



Southern Illinois University

Quarterly Investment Report
December 31, 2021

Market Update

SUMMARY

- In Q4, U.S. economic conditions were characterized by: (1) a surge in COVID cases as the Omicron variant spread widely; (2) a sharply falling unemployment rate, rising wages, and near-record number of job openings; (3) stickier-than-expected inflation as pent-up consumer demand clashed with continued global supply chain disruptions amid a tight labor market and; (4) a pivot by the Fed to remove monetary accommodation more quickly, setting the stage for rate hikes to begin sooner than previously expected.
- The public health situation remained precarious with the emergence of the Omicron variant to COVID-19. The surge in new cases affected small businesses already challenged by labor shortages and rising prices due to supply chain challenges. The labor market continued to recover, with the unemployment rate falling to a cycle low, plentiful job opportunities and rising wages. Although the economy has largely rebounded from the pandemic-induced recession, the massive monetary and fiscal support from the Fed and Congress has triggered a multi-decade surge in inflation.
- While growth is forecast to remain above trend, the real challenge for 2022 is getting inflation down. Mounting inflationary pressures prompted accelerated tapering of bond purchases by the Fed and pulled forward expected rate hikes. Tapering is expected to be complete by mid-March followed by three rate hikes in 2022. The Fed may also let some of its \$8.7 trillion balance sheet roll off sometime later in the year.

ECONOMIC SNAPSHOT

- U.S. real GDP growth slowed sharply in Q3 to a modest 2.3%, well below the 6.5% growth rate in the first half of 2021. The lackluster growth reflected a slowdown in consumer spending as the Delta variant dampened confidence and behavior. Personal consumption grew at just 2% compared to the previous quarter's 12%. Nevertheless, economists predict a solid rebound for Q4, with the Atlanta Fed forecasting growth of over 6%.

ECONOMIC SNAPSHOT

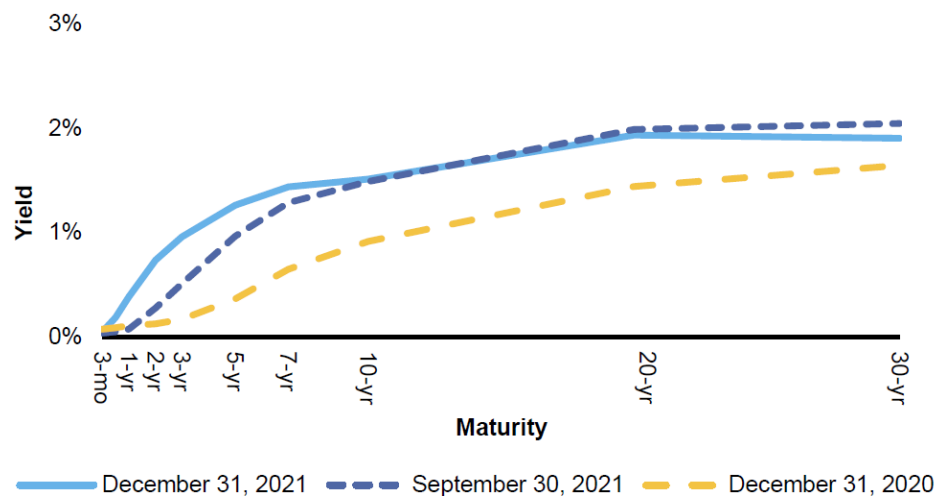
- The unemployment rate dropped to 3.9% in December, compared to the record low pre-pandemic level of 3.5%. In the past 50 years, unemployment has only been lower during the 22 months prior to the pandemic and for one month in 2000. Although the U.S. economy added a record 6.4 million jobs in 2021, overall employment remains below its pre-pandemic figure largely due to people dropping out of the labor force. This imbalance created a shortage of workers and kept pressure on wages as employers battle to attract and retain workers.
- Inflation was shockingly high, with the CPI reaching 7% year-over-year. Sharply higher prices for gasoline, heating oil and other energy products were most pronounced. New and used cars continued to show large price increases, but inflation became more widespread and persistent.
- Manufacturing and services activity chilled a bit with both the ISM Manufacturing and Non-Manufacturing PMI surveys pulling back at quarter end. Nonetheless, both indices remain well above the 50-point threshold indicating growth.
- Demand for homes remained exceptionally strong, but inventories are lean, leading to even higher prices. Higher prices amid higher mortgage rates will negatively affect affordability and present a headwind to further price increases. Existing home sales rose by 1.9% to a 6.46 million-unit annual rate in November, marking the third consecutive month of increases, while unseasonably mild weather helped boost housing starts by 12%. Bolstered by near-record-low inventories and high backlogs, home builder confidence is near an all-time high.

Market Update

INTEREST RATES

- U.S. Treasury yields generally rose in the quarter and the yield curve flattened, as short- to intermediate-term maturities increased between 30 and 40 bps, led higher by expectations for faster Fed rate hikes. Meanwhile, rate changes were more muted to modestly lower on the longer end of the curve, which reflected expectations for longer-term normalization of inflation and GDP growth. At quarter-end, the yield on a 3-month U.S. Treasury Bill stood at 0.03%, the 2-year note rose to 0.73%, the 5-year note climbed to 1.26%, the 10-year note increased to 1.51%, while the 30-year ended the quarter at 1.90%.
- As a result of yield changes over the quarter, U.S. Treasury returns were largely negative, except for the shortest and longest tenors. For example, the 3-month U.S. Treasury index returned 0.01% for the quarter and the 10-year U.S. Treasury index returned 0.75%. Meanwhile, those indexes representing the “belly” of the curve posted negative returns, with the 2-, 3-, and 5-year Treasury indices returning -0.51%, -0.85%, and -0.90%, respectively.

U.S. Treasury Yield Curve



Source: Bloomberg, as of 12/31/2021.

SECTOR PERFORMANCE

- Investment in non-government sectors was a modest detractor to portfolio performance in Q4 as yield spreads on most investment-grade (IG) fixed-income sectors widened off recent rock bottom levels. As a result, most IG spread sectors produced negative excess returns for Q4, underperforming similar-maturity Treasuries.
- Federal agencies were not immune to the broad spread widening experienced in Q4, generating slightly negative excess returns. Although callable yield spreads widened modestly over the quarter due to an uptick in volatility, spreads generally remained low. Non-callable agencies markedly outperformed their optionable counterparts.
- IG corporates slightly underperformed in Q4 after consistently being one of the top-performing sectors in prior quarters, as incremental spreads widened due to rising rates and the prospects for reduced monetary support from the Fed. As a result, IG corporates posted negative excess returns, with longer duration issues underperforming shorter ones. Underperformance was generally consistent across the quality ratings spectrum.
- Federal agency-backed mortgage-backed security (MBS) excess returns were generally negative across most collateral and coupon types except 15-year MBS pass-throughs. Conventional 15-year collateral generated modest outperformance, while 30-year collateral MBS and Agency CMBS underperformed. The Fed's announcement of accelerated asset purchase tapering and the looming balance sheet reduction in combination with slowing refinancing activity has weighed on the sector. It is likely to persist for at least the near term.

Summary of Operating Investments

Summary of Operating Investments

Market Value (\$ in millions)*

	12/31/2021
Illinois Funds	\$ 103.4
US Bank Commercial Paper Sweep	54.2
IntraFi Network Deposits	5.0
Subtotal Cash & Cash Equivalents	<u>\$ 162.6</u>
Short Term Portfolio	45.1
Intermediate Term Portfolio	<u>182.3</u>
Total Portfolio	<u><u>\$ 390.0</u></u>

Book Value (\$ in millions)

	<u>\$ 388.8</u>
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Current Yields (Annualized)

Illinois Funds	0.07%
US Bank Commercial Paper Sweep	0.01%
IntraFi Network Deposits	0.18%
Benchmark: S&P Rated Government Investment Pool Index	0.02%

Asset Allocation (\$ in millions)*

Sector	12/31/2021	
Money Market Mutual Funds	\$ 104.6	26.8%
U.S. Treasury Bonds/Notes	81.0	20.8%
Federal Agency Bonds/Notes	25.1	6.4%
Federal Agency Mortgage Backed Securities	23.5	6.0%
Federal Agency Commercial Mortgage Backed Securities	15.5	4.0%
Federal Agency Collateralized Mortgage Obligations	7.3	1.9%
Supra-National Agency Bonds/Notes	15.0	3.8%
Corporate Notes	13.3	3.4%
Commercial Paper	44.8	11.5%
Commercial Paper Sweep (US Bank)	54.2	13.9%
IntraFi Network Deposits	5.0	1.3%
Subtotal	<u>389.4</u>	<u>99.8%</u>
Accrued Interest	0.7	0.2%
Total	<u>\$ 390.0</u>	<u>100.0%</u>

Performance Summary (Total Return)**

	Current Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception
Short Term Portfolio	-	0.13%	1.28%	1.40%	-	1.38%
Benchmark: BofA Merrill Lynch 3-Month Treasury Bill Index	0.01%	0.05%	0.99%	1.14%	-	1.10%
Intermediate Term Portfolio	-0.82%	-1.54%	3.23%	2.51%	-	2.21%
Benchmark: Barclays Intermediate U.S. Govt. Securities	-0.58%	-1.69%	3.02%	2.32%	-	2.04%

*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

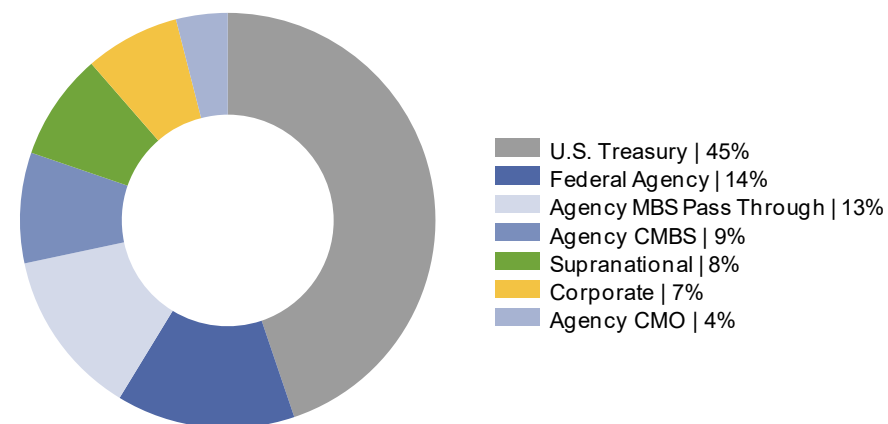
- The University's Intermediate Term portfolio is actively managed by PFM Asset Management, LLC. PFMAM seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and are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

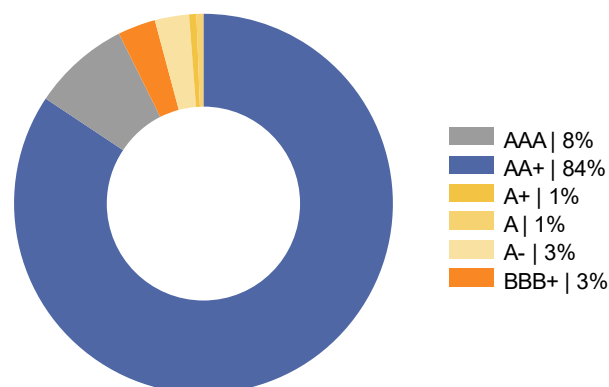
Portfolio Statistics

Total Market Value	\$182,250,885.81
Portfolio Effective Duration	3.85 years
Benchmark Effective Duration	3.98 years
Yield At Cost	1.84%
Yield At Market	1.59%
Portfolio Credit Quality	AA

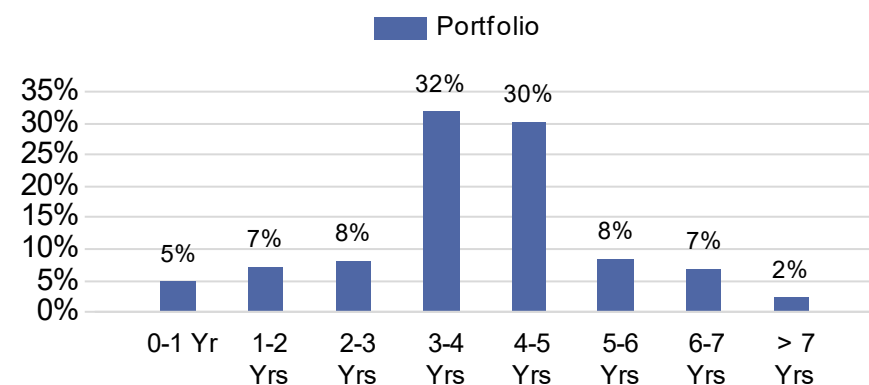
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. 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

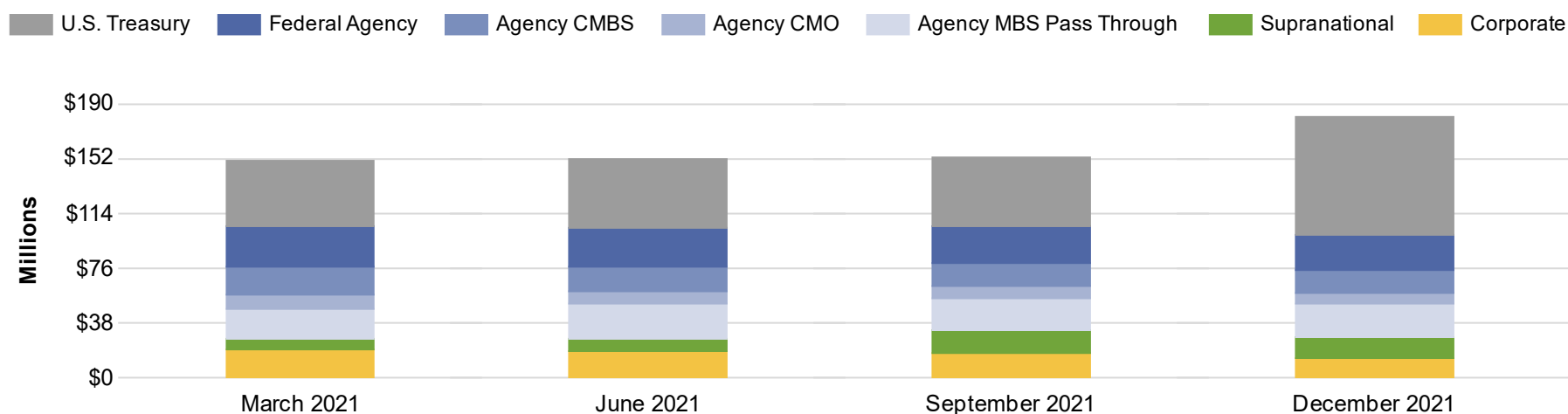
Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	44.8%	
UNITED STATES TREASURY	44.8%	AA / Aaa / AAA
Federal Agency	13.9%	
AGENCY FOR INTERNATIONAL DEVELOPMENT	1.2%	AA / Aaa / NR
FANNIE MAE	7.1%	AA / Aaa / AAA
FREDDIE MAC	2.4%	AA / Aaa / AAA
TENNESSEE VALLEY AUTHORITY	3.1%	AA / Aaa / AAA
Agency CMBS	8.6%	
FANNIE MAE	0.6%	AA / Aaa / AAA
FREDDIE MAC	8.0%	AA / Aaa / AAA
Agency CMO	4.0%	
FANNIE MAE	1.1%	AA / Aaa / AAA
FREDDIE MAC	2.4%	AA / Aaa / AAA
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	0.5%	AA / Aaa / AAA
Agency MBS Pass Through	13.0%	
FANNIE MAE	9.9%	AA / Aaa / AAA
FREDDIE MAC	2.9%	AA / Aaa / AAA
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	0.2%	AA / Aaa / AAA
Supranational	8.3%	
AFRICAN DEVELOPMENT BANK	2.0%	AAA / Aaa / AAA
ASIAN DEVELOPMENT BANK	0.4%	AAA / Aaa / AAA
INTER-AMERICAN DEVELOPMENT BANK	2.5%	AAA / Aaa / AAA
INTERNATIONAL FINANCE CORPORATION	0.8%	AAA / Aaa / NR
INTL BANK OF RECONSTRUCTION AND DEV	2.6%	AAA / Aaa / AAA

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	7.4%	
AMERICAN EXPRESS CO	0.8%	BBB / A / A
AMERICAN HONDA FINANCE	0.8%	A / A / A
CATERPILLAR INC	0.6%	A / A / A
CITIGROUP INC	0.8%	BBB / A / A
JP MORGAN CHASE & CO	1.2%	A / A / AA
MORGAN STANLEY	0.8%	BBB / A / A
TOYOTA MOTOR CORP	0.6%	A / A / A
TRUIST FIN CORP	0.8%	A / A / A
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. Excludes balances invested in money market funds.

Sector Allocation Review - SIU- INTERMEDIATE TERM

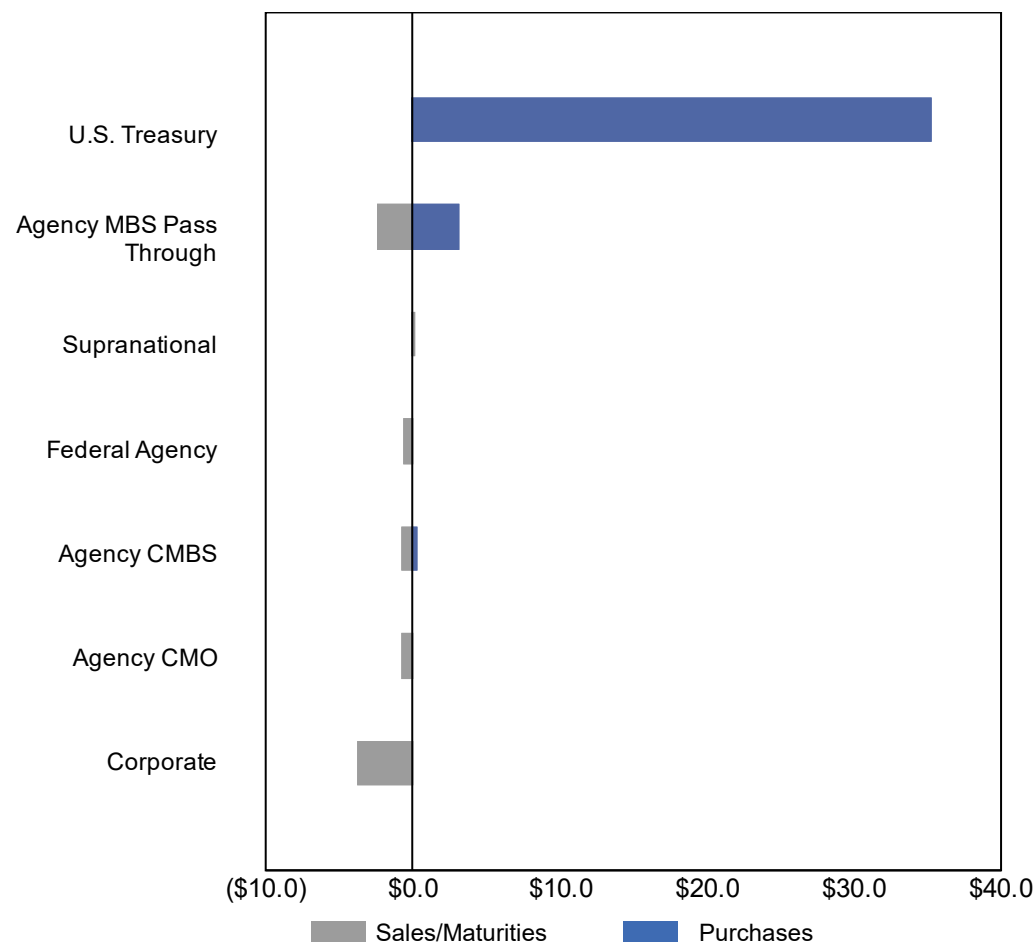
Security Type	Mar-21	% of Total	Jun-21	% of Total	Sep-21	% of Total	Dec-21	% of Total
U.S. Treasury	\$46.4	30.7%	\$47.7	31.3%	\$46.7	30.7%	\$81.0	44.8%
Federal Agency	\$27.4	18.1%	\$27.5	18.1%	\$26.0	17.0%	\$25.1	13.9%
Agency CMBS	\$19.2	12.7%	\$17.3	11.4%	\$16.4	10.7%	\$15.5	8.6%
Agency CMO	\$9.9	6.6%	\$8.9	5.8%	\$8.0	5.3%	\$7.3	4.0%
Agency MBS Pass Through	\$21.8	14.4%	\$23.7	15.6%	\$23.1	15.1%	\$23.5	13.0%
Supranational	\$6.9	4.6%	\$9.2	6.0%	\$15.3	10.0%	\$15.0	8.3%
Corporate	\$19.5	12.9%	\$18.0	11.8%	\$17.2	11.2%	\$13.3	7.4%
Total	\$152.9	100.0%	\$153.5	100.0%	\$153.5	100.0%	\$182.2	100.0%



Total market value row includes accrued interest and cash. Sector specific values do not include accrued interest. Detail may not add to total due to rounding.

Portfolio Activity - SIU- INTERMEDIATE TERM

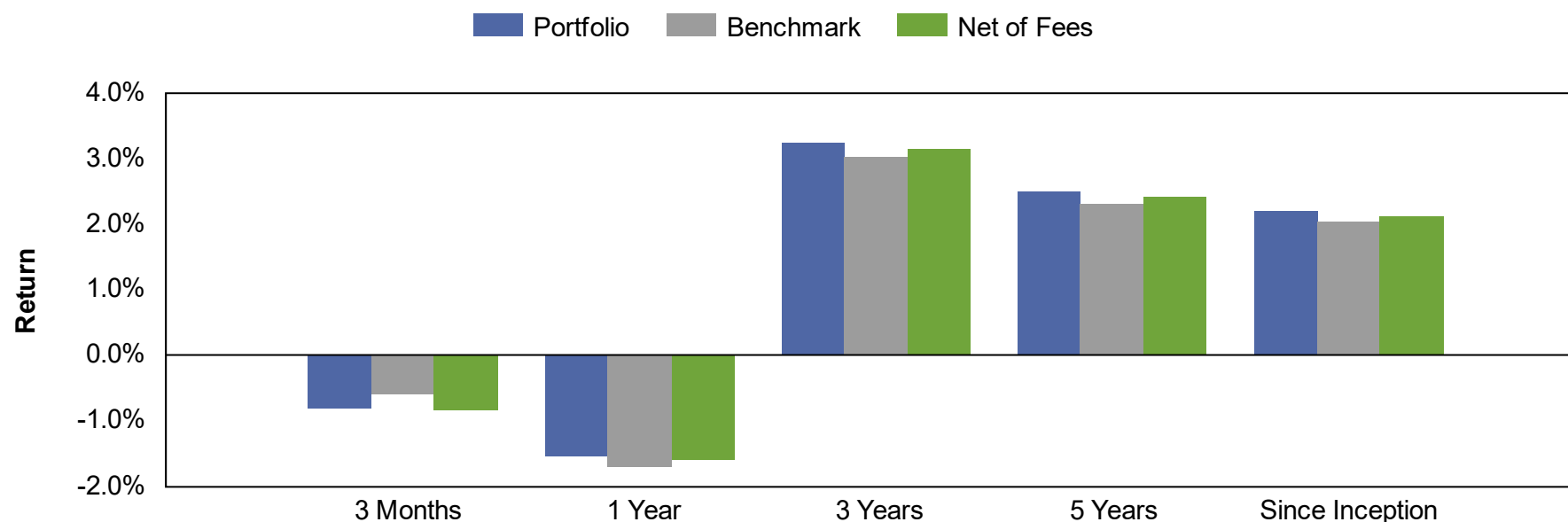
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$35,121,136
Agency MBS Pass Through	\$794,855
Supranational	(\$105,137)
Federal Agency	(\$527,341)
Agency CMBS	(\$576,269)
Agency CMO	(\$658,020)
Corporate	(\$3,745,983)
Total Net Activity	\$30,303,241

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	\$859,294	\$3,576,193	\$11,983,601	\$16,902,526	\$21,525,889
Change in Market Value	(\$2,130,747)	(\$5,943,882)	\$3,894,584	\$2,990,822	\$2,223,570
Total Dollar Return	(\$1,271,453)	(\$2,367,689)	\$15,878,185	\$19,893,348	\$23,749,459
Total Return³					
Portfolio	-0.82%	-1.54%	3.23%	2.51%	2.21%
Benchmark ⁴	-0.58%	-1.69%	3.02%	2.32%	2.04%
Basis Point Fee	0.02%	0.07%	0.07%	0.07%	0.07%
Net of Fee Return	-0.83%	-1.61%	3.16%	2.44%	2.13%

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.

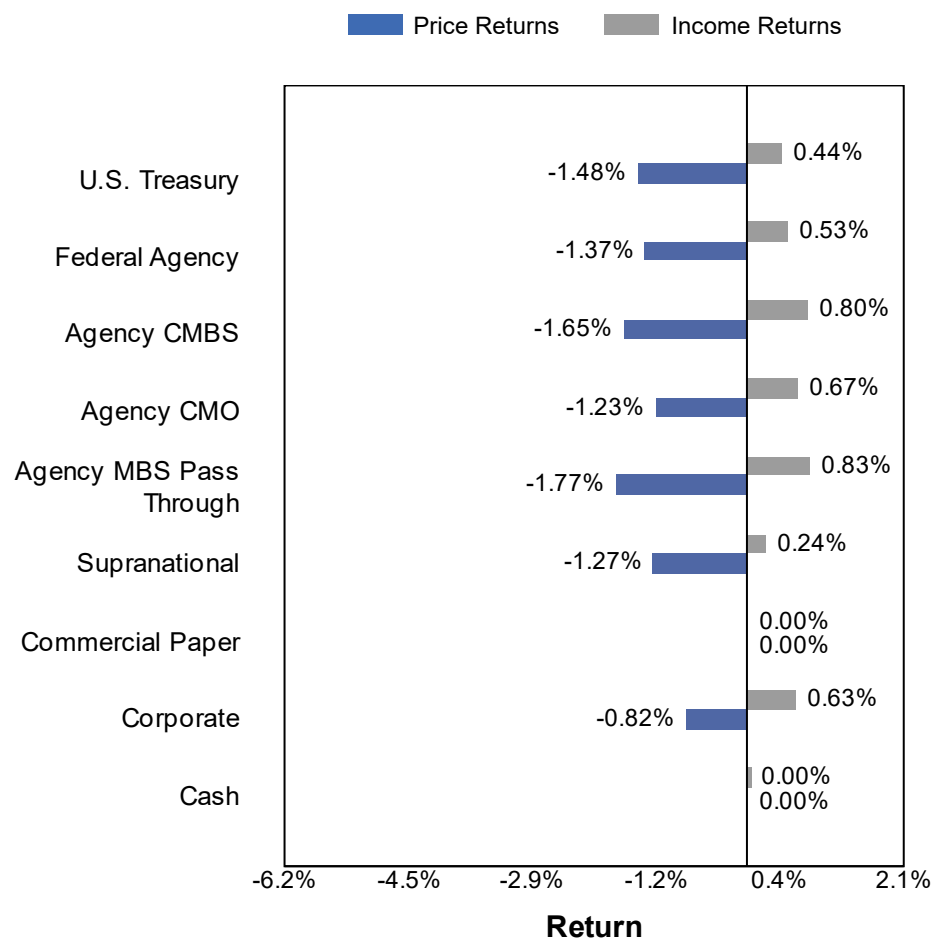
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

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.

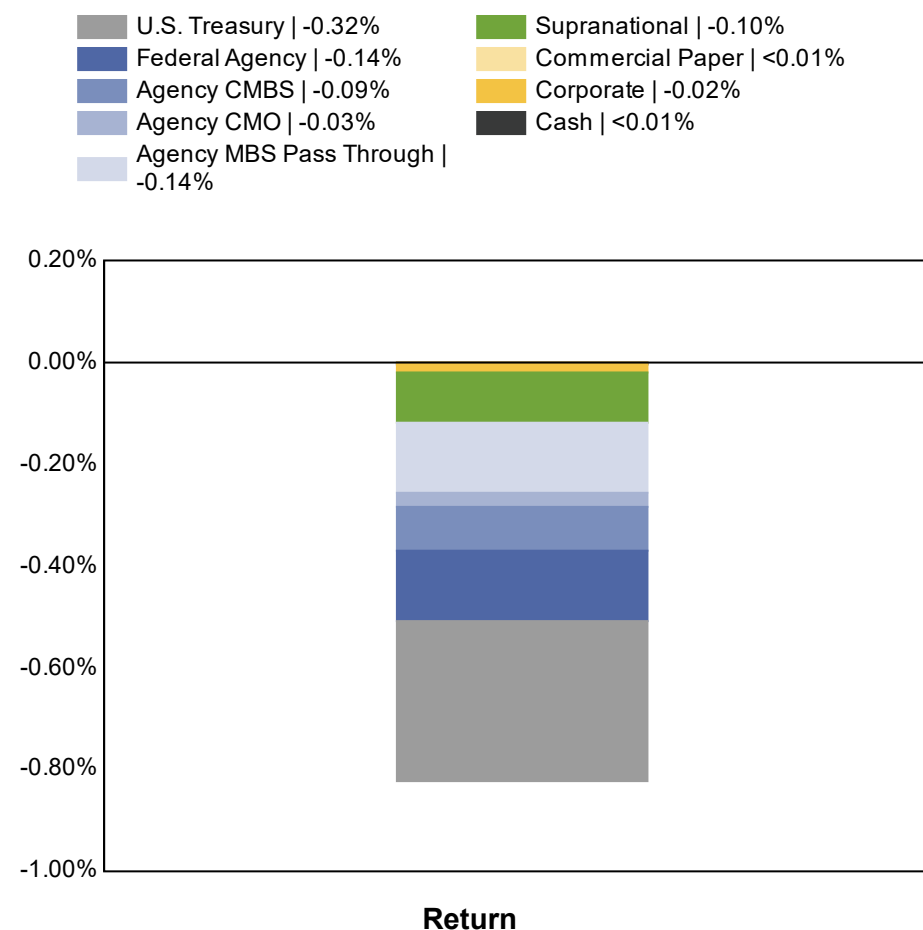
4. The portfolio's benchmark is Bloomberg Barclays Intermediate U.S. Government Index. Source: Bloomberg.

Quarterly Sector Performance

Total Return by Sector

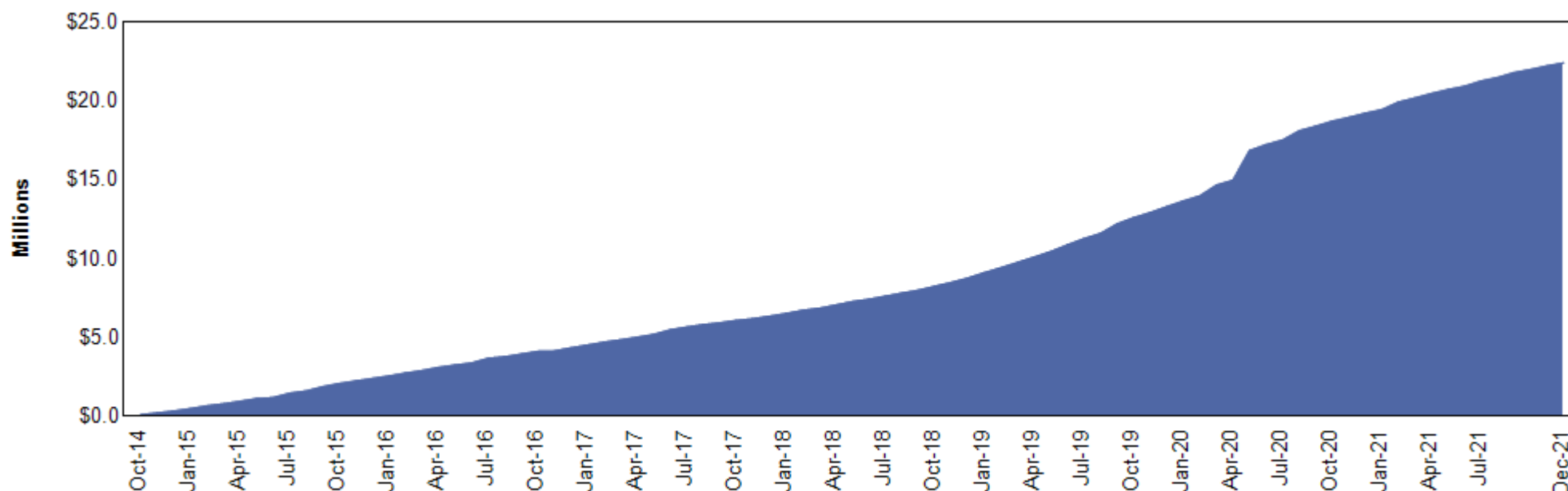


Contribution to Total Return



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
Interest Earned	\$859,302	\$3,576,201	\$11,983,609	\$16,902,534	\$21,525,897
Realized Gains / (Losses)	\$28,567	\$671,296	\$3,622,172	\$3,402,871	\$3,775,116
Change in Amortized Cost	(\$272,609)	(\$1,059,706)	(\$1,977,957)	(\$2,247,234)	(\$2,894,391)
Total Earnings	\$615,260	\$3,187,791	\$13,627,824	\$18,058,171	\$22,406,622

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.

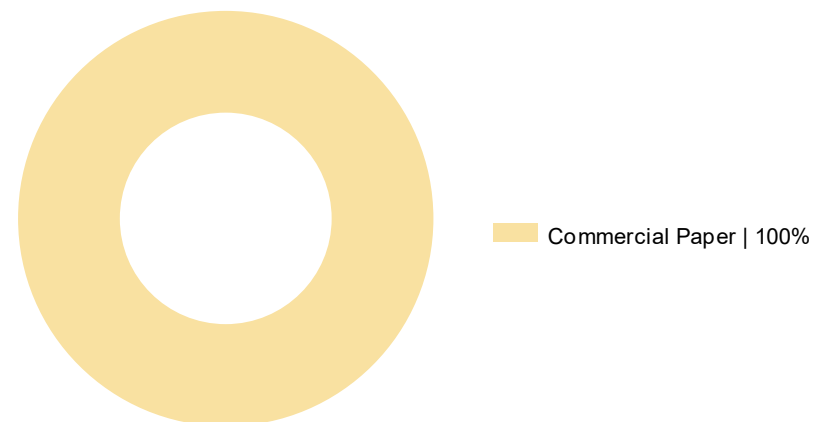
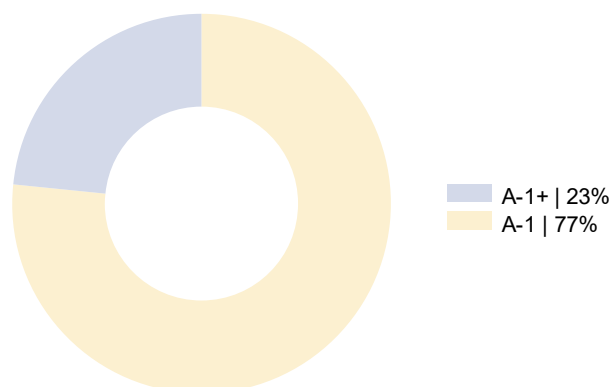
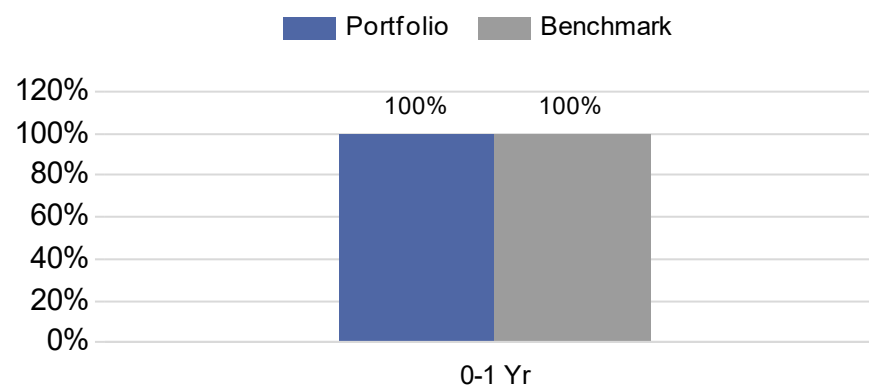
SIU - Short Term Portfolio

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	\$45,144,301.48
Portfolio Effective Duration	0.46 years
Benchmark Effective Duration	0.15 years
Yield At Cost	0.19%
Yield At Market	0.31%
Portfolio Credit Quality	A

Sector Allocation**Credit Quality - S&P****Duration Distribution**

1. The portfolio's benchmark is the ICE BofAML 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.

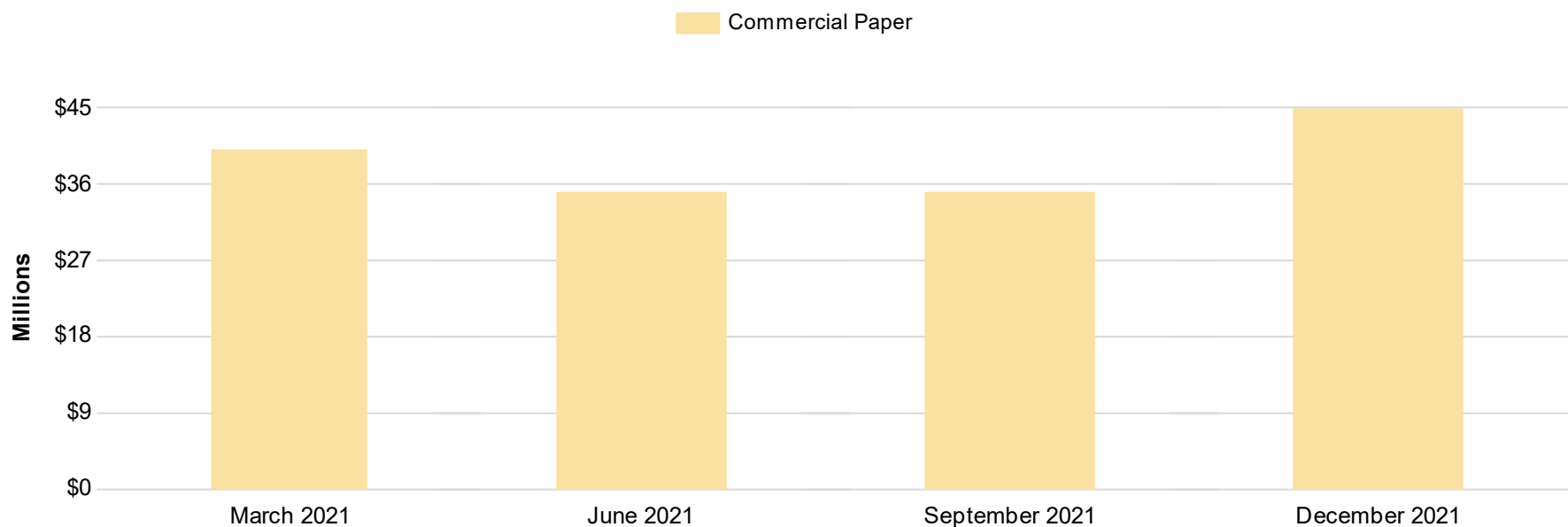
Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Commercial Paper	100.0%	
ABN AMRO BANK	11.1%	A / Aa / A
COLLAT COMM PAPER FLEX CO	2.2%	A / Aa / AA
CREDIT SUISSE GROUP RK	11.1%	A / Aa / A
ING GROEP NV	5.3%	A / Aa / NR
LMA AMERICAS LLC	8.9%	A / Aa / A
MANHATTAN ASSET FUNDING CO LLC	11.1%	A / Aa / NR
MITSUBISHI UFJ FINANCIAL GROUP INC	8.9%	A / Aa / A
NATIXIS NY BRANCH	8.9%	A / Aa / A
RIDGEFIELD FUNDNG CO LLC	8.9%	A / Aa / A
ROYAL BANK OF CANADA	8.9%	AA / Aa / AA
TORONTO-DOMINION BANK	6.7%	AA / Aa / NR
TOYOTA MOTOR CORP	7.8%	AA / 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. Excludes balances invested in money market funds.

Sector Allocation Review - SIU- SHORT TERM FUND

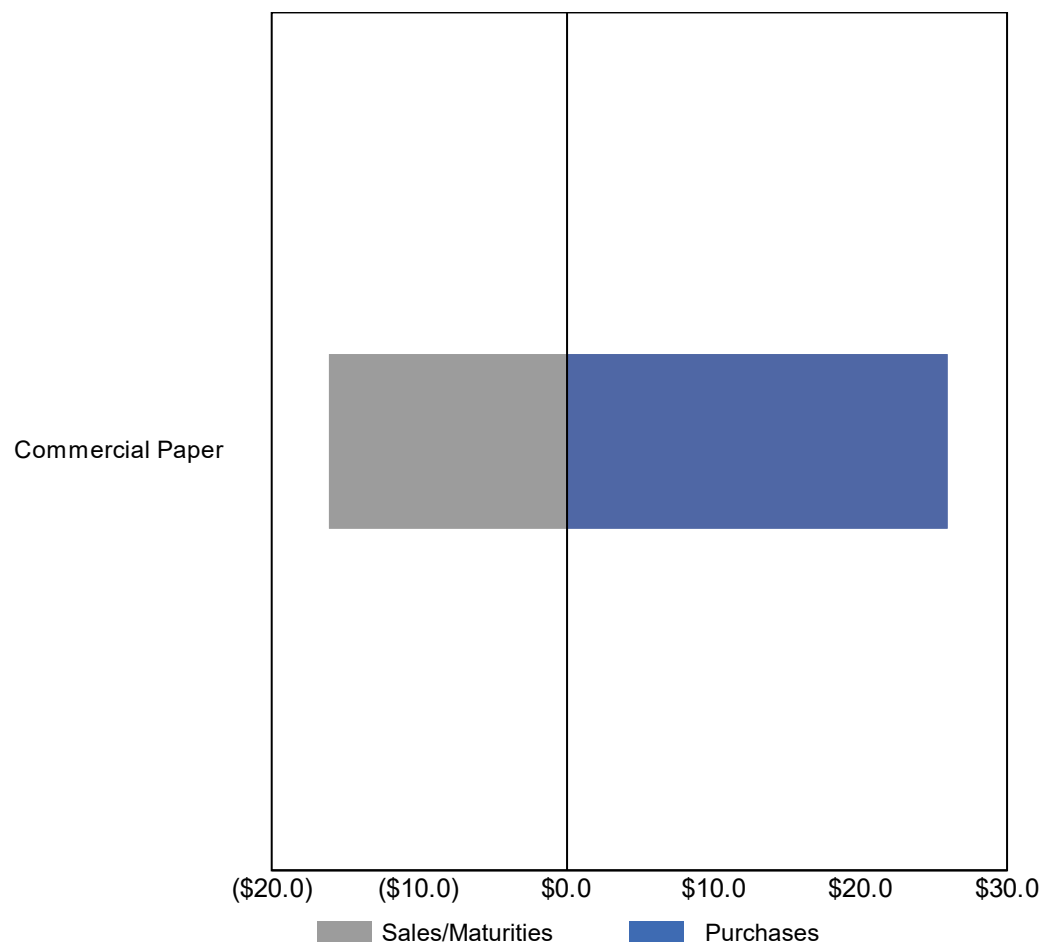
Security Type	Mar-21	% of Total	Jun-21	% of Total	Sep-21	% of Total	Dec-21	% of Total
Commercial Paper	\$40.0	100.0%	\$35.0	100.0%	\$35.0	100.0%	\$44.8	100.0%
Total	\$40.1	100.0%	\$35.1	100.0%	\$35.1	100.0%	\$45.1	100.0%



Total market value row includes *accrued interest* and cash. Sector specific values do not include *accrued interest*. Detail may not add to total due to rounding.

Portfolio Activity - SIU- SHORT TERM FUND

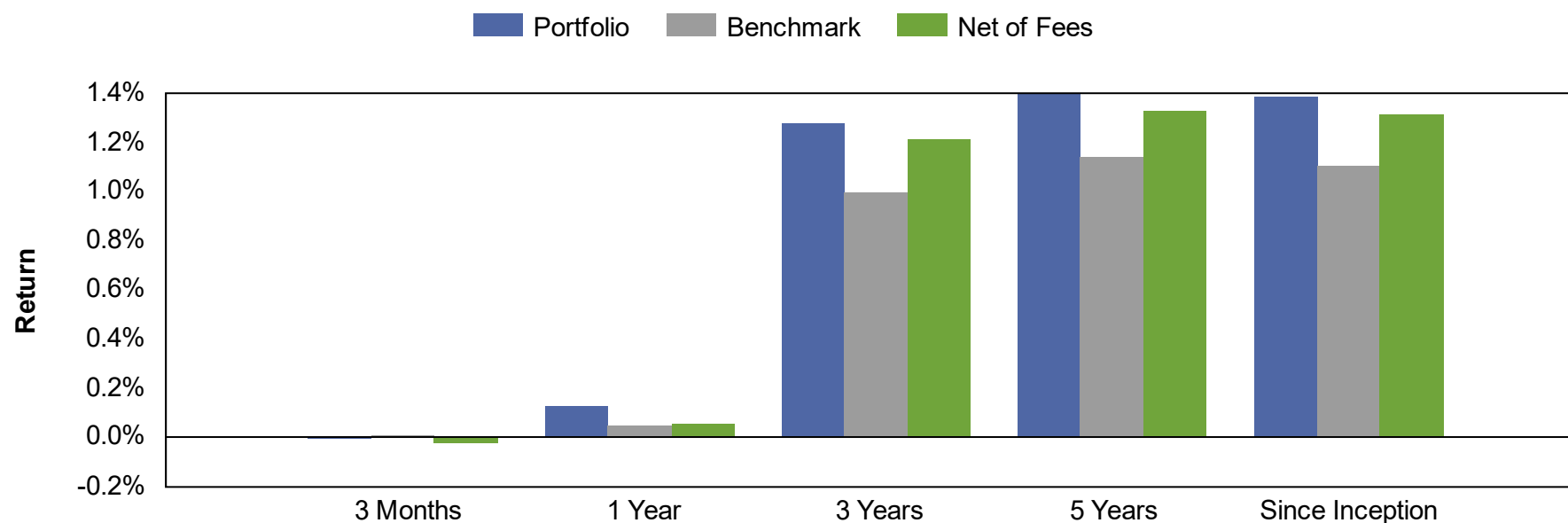
Net Activity by Sector (\$ millions)



Sector	Net Activity
Commercial Paper	\$9,858,192
Total Net Activity	\$9,858,192

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	\$63	\$161	\$101,298	\$415,336	\$415,753
Change in Market Value	(\$816)	\$41,579	\$1,065,219	\$2,607,700	\$2,733,542
Total Dollar Return	(\$753)	\$41,740	\$1,166,517	\$3,023,036	\$3,149,295
Total Return³					
Portfolio	0.00%	0.13%	1.28%	1.40%	1.38%
Benchmark ⁴	0.01%	0.05%	0.99%	1.14%	1.10%
Basis Point Fee	0.02%	0.07%	0.07%	0.07%	0.07%
Net of Fee Return	-0.02%	0.06%	1.21%	1.33%	1.31%

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.

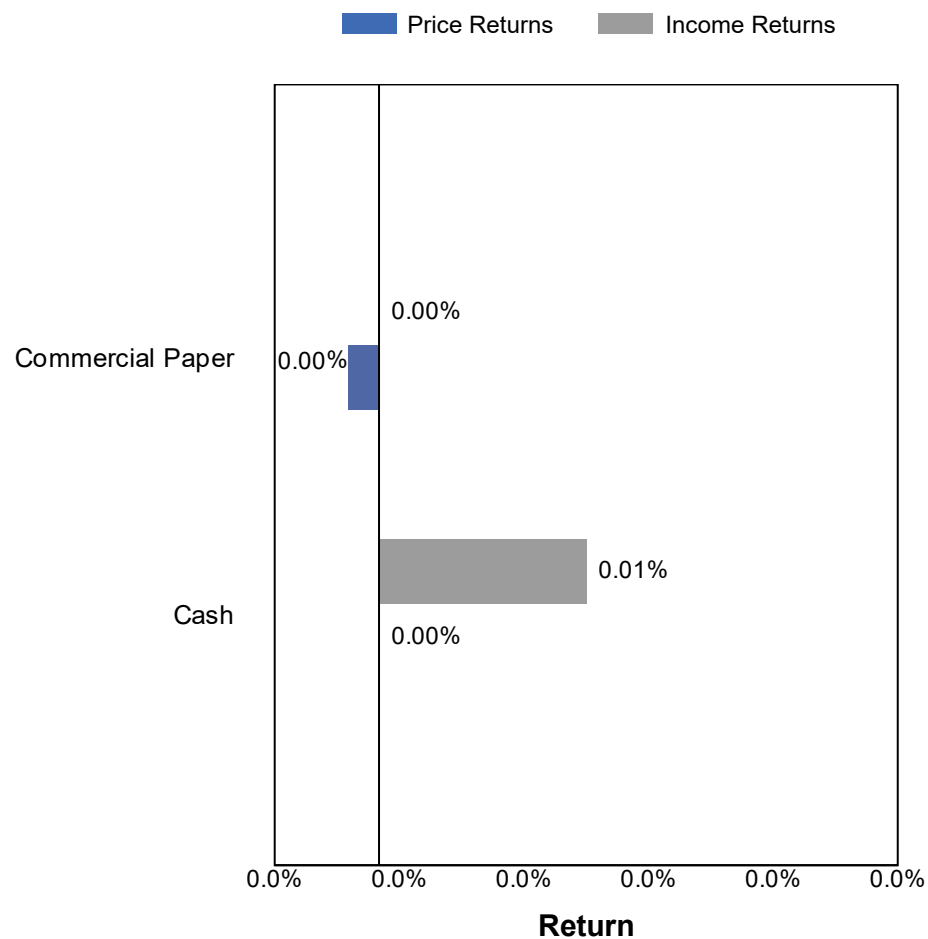
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

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.

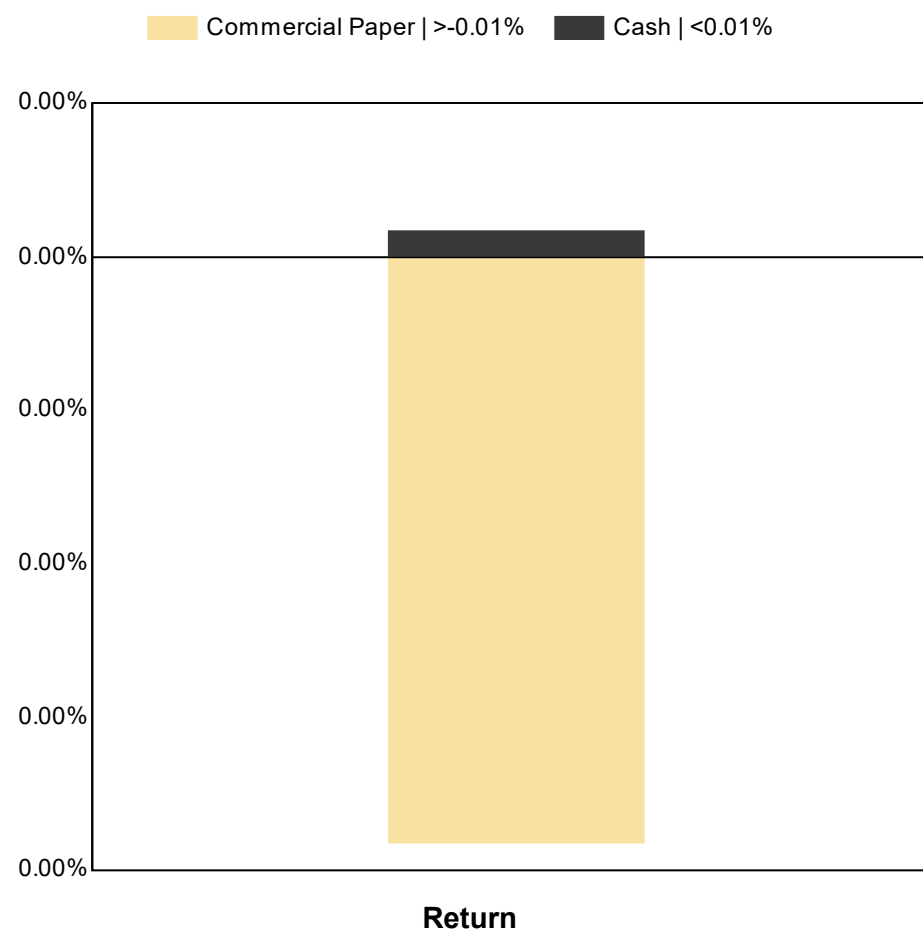
4. The portfolio's benchmark is the ICE BofAML 3 Month U.S. Treasury Index. Source: Bloomberg.

Quarterly Sector Performance

Total Return by Sector

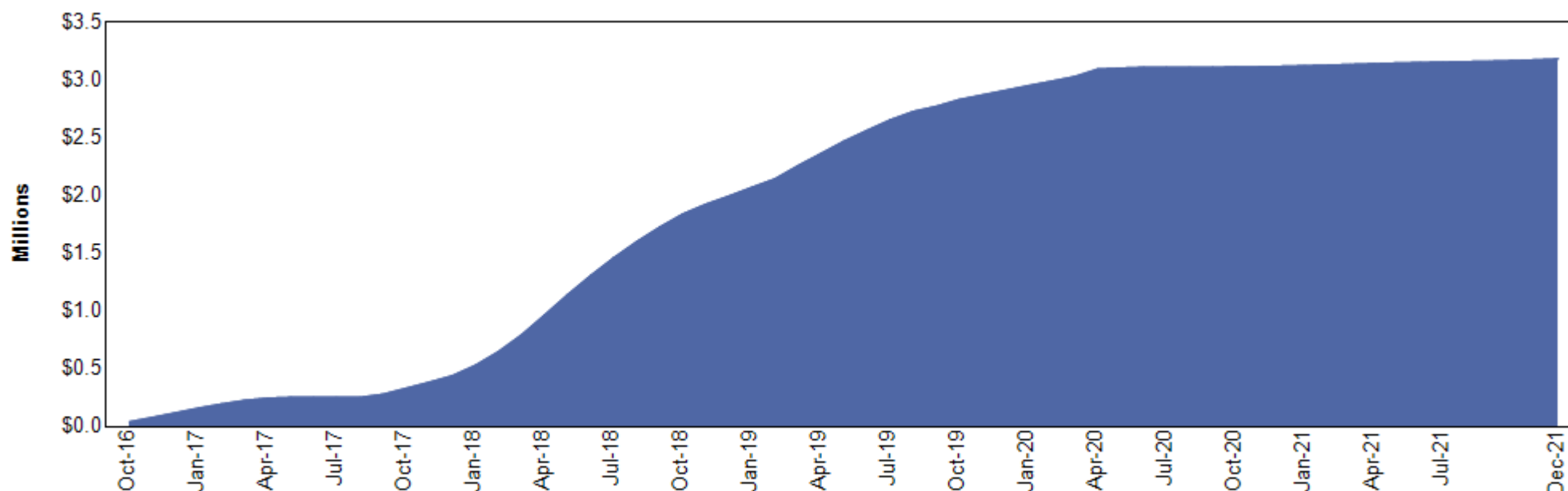


Contribution to Total Return



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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- SHORT TERM FUND



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception
Interest Earned	\$63	\$161	\$101,298	\$415,336	\$415,753
Realized Gains / (Losses)	-	-	\$36,577	\$36,637	\$36,637
Change in Amortized Cost	\$19,450	\$63,463	\$1,048,696	\$2,610,125	\$2,728,059
Total Earnings	\$19,513	\$63,624	\$1,186,571	\$3,062,097	\$3,180,449

1. The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2016.
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3. Realized gains / (losses) are shown on an amortized cost basis.

Illinois Funds

Investment Approach

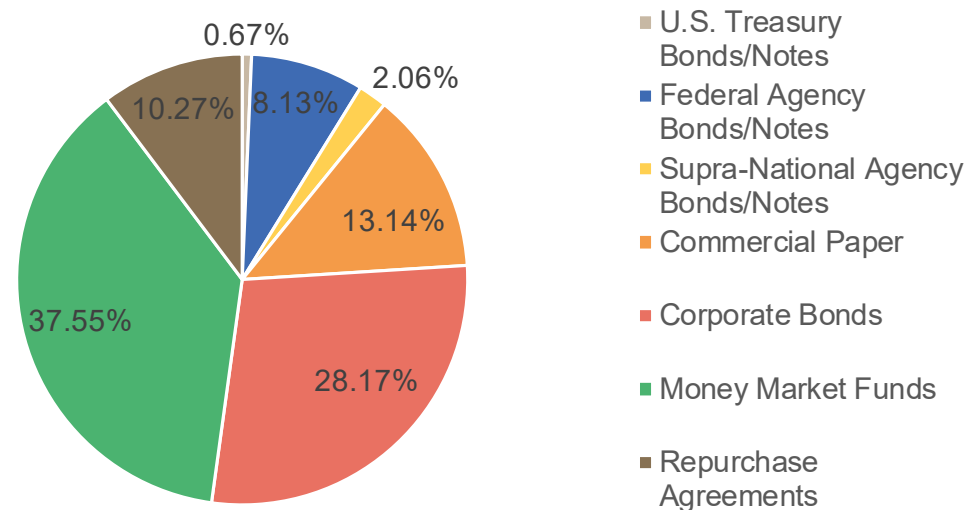
- The Illinois Funds is a Local Government Investment Pool (LGIP) operated by the Illinois State Treasurer's Office. The Illinois Funds strives to provide an inexpensive investment vehicle that features safety, daily liquidity and yield for Illinois public funds programs. The fund is managed by the Office of the State Treasurer in Springfield, Illinois, and contained a combined \$11.2 billion in total assets as of December 31, 2021. The fund is currently rated AAAm by Standard & Poor's.

Illinois Funds Account Overview

Illinois Funds	
Beginning Value (9/30/2021)	\$121,983,479.76
Net Deposits (Withdrawals)	(\$18,564,842.86)
Interest Earned	\$11,068.08
Ending Value (12/31/21)	\$103,429,704.98

	Current Yield as of 12/31/21
Illinois Funds	0.07%
Benchmark: S&P Rated Government Investment Pool Index	0.02%

**Illinois Funds
Sector Allocation
as of December 31, 2021**



Weighted Average Maturity

59 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 (9/30/2021)	\$27,785,734.63
Net Deposits (Withdrawals)	\$26,411,908.42
Interest Earned	\$1,011.18
Ending Value (12/31/21)	\$54,198,654.23

	Current Yield as of 12/31/21
U.S. Bank Commercial Paper Sweep	0.01%
Benchmark: S&P Rated Government Investment Pool Index	0.02%

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 (9/30/2021)	\$5,007,202.81
Net Deposits (Withdrawals)	\$0.00
Interest Earned	\$2,271.78
Ending Value (12/31/21)	\$5,009,474.59

	Current Yield as of 12/31/21
IntraFi Network Deposits	0.18%
Benchmark: S&P Rated Government Investment Pool Index	0.02%

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)

	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021
Housing & Auxiliary Facilities System					
Construction Proceeds	0.1	-	-	-	-
Interest Sinking Fund	16.2	22.4	6.5	11.4	9.6
Debt Service Reserve	6.2	6.2	6.1	6.1	6.1
Total HAFS	22.4	28.6	12.7	17.5	15.7
Medical Facilities System					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	1.4	1.8	0.5	0.9	0.9
Debt Service Reserve	-	-	-	-	-
Total MFS	1.4	1.8	0.5	0.9	0.9
Certificates of Participation					
Construction Proceeds	2.2	0.4	-	-	-
Interest Sinking Fund	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-
Total COPS	2.2	0.4	-	-	-
Total Market Value of Portfolio	\$ 26.0	\$ 30.8	\$ 13.1	\$ 18.5	\$ 16.6

Investment Balance

Book Value (\$ in millions)

	\$ 26.0	\$ 30.8	\$ 13.1	\$ 18.4	\$ 16.6
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**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, US Bank Commercial Paper 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.