



Southern Illinois University

Quarterly Investment Report
March 31, 2022

Market Update

SUMMARY

- In Q1, U.S. economic conditions were characterized by: (1) persistent high inflation; (2) the Federal Reserve (Fed) kicking off a shift to tighter monetary policy; (3) rapidly rising interest rates; (4) elevated energy and commodity prices; (5) increased volatility and risk-off sentiment in credit and equity markets; (6) stronger than ever labor market.
- Just as Omicron's potential to impact the economy waned, geopolitical tensions in Ukraine dominated headlines, applying further pressure to an already fragile inflation narrative. Simultaneously, the macro focus on economic growth and continued recovery shifted from elevated virus infections to surging consumer prices. The U.S. Personal Consumption Expenditure Core Price Index, the Fed's preferred inflation measure, rose to a nearly four-decade high of 5.4% on a year-on-year basis in February, while the headline Consumer Price Index increased 8.5% year-over-year through March.
- On the heels of rising consumer prices, geopolitical uncertainty stemming from Russia's invasion of Ukraine has stoked risks for both hampering global economic growth and creating additional pressures on supply chains and commodity prices. While the U.S. is largely insulated from the direct conflict, the global impact on energy prices is undeniable, as Russia produces about 12% of global crude oil supplies. Europe's heavier dependence on Russian natural gas suggests that the EU's economy may face stiffer headwinds, ultimately dampening global growth in 2022 and beyond.
- As a result of surging inflation that proved not to be transitory, the Fed raised the overnight federal funds target rate to 0.25% in March 2022 for the first time since December 2018, underscoring the risk that inflation now poses to economic growth and stability. The Fed also forecasts as many as six more rate hikes this year. In addition, the Fed will likely begin reducing its balance sheet through a reduction in the reinvestment of maturities and principal payments on its nearly nine trillion holdings of Treasuries and agency mortgage-backed securities.

ECONOMIC SNAPSHOT

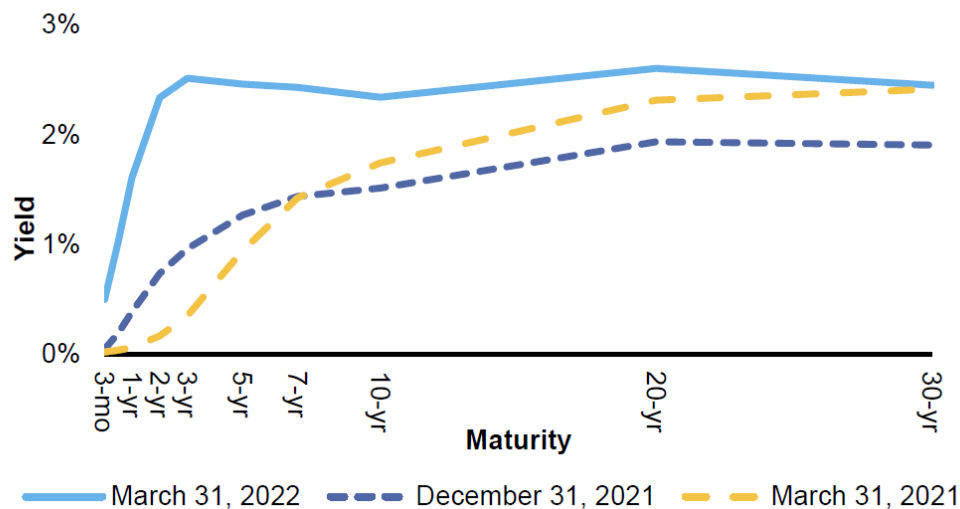
- Underneath the headlines, the American consumer remains in good standing with strong household balance sheets supporting consumer demand. The final reading for Q4 2021 GDP showed that the U.S. economy grew at an annualized growth rate of 6.9%. Given current conditions, economists forecast a large drop for Q1 2022 and more moderate growth for the year, around 3.2%. That path will depend, in part, on how well the economy can handle an aggressive series of rate hikes.
- The U.S. labor market remains a strength of the economy, adding 6.7 million new jobs in 2021 and another 1.7 million jobs in Q1. The unemployment rate returned to a pandemic-cycle low of 3.6%. At the same time, initial jobless claims fell to a 50-year low and 11.3 million jobs remain unfilled. Averaged 199,000 a week in December, figures that are firmly below the pre-pandemic average of 225,000. The labor force participation rate also improved steadily through the quarter, reaching a two-year high of 62.4.
- Manufacturing and services remained expansionary in Q1 and above five-year averages. On the housing front, sales of both new and existing homes remained strong and continued the decade-long improvement following the 2007-2008 housing crash. However, refinancing activity fell drastically in Q1 as mortgage rates increased noticeably, and more recent readings appear to be softening.

Market Update

INTEREST RATES

- U.S. Treasury yields rose meaningfully in Q1 on surging inflation data and growing expectations for multiple Fed rate hikes in 2022. Given their maturity horizon, two- and three-year yields were most impacted by the increased probability of future rate hikes, with both tenors increasing over 150 basis points (1.50%) during the quarter.
- Ten-year yields, which are more influenced by inflation expectations than Fed policy, increased 83 basis points, resulting in a briefly inverted yield curve between three- and ten-year maturities, suggesting markets expect inflation levels to ease over the longer run. Fed policy remains on a rate-hiking trajectory for the foreseeable future.
- As a result of sharply higher Treasury yields, fixed income indices posted some of the worst total returns dating back over 40 years. For example, the ICE BofA 1-, 5-, and 10-year U.S. Treasury indices returned -0.73%, -4.92% and -7.21%, respectively.

U.S. Treasury Yield Curve



Source: Bloomberg, as of 3/31/2022.

SECTOR PERFORMANCE

- Diversification away from U.S. Treasury securities generally detracted from fixed-income performance during Q1 as no sector was immune from spread widening caused by risk-off sentiment during the quarter.
- Investment-grade (IG) corporate credit spreads widened to a two-year wide in mid-March before partially retreating into quarter-end. Despite the late quarter retracement, IG corporate spreads remained elevated from a post-pandemic perspective. As a result, the corporate sector underperformed Treasuries in Q1, with lower quality bonds like those rated BBB performing worst. On the other hand, spreads now look attractive, assuming strong underlying fundamentals persist and the economy avoids a recession.
- Mortgage-backed securities (MBS) continued their trend of underperformance as rate increases and volatility impacted the sector more than others. As the Fed embarks on their tightening cycle and the reduction of the balance sheet, MBS have felt pressure from the combination of higher rates, slower prepayments (and therefore duration extensions), and demand concerns with the removal of the Fed as the larger price-insensitive purchaser for the past two years. The result was significant negative excess returns from the sector and continuing concerns for the balance of 2022.

Summary of Operating Investments

Summary of Operating Investments

Market Value (\$ in millions)*

	3/31/2022
Illinois Funds	\$ 87.1
US Bank Commercial Paper Sweep	19.4
IntraFi Network Deposits	5.0
Subtotal Cash & Cash Equivalents	<u>\$ 111.5</u>
Short Term Portfolio	90.0
Intermediate Term Portfolio	174.7
Total Portfolio	<u><u>\$ 376.2</u></u>

Book Value (\$ in millions)

	<u><u>\$ 383.8</u></u>
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Current Yields (Annualized)

Illinois Funds	0.28%
US Bank Commercial Paper Sweep	0.01%
IntraFi Network Deposits	0.18%
Benchmark: S&P Rated Government Investment Pool Index	0.07%

Asset Allocation (\$ in millions)*

Sector	3/31/2022	
Money Market Mutual Funds	\$ 88.1	23.4%
U.S. Treasury Bonds/Notes	90.7	24.1%
Federal Agency Bonds/Notes	23.8	6.3%
Federal Agency Mortgage Backed Securities	26.2	7.0%
Federal Agency Commercial Mortgage Backed Securities	13.7	3.6%
Federal Agency Collateralized Mortgage Obligations	6.3	1.7%
Supra-National Agency Bonds/Notes	16.0	4.2%
Corporate Notes	16.6	4.4%
Commercial Paper	69.8	18.6%
Commercial Paper Sweep (US Bank)	19.4	5.2%
IntraFi Network Deposits	5.0	1.3%
Subtotal	375.6	99.9%
Accrued Interest	0.6	0.1%
Total	\$ 376.2	100.0%

Performance Summary (Total Return)**

	Current Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception
Short Term Portfolio	-0.16%	-0.08%	0.98%	1.32%	-	1.29%
Benchmark: BofA Merrill Lynch 3-Month Treasury Bill Index	0.04%	0.06%	0.81%	1.13%	-	1.06%
Intermediate Term Portfolio	-4.13%	-4.48%	1.21%	1.52%	-	1.56%
Benchmark: Barclays Intermediate U.S. Govt. Securities	-4.19%	-4.16%	1.03%	1.34%	-	1.39%

*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

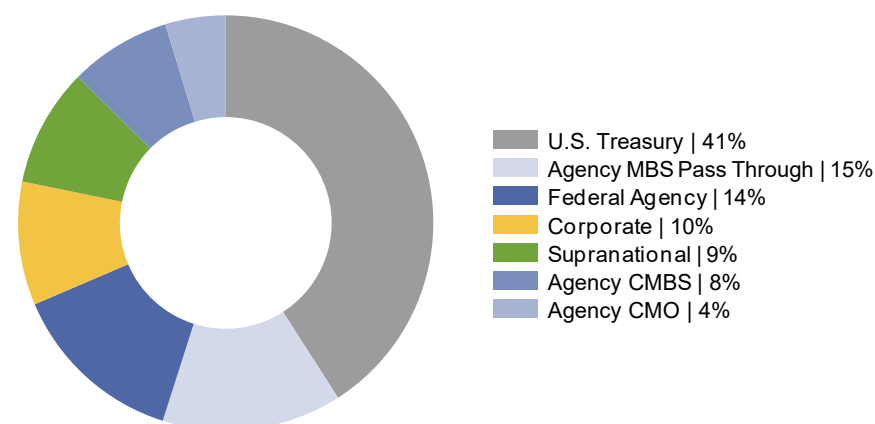
- The University's Intermediate Term portfolio is actively managed by PFM Asset Management, LLC. PFM seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and are therefore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

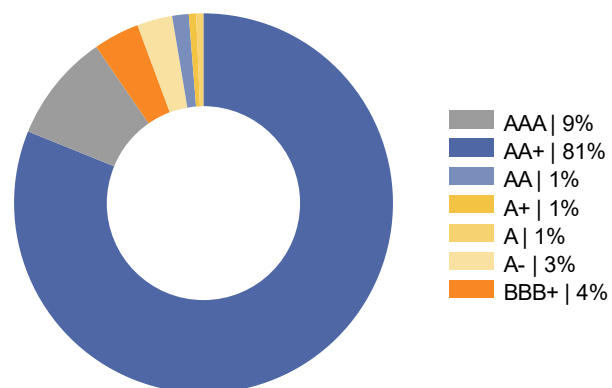
Portfolio Statistics

Total Market Value	\$174,699,727.56
Securities Sub-Total	\$173,315,892.30
Accrued Interest	\$551,863.56
Cash	\$831,971.70
Portfolio Effective Duration	3.82 years
Benchmark Effective Duration	3.90 years
Yield At Cost	1.82%
Yield At Market	2.67%
Portfolio Credit Quality	AA

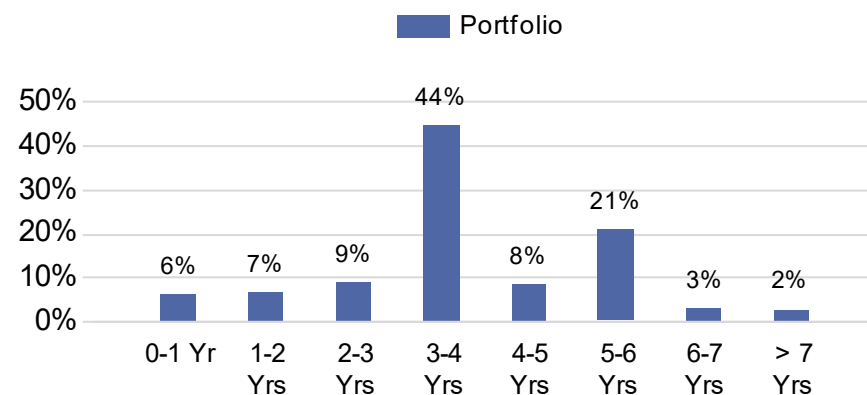
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interests. 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

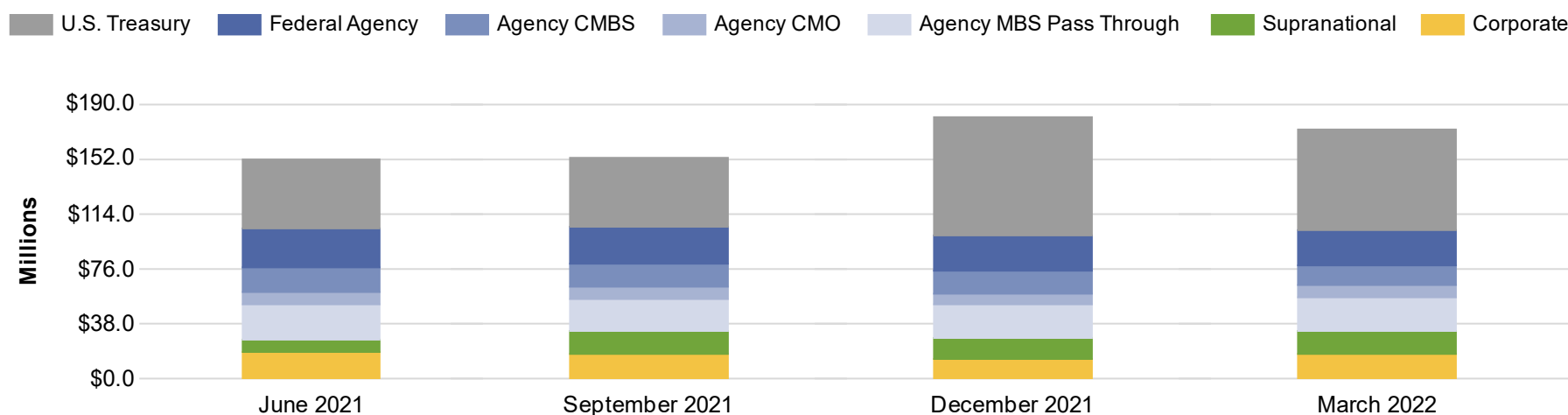
Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	40.8%	
UNITED STATES TREASURY	40.8%	AA / Aaa / AAA
Federal Agency	13.8%	
AGENCY FOR INTERNATIONAL DEVELOPMENT	1.2%	AA / Aaa / NR
FANNIE MAE	7.0%	AA / Aaa / AAA
FREDDIE MAC	2.4%	AA / Aaa / AAA
TENNESSEE VALLEY AUTHORITY	3.1%	AA / Aaa / AAA
Agency CMBS	3.7%	
FANNIE MAE	0.5%	AA / Aaa / AAA
FREDDIE MAC	7.3%	AA / Aaa / AAA
Agency CMO	4.7%	
FANNIE MAE	1.0%	AA / Aaa / AAA
FREDDIE MAC	3.3%	AA / Aaa / AAA
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	0.4%	AA / Aaa / AAA
Agency MBS Pass Through	15.1%	
FANNIE MAE	11.2%	AA / Aaa / AAA
FREDDIE MAC	2.6%	AA / Aaa / AAA
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	0.2%	AA / Aaa / AAA
Supranational	9.2%	
AFRICAN DEVELOPMENT BANK	2.0%	AAA / Aaa / AAA
ASIAN DEVELOPMENT BANK	0.4%	AAA / Aaa / AAA
INTER-AMERICAN DEVELOPMENT BANK	3.5%	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	9.6%	
AMERICAN EXPRESS CO	0.9%	BBB / A / A
AMERICAN HONDA FINANCE	0.9%	A / A / A
CATERPILLAR INC	0.6%	A / A / A
CITIGROUP INC	0.9%	BBB / A / A
GOLDMAN SACHS GROUP INC	0.7%	BBB / A / A
JP MORGAN CHASE & CO	1.3%	A / A / AA
MORGAN STANLEY	0.9%	BBB / A / A
Roche Holding AG	1.4%	AA / Aa / NR
TOYOTA MOTOR CORP	0.6%	A / A / A
TRUIST FIN CORP	0.9%	A / A / A
WELLS FARGO & COMPANY	0.6%	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.

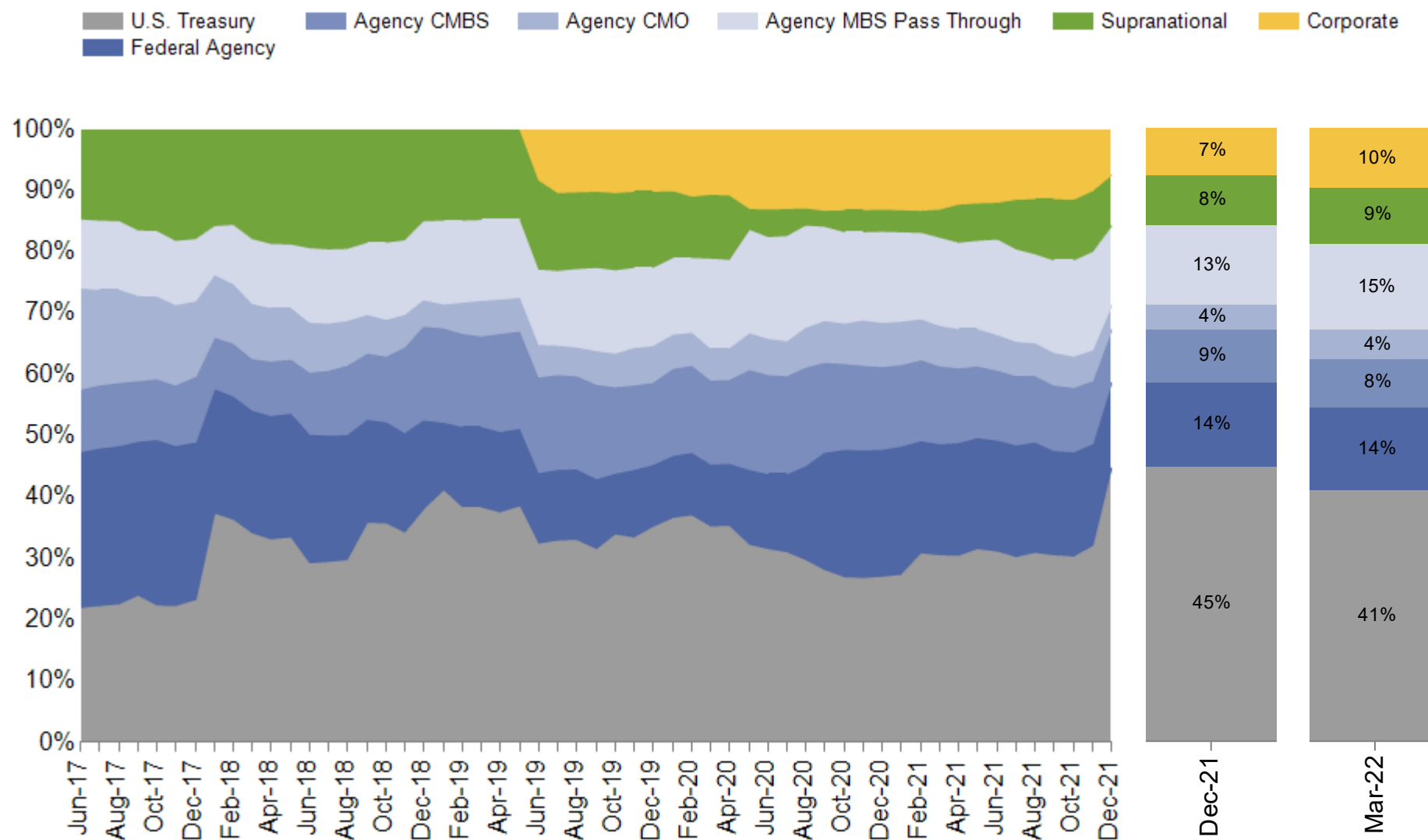
Sector Allocation Review - SIU- INTERMEDIATE TERM

Security Type	Jun-21	% of Total	Sep-21	% of Total	Dec-21	% of Total	Mar-22	% of Total
U.S. Treasury	\$47.7	31.3%	\$46.7	30.7%	\$81.0	44.8%	\$70.7	40.8%
Federal Agency	\$27.5	18.1%	\$26.0	17.0%	\$25.1	13.9%	\$23.8	13.7%
Agency CMBS	\$17.3	11.4%	\$16.4	10.7%	\$15.5	8.6%	\$13.7	7.9%
Agency CMO	\$8.9	5.8%	\$8.0	5.3%	\$7.3	4.0%	\$8.2	3.7%
Agency MBS Pass Through	\$23.7	15.6%	\$23.1	15.1%	\$23.5	13.0%	\$24.3	15.1%
Supranational	\$9.2	6.0%	\$15.3	10.0%	\$15.0	8.3%	\$16.0	9.2%
Corporate	\$18.0	11.8%	\$17.2	11.2%	\$13.3	7.4%	\$16.6	9.6%
Total	\$152.2	100.0%	\$152.6	100.0%	\$180.7	100.0%	\$173.3	100.0%



Market values, excluding accrued interest. Only includes investments held within the separately managed account(s), excludes cash held in funds not managed by PFMAM. Detail may not add to total due to rounding.

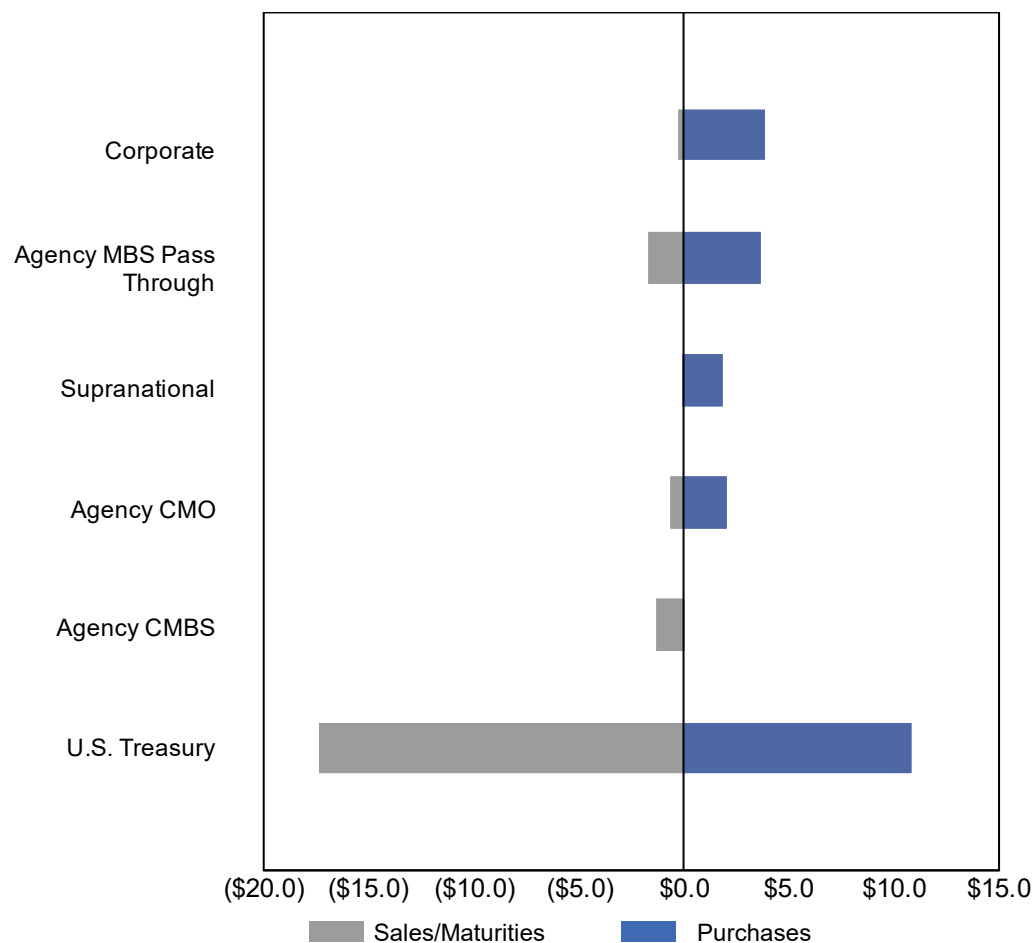
Historical Sector Allocation - SIU- INTERMEDIATE TERM



Only includes investments held within the separately managed account(s), excludes cash held in funds not managed by PFMAM.

Portfolio Activity - SIU- INTERMEDIATE TERM

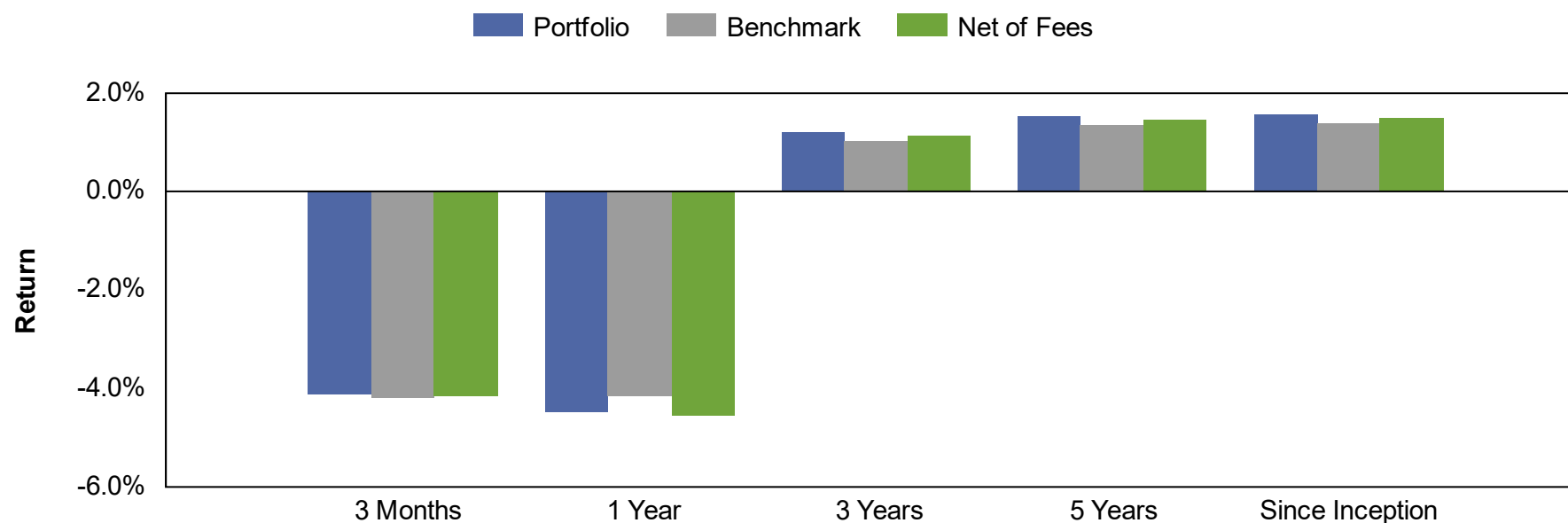
Net Activity by Sector
(\$ millions)



Sector	Net Activity
Corporate	\$3,519,454
Agency MBS Pass Through	\$1,981,261
Supranational	\$1,795,518
Agency CMO	\$1,349,754
Agency CMBS	(\$1,250,070)
U.S. Treasury	(\$6,563,425)
Total Net Activity	\$832,492

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	\$859,986	\$3,511,101	\$11,808,118	\$17,163,254	\$22,385,875
Change in Market Value	(\$8,381,180)	(\$11,576,588)	(\$6,169,913)	(\$5,488,822)	(\$6,157,609)
Total Dollar Return	(\$7,521,194)	(\$8,065,487)	\$5,638,205	\$11,674,432	\$16,228,266
Total Return³					
Portfolio	-4.13%	-4.48%	1.21%	1.52%	1.56%
Benchmark ⁴	-4.19%	-4.16%	1.03%	1.34%	1.39%
Basis Point Fee	0.02%	0.07%	0.07%	0.07%	0.07%
Net of Fee Return	-4.15%	-4.54%	1.14%	1.45%	1.49%

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.

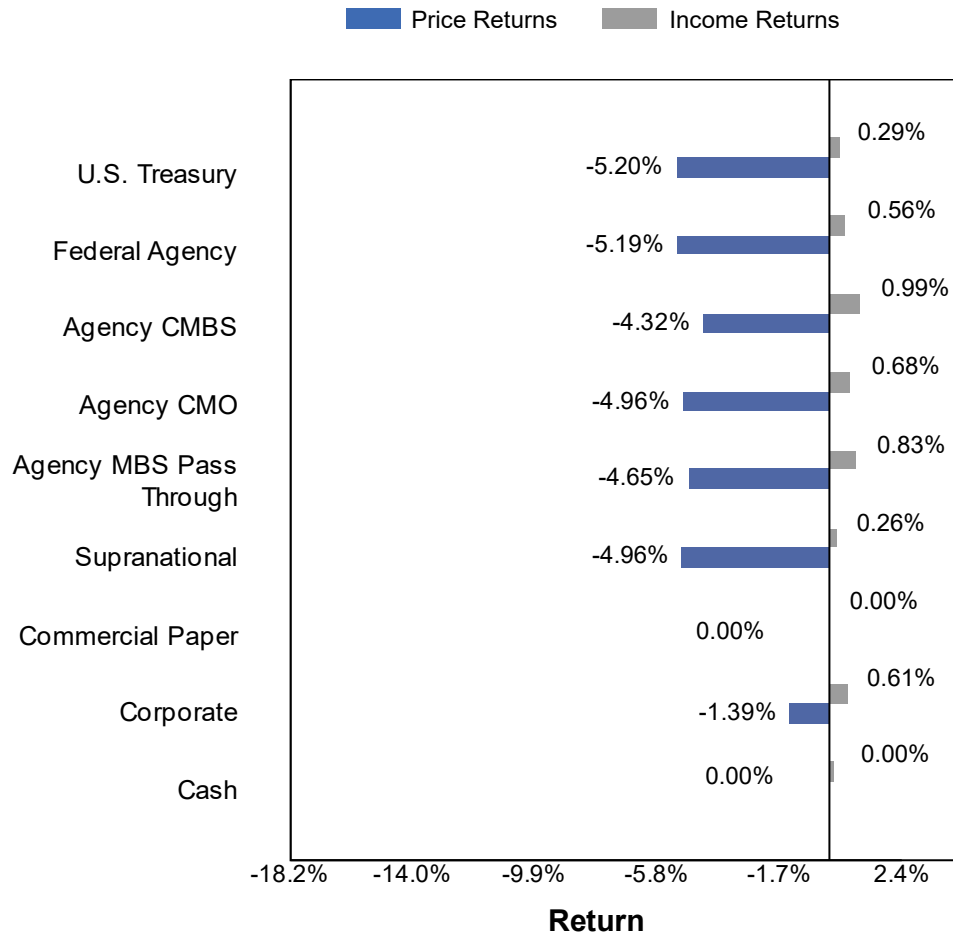
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

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.

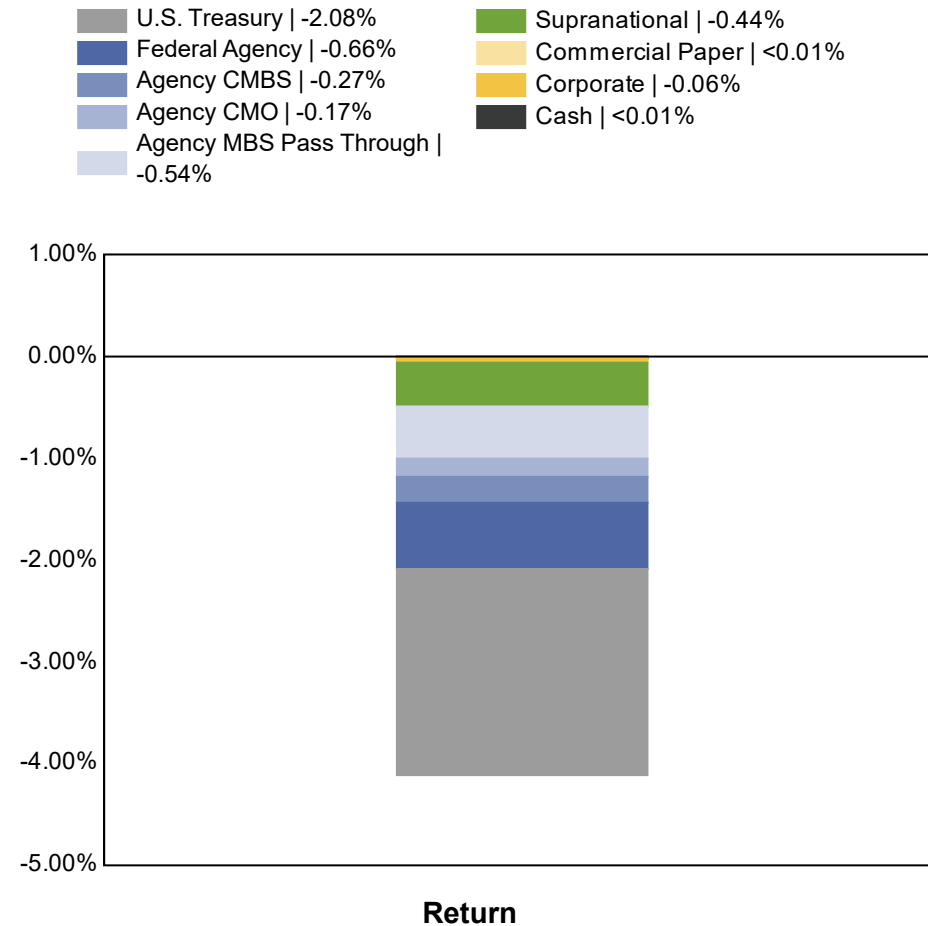
4. The portfolio's benchmark is Bloomberg Barclays Intermediate U.S. Government Index. Source: Bloomberg.

Quarterly Sector Performance

Total Return by Sector

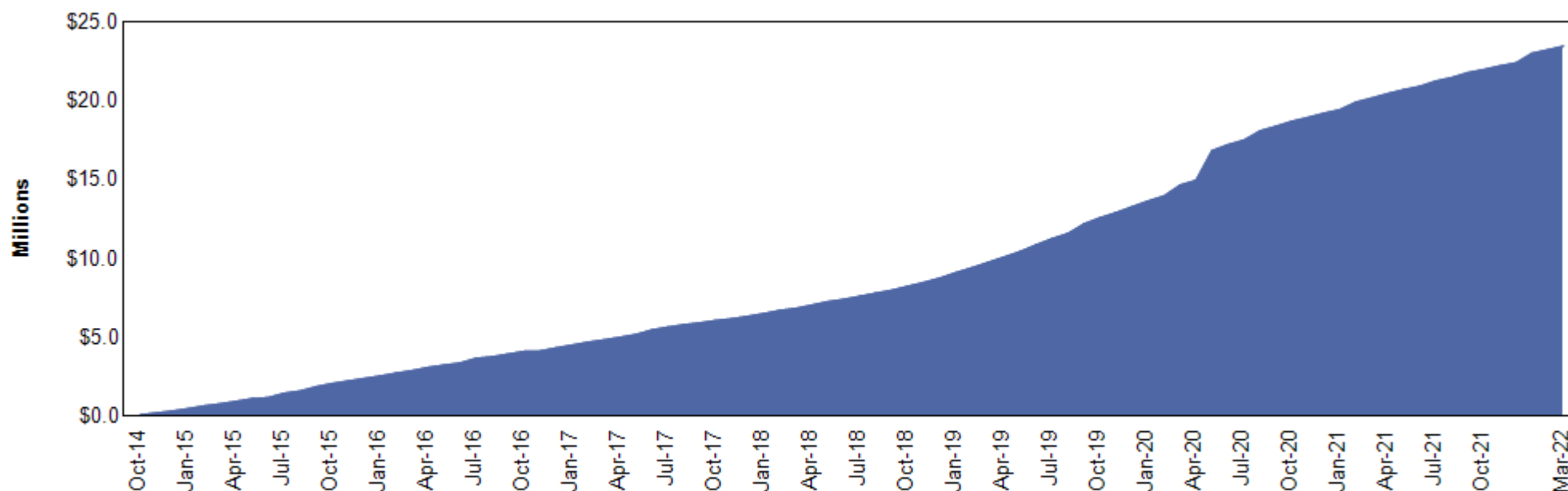


Contribution to Total Return



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	\$859,986	\$3,511,101	\$11,808,118	\$17,163,254	\$22,385,875
Realized Gains / (Losses) ³	\$362,714	\$763,373	\$4,038,864	\$3,796,383	\$4,150,043
Change in Amortized Cost	(\$155,848)	(\$980,897)	(\$2,140,334)	(\$2,345,229)	(\$3,062,773)
Total Earnings	\$1,066,852	\$3,293,578	\$13,706,648	\$18,614,408	\$23,473,145

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

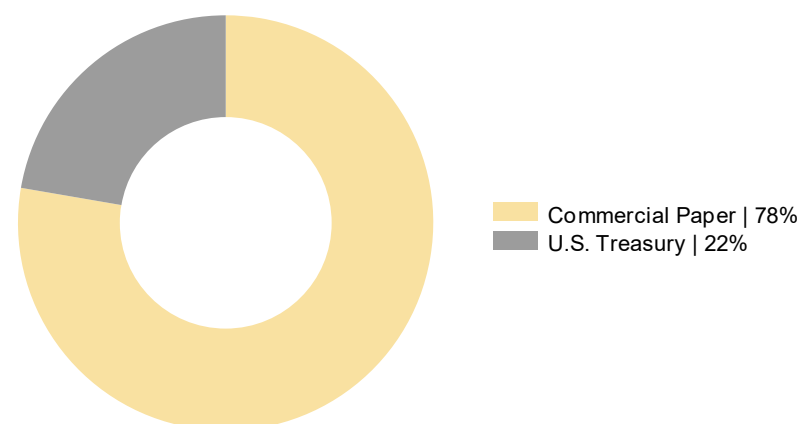
- The University's Short-Term portfolio is actively managed by PFM Asset Management, LLC. The short-term portfolio is structured to match the University's anticipated liquidity needs. The portfolio's duration typically ranges from 0 – 12 months, but is limited to a maximum maturity of 3 years. These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

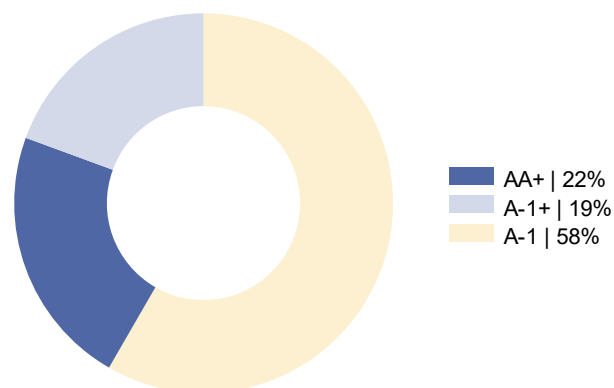
Portfolio Statistics

Total Market Value	\$89,994,892.13
Securities Sub-Total	\$89,864,622.35
Accrued Interest	\$546.54
Cash	\$129,723.24
Portfolio Effective Duration	0.37 years
Benchmark Effective Duration	0.15 years
Yield At Cost	0.38%
Yield At Market	1.07%
Portfolio Credit Quality	A

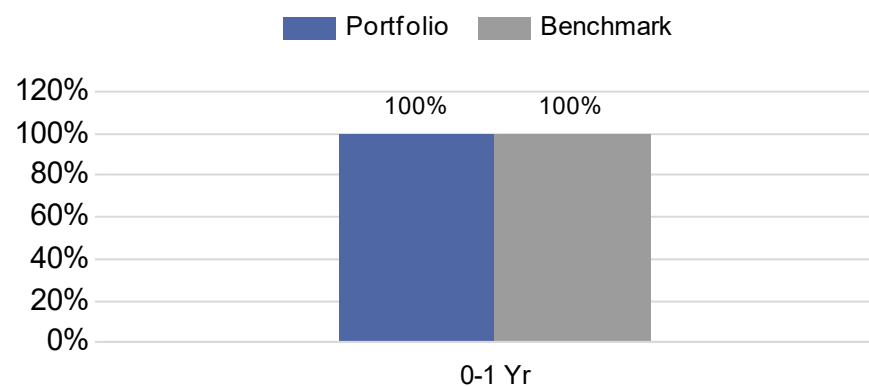
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interests. 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.

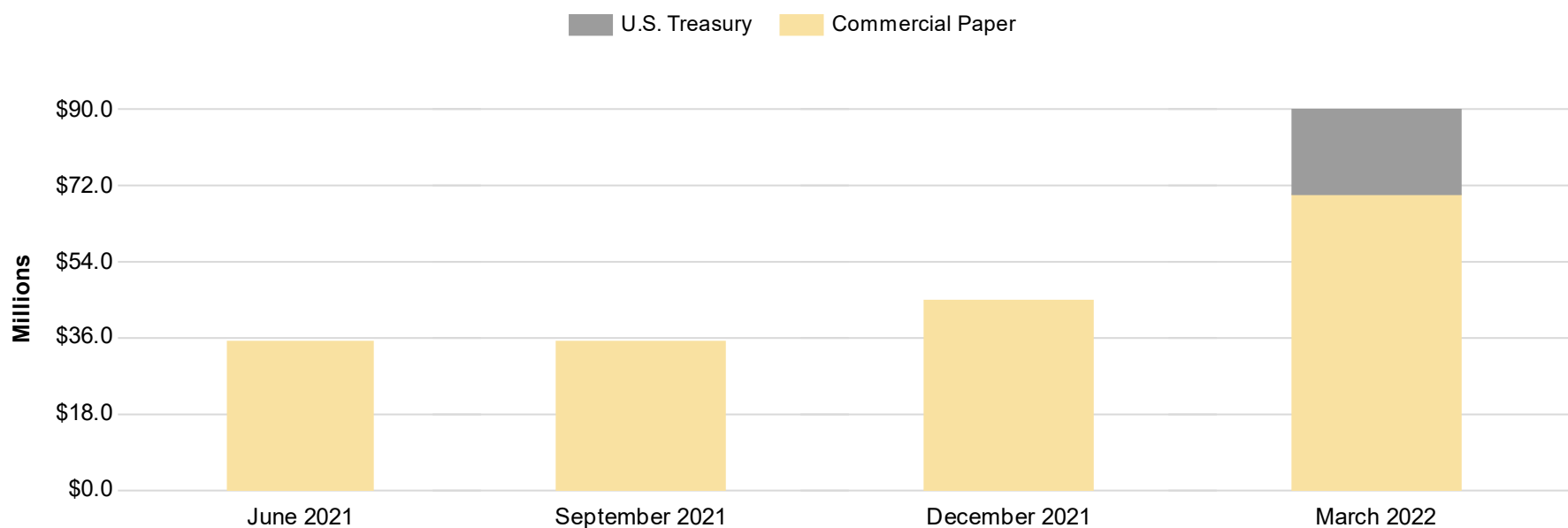
Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	22.3%	
UNITED STATES TREASURY	22.3%	AA / Aaa / AAA
Commercial Paper	77.7%	
ABN AMRO BANK	5.6%	A / Aa / A
BNP PARIBAS	3.3%	A / Aa / AA
COLLAT COMM PAPER FLEX CO	1.1%	A / Aa / AA
CREDIT SUISSE GROUP RK	7.8%	A / Aa / A
ING GROEP NV	7.6%	A / Aa / NR
LMA AMERICAS LLC	4.4%	A / Aa / AA
MANHATTAN ASSET FUNDING CO LLC	5.5%	A / Aa / NR
MITSUBISHI UFJ FINANCIAL GROUP INC	7.8%	A / Aa / A
NATIXIS NY BRANCH	7.8%	A / Aa / A
RABOBANK NEDERLAND	7.4%	A / Aa / AA
ROYAL BANK OF CANADA	7.8%	AA / Aa / AA
TORONTO-DOMINION BANK	7.8%	AA / Aa / NR
TOYOTA MOTOR CORP	3.9%	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. Includes accrued interest and excludes balances invested in overnight funds.

Sector Allocation Review - SIU- SHORT TERM FUND

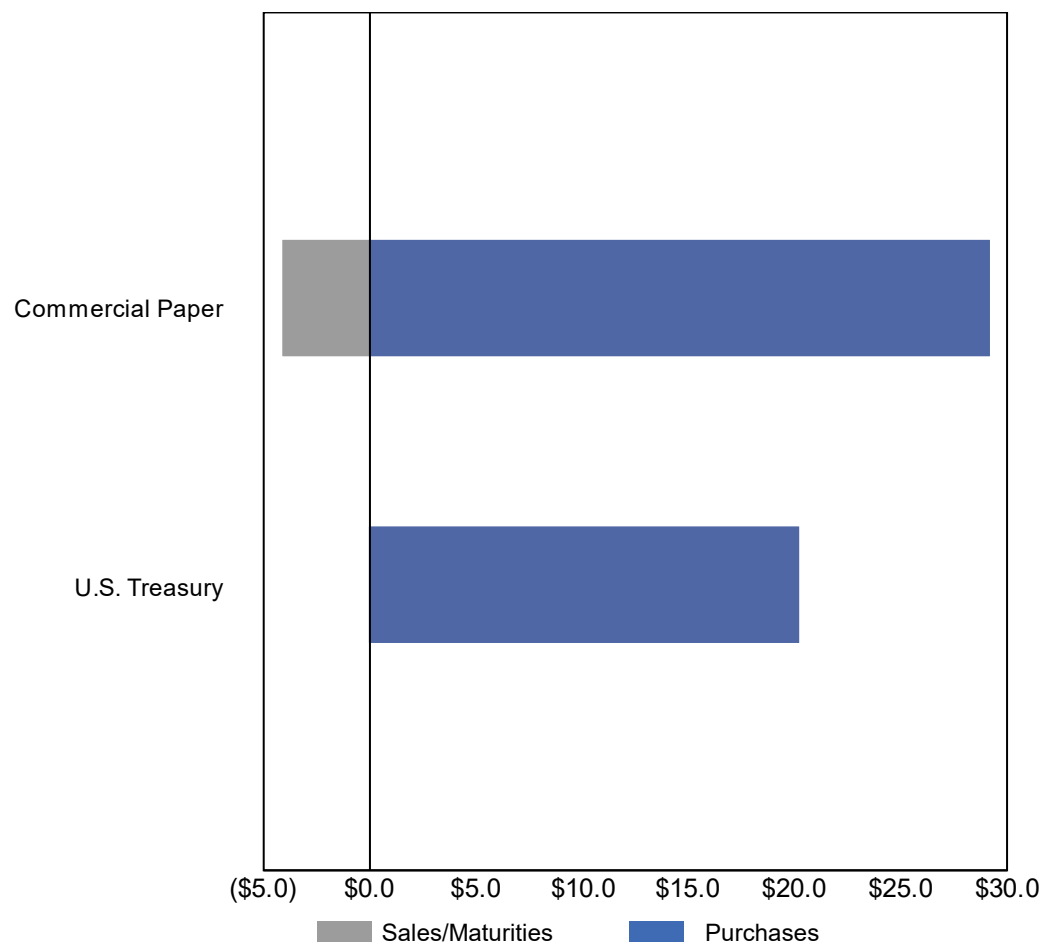
Security Type	Jun-21	% of Total	Sep-21	% of Total	Dec-21	% of Total	Mar-22	% of Total
U.S. Treasury	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$20.0	22.3%
Commercial Paper	\$35.0	100.0%	\$35.0	100.0%	\$44.8	100.0%	\$69.8	77.7%
Total	\$35.0	100.0%	\$35.0	100.0%	\$44.8	100.0%	\$89.9	100.0%



Market values, excluding accrued interest. Only includes investments held within the separately managed account(s), excludes cash held in funds not managed by PFAM. Detail may not add to total due to rounding.

Portfolio Activity - SIU- SHORT TERM FUND

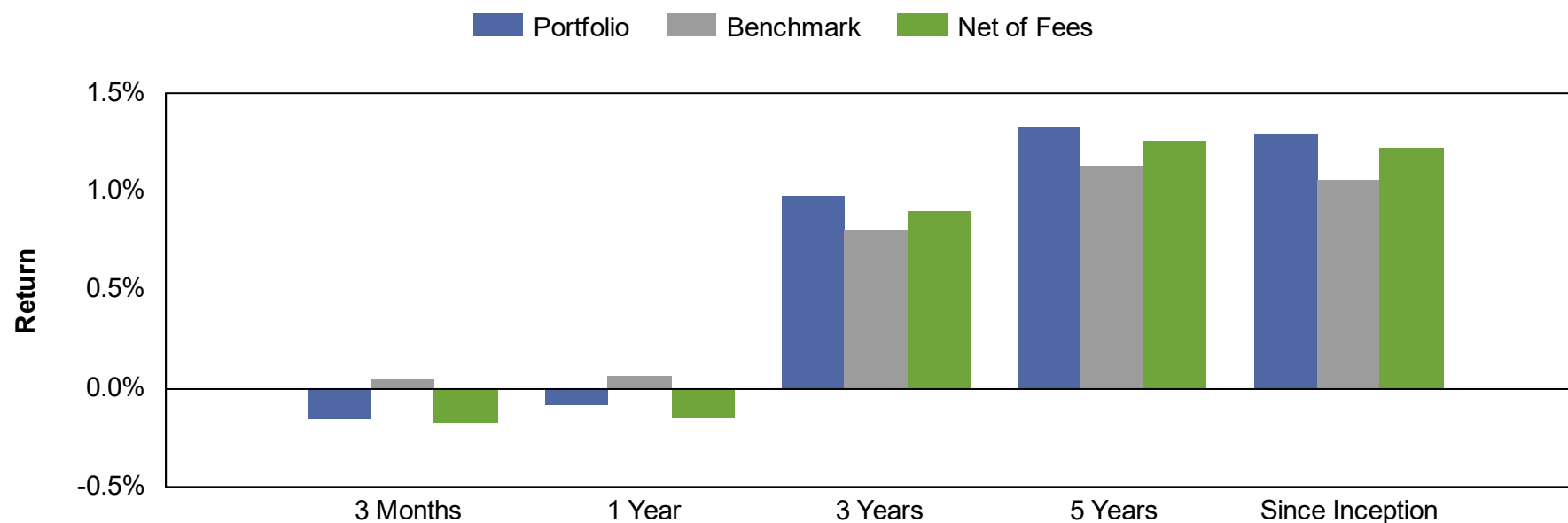
Net Activity by Sector
(\$ millions)



Sector	Net Activity
Commercial Paper	\$25,131,855
U.S. Treasury	\$20,138,776
Total Net Activity	\$45,270,631

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	\$25,657	\$25,770	\$98,522	\$440,767	\$441,411
Change in Market Value	(\$166,890)	(\$139,090)	\$646,687	\$2,351,036	\$2,566,652
Total Dollar Return	(\$141,233)	(\$113,320)	\$745,209	\$2,791,803	\$3,008,063
Total Return³					
Portfolio	-0.16%	-0.08%	0.98%	1.32%	1.29%
Benchmark ⁴	0.04%	0.06%	0.81%	1.13%	1.06%
Basis Point Fee	0.02%	0.07%	0.07%	0.07%	0.07%
Net of Fee Return	-0.18%	-0.15%	0.91%	1.25%	1.22%

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.

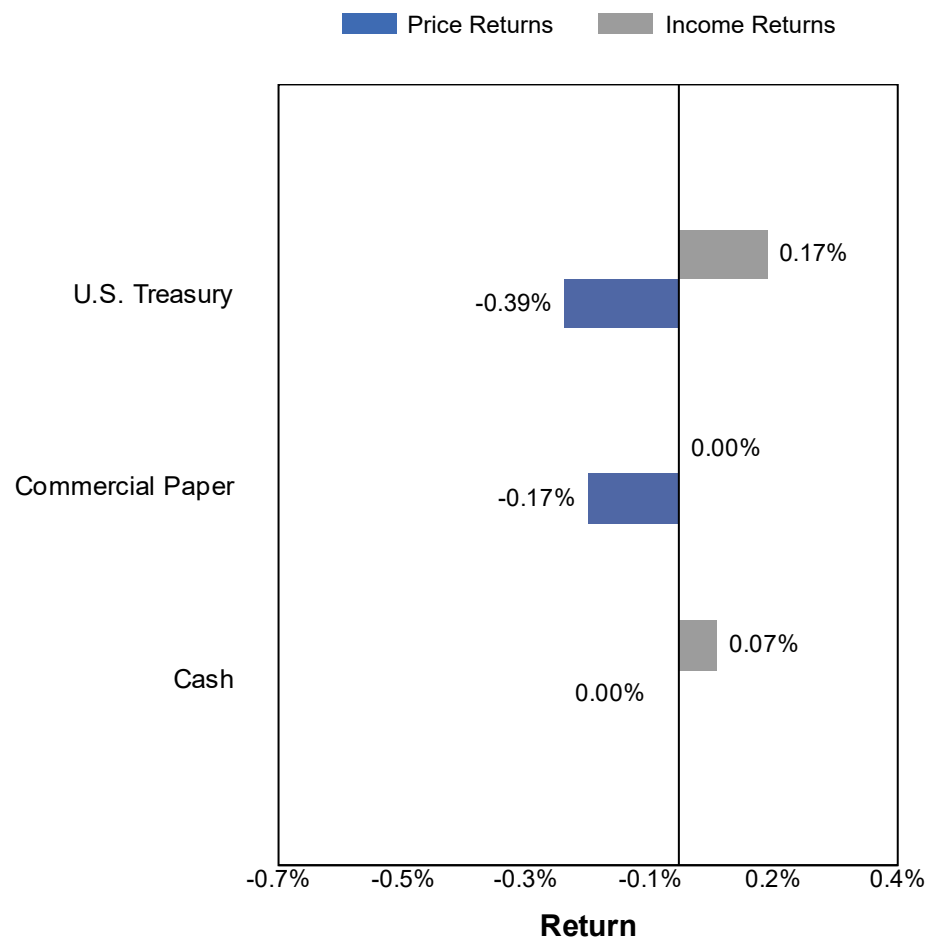
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

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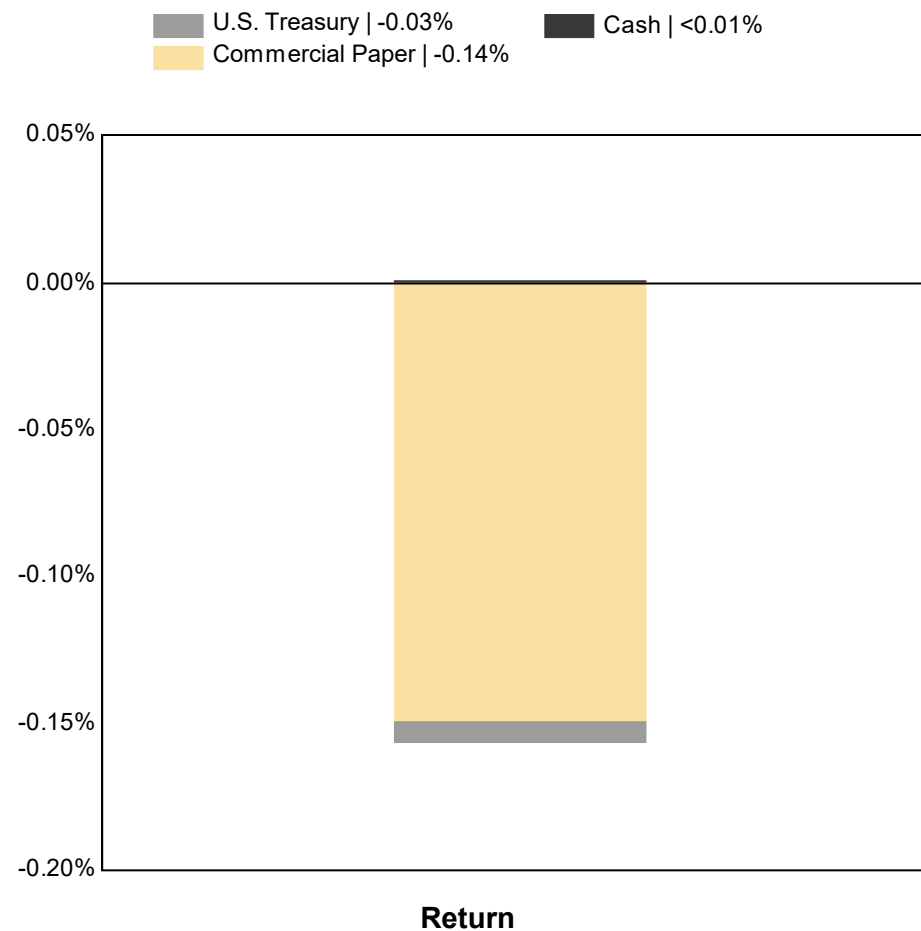
4. The portfolio's benchmark is the ICE BofAML 3 Month U.S. Treasury Index. Source: Bloomberg.

Quarterly Sector Performance

Total Return by Sector

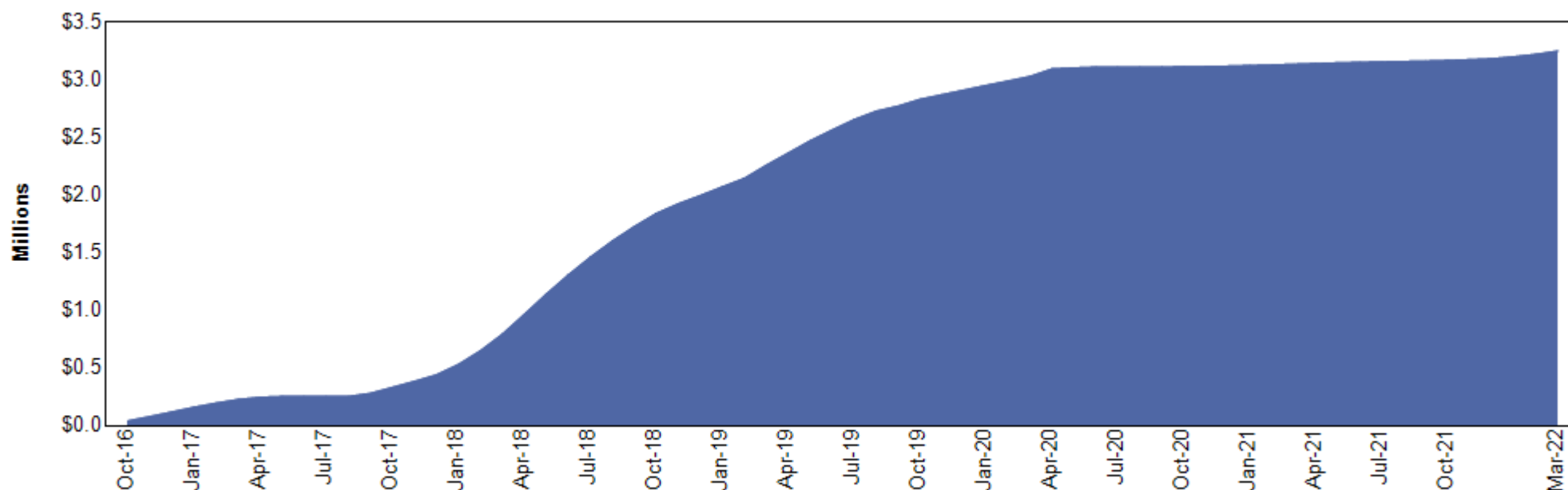


Contribution to Total Return



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- SHORT TERM FUND



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$25,657	\$25,770	\$98,522	\$440,767	\$441,411
Realized Gains / (Losses) ³	-	-	\$36,577	\$36,577	\$36,637
Change in Amortized Cost	\$41,710	\$88,592	\$855,323	\$2,544,907	\$2,769,769
Total Earnings	\$67,367	\$114,362	\$990,422	\$3,022,251	\$3,247,816

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

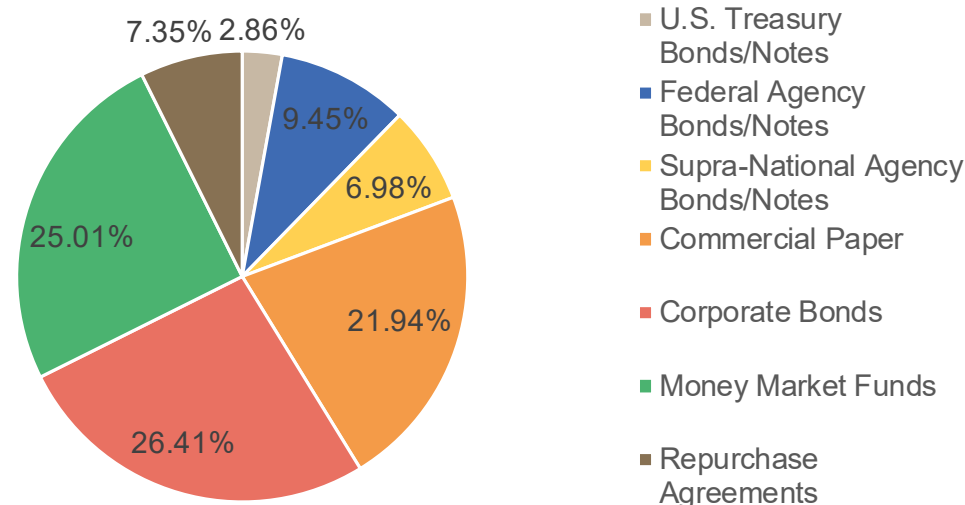
- The Illinois Funds is a Local Government Investment Pool (LGIP) operated by the Illinois State Treasurer's Office. The Illinois Funds strives to provide an inexpensive investment vehicle that features safety, daily liquidity and yield for Illinois public funds programs. The fund is managed by the Office of the State Treasurer in Springfield, Illinois, and contained a combined \$12.3 billion in total assets as of March 31, 2022. The fund is currently rated AAAm by Standard & Poor's.

Illinois Funds Account Overview

Illinois Funds	
Beginning Value (12/31/2021)	\$103,429,704.98
Net Deposits (Withdrawals)	(\$16,374,931.91)
Interest Earned	\$42,864.98
Ending Value (3/31/22)	\$87,097,638.05

	Current Yield as of 3/31/22
Illinois Funds	0.28%
Benchmark: S&P Rated Government Investment Pool Index	0.07%

**Illinois Funds
Sector Allocation
as of March 31, 2022**



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 (12/31/2021)	\$54,198,654.23
Net Deposits (Withdrawals)	(\$34,802,604.24)
Interest Earned	\$856.36
Ending Value (3/31/22)	\$19,396,906.35

	Current Yield as of 3/31/22
U.S. Bank Commercial Paper Sweep	0.01%
Benchmark: S&P Rated Government Investment Pool Index	0.07%

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 (12/31/2021)	\$5,009,474.59
Net Deposits (Withdrawals)	\$0.00
Interest Earned	\$2,223.50
Ending Value (3/31/22)	\$5,011,698.09

	Current Yield as of 3/31/22
IntraFi Network Deposits	0.18%
Benchmark: S&P Rated Government Investment Pool Index	0.07%

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)

	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022
Housing & Auxiliary Facilities System					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	22.4	6.5	11.4	9.6	18.0
Debt Service Reserve	6.2	6.1	6.1	6.1	6.0
Total HAFS	28.6	12.7	17.5	15.7	24.0
Medical Facilities System					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	1.8	0.5	0.9	0.9	1.9
Debt Service Reserve	-	-	-	-	-
Total MFS	1.8	0.5	0.9	0.9	1.9
Certificates of Participation					
Construction Proceeds	0.4	-	-	-	-
Interest Sinking Fund	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-
Total COPS	0.4	-	-	-	-
Total Market Value of Portfolio	\$ 30.8	\$ 13.1	\$ 18.5	\$ 16.6	\$ 25.9

Investment Balance

Book Value (\$ in millions)

	\$ 30.8	\$ 13.1	\$ 18.4	\$ 16.6	\$ 26.0
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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.*

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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.