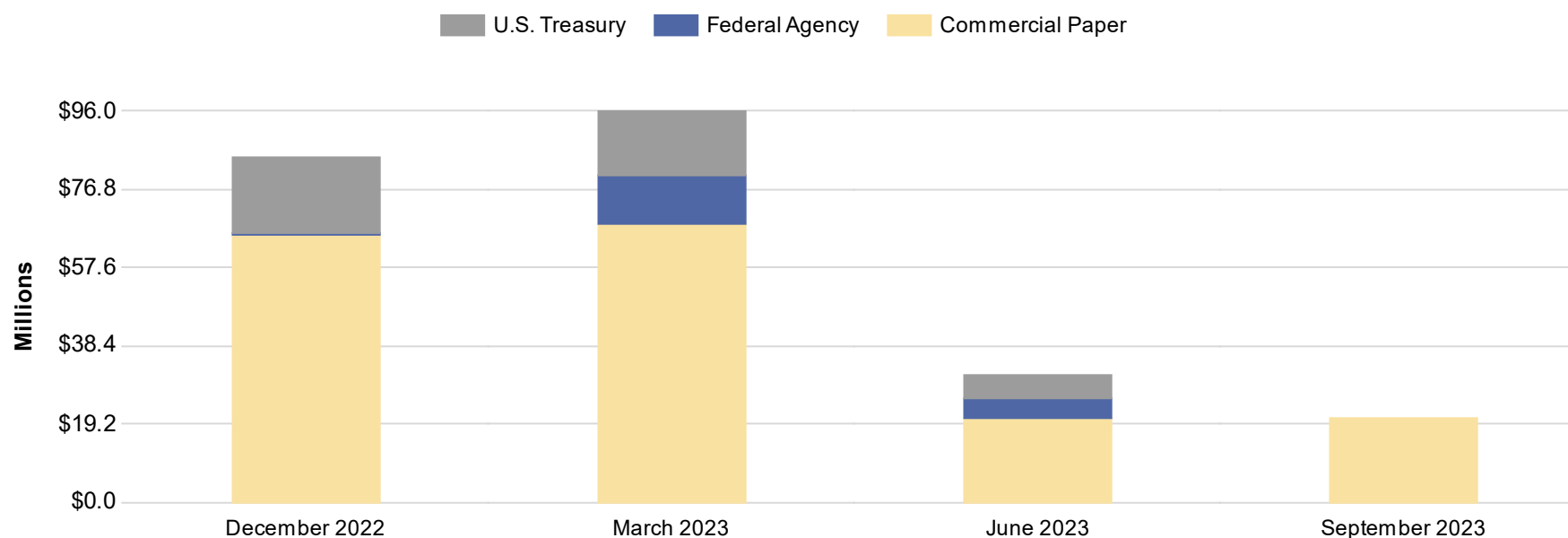
Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Commercial Paper	100.0%	
BARCLAYS PLC	23.3%	A / NR / A
BNP PARIBAS	25.6%	A / Aa / AA
MITSUBISHI UFJ FINANCIAL GROUP INC	25.6%	A / Aa / A
NATIXIS NY BRANCH	25.6%	A / Aa / A
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Sector Allocation Review - SIU- SHORT TERM FUND

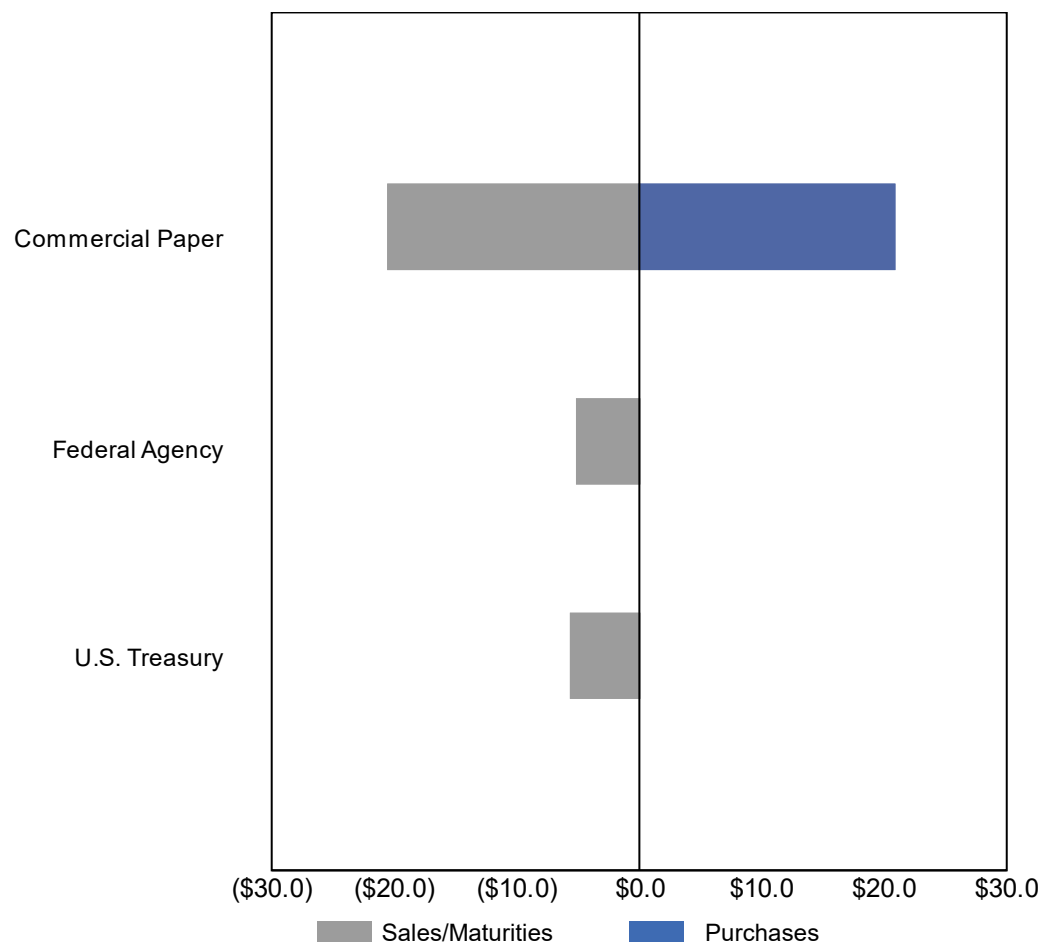
Security Type	Dec-22	% of Total	Mar-23	% of Total	Jun-23	% of Total	Sep-23	% of Total
U.S. Treasury	\$18.6	22.0%	\$15.7	16.4%	\$5.6	18.2%	\$0.0	0.0%
Federal Agency	\$0.6	0.7%	\$12.0	12.5%	\$5.0	16.0%	\$0.0	0.0%
Commercial Paper	\$65.6	77.3%	\$68.2	71.1%	\$20.4	65.8%	\$20.8	100.0%
Total	\$84.7	100.0%	\$96.0	100.0%	\$31.0	100.0%	\$20.8	100.0%



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

Portfolio Activity - SIU- SHORT TERM FUND

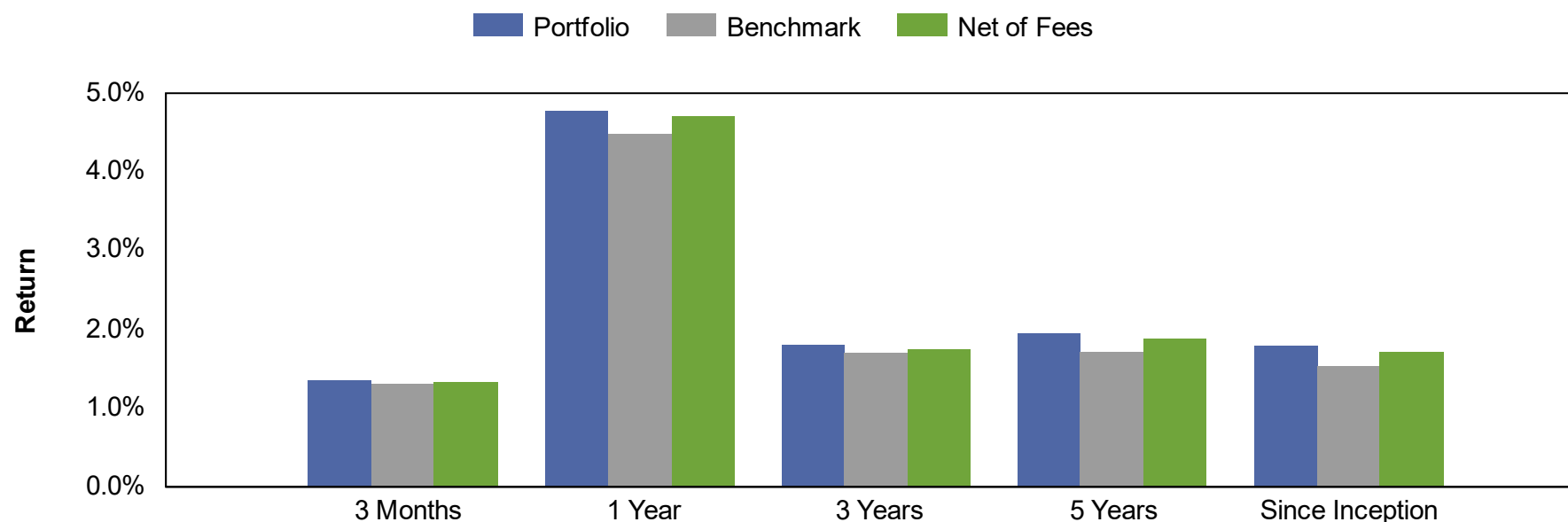
Net Activity by Sector
(\$ millions)



Sector	Net Activity
Commercial Paper	\$138,426
Federal Agency	(\$5,030,000)
U.S. Treasury	(\$5,673,544)
Total Net Activity	(\$10,565,117)

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$92,705	\$185,134	\$317,322	\$483,002	\$732,890
Change in Market Value	\$347,940	\$3,080,325	\$3,268,152	\$4,499,176	\$5,951,891
Total Dollar Return	\$440,645	\$3,265,459	\$3,585,474	\$4,982,178	\$6,684,781
Total Return³					
Portfolio	1.35%	4.77%	1.80%	1.94%	1.79%
Benchmark ⁴	1.31%	4.47%	1.70%	1.72%	1.55%
Basis Point Fee	0.02%	0.07%	0.07%	0.07%	0.07%
Net of Fee Return	1.33%	4.71%	1.74%	1.87%	1.72%

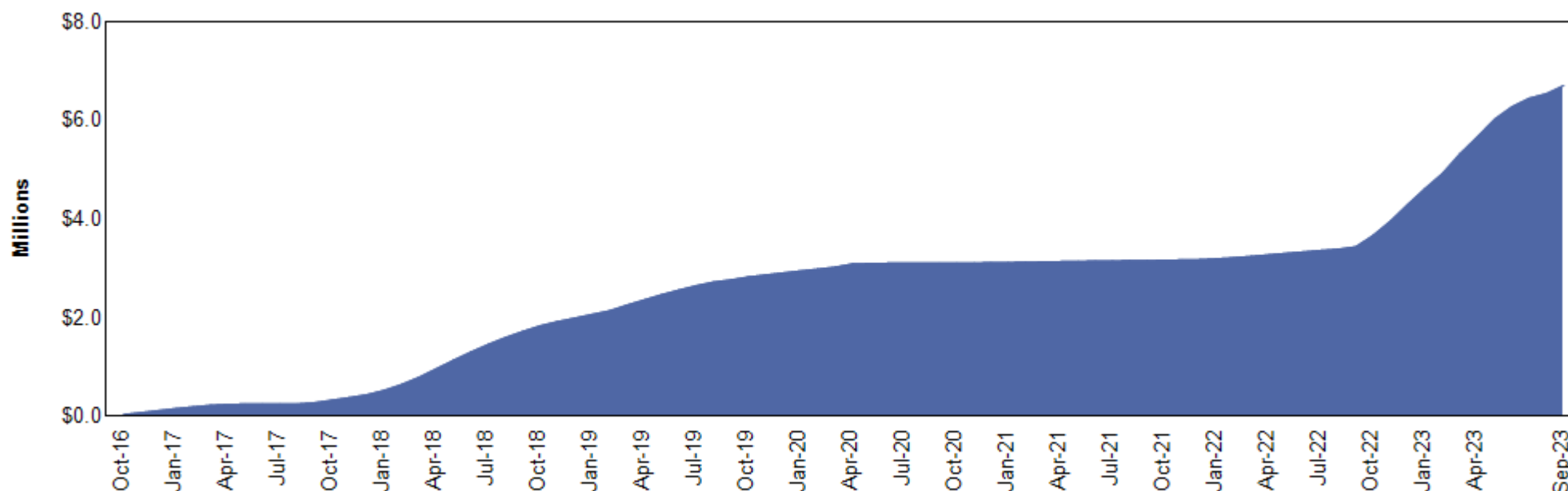
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is September 30, 2016.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is the ICE BofA 3 Month U.S. Treasury Index. Source: Bloomberg.

Accrual Basis Earnings - SIU- SHORT TERM FUND



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$92,705	\$185,134	\$317,322	\$483,002	\$732,890
Realized Gains / (Losses) ³	-	-	-	\$36,577	\$36,637
Change in Amortized Cost	\$341,123	\$3,086,928	\$3,286,511	\$4,467,852	\$5,943,170
Total Earnings	\$433,828	\$3,272,062	\$3,603,833	\$4,987,430	\$6,712,696

1. The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2016.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Realized gains / (losses) are shown on an amortized cost basis.

Illinois Funds

Investment Approach

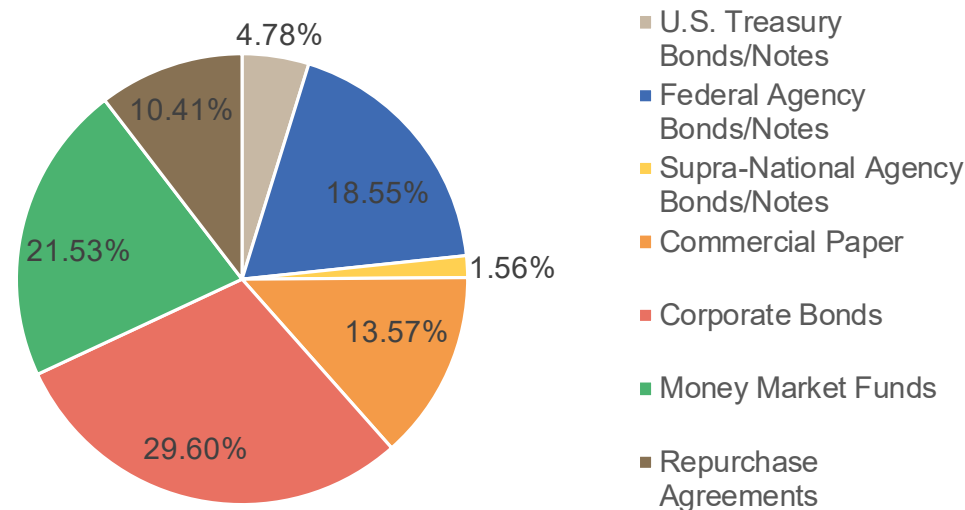
- The Illinois Funds is a Local Government Investment Pool (LGIP) operated by the Illinois State Treasurer's Office. The Illinois Funds strives to provide an inexpensive investment vehicle that features safety, daily liquidity and yield for Illinois public funds programs. The fund is managed by the Office of the State Treasurer in Springfield, Illinois, and contained a combined \$19.1 billion in total assets as of June 30, 2023. The fund is currently rated AAmmf by Fitch.

Illinois Funds Account Overview

Illinois Funds	
Beginning Value (6/30/2023)	\$107,008,336.08
Net Deposits (Withdrawals)	\$15,013,646.69
Interest Earned	\$1,548,912.44
Ending Value (9/30/23)	\$123,570,895.21

	Current Yield as of 9/30/23
Illinois Funds	5.54%
Benchmark: S&P Rated Government Investment Pool Index	5.26%

**Illinois Funds
Sector Allocation
as of September 30, 2023**



Weighted Average Maturity

57 Days

U.S. Bank Investment Sweep

Investment Approach

- The U.S. Bank First American Funds Treasury Obligations Money Market Fund (MMF) sweep is utilized for purposes of investing daily operating liquidity funds. The Treasury Obligations MMF purchases U.S. Treasury securities and repurchase agreements collateralized by such obligations. The fund carries a AAAM rating by Standard & Poor's and a Aaa-mf rating by Moody's.

U.S. Bank Investment Sweep Account Overview

U.S. Bank Investment Sweep	
Beginning Value (6/30/2023)	\$22,459,231.78
Net Deposits (Withdrawals)	(\$3,637,548.04)
Interest Earned	\$354,660.65
Ending Value (9/30/23)	\$19,176,344.39

	Current Yield as of 9/30/23
U.S. Bank Treasury Obligations MMF Sweep	4.96%
Benchmark: S&P Rated Government Investment Pool Index	5.26%

IntraFi Network Deposits

Investment Approach

- IntraFi Network Deposits allows for the placement of funds in deposit accounts at multiple financial institutions, in increments below the \$250,000 FDIC insurance limit. The process is facilitated by utilizing one bank that is an ICS provider.
- SIU utilizes Banterra Bank as the provider for placement of funds. The interest rate provided is an indexed rate and is reset monthly.

IntraFi Network Deposits Account Overview

IntraFi Network Deposits	
Beginning Value (6/30/2023)	\$5,204,301.11
Net Deposits (Withdrawals)	\$0.00
Interest Earned	\$69,430.57
Ending Value (9/30/23)	\$5,273,731.68

	Current Yield as of 9/30/23
IntraFi Network Deposits	5.43%
Benchmark: S&P Rated Government Investment Pool Index	5.26%

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 <u>Market Value (\$ in millions)</u>	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023
Housing & Auxiliary Facilities System					
Construction Proceeds	17.8	17.2	15.2	14.1	8.4
Interest Sinking Fund	11.1	9.1	19.2	1.0	3.0
Debt Service Reserve	5.9	6.0	6.1	6.1	6.2
Total HAFS	34.8	32.2	40.4	21.1	17.6
Medical Facilities System					
NOTE: The Medical Facilities System was dissolved effective 6/30/23.					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	-	-	1.9	-	-
Debt Service Reserve	-	-	-	-	-
Total MFS	-	-	1.9	-	-
Certificates of Participation					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-
Total COPS	-	-	-	-	-
Total Market Value of Portfolio	\$ 34.8	\$ 32.2	\$ 42.3	\$ 21.1	\$ 17.6
Investment Balance <u>Book Value (\$ in millions)</u>	\$ 35.2	\$ 32.6	\$ 42.6	\$ 21.4	\$ 17.7

**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 for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

Investment advisory services are provided by PFM Asset Management LLC ("PFMAM"), an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. The information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. 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. Opinions and data presented are not necessarily indicative of future events or expected performance.

For more information regarding PFMAM's services or entities, please visit www.pfmam.com.

© 2023 PFM Asset Management LLC. Further distribution is not permitted without prior written consent.

Important Disclosures

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, 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, U.S. Bank Investment Sweep, IntraFi Network Deposits 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 PFMAM.

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.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **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 Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **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.
- **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.

Glossary

- 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.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- 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.