



Southern Illinois University

Quarterly Investment Report
March 31, 2026

Market Update

SUMMARY

- The first quarter of 2026 began with familiar themes: a data-dependent Federal Reserve (Fed) and a constructive risk sentiment across asset classes. The backdrop shifted on February 28 when the conflict in Iran began, shifting investor sentiment and significantly repricing markets through the balance of the quarter.
- The primary source of market disruption was the effective halt of traffic through the Strait of Hormuz, a critical artery for global oil shipments. As a result, crude oil prices increased by over 60% in March alone. Market volatility indices jumped to 12-month highs, equity markets sold off sharply, and interest rates increased as the implications of rising energy prices pushed up near term inflation expectations.
- Seemingly overshadowed by geopolitical headlines, the Federal Open Market Committee (FOMC) met in March and held its target range unchanged at 3.50% to 3.75%, as expected. The FOMC maintained its “dot plot” projection for one 25 basis point rate cut in 2026. Fed Chair Jerome Powell also acknowledged the path forward is complicated by the Middle Eastern conflict, making it more challenging for the Fed to balance its dual mandate of price stability and maximum employment.

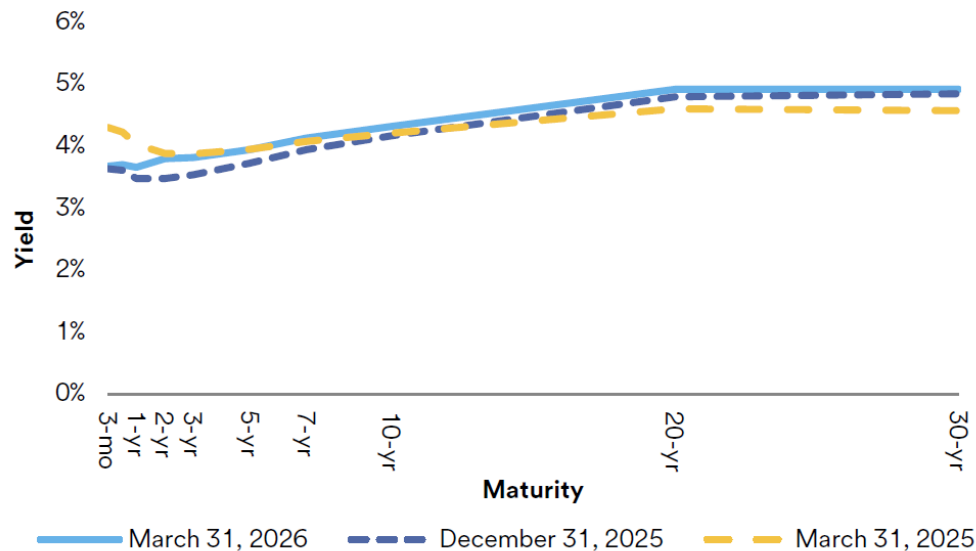
ECONOMIC SNAPSHOT

- Inflation remained stubborn during the first quarter of 2026, with limited progress in core services and continued upward pressure from tariff passthroughs. Looking ahead, the inflation outlook has become increasingly dependent on the duration of the Middle East conflict and the extent to which sustained energy price increases feed into core goods and services. A broader and more persistent passthrough would pose upside risks to inflation and complicate Fed policy.
- Labor market data remained steady with unemployment at 4.3% in March. Monthly payroll employment remained subdued and averaged 68,000 new jobs per month over the quarter. Initial jobless claims held near historically low levels and continuing claims declined, reinforcing the persistence of a “low-hire, low-fire” environment.
- Economic growth in the fourth quarter of 2025 remained resilient despite temporary headwinds from the U.S. government shutdown, as stable consumer and business spending helped offset the drag of government spending on real gross domestic product (GDP). Household balance sheets and labor income exceeding inflation continued to support consumption, while business investment showed pockets of strength, particularly in technology and productivity-enhancing initiatives.

INTEREST RATES

- U.S. Treasury yields increased over the quarter as investors repriced their Fed policy outlook driven by geopolitical turmoil and renewed inflation concerns. Yield increases were led higher by the 2-year maturity reflecting market repricing of Fed interest rate policy over the next several quarters.
- The 3-month U.S. Treasury ended the quarter at 3.67%, 4 bps higher. The 2-, 5- and 10-year U.S. Treasuries ended the quarter at 3.79%, 3.94%, and 4.32%,
- Longer duration bond indices experienced the greatest pressure from rising yields, with higher rates adversely impacting valuations. As bond yields remain firmly above multi-year averages, income remains a key component of total returns. The ICE BofA 3-month and 2-year U.S. Treasury indices returned 0.85% and 0.23% while the 5- and 10-year U.S. Treasury indices fell -0.01% and -0.11% for the quarter, respectively.

U.S. Treasury Yield Curve



Source: Bloomberg, as of 3/31/2026.

SECTOR PERFORMANCE

- Excess returns were a mixed bag during the quarter as souring risk sentiment weighed on the corporate sector more significantly than mortgage-backed counterparts.
- Federal agency and supranational issuance remained limited, keeping spreads narrow and excess returns muted. The expectation for new issuance over the foreseeable future remains quite light.
- Investment-grade (IG) corporate bonds were not immune to the broad risk-off in March as spreads jumped off multi-year low levels. As a result, the sector generated negative excess returns, with lower quality and longer duration underperforming.
- Agency-backed mortgage-backed securities (MBS) also generated positive excess returns in the first quarter as demand served as a primary tailwind through the quarter. Longer-duration collateral (30-year) outperformed shorter-duration (15-year) mortgages. Agency-backed commercial MBS(CMBS) performed in line with 30-year mortgages, representing the top-of-class IG sectors for the first quarter.

Summary of Operating Investments

Summary of Operating Investments

Market Value (\$ in millions)*

	3/31/2026
Illinois Funds	\$ 100.0
US Bank Investment Sweep	26.3
IntraFi Network Deposits	-
Subtotal Cash & Cash Equivalents	\$ 126.4
Short Term Portfolio	-
Intermediate Term Portfolio	175.5
LMC Intermediate Term Portfolio	28.5
Total Portfolio	\$ 330.4
<u>Book Value (\$ in millions)</u>	<u>\$ 332.9</u>

Current Yields (Annualized)

	3/31/2026
Illinois Funds	3.78%
US Bank Investment Sweep	3.28%
Benchmark: S&P Rated Government Investment Pool Index	3.59%

Performance Summary (Total Return)**

	Current Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception
Intermediate Term Portfolio	0.20%	4.58%	4.23%	1.30%	1.86%	
Benchmark: Barclays Intermediate U.S. Govt. Securities	0.05%	3.98%	3.65%	1.00%	1.53%	
LMC Intermediate Term Portfolio	0.29%	4.63%	-	-	-	5.64%
Benchmark: Barclays Intermediate U.S. Govt. Securities	0.05%	3.98%	-	-	-	5.19%

Asset Allocation (\$ in millions)*

Sector	3/31/2026	
Money Market Mutual Funds	\$ 102.7	31.1%
U.S. Treasury Bonds/Notes	96.4	29.2%
Federal Agency Bonds/Notes	13.5	4.1%
Federal Agency Mortgage Backed Securities	27.7	8.4%
Federal Agency Commercial Mortgage Backed Securities	33.2	10.0%
Federal Agency Collateralized Mortgage Obligations	9.1	2.8%
Supra-National Agency Bonds/Notes	10.2	3.1%
Corporate Notes	10.0	3.0%
Commercial Paper	-	0.0%
US Bank Investment Sweep	26.3	8.0%
Subtotal	329.2	99.6%
Accrued Interest	1.2	0.4%
Total	\$ 330.4	100.0%

*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

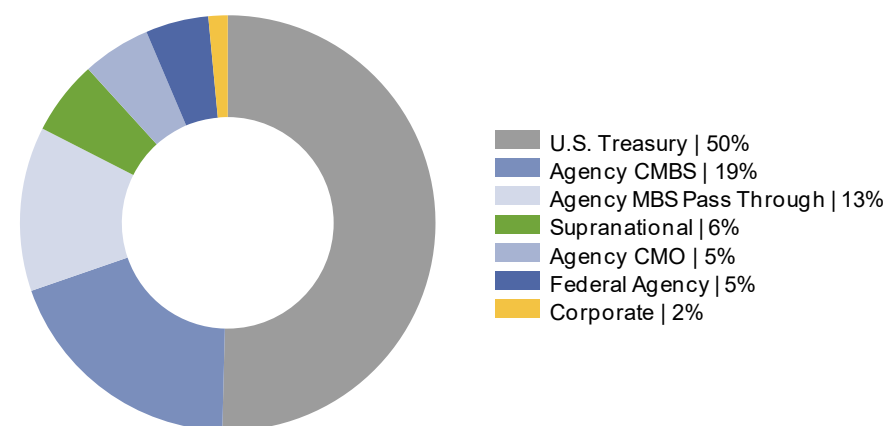
- The University's Intermediate Term portfolio is actively managed by PFM Asset Management. PFMAM seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and are therefore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

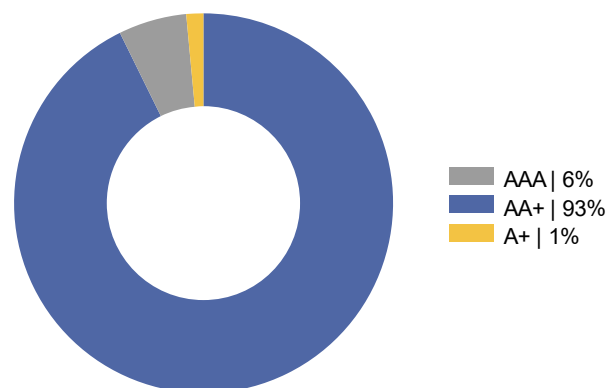
Portfolio Statistics

Total Market Value	\$175,493,518.25
Securities Sub-Total	\$172,120,367.45
Accrued Interest	\$956,804.53
Cash	\$2,416,346.27
Portfolio Effective Duration	3.48 years
Benchmark Effective Duration	3.56 years
Yield At Cost	3.54%
Yield At Market	4.04%
Portfolio Credit Quality	AA

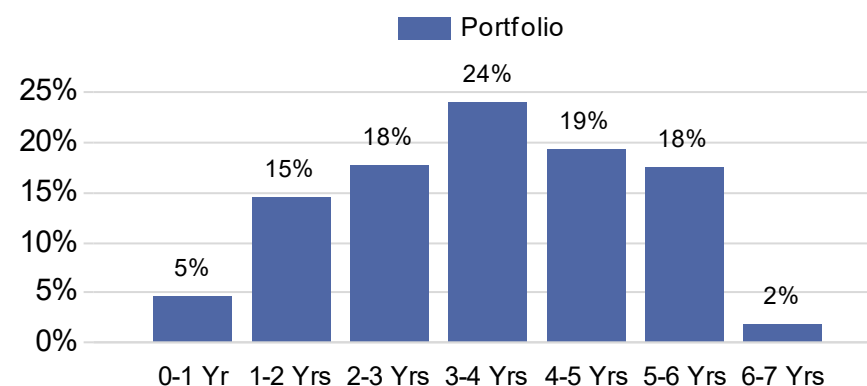
Sector Allocation



Credit Quality - S&P



Duration Distribution



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

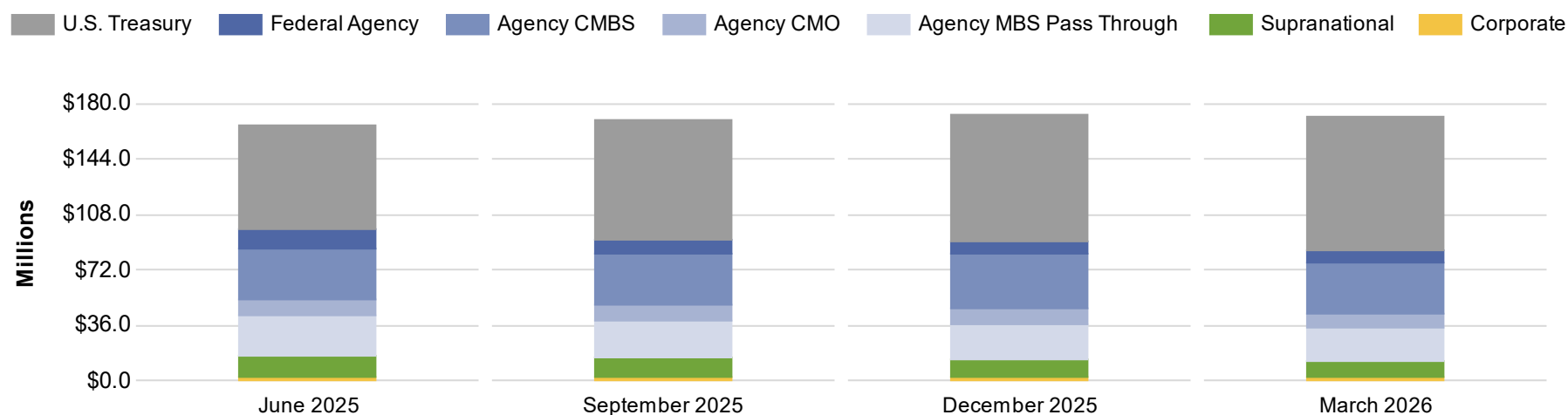
Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	50.5%	
United States Treasury	50.5%	AA / Aa / AA
Federal Agency	4.9%	
Federal Home Loan Mortgage Corp	1.0%	AA / Aa / AA
Federal National Mortgage Association	4.0%	AA / Aa / AA
Agency CMBS	19.2%	
Federal Home Loan Mortgage Corp	19.2%	AA / Aa / AA
Agency CMO	5.3%	
Federal Home Loan Mortgage Corp	3.2%	AA / Aa / AA
Federal National Mortgage Association	1.3%	AA / Aa / AA
Government National Mortgage Associatio	0.8%	AA / Aa / AA
Agency MBS Pass Through	12.8%	
Federal Home Loan Mortgage Corp	4.9%	AA / Aa / AA
Federal National Mortgage Association	7.8%	AA / Aa / AA
Government National Mortgage Associatio	0.1%	AA / Aa / AA
Supranational	5.8%	
African Development Bank	0.9%	AAA / Aaa / AAA
Asian Development Bank	0.4%	AAA / Aaa / AAA
Inter-American Development Bank	2.8%	AAA / Aaa / AAA
International Bank for Reconstruction &	0.9%	AAA / Aaa / AAA
International Finance Corp	0.9%	AAA / Aaa / NR
Corporate	1.5%	
Citigroup Inc	1.5%	A / Aa / A
Total	100.0%	

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

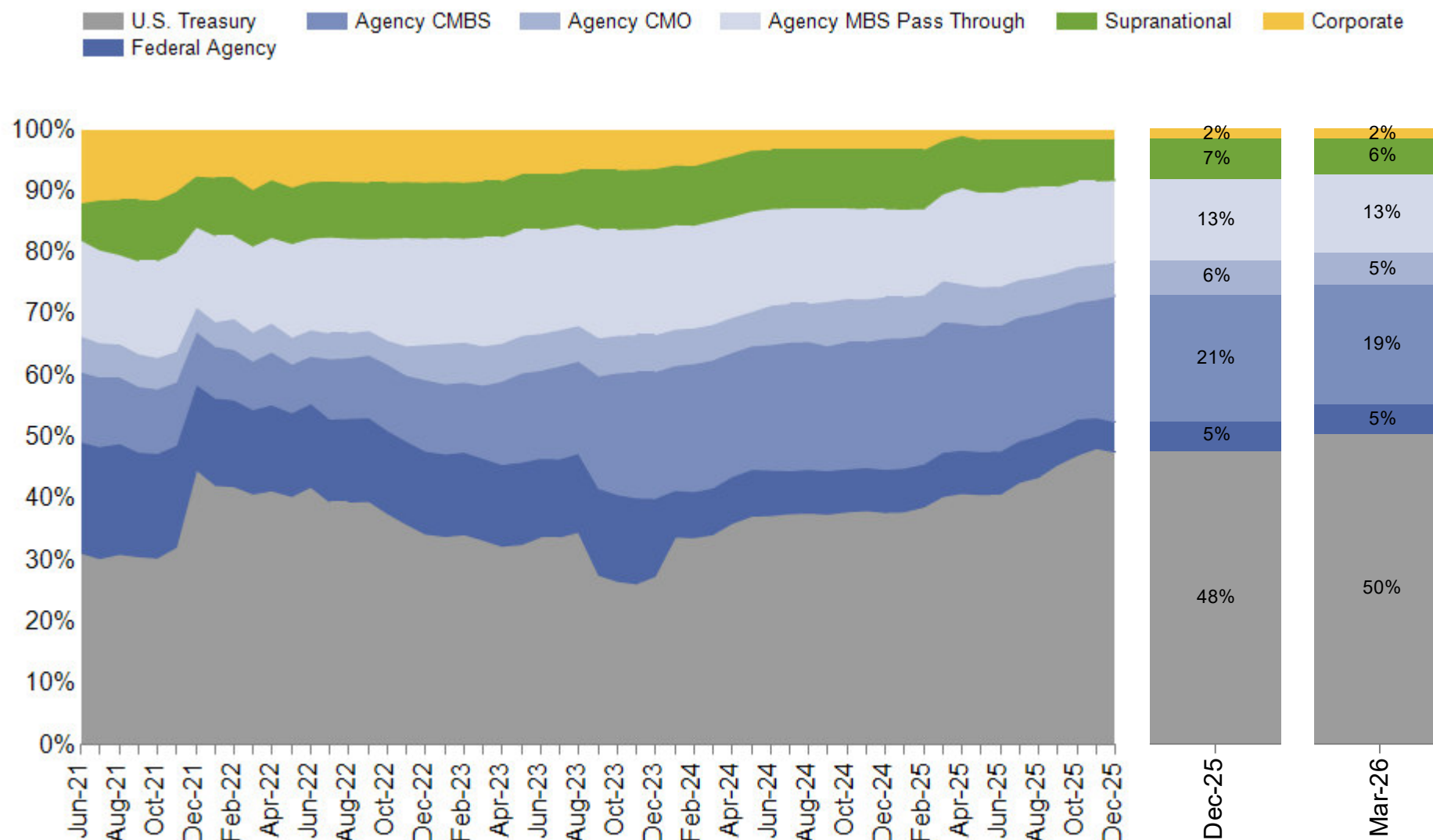
Sector Allocation Review - SIU- INTERMEDIATE TERM

Security Type	Jun-25	% of Total	Sep-25	% of Total	Dec-25	% of Total	Mar-26	% of Total
U.S. Treasury	\$68.1	40.9%	\$77.3	45.6%	\$82.8	47.7%	\$86.8	50.4%
Federal Agency	\$11.7	7.0%	\$10.0	5.9%	\$8.5	4.9%	\$8.5	4.9%
Agency CMBS	\$34.0	20.5%	\$33.0	19.5%	\$35.5	20.5%	\$33.2	19.3%
Agency CMO	\$10.4	6.3%	\$10.0	5.9%	\$9.6	5.5%	\$9.1	5.3%
Agency MBS Pass Through	\$25.3	15.2%	\$23.8	14.0%	\$23.0	13.3%	\$22.1	12.8%
Supranational	\$14.2	8.6%	\$12.9	7.6%	\$11.5	6.6%	\$10.0	5.8%
Corporate	\$2.5	1.5%	\$2.5	1.5%	\$2.5	1.5%	\$2.5	1.5%
Total	\$166.3	100.0%	\$169.4	100.0%	\$173.5	100.0%	\$172.1	100.0%



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

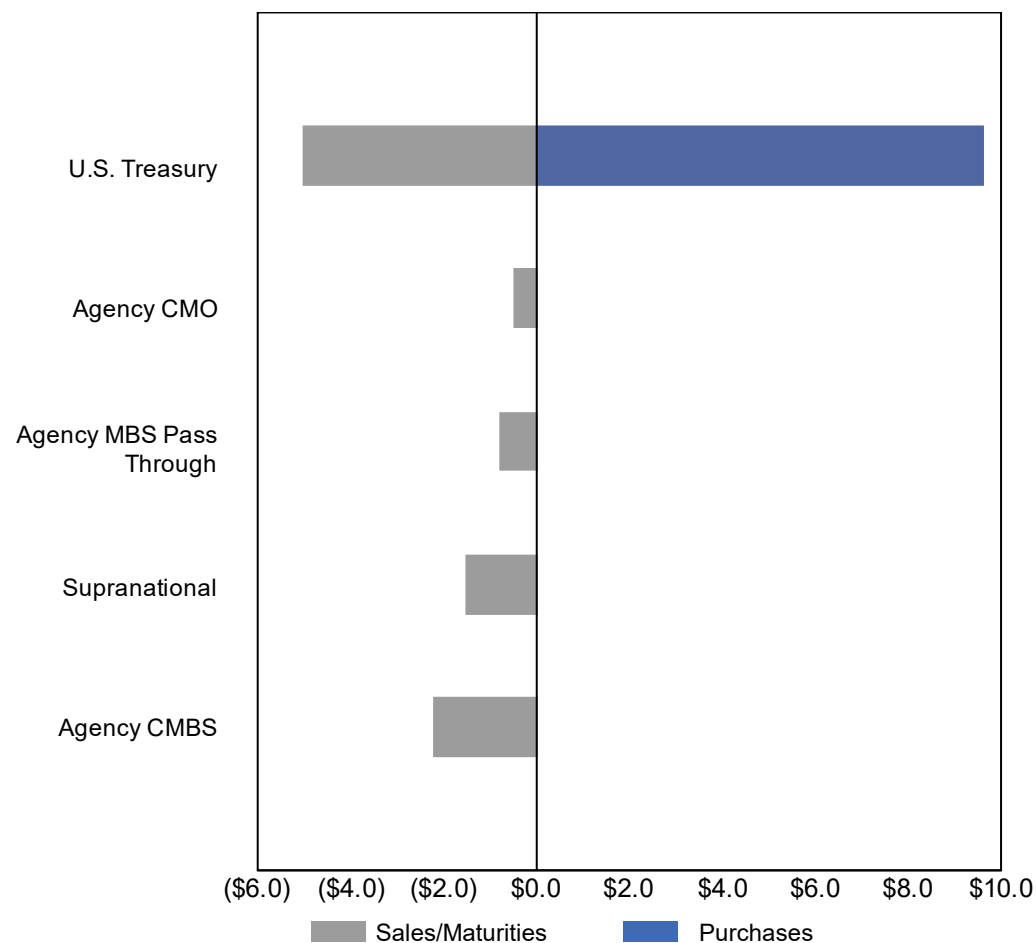
Historical Sector Allocation - SIU- INTERMEDIATE TERM



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

Portfolio Activity - SIU- INTERMEDIATE TERM

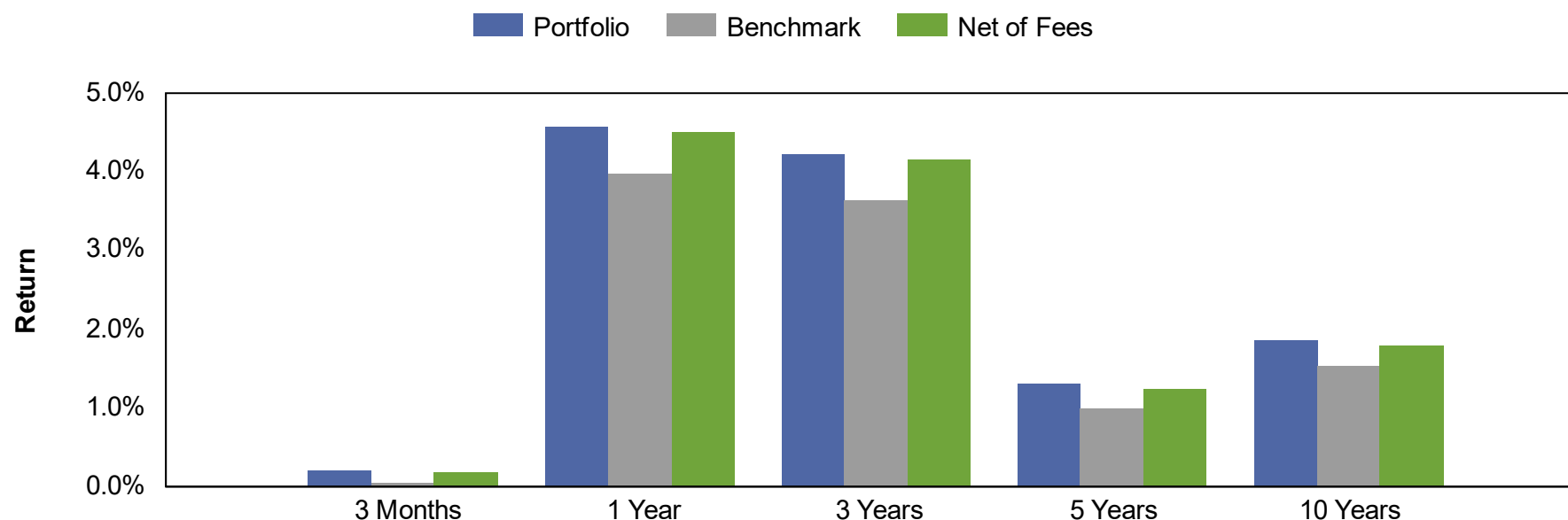
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$4,606,533
Agency CMO	(\$442,065)
Agency MBS Pass Through	(\$782,593)
Supranational	(\$1,500,000)
Agency CMBS	(\$2,182,602)
Total Net Activity	(\$300,727)

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	10 Years
Interest Earned ²	\$1,398,653	\$5,593,564	\$14,858,767	\$22,057,953	\$38,089,473
Change in Market Value	(\$1,043,768)	\$2,108,132	\$5,566,033	(\$12,055,934)	(\$8,456,748)
Total Dollar Return	\$354,885	\$7,701,696	\$20,424,800	\$10,002,019	\$29,632,725
Total Return³					
Portfolio	0.20%	4.58%	4.23%	1.30%	1.86%
Benchmark ⁴	0.05%	3.98%	3.65%	1.00%	1.53%
Basis Point Fee	0.02%	0.07%	0.07%	0.07%	0.07%
Net of Fee Return	0.18%	4.51%	4.17%	1.24%	1.79%

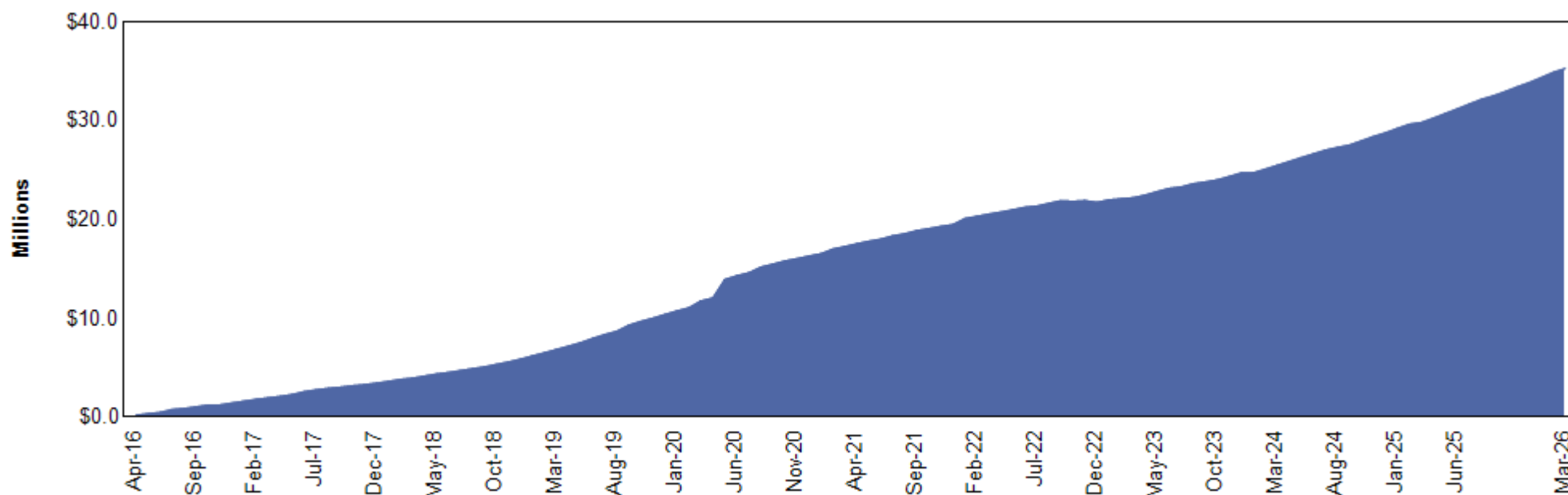
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is September 30, 2014.

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	10 Year ¹
Interest Earned ²	\$1,398,653	\$5,593,564	\$14,858,767	\$22,057,953	\$38,089,473
Realized Gains / (Losses) ³	(\$110,420)	(\$444,482)	(\$3,693,989)	(\$4,615,939)	(\$1,636,522)
Change in Amortized Cost	\$131,106	\$317,044	\$1,911,219	\$581,026	(\$1,159,230)
Total Earnings	\$1,419,340	\$5,466,126	\$13,075,998	\$18,023,041	\$35,293,720

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

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

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

SIU – LMC Intermediate Term Portfolio

Investment Approach

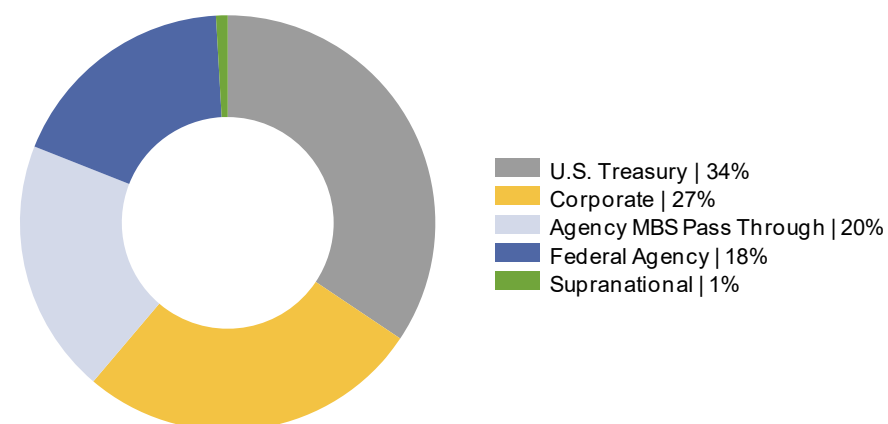
- A portion of the University's Intermediate Term portfolio is managed by LM Capital Group LLC ("LMC"). LMC seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and are therefore invested in fixed-income securities with maturity dates up to 10 years. This actively managed portfolio generally consists of all securities types available to the University in accordance with the permitted investments as described in the Illinois Public Funds Investment Act and the University's Investment Policy and Guidelines.

Portfolio Snapshot - SIU- LMC INTERMEDIATE TERM¹

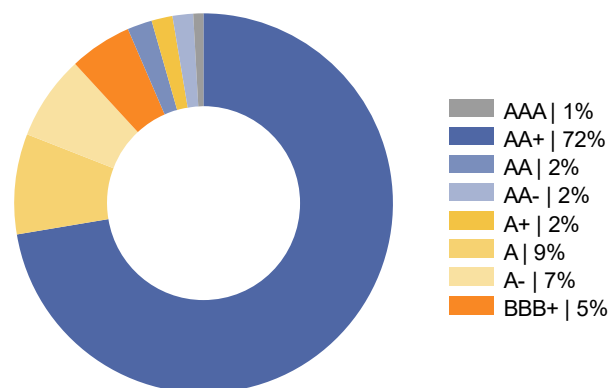
Portfolio Statistics

Total Market Value	\$28,507,799.01
Securities Sub-Total	\$28,058,667.29
Accrued Interest	\$214,825.65
Cash	\$234,306.07
Portfolio Effective Duration	3.53 years
Benchmark Effective Duration	3.56 years
Yield At Cost	4.50%
Yield At Market	4.34%
Portfolio Credit Quality	AA

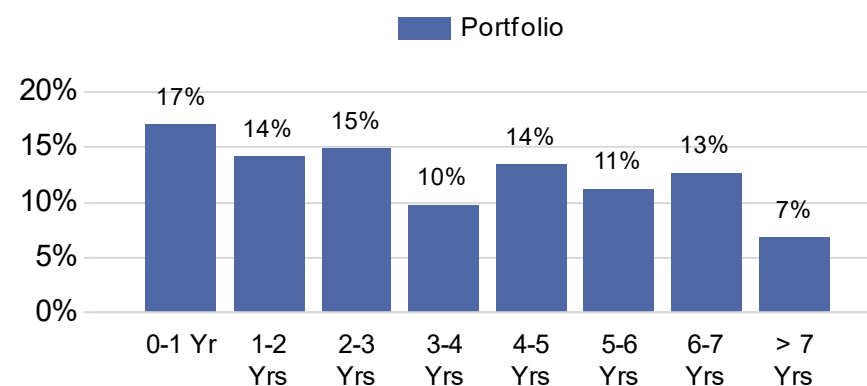
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is Bloomberg Barclays Intermediate U.S. Government Index. Source: Bloomberg 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

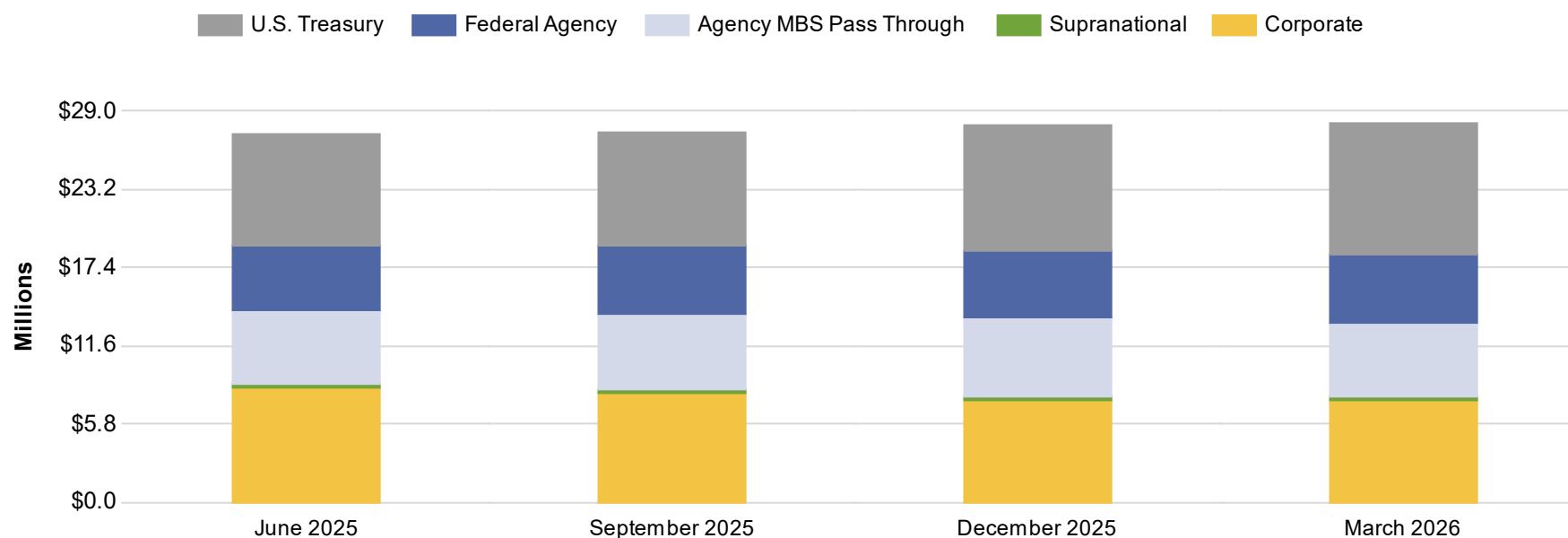
Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	34.4%	
United States Treasury	34.4%	AA / Aa / AA
Federal Agency	18.1%	
Federal Farm Credit Banks Funding Corp	10.6%	AA / Aa / AA
Federal Home Loan Banks	4.4%	AA / Aa / NR
Federal National Mortgage Association	3.1%	AA / Aa / AA
Agency MBS Pass Through	19.7%	
Federal Home Loan Mortgage Corp	7.2%	AA / Aa / AA
Federal National Mortgage Association	9.7%	AA / Aa / AA
Government National Mortgage Associatio	2.9%	AA / Aa / AA
Supranational	0.9%	
International Bank for Reconstruction &	0.9%	AAA / Aaa / NR
Corporate	26.9%	
AbbVie Inc	1.8%	A / A / NR
Amazon.com Inc	2.1%	AA / A / AA
Bank of America Corp	1.8%	A / A / AA
Bank of New York Mellon Corp	1.8%	A / Aa / AA
Enterprise Products Partners LP	1.9%	A / A / A
Goldman Sachs Group Inc	3.6%	A / A / A
Honda Motor Co Ltd	3.6%	BBB / A / A
JPMorgan Chase & Co	1.8%	A / A / AA
Mercedes-Benz Group AG	1.8%	A / A / NR
MetLife Inc	1.8%	AA / Aa / AA
Morgan Stanley	1.8%	A / A / A
PNC Financial Services Group Inc	1.8%	A / A / A

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	26.9%	
Truist Financial Corp	1.4%	A / A / A
Total	100.0%	

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

Sector Allocation Review - SIU- LMC INTERMEDIATE TERM

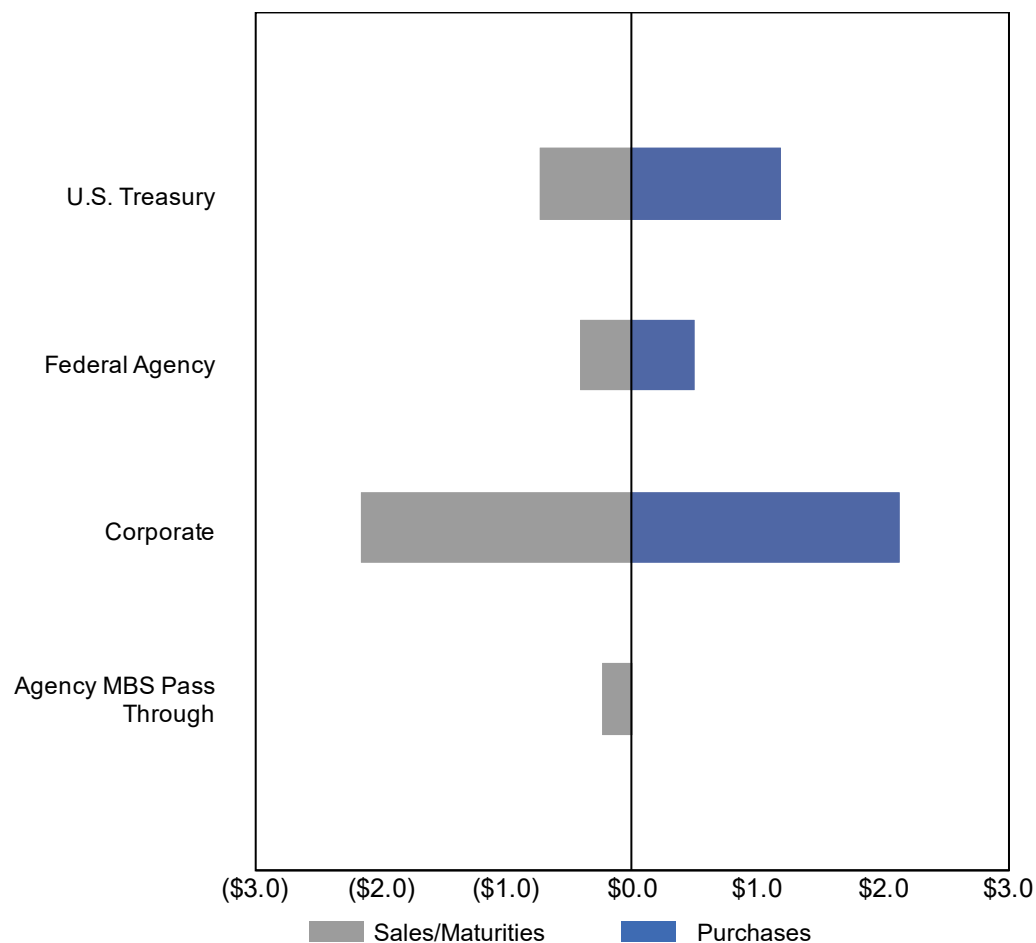
Security Type	Jun-25	% of Total	Sep-25	% of Total	Dec-25	% of Total	Mar-26	% of Total
U.S. Treasury	\$8.3	30.5%	\$8.5	30.8%	\$9.3	33.2%	\$9.7	34.4%
Federal Agency	\$4.7	17.3%	\$5.0	18.2%	\$5.0	17.9%	\$5.1	18.1%
Agency MBS Pass Through	\$5.5	20.2%	\$5.7	20.8%	\$5.8	20.9%	\$5.6	19.8%
Supranational	\$0.2	0.9%	\$0.2	0.9%	\$0.2	0.9%	\$0.2	0.9%
Corporate	\$8.5	31.1%	\$8.0	29.3%	\$7.6	27.1%	\$7.5	26.8%
Total	\$27.3	100.0%	\$27.4	100.0%	\$27.9	100.0%	\$28.1	100.0%



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

Portfolio Activity - SIU- LMC INTERMEDIATE TERM

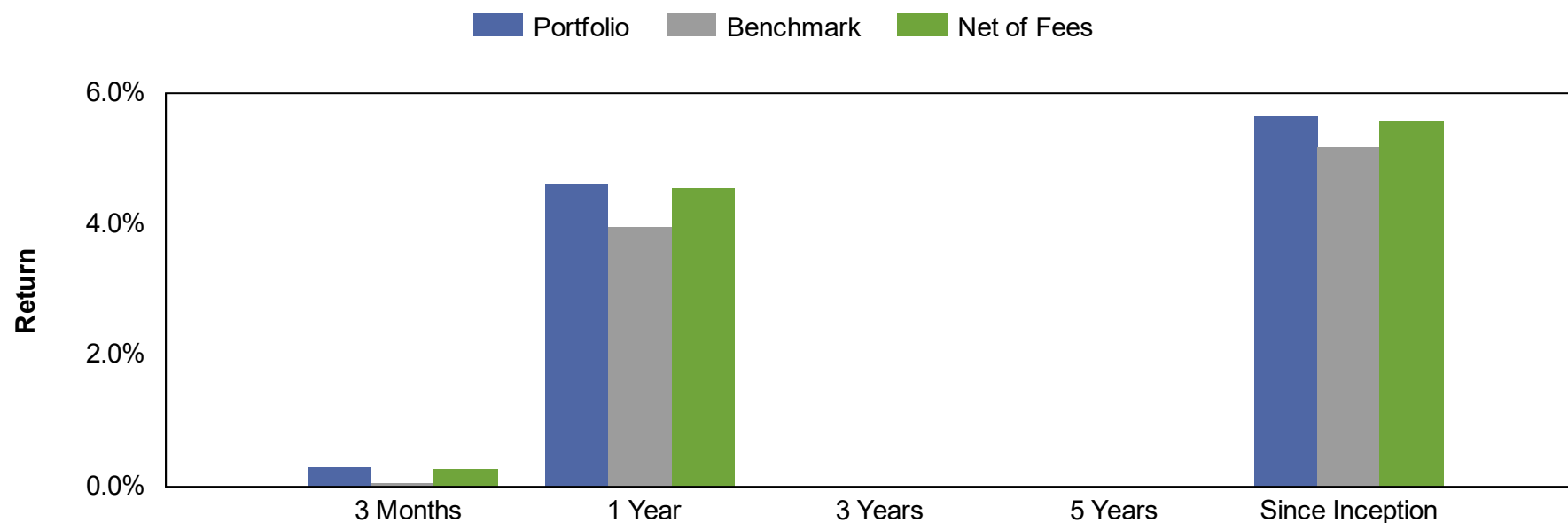
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$466,726
Federal Agency	\$95,034
Corporate	(\$15,843)
Agency MBS Pass Through	(\$233,262)
Total Net Activity	\$312,655

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	\$278,070	\$1,099,071	-	-	\$2,620,951
Change in Market Value	(\$195,350)	\$161,640	-	-	\$1,033,791
Total Dollar Return	\$82,720	\$1,260,711	-	-	\$3,654,742
Total Return³					
Portfolio	0.29%	4.63%	-	-	5.64%
Benchmark ⁴	0.05%	3.98%	-	-	5.19%
Basis Point Fee	0.02%	0.07%	-	-	0.07%
Net of Fee Return	0.27%	4.56%	-	-	5.57%

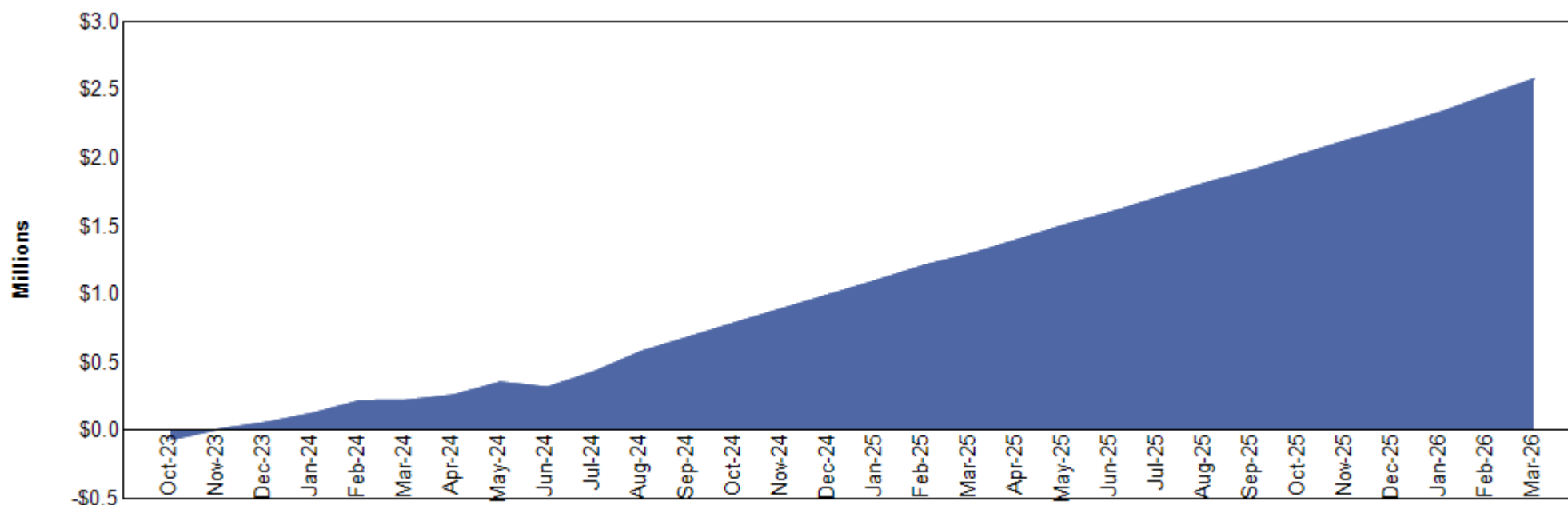
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is September 30, 2023.

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- LMC INTERMEDIATE TERM



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$278,070	\$1,099,071	-	-	\$2,620,951
Realized Gains / (Losses) ³	\$40,402	\$34,312	-	-	(\$445,615)
Change in Amortized Cost	\$35,561	\$153,464	-	-	\$407,988
Total Earnings	\$354,034	\$1,286,847	-	-	\$2,583,324

1. The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2023.

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. 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. The University's Short-Term portfolio did not hold any securities as of March 31, 2026.

Illinois Funds

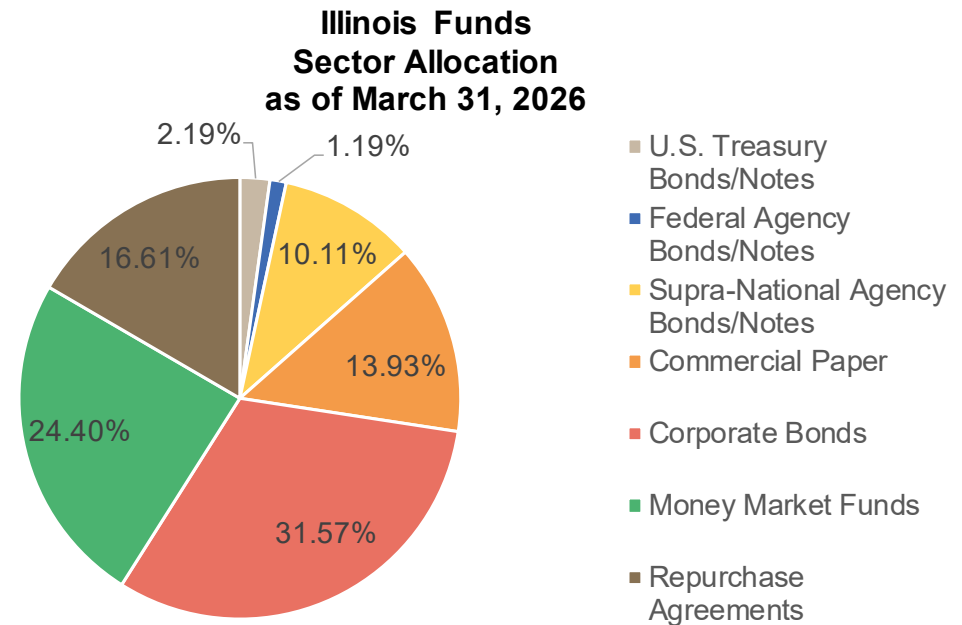
Investment Approach

- 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 \$17.2 billion in total assets as of March 31, 2026. The fund is currently rated AAAmmf by Fitch.

Illinois Funds Account Overview

Illinois Funds	
Beginning Value (12/31/25)	\$84,058,318.15
Net Deposits (Withdrawals)	\$14,766,259.03
Interest Earned	\$1,216,670.00
Ending Value (3/31/26)	\$100,041,247.18

	Current Yield as of 3/31/26
Illinois Funds	3.78%
Benchmark: S&P Rated Government Investment Pool Index	3.59%



Weighted Average Maturity

33 Days

U.S. Bank Investment Sweep

Investment Approach

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

U.S. Bank Investment Sweep Account Overview

U.S. Bank Investment Sweep	
Beginning Value (12/31/25)	\$57,040,265.02
Net Deposits (Withdrawals)	(\$30,996,890.82)
Interest Earned	\$270,401.65
Ending Value (3/31/26)	\$26,313,775.85

	Current Yield as of 3/31/26
U.S. Bank Treasury Obligations MMF Sweep	3.28%
Benchmark: S&P Rated Government Investment Pool Index	3.59%

Capital Investments

Investment Approach

- PFM Asset Management 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 actively manages the Debt Service Reserve Fund. The Debt Service Reserve Fund is generally managed to a duration of between 1 and 3 years depending on prevailing market conditions. Breakeven and sensitivity analyses are used to determine duration targets in an attempt to minimize downside and replenishment risk.
- Construction proceeds are invested in accordance with the anticipated drawdown schedule of the project(s) being financed and in accordance with debt financing documents.

Capital Investments Position

Investment Balance <u>Market Value (\$ in millions)</u>	3/31/2025	6/30/2025	9/30/2025	12/31/2025	3/31/2026
Housing & Auxiliary Facilities System					
Construction Proceeds	0.3	0.3	-	-	-
Interest Sinking Fund	18.8	1.0	2.6	0.6	18.0
Debt Service Reserve	6.7	6.8	6.9	7.0	7.0
Total HAFS	<u>25.7</u>	<u>8.1</u>	<u>9.5</u>	<u>7.6</u>	<u>25.0</u>
Certificates of Participation					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-
Total COPS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Market Value of Portfolio	\$ 25.7	\$ 8.1	\$ 9.5	\$ 7.6	\$ 25.0
Investment Balance <u>Book Value (\$ in millions)</u>	\$ 25.7	\$ 8.0	\$ 9.4	\$ 7.5	\$ 24.9

**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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- 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.**
- ICE Bank of America 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, 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.