



# Southern Illinois University

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Quarterly Investment Report  
September 30, 2024

# Market Update

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## SUMMARY

- Economic performance in the third quarter of 2024 continued to support a soft-landing outlook for the U.S. economy, underpinned by historically low unemployment, resilient consumer spending, record household wealth and a supportive Federal Reserve (Fed). Inflation continued to make progress towards the Fed's 2% target, while the labor market cooled from its formerly overheated state. This prompted the Fed to acknowledge that the risks on both sides of its dual mandate – stable prices and full employment – were now “roughly in balance.”
- The Fed cut the overnight policy rate by 50 bps (0.50%) to a new target range of 4.75% to 5.00% at its September 18 meeting, marking the first rate cut in over four years. Furthermore, the Fed's updated “dot plot” implied an additional 50 bps of rate cuts through the balance of 2024 and 100 bps of cuts in 2025. The Fed expects to reach the longer run “neutral” policy rate of 2.875% by the end of 2026.
- While the bond market priced in much of the Fed's forecasted rate trajectory into lower long-term bond yields, the equity and credit markets remained priced for a soft landing as positive sentiment and investor confidence continued to buoy risk asset valuations. Equity markets surged ahead in Q3. The S&P 500 Index returned 5.9% in the quarter, bringing YTD returns to 22.1%. In a reversal of the first half of the year, market strength broadened out as the Russell 2000 small cap index outperformed the S&P 500, returning 9.3% for the quarter. The NASDAQ also lagged, returning just 2.8% for the quarter. U.S. Treasury yields plunged in Q3, embracing the Fed's expected rate cutting cycle, which supported strong bond market performance.

## ECONOMIC SNAPSHOT

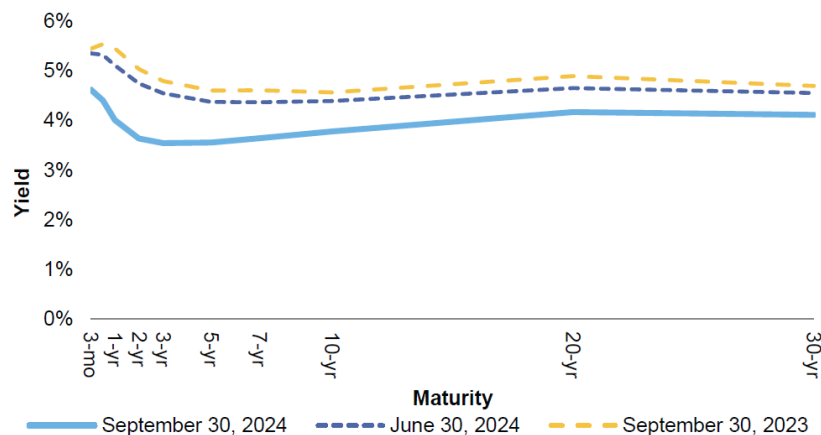
- U.S. inflation readings continued to make progress toward the Fed's 2% target as both headline CPI (2.5%) and Core CPI (3.2%) ended the quarter at their lowest levels in over three years. Housing costs remain elevated, however, as shelter inflation at 5.2% year-over-year is roughly double the 2.6% average in the decade preceding the pandemic.
- U.S. Real GDP growth ramped up in Q2, with the third and final estimate reporting growth of 3.0%, nearly double the rate of the previous quarter. The main contributors of the increase were a surge in private inventories and an acceleration in consumer spending that were partially offset by a downturn in residential housing and weaker net exports.
- The U.S. labor market added an average of 186,000 jobs per month in Q3, which was a rebound from Q2's relatively weak reading of 147,000 per month. Additionally, the unemployment rate ended the quarter at 4.1%, flat for the quarter but up from 3.7% at the beginning of the year. While the pace of expected hirings has gradually slowed, layoff rates have remained near multi-year lows and weekly jobless claims are firmly below their long-term averages indicating the labor market remains healthy.

# Market Update

## INTEREST RATES

- The market spent most of the quarter preparing for the first rate cut in September, after the Fed noted in July that the risks to jobs and prices have come into better balance. The Fed delivered the much-anticipated interest rate cut at its September meeting and reduced the overnight rate by 50 bps, which was on the high side of expectations.
- U.S. Treasury yields fell sharply throughout Q3, reflecting the imminent outset of the Fed's cutting cycle. The yield on the 2-, 5-, and 10-year U.S. Treasuries ended the quarter at 3.64%, 3.56%, and 3.78%, respectively. This represented decreases of 111 bps, 82 bps, and 62 bps, respectively.
- After spending a record amount of time inverted, the yield curve steepened (as measured by the yield difference between the 2- and 10-year U.S. Treasury notes) and dis-inverted for the first time since July 2022.
- As a result of lower yields, U.S. Treasury indices generated strong total returns for the quarter. The ICE BofA 2-Year and 5-Year U.S. Treasury indices returned 2.85% and 4.41% respectively, while the 10-Year U.S. Treasury index returned 5.73% for the quarter.

U.S. Treasury Yield Curve



Source: Bloomberg, as of 9/30/2024.

## SECTOR PERFORMANCE

- Sustained investor appetite continued to pressure yield spreads toward near multi-year lows across most investment grade sectors throughout Q3, resulting in firmly positive excess returns on the corporate and mortgage-related sectors.
- Federal agency and supranational spreads remained low and rangebound throughout Q3. These sectors produced muted excess returns relative to other investment grade fixed income sectors as issuance remained quite light and the incremental income from the sectors was near zero.
- Investment-grade (IG) corporates posted a strong quarter as sustained high issuance carried over from Q1 and Q2 was well-absorbed by robust investor demand. As a result, spreads ended the quarter very near their two-year lows. From an excess return perspective, lower-quality and longer-duration issuers generally outperformed. Performance of financial and banking issuers once again led most other industries across most of the yield curve during the quarter.
- Most mortgage-related sectors were top of class performers during Q3 as spreads continued to test 12-month lows. Agency-backed mortgages rebounded soundly in Q3 following an underwhelming Q2. Declining mortgage rates and a somewhat more positive outlook in the housing market provided a tailwind for the sector during the quarter.

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# Summary of Operating Investments

## Summary of Operating Investments

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

	<b>9/30/2024</b>
Illinois Funds	\$ 112.0
US Bank Investment Sweep	19.8
IntraFi Network Deposits	5.6
Subtotal Cash & Cash Equivalents	<u>\$ 137.4</u>
Short Term Portfolio	22.2
Intermediate Term Portfolio	166.4
LMC Intermediate Term Portfolio	27.0
Total Portfolio	<u><u>\$ 353.0</u></u>

### Book Value (\$ in millions)

\$ 356.3

### Current Yields (Annualized)

Illinois Funds	5.01%
US Bank Investment Sweep	4.51%
IntraFi Network Deposits	5.43%
Benchmark: S&P Rated Government Investment Pool Index	5.15%

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

<u>Sector</u>	<u>9/30/2024</u>	
Money Market Mutual Funds	\$ 114.2	32.3%
U.S. Treasury Bonds/Notes	70.2	19.9%
Federal Agency Bonds/Notes	16.0	4.5%
Federal Agency Mortgage Backed Securities	30.1	8.5%
Federal Agency Commercial Mortgage Backed Securities	33.3	9.4%
Federal Agency Collateralized Mortgage Obligations	11.7	3.3%
Supra-National Agency Bonds/Notes	15.9	4.5%
Corporate Notes	20.5	5.8%
Commercial Paper	14.7	4.2%
US Bank Investment Sweep	19.8	5.6%
IntraFi Network Deposits	5.6	1.6%
<b>Subtotal</b>	<b>352.0</b>	<b>99.7%</b>
Accrued Interest	1.0	0.3%
<b>Total</b>	<b>\$ 353.0</b>	<b>100.0%</b>

### 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>	2.12%	6.92%	4.03%	2.78%	-	2.41%
Benchmark: BofA Merrill Lynch 3-Month Treasury Bill Index	1.37%	5.46%	3.49%	2.32%	-	2.03%
<b>Intermediate Term Portfolio</b>	3.90%	8.93%	0.23%	1.18%	-	1.75%
Benchmark: Barclays Intermediate U.S. Govt. Securities	3.95%	8.33%	-0.10%	0.84%	-	1.50%
<b>LMC Intermediate Term Portfolio</b>	3.89%	-	-	-	-	-
Benchmark: Barclays Intermediate U.S. Govt. Securities	3.95%	-	-	-	-	-

\*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

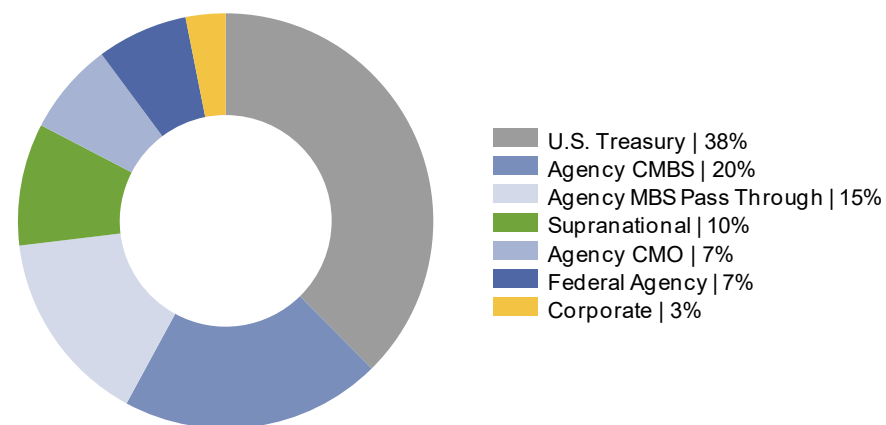
- The University's Intermediate Term portfolio is actively managed by PFM Asset Management, LLC. PFM seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and are therefore 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 Snapshot - SIU- INTERMEDIATE TERM<sup>1</sup>

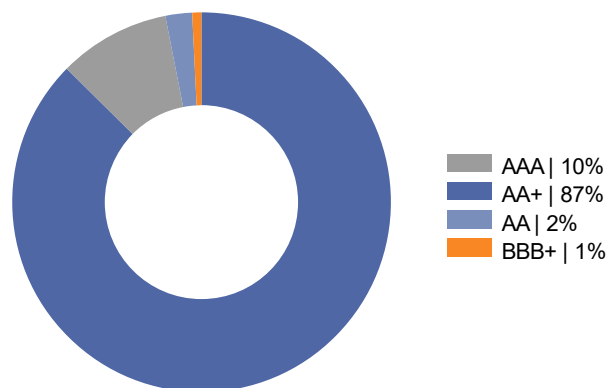
### Portfolio Statistics

<b>Total Market Value</b>	\$166,366,096.44
<i>Securities Sub-Total</i>	\$164,092,264.13
<i>Accrued Interest</i>	\$751,638.85
<i>Cash</i>	\$1,522,193.46
<b>Portfolio Effective Duration</b>	3.51 years
<b>Benchmark Effective Duration</b>	3.65 years
<b>Yield At Cost</b>	3.08%
<b>Yield At Market</b>	3.91%
<b>Portfolio Credit Quality</b>	AA

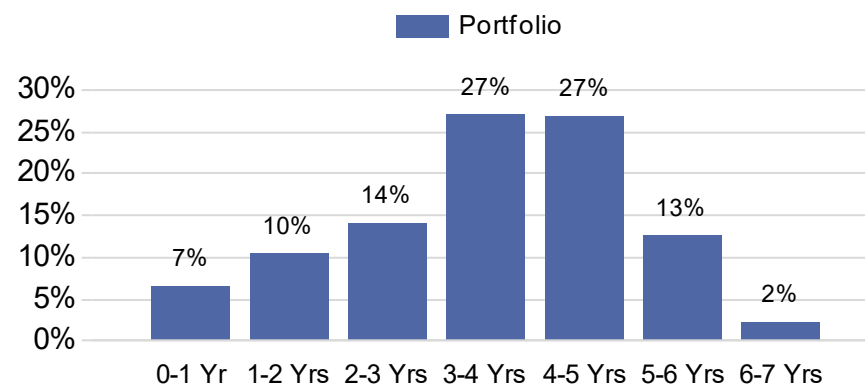
### Sector Allocation



### 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 Financial LP. 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
<b>U.S. Treasury</b>	<b>37.7%</b>	
United States Treasury	37.7%	AA / Aaa / AA
<b>Federal Agency</b>	<b>7.1%</b>	
Federal Home Loan Mortgage Corp	2.1%	AA / Aaa / AA
Federal National Mortgage Association	4.0%	AA / Aaa / AA
Tennessee Valley Authority	1.0%	AA / Aaa / AA
<b>Agency CMBS</b>	<b>20.3%</b>	
Federal Home Loan Mortgage Corp	20.3%	AA / Aaa / AA
<b>Agency CMO</b>	<b>7.1%</b>	
Federal Home Loan Mortgage Corp	4.4%	AA / Aaa / AA
Federal National Mortgage Association	1.7%	AA / Aaa / AA
Government National Mortgage Associatio	1.1%	AA / Aaa / AA
<b>Agency MBS Pass Through</b>	<b>15.2%</b>	
Federal Home Loan Mortgage Corp	5.2%	AA / Aaa / AA
Federal National Mortgage Association	9.9%	AA / Aaa / AA
Government National Mortgage Associatio	0.1%	AA / Aaa / AA
<b>Supranational</b>	<b>9.5%</b>	
African Development Bank	1.7%	AAA / Aaa / AAA
Asian Development Bank	0.4%	AAA / Aaa / AAA
Inter-American Development Bank	3.7%	AAA / Aaa / AAA
International Bank for Reconstruction &	2.8%	AAA / Aaa / AAA
International Finance Corp	0.9%	AAA / Aaa / NR
<b>Corporate</b>	<b>3.1%</b>	
Citigroup Inc	0.8%	BBB / A / A
Roche Holding AG	1.5%	AA / Aa / AA

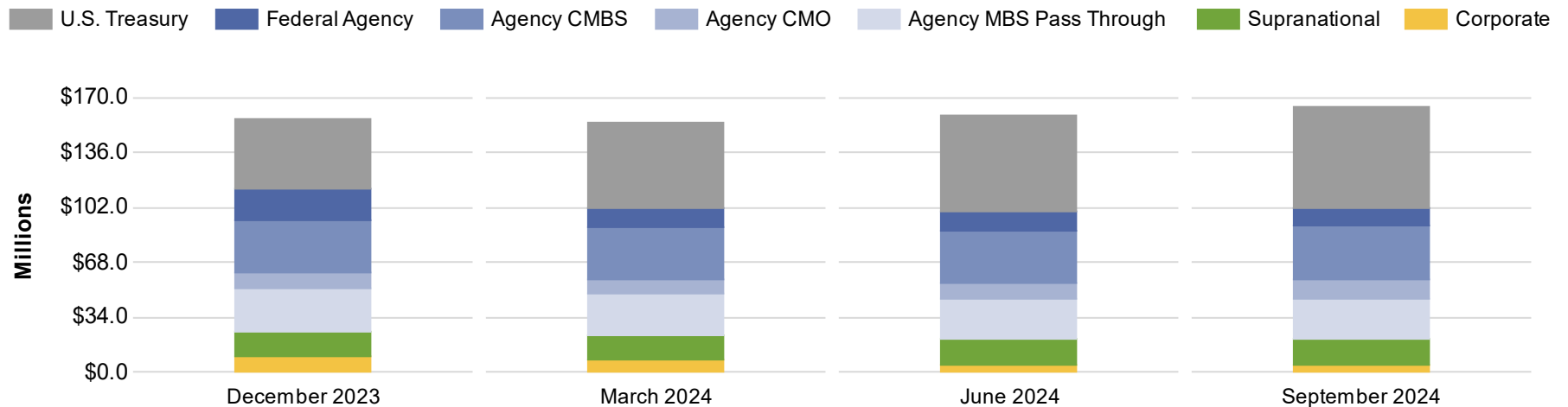
Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>Corporate</b>	<b>3.1%</b>	
United Services Automobile Association	0.8%	AA / Aa / NR
<b>Total</b>	<b>100.0%</b>	

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.



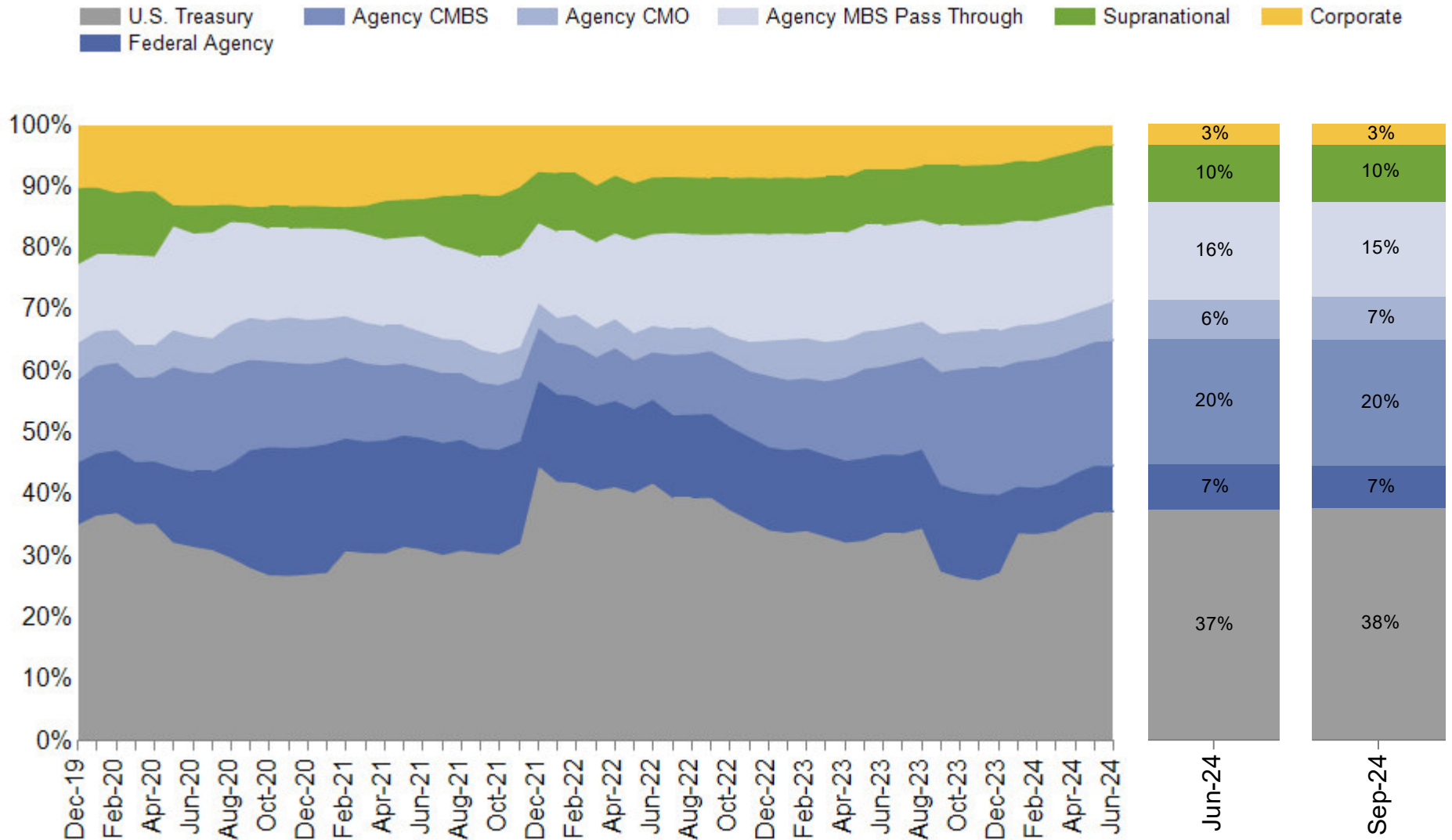
### Sector Allocation Review - SIU- INTERMEDIATE TERM

Security Type	Dec-23	% of Total	Mar-24	% of Total	Jun-24	% of Total	Sep-24	% of Total
U.S. Treasury	\$43.2	27.5%	\$52.9	34.3%	\$59.7	37.4%	\$61.8	37.6%
Federal Agency	\$20.0	12.7%	\$11.8	7.6%	\$11.8	7.4%	\$11.6	7.1%
Agency CMBS	\$32.3	20.6%	\$32.1	20.8%	\$32.4	20.4%	\$33.3	20.3%
Agency CMO	\$9.4	6.0%	\$8.9	5.8%	\$10.2	6.4%	\$11.7	7.2%
Agency MBS Pass Through	\$27.2	17.3%	\$25.9	16.8%	\$25.0	15.7%	\$25.0	15.2%
Supranational	\$15.2	9.7%	\$15.1	9.8%	\$15.2	9.6%	\$15.6	9.5%
Corporate	\$9.8	6.2%	\$7.5	4.9%	\$5.0	3.1%	\$5.0	3.1%
<b>Total</b>	<b>\$157.0</b>	<b>100.0%</b>	<b>\$154.3</b>	<b>100.0%</b>	<b>\$159.2</b>	<b>100.0%</b>	<b>\$164.1</b>	<b>100.0%</b>



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.

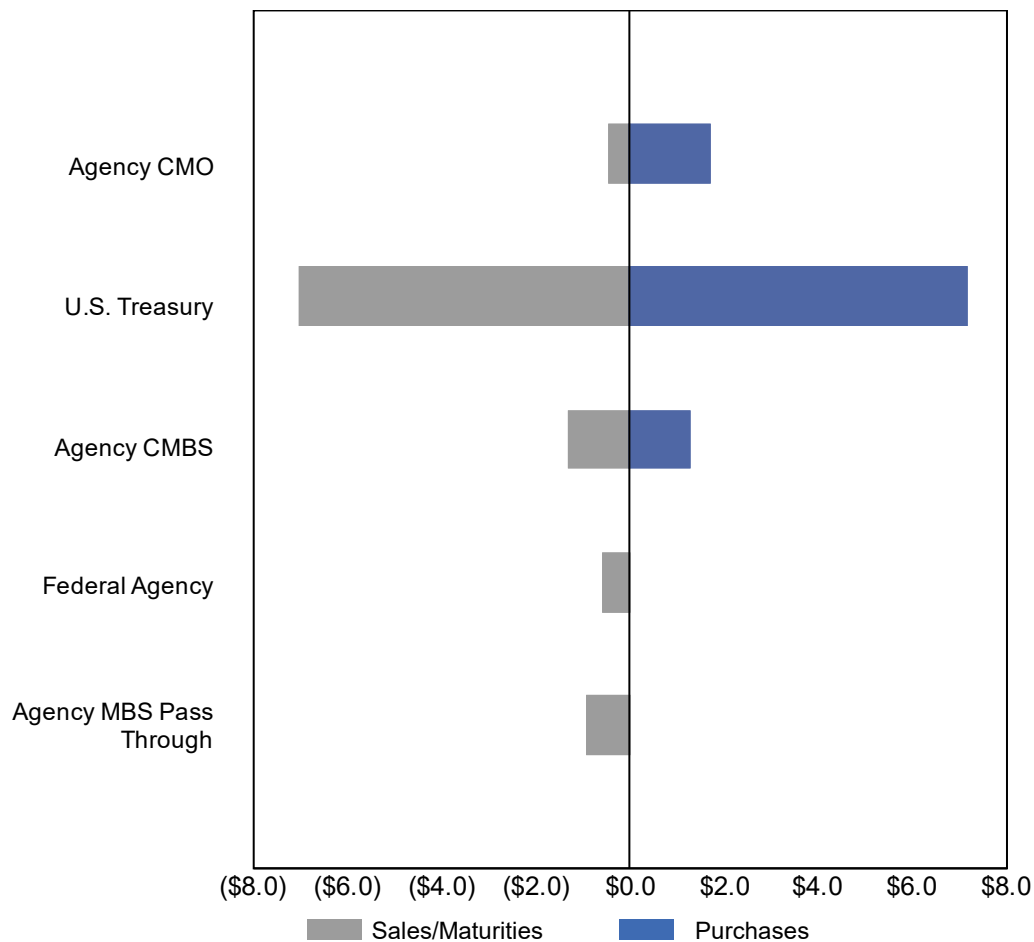
### Historical Sector Allocation - SIU- INTERMEDIATE TERM



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

### Portfolio Activity - SIU- INTERMEDIATE TERM

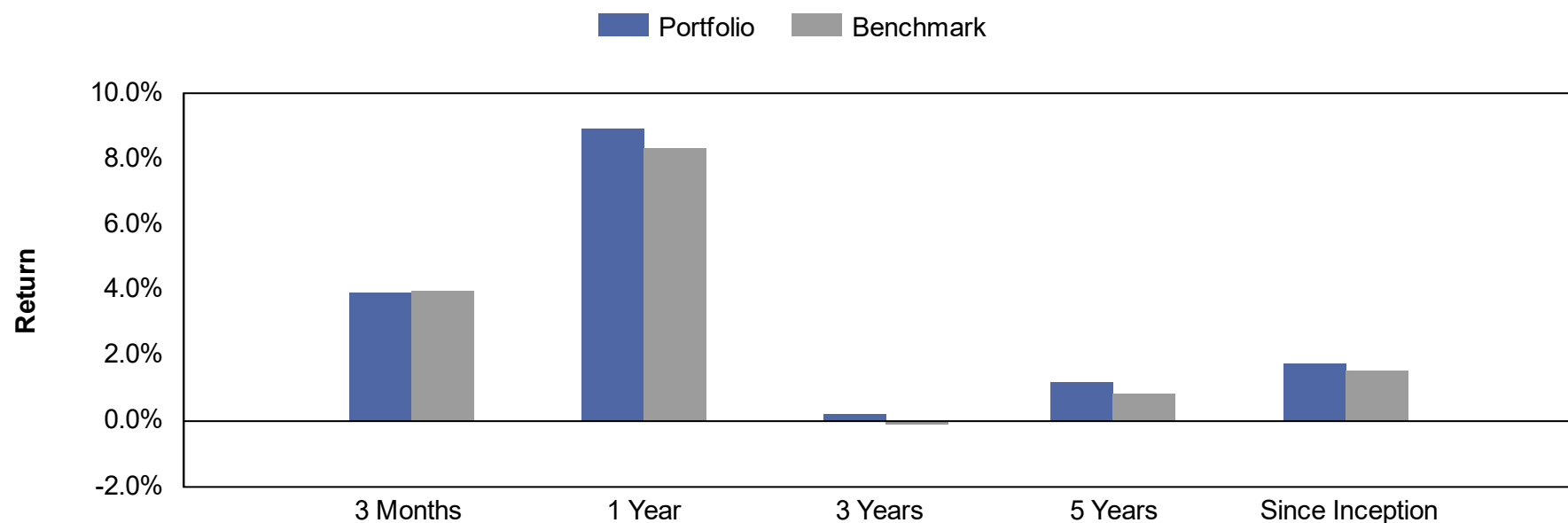
**Net Activity by Sector**  
(\$ millions)



Sector	Net Activity
Agency CMO	\$1,252,903
U.S. Treasury	\$137,045
Agency CMBS	\$23,061
Federal Agency	(\$572,050)
Agency MBS Pass Through	(\$924,187)
<b>Total Net Activity</b>	<b>(\$83,228)</b>

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 <sup>1</sup>
Interest Earned <sup>2</sup>	\$1,206,081	\$4,580,831	\$12,118,312	\$19,999,956	\$32,784,907
Change in Market Value	\$5,034,079	\$9,078,834	(\$12,000,552)	(\$11,177,319)	(\$7,646,235)
<b>Total Dollar Return</b>	<b>\$6,240,160</b>	<b>\$13,659,665</b>	<b>\$117,760</b>	<b>\$8,822,637</b>	<b>\$25,138,672</b>
<b>Total Return<sup>3</sup></b>					
Portfolio	3.90%	8.93%	0.23%	1.18%	1.75%
Benchmark <sup>4</sup>	3.95%	8.33%	-0.10%	0.84%	1.50%
<b>Difference</b>	<b>-0.05%</b>	<b>0.60%</b>	<b>0.33%</b>	<b>0.34%</b>	<b>0.25%</b>

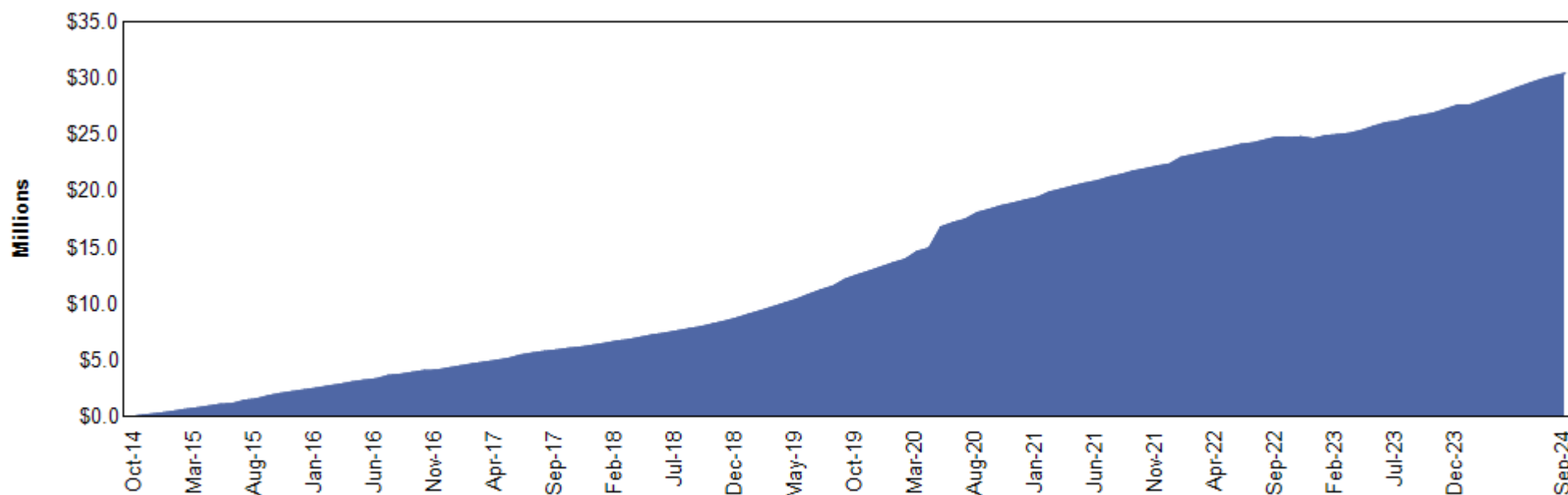
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is September 30, 2014.

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 Financial LP.

## Accrual Basis Earnings - SIU- INTERMEDIATE TERM



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception <sup>1</sup>
Interest Earned <sup>2</sup>	\$1,206,081	\$4,580,831	\$12,118,312	\$19,999,956	\$32,784,907
Realized Gains / (Losses) <sup>3</sup>	(\$350,195)	(\$911,276)	(\$4,187,766)	(\$901,196)	(\$441,217)
Change in Amortized Cost	\$40,583	\$71,028	\$731,947	(\$851,713)	(\$1,889,835)
<b>Total Earnings</b>	<b>\$896,469</b>	<b>\$3,740,583</b>	<b>\$8,662,492</b>	<b>\$18,247,048</b>	<b>\$30,453,854</b>

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.

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# SIU – LMC Intermediate Term Portfolio

## Investment Approach

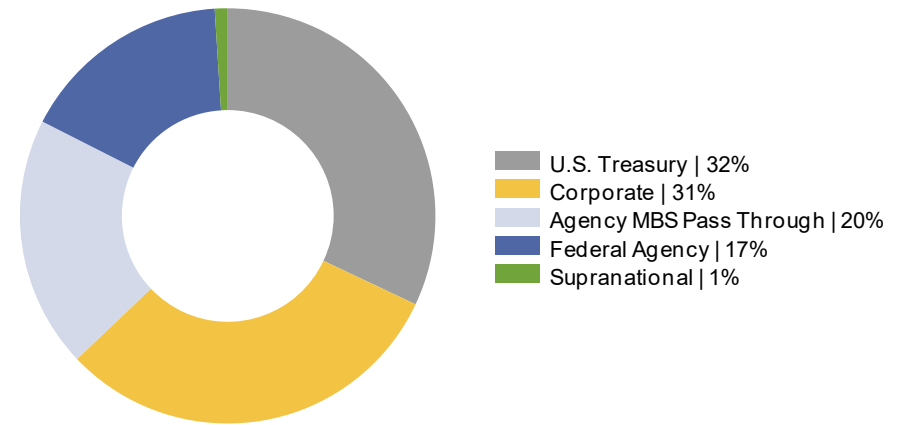
- A portion of the University's Intermediate Term portfolio is managed by LM Capital Group LLC ("LMC"). LMC seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and 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 TERM<sup>1</sup>

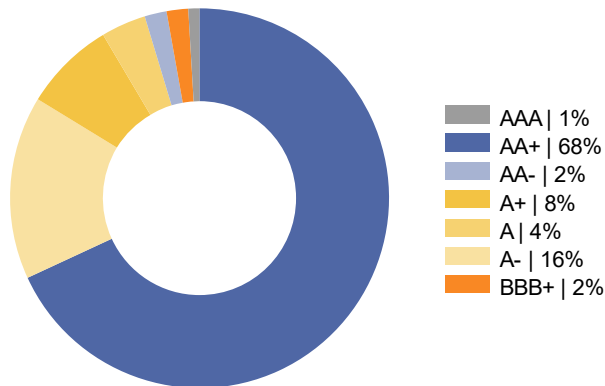
### Portfolio Statistics

<b>Total Market Value</b>	\$27,018,862.90
<i>Securities Sub-Total</i>	\$26,355,264.61
<i>Accrued Interest</i>	\$173,409.20
<i>Cash</i>	\$490,189.09
<b>Portfolio Effective Duration</b>	3.49 years
<b>Benchmark Effective Duration</b>	3.65 years
<b>Yield At Cost</b>	4.61%
<b>Yield At Market</b>	4.06%
<b>Portfolio Credit Quality</b>	AA

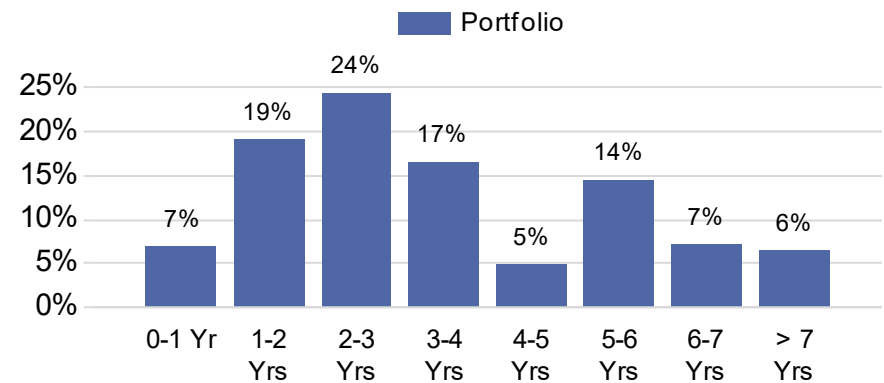
### Sector Allocation



### 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 Financial LP. 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
<b>U.S. Treasury</b>	<b>31.9%</b>	
United States Treasury	31.9%	AA / Aaa / AA
<b>Federal Agency</b>	<b>16.5%</b>	
Federal Farm Credit Banks Funding Corp	6.7%	AA / Aaa / AA
Federal Home Loan Banks	4.7%	AA / Aaa / NR
Federal National Mortgage Association	3.2%	AA / Aaa / AA
UNITED STATES OF AMERICA	1.9%	AA / Aaa / AA
<b>Agency MBS Pass Through</b>	<b>19.6%</b>	
Federal Home Loan Mortgage Corp	9.4%	AA / Aaa / AA
Federal National Mortgage Association	7.8%	AA / Aaa / AA
Government National Mortgage Associatio	2.4%	AA / Aaa / AA
<b>Supranational</b>	<b>0.9%</b>	
International Bank for Reconstruction &	0.9%	AAA / Aaa / NR
<b>Corporate</b>	<b>31.0%</b>	
AbbVie Inc	1.9%	A / A / NR
American Express Co	1.8%	BBB / A / A
Bank of America Corp	1.9%	A / Aa / AA
Citigroup Inc	2.0%	A / Aa / A
Comcast Corp	1.9%	A / A / A
Enterprise Products Partners LP	2.0%	A / A / A
Goldman Sachs Group Inc	2.0%	A / A / A
Honda Motor Co Ltd	3.9%	A / A / NR
JPMorgan Chase & Co	2.0%	A / Aa / AA
Mercedes-Benz Group AG	1.9%	A / A / A
MetLife Inc	1.9%	AA / Aa / AA
Morgan Stanley	1.9%	A / A / A

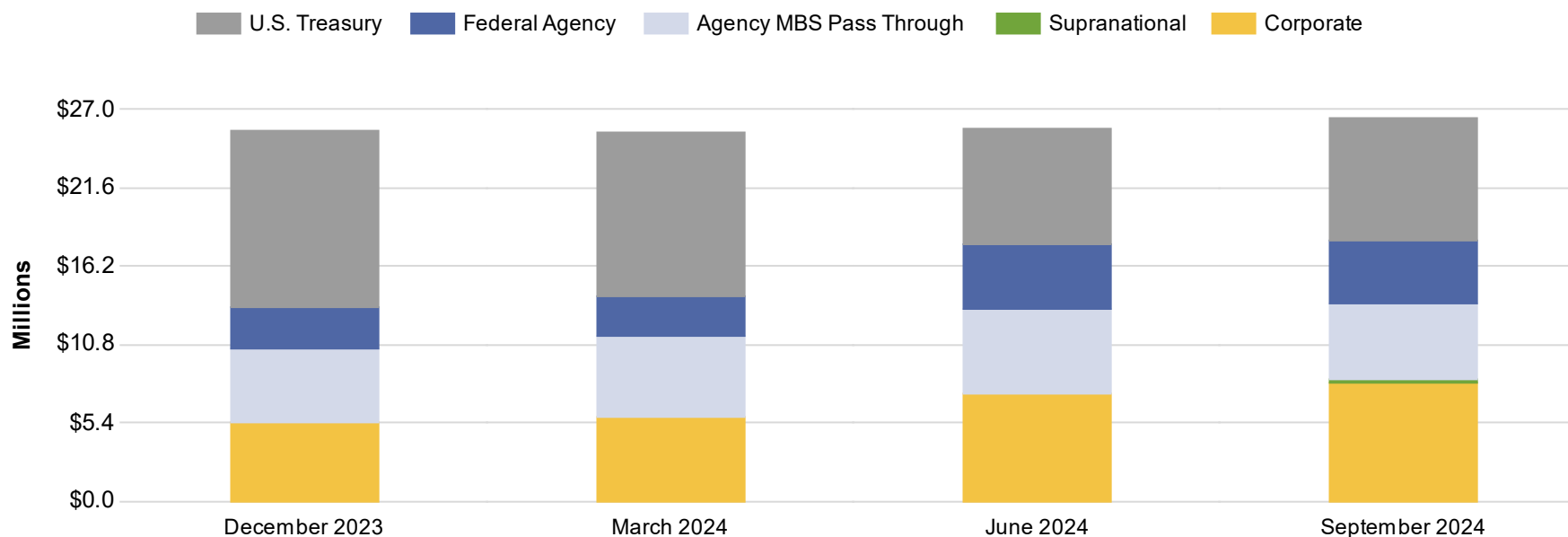
Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>Corporate</b>	<b>31.0%</b>	
Pfizer Inc	1.9%	A / A / NR
Simon Property Group Inc	2.1%	A / A / NR
Union Pacific Corp	1.9%	A / A / A
<b>Total</b>	<b>100.0%</b>	

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

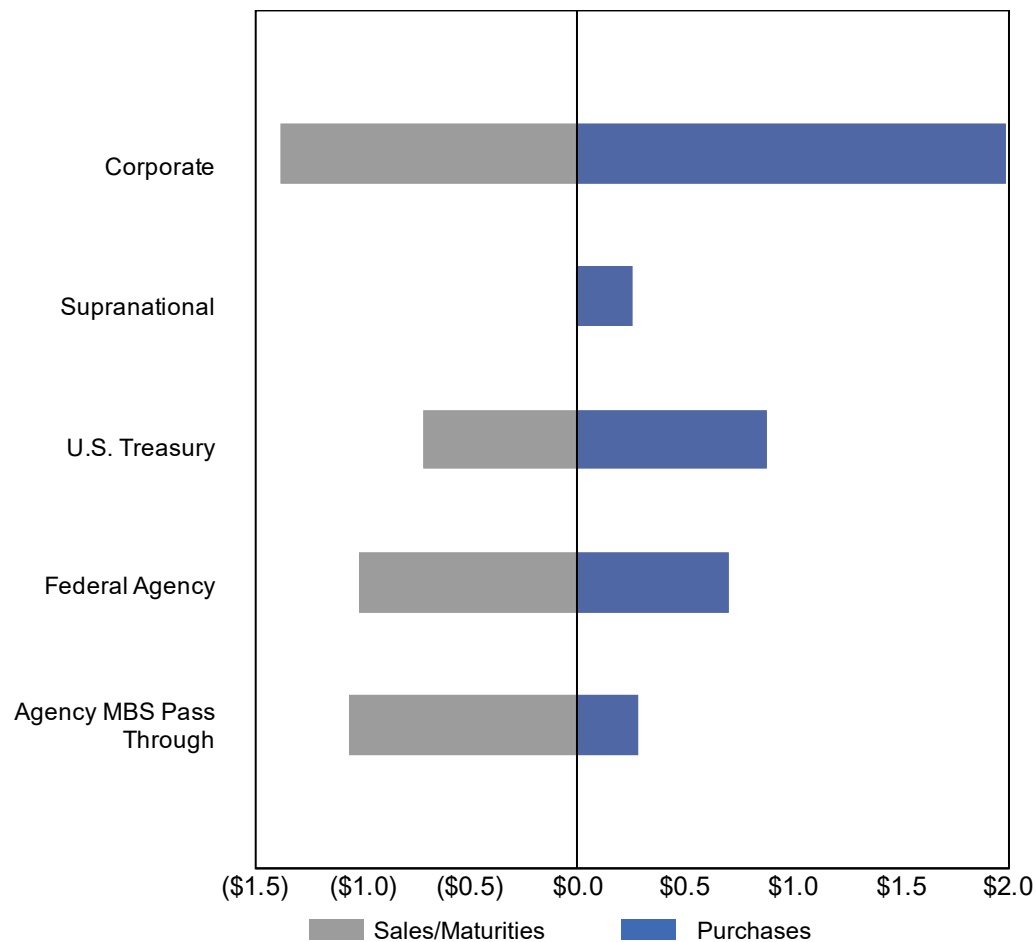
Security Type	Dec-23	% of Total	Mar-24	% of Total	Jun-24	% of Total	Sep-24	% of Total
U.S. Treasury	\$12.2	47.8%	\$11.3	44.4%	\$7.9	30.9%	\$8.4	32.0%
Federal Agency	\$2.8	11.1%	\$2.8	11.1%	\$4.5	17.7%	\$4.3	16.5%
Agency MBS Pass Through	\$5.1	20.1%	\$5.5	21.6%	\$5.8	22.6%	\$5.2	19.6%
Supranational	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.3	1.0%
Corporate	\$5.4	21.0%	\$5.8	22.9%	\$7.4	28.8%	\$8.2	30.9%
<b>Total</b>	<b>\$25.5</b>	<b>100.0%</b>	<b>\$25.4</b>	<b>100.0%</b>	<b>\$25.7</b>	<b>100.0%</b>	<b>\$26.4</b>	<b>100.0%</b>



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)

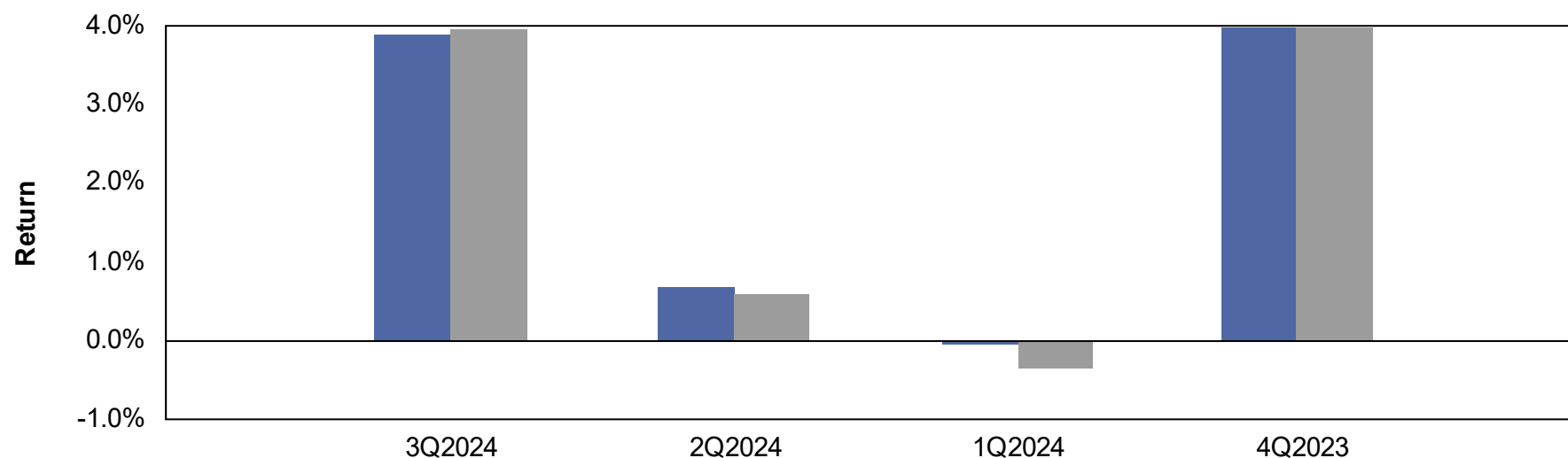


Sector	Net Activity
Corporate	\$616,411
Supranational	\$250,000
U.S. Treasury	\$163,214
Federal Agency	(\$310,449)
Agency MBS Pass Through	(\$781,582)
<b>Total Net Activity</b>	<b>(\$62,405)</b>

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

Portfolio Benchmark



Market Value Basis Earnings	3Q2024	2Q2024	1Q2024	4Q2023
Interest Earned <sup>1</sup>	\$256,524	\$255,166	\$240,315	\$245,282
Change in Market Value	\$755,469	(\$79,847)	(\$256,330)	\$746,712
<b>Total Dollar Return</b>	<b>\$1,011,993</b>	<b>\$175,319</b>	<b>(\$16,015)</b>	<b>\$991,994</b>
<b>Total Return<sup>2</sup></b>				
Portfolio	3.89%	0.68%	-0.06%	3.99%
Benchmark <sup>3</sup>	3.95%	0.58%	-0.35%	3.97%
<b>Difference</b>	<b>-0.06%</b>	<b>0.10%</b>	<b>0.29%</b>	<b>0.02%</b>

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

2. Returns are presented on a periodic basis.

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

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# SIU - Short Term Portfolio

## Investment Approach

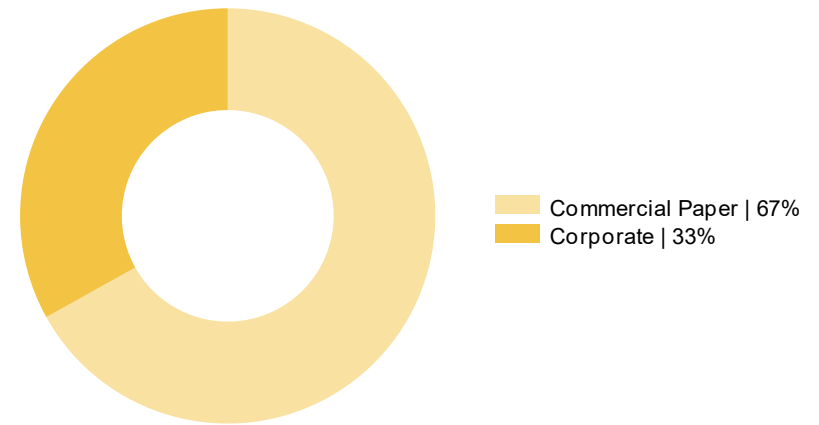
- The University's Short-Term portfolio is actively managed by PFM Asset Management, LLC. The short-term portfolio is structured to match the University's anticipated liquidity needs. The portfolio's duration typically ranges from 0 – 12 months, but is limited to a maximum maturity of 3 years. These 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 Snapshot - SIU- SHORT TERM FUND<sup>1</sup>

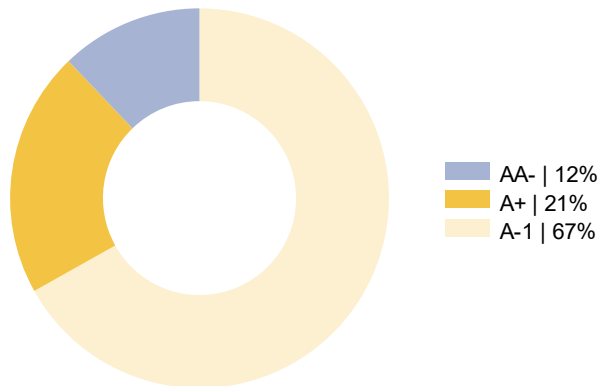
### Portfolio Statistics

<b>Total Market Value</b>	\$22,220,794.51
<i>Securities Sub-Total</i>	\$22,011,429.91
<i>Accrued Interest</i>	\$85,950.00
<i>Cash</i>	\$123,414.60
<b>Portfolio Effective Duration</b>	0.64 years
<b>Benchmark Effective Duration</b>	0.16 years
<b>Yield At Cost</b>	5.33%
<b>Yield At Market</b>	4.58%
<b>Portfolio Credit Quality</b>	A

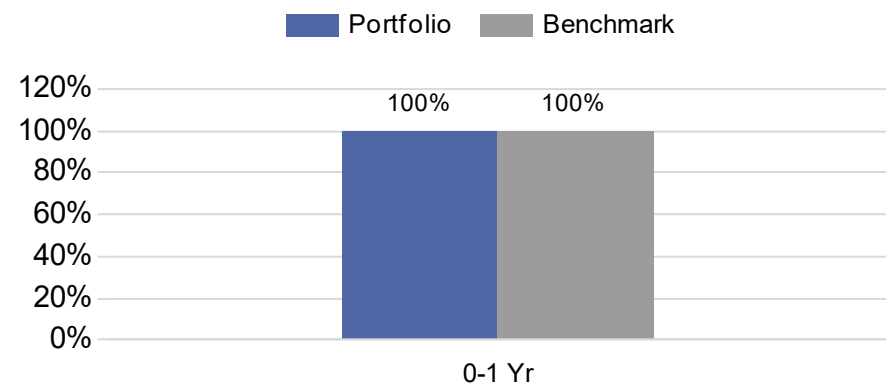
### Sector Allocation



### 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 Financial LP. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

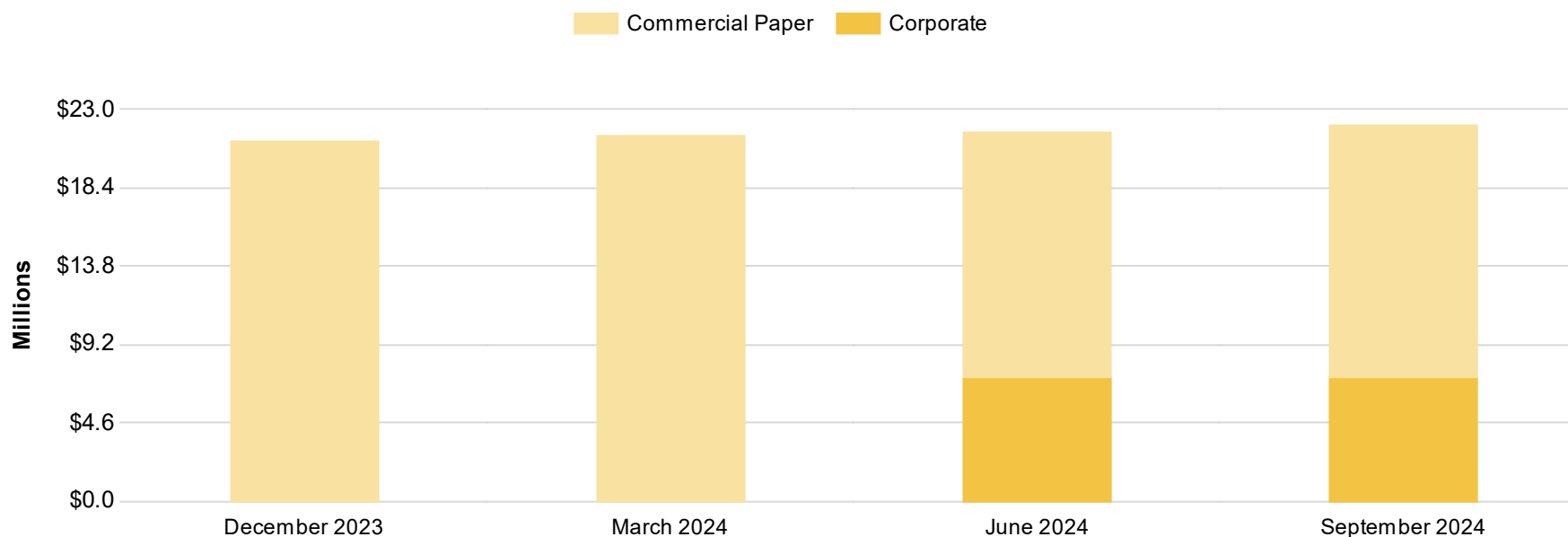
## Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>Commercial Paper</b>	<b>66.6%</b>	
Bank of America Corp	41.7%	A / NR / AA
Barclays PLC	25.0%	A / NR / A
<b>Corporate</b>	<b>33.4%</b>	
Cooperatieve Rabobank UA	21.1%	A / Aa / AA
National Australia Bank Ltd	12.3%	AA / Aa / NR
<b>Total</b>	<b>100.0%</b>	

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.

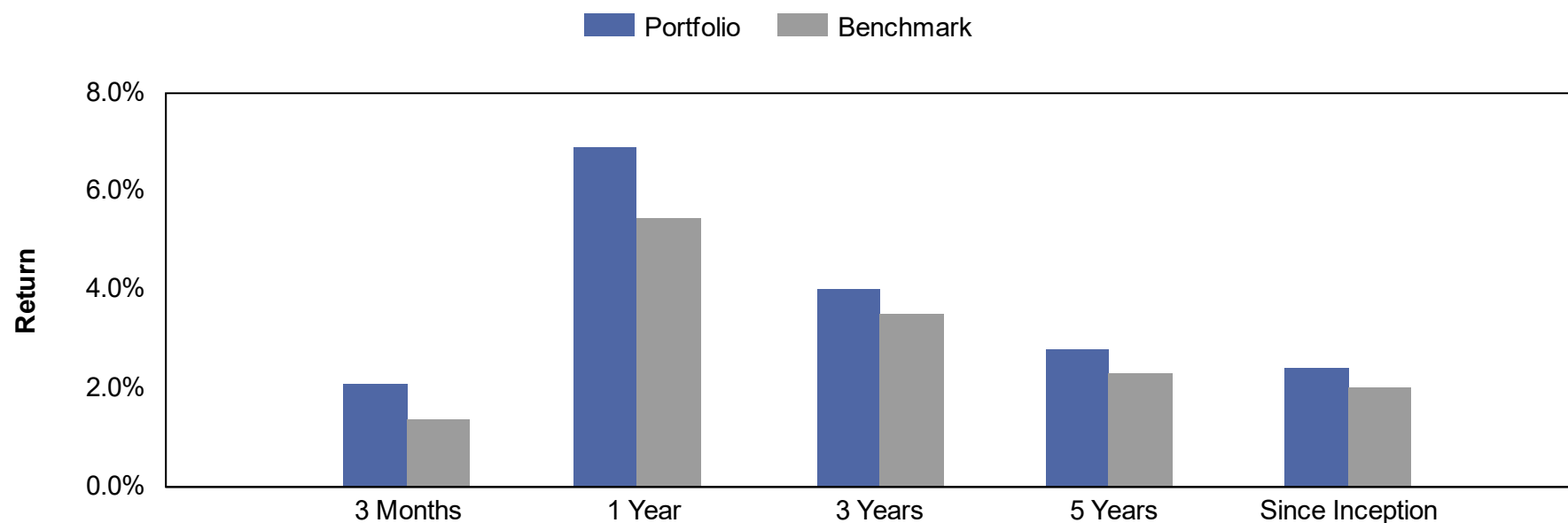
### Sector Allocation Review - SIU- SHORT TERM FUND

Security Type	Dec-23	% of Total	Mar-24	% of Total	Jun-24	% of Total	Sep-24	% of Total
Commercial Paper	\$21.1	100.0%	\$21.4	100.0%	\$14.4	66.6%	\$14.7	66.9%
Corporate	\$0.0	0.0%	\$0.0	0.0%	\$7.2	33.4%	\$7.3	33.1%
<b>Total</b>	<b>\$21.1</b>	<b>100.0%</b>	<b>\$21.4</b>	<b>100.0%</b>	<b>\$21.6</b>	<b>100.0%</b>	<b>\$22.0</b>	<b>100.0%</b>



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 Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception <sup>1</sup>
Interest Earned <sup>2</sup>	\$65,600	\$128,095	\$445,294	\$458,914	\$860,985
Change in Market Value	\$394,691	\$1,309,469	\$4,527,003	\$4,904,821	\$7,261,360
<b>Total Dollar Return</b>	<b>\$460,291</b>	<b>\$1,437,564</b>	<b>\$4,972,297</b>	<b>\$5,363,735</b>	<b>\$8,122,345</b>
<b>Total Return<sup>3</sup></b>					
Portfolio	2.12%	6.92%	4.03%	2.78%	2.41%
Benchmark <sup>4</sup>	1.37%	5.46%	3.49%	2.32%	2.03%
<b>Difference</b>	<b>0.75%</b>	<b>1.46%</b>	<b>0.54%</b>	<b>0.46%</b>	<b>0.38%</b>

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.

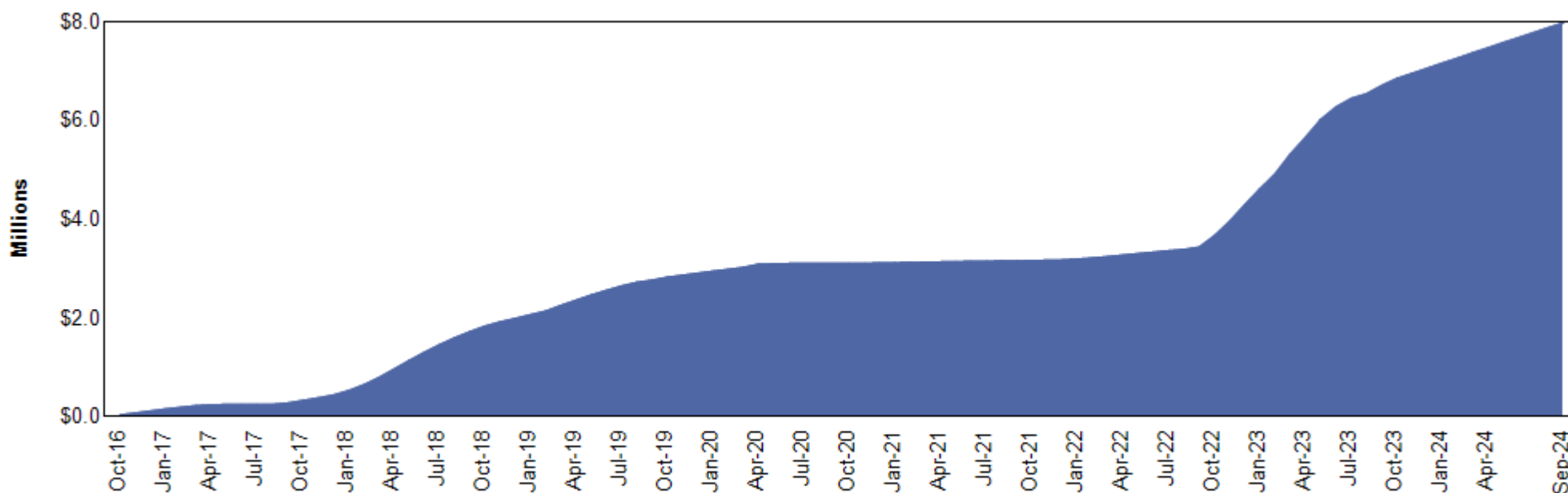
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

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 Financial LP.



## Accrual Basis Earnings - SIU- SHORT TERM FUND



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception <sup>1</sup>
Interest Earned <sup>2</sup>	\$65,600	\$128,095	\$445,294	\$458,914	\$860,985
Realized Gains / (Losses) <sup>3</sup>	-	-	-	\$36,577	\$36,637
Change in Amortized Cost	\$238,969	\$1,146,519	\$4,381,080	\$4,721,527	\$7,089,689
<b>Total Earnings</b>	<b>\$304,568</b>	<b>\$1,274,614</b>	<b>\$4,826,374</b>	<b>\$5,217,017</b>	<b>\$7,987,310</b>

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.

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# Illinois Funds

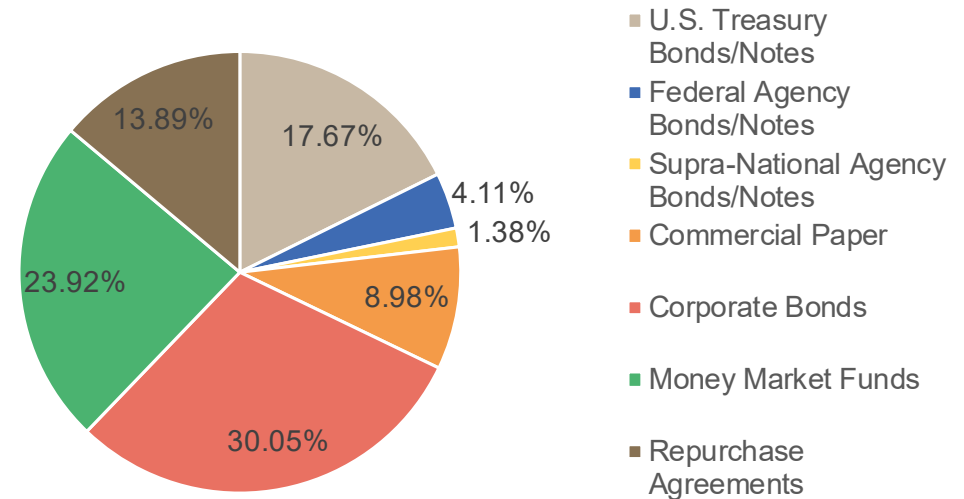
## Investment Approach

- 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 \$20.5 billion in total assets as of September 30, 2024. The fund is currently rated AAmmf by Fitch.

## Illinois Funds Account Overview

Illinois Funds	
Beginning Value (6/30/24)	\$86,776,839.31
Net Deposits (Withdrawals)	\$23,821,626.16
Interest Earned	\$1,419,175.07
Ending Value (9/30/24)	\$112,017,640.54

**Illinois Funds  
Sector Allocation  
as of September 30, 2024**



	Current Yield as of 9/30/24
Illinois Funds	5.01%
Benchmark: S&P Rated Government Investment Pool Index	5.15%

<b>Weighted Average Maturity</b>	<b>35 Days</b>
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# 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

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<b>U.S. Bank Investment Sweep</b>	
Beginning Value (6/30/24)	\$26,999,737.29
Net Deposits (Withdrawals)	(\$7,559,032.46)
Interest Earned	\$352,050.53
Ending Value (9/30/24)	\$19,792,755.36

	<b>Current Yield as of 9/30/24</b>
U.S. Bank Treasury Obligations MMF Sweep	4.51%
Benchmark: S&P Rated Government Investment Pool Index	5.15%

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# 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

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IntraFi Network Deposits	
Beginning Value (6/30/24)	\$5,493,066.85
Net Deposits (Withdrawals)	\$0.00
Interest Earned	\$75,756.33
Ending Value (9/30/24)	\$5,568,823.18

	Current Yield as of 9/30/24
IntraFi Network Deposits	5.43%
Benchmark: S&P Rated Government Investment Pool Index	5.15%

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# 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

<b>Investment Balance</b> <b>Market Value (\$ in millions)</b>	<b>9/30/2023</b>	<b>12/31/2023</b>	<b>3/31/2024</b>	<b>6/30/2024</b>	<b>9/30/2024</b>
<b>Housing &amp; Auxiliary Facilities System</b>					
Construction Proceeds	8.4	5.4	4.8	2.9	1.0
Interest Sinking Fund	3.0	0.6	19.0	1.0	2.8
Debt Service Reserve	6.2	6.3	6.4	6.4	6.6
Total HAFS	17.6	12.3	30.1	10.4	10.5
<b>Medical Facilities System</b>					
<b>NOTE: The Medical Facilities System was dissolved effective 6/30/23.</b>					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-
Total MFS	-	-	-	-	-
<b>Certificates of Participation</b>					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-
Total COPS	-	-	-	-	-
Total Market Value of Portfolio	\$ 17.6	\$ 12.3	\$ 30.1	\$ 10.4	\$ 10.5
<b>Investment Balance</b> <b>Book Value (\$ in millions)</b>	\$ 17.7	\$ 12.4	\$ 30.1	\$ 10.4	\$ 10.4

*\*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

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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.

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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 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.

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## 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.