



Southern Illinois University

Quarterly Investment Report
September 30, 2025

Market Update

SUMMARY

- The third quarter of 2025 saw a gradual easing of uncertainty as markets digested the lingering effects of a complex tariff rollout. While the effective tariff rate remains elevated, the avoidance of worst-case trade outcomes helped stabilize investor sentiment. Equity and bond markets rebounded, supported by steady consumer spending and business investment.
- The labor market continued to soften as job creation surprised to the downside in July and August. The unemployment rate rose during the quarter but remained below its 30-year average.
- Rising goods prices and sticky services costs continued to keep core inflation well above the Federal Reserve's (Fed) 2% target. Certain import-reliant goods showed signs of modest tariff passthroughs.
- In September, the Fed delivered its first rate cut of 2025, lowering the federal funds target range to 4.00% to 4.25%. Fed Chair Jerome Powell described it as a “risk management cut” reflecting growing concerns over the labor market. The median forecast from the Fed’s September “dot plot” showed an additional 50 basis points (bps) of rate cuts this year, 25 bps more than its June projections.

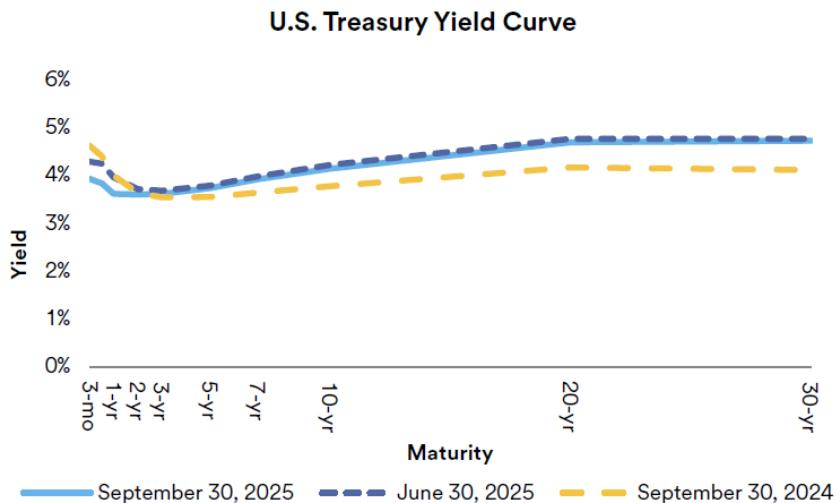
ECONOMIC SNAPSHOT

- U.S. inflation accelerated modestly during the third quarter as certain goods categories began to reflect tariff-related cost pressures and services inflation remained sticky. Headline CPI rose to 2.9% year-over-year, and core CPI (ex-food and energy) edged up to 3.1%. Fed Chair Powell noted tariffs have begun to push up goods prices though these effects are expected to be short-lived.
- U.S. real gross domestic product (GDP) rebounded to 3.8% in the second quarter, driven by a reversal of the trade and inventory dynamics that weighed on Q1 growth. Despite labor market softness, consumer spending proved resilient, largely supported by continued spending from higher-income households. Business investment also remained strong.
- The labor market continued to cool with new net job creation nearing zero and the unemployment rate ticked up to 4.3%. Despite these signs of slowing, layoffs remained low, suggesting employers are adopting a “no hire, no fire” approach.

Market Update

INTEREST RATES

- The U.S. Treasury yield curve steepened further in Q3, led by a decline in short-term yields. Maturities less than one year fell 30-40 bps as markets reflected new Fed rate-cutting expectations. Longer-dated maturity yields from three to 30 years also fell but to a lesser extent after concerns over fiscal deficits and tariff-related inflation eased slightly.
- The 3-month U.S. Treasury ended the quarter at 3.94%, over 35 bps lower. The 2- and 5-year Treasuries fell by 11 and 6 bps to 3.61% and 3.74% respectively. The 10- and 30-year U.S. Treasury fell by 8 and 4 bps to 4.15% and 4.73% respectively. Bond volatility has continued to fall significantly from April highs and has now
- As a result of lower yields over the quarter, bond indexes generated positive total returns for the quarter. The ICE BofA 3-month, 2-, 5-, and 10-year U.S. Treasury indices returned 1.08%, 1.01%, 1.17%, and 1.81% for the quarter, respectively.



Source: Bloomberg, as of 9/30/2025.

SECTOR PERFORMANCE

- Excess returns were strong across investment grade sectors as April's spread widening fully reversed on positive trade news and resilient economic data.
- Federal agency and supranational spreads remained low and traded in a narrow range throughout Q3. Excess returns remained muted in part due to limited issuance, which is a trend we expect to continue.
- Investment-grade (IG) corporate bonds generated strong excess returns as spreads narrowed to multi-year lows across most maturities. Lower-quality and longer-duration bonds led performance, supported by strong investor demand.
- Agency-backed mortgage-backed securities (MBS) delivered solid performance with positive excess returns across the board. Longer-duration MBS stood out as a top-performing IG sector in Q3. Agency-backed commercial MBS (CMBS) also posted positive excess returns for the quarter.
- Short-term credit (commercial paper and negotiable bank CDs) yields declined as Treasury issuance surged and the Fed cut rates. Short-end yield spreads widened over the quarter and demand remained strong as investors viewed the sector as a hedge against future rate cuts.

Summary of Operating Investments

Summary of Operating Investments

Market Value (\$ in millions)*

	9/30/2025
Illinois Funds	\$ 118.9
US Bank Investment Sweep	32.8
IntraFi Network Deposits	-
Subtotal Cash & Cash Equivalents	\$ 151.8
Short Term Portfolio	-
Intermediate Term Portfolio	173.0
LMC Intermediate Term Portfolio	28.1
Total Portfolio	<u>\$ 352.9</u>
Book Value (\$ in millions)	<u>\$ 354.8</u>

Asset Allocation (\$ in millions)*

Sector	9/30/2025
Money Market Mutual Funds	\$ 122.0 34.6%
U.S. Treasury Bonds/Notes	85.8 24.3%
Federal Agency Bonds/Notes	15.0 4.2%
Federal Agency Mortgage Backed Securities	29.5 8.3%
Federal Agency Commercial Mortgage Backed Securities	33.0 9.3%
Federal Agency Collateralized Mortgage Obligations	10.0 2.8%
Supra-National Agency Bonds/Notes	13.1 3.7%
Corporate Notes	10.6 3.0%
Commercial Paper	- 0.0%
US Bank Investment Sweep	32.8 9.3%
Subtotal	351.7 99.7%
Accrued Interest	1.1 0.3%
Total	\$ 352.9 100.0%

Current Yields (Annualized)

Illinois Funds	4.25%
US Bank Investment Sweep	3.72%
Benchmark: S&P Rated Government Investment Pool Index	4.20%

9/30/2025

Performance Summary (Total Return)**

Intermediate Term Portfolio

Benchmark: Barclays Intermediate U.S. Govt. Securities

	Current Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception
Intermediate Term Portfolio	1.43%	4.01%	4.92%	0.82%	1.87%	
Benchmark: Barclays Intermediate U.S. Govt. Securities	1.26%	3.51%	4.35%	0.36%	1.55%	
LMC Intermediate Term Portfolio	1.56%	3.97%	-	-	-	6.30%
Benchmark: Barclays Intermediate U.S. Govt. Securities	1.26%	3.51%	-	-	-	5.89%

*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

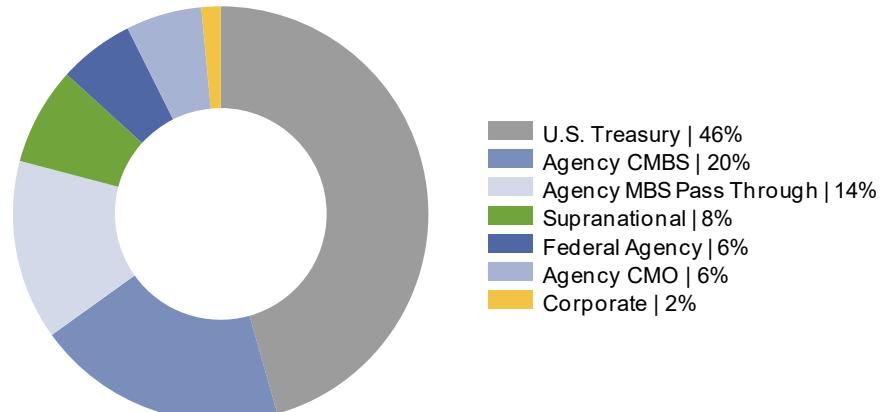
- The University's Intermediate Term portfolio is actively managed by PFM Asset Management. PFMAM seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and are therefore 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	\$173,020,688.46
Securities Sub-Total	\$169,397,627.85
Accrued Interest	\$944,224.76
Cash	\$2,678,835.85
Portfolio Effective Duration	3.42 years
Benchmark Effective Duration	3.59 years
Yield At Cost	3.41%
Yield At Market	3.99%
Portfolio Credit Quality	AA

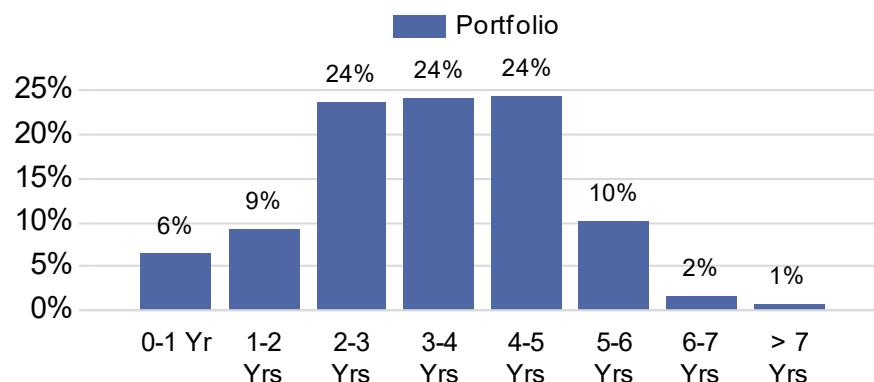
Sector Allocation



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

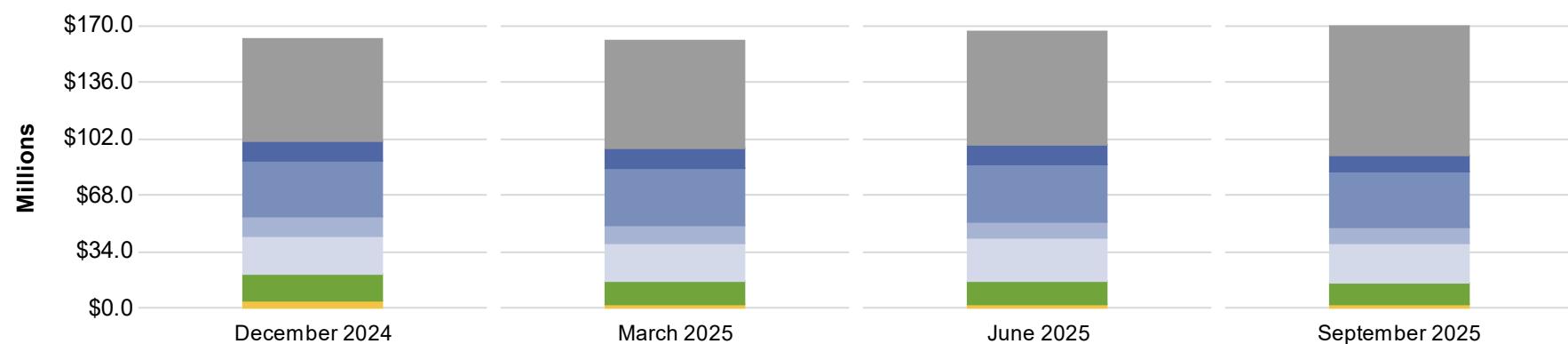
Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	45.7%	
United States Treasury	45.7%	AA / Aa / AA
Federal Agency	5.9%	
Federal Home Loan Mortgage Corp	1.0%	AA / Aa / AA
Federal National Mortgage Association	4.0%	AA / Aa / AA
Tennessee Valley Authority	0.9%	AA / Aa / AA
Agency CMBS	19.4%	
Federal Home Loan Mortgage Corp	19.4%	AA / Aa / AA
Agency CMO	5.9%	
Federal Home Loan Mortgage Corp	3.5%	AA / Aa / AA
Federal National Mortgage Association	1.4%	AA / Aa / AA
Government National Mortgage Association	0.9%	AA / Aa / AA
Agency MBS Pass Through	14.0%	
Federal Home Loan Mortgage Corp	5.4%	AA / Aa / AA
Federal National Mortgage Association	8.6%	AA / Aa / AA
Government National Mortgage Association	0.1%	AA / Aa / AA
Supranational	7.6%	
African Development Bank	1.7%	AAA / Aaa / AAA
Asian Development Bank	0.4%	AAA / Aaa / AAA
Inter-American Development Bank	2.8%	AAA / Aaa / AAA
International Bank for Reconstruction & Development	1.8%	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

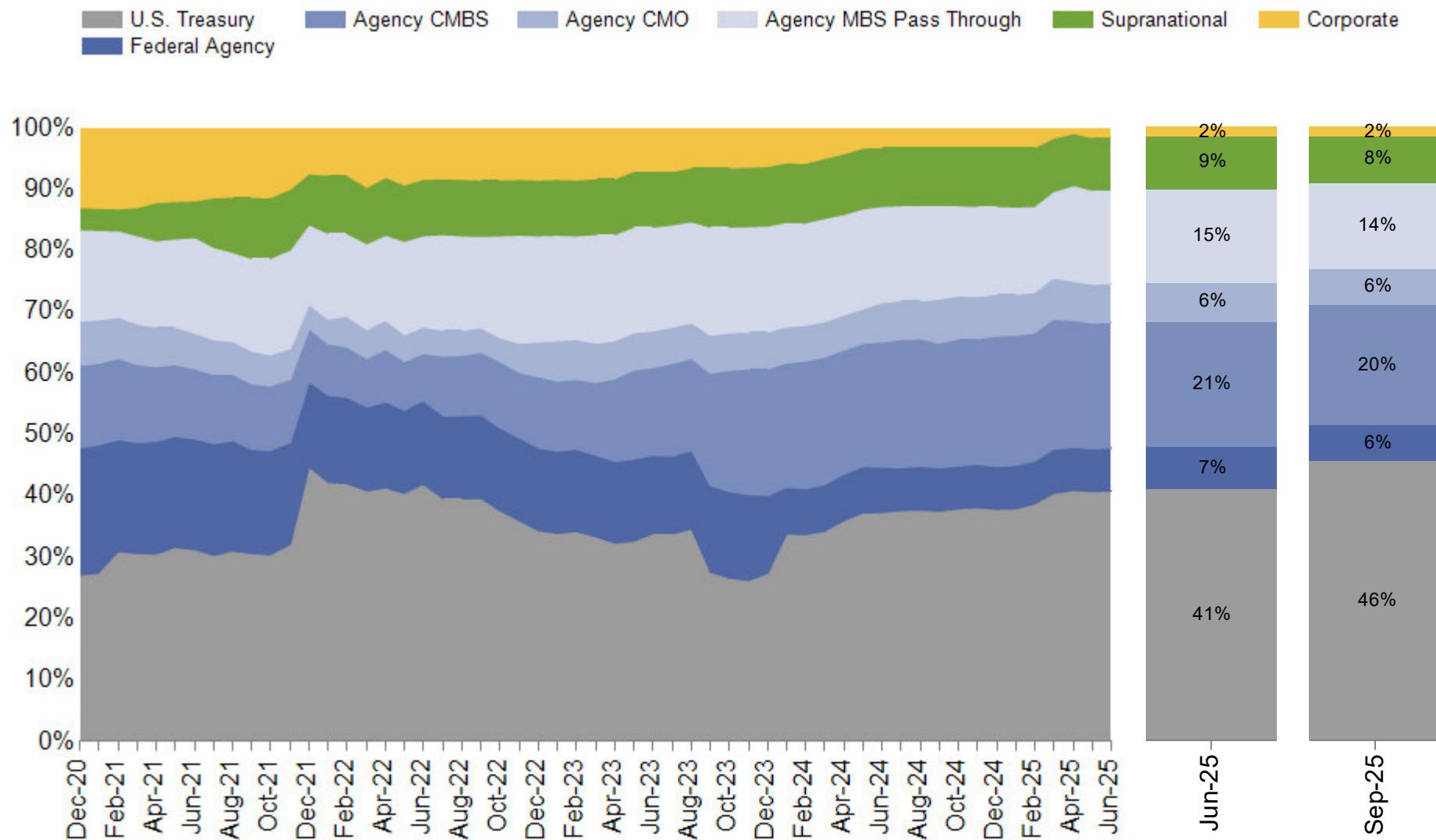
Security Type	Dec-24	% of Total	Mar-25	% of Total	Jun-25	% of Total	Sep-25	% of Total
U.S. Treasury	\$61.6	37.9%	\$65.7	40.5%	\$68.1	40.9%	\$77.3	45.6%
Federal Agency	\$11.4	7.0%	\$11.6	7.2%	\$11.7	7.0%	\$10.0	5.9%
Agency CMBS	\$34.5	21.3%	\$34.4	21.2%	\$34.0	20.5%	\$33.0	19.5%
Agency CMO	\$11.0	6.8%	\$10.8	6.7%	\$10.4	6.3%	\$10.0	5.9%
Agency MBS Pass Through	\$23.2	14.3%	\$22.7	14.1%	\$25.3	15.2%	\$23.8	14.0%
Supranational	\$15.6	9.6%	\$14.1	8.7%	\$14.2	8.6%	\$12.9	7.6%
Corporate	\$5.0	3.1%	\$2.6	1.6%	\$2.5	1.5%	\$2.5	1.5%
Total	\$162.3	100.0%	\$161.7	100.0%	\$166.3	100.0%	\$169.4	100.0%

U.S. Treasury Federal Agency Agency CMBS Agency CMO Agency MBS Pass Through Supranational Corporate



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

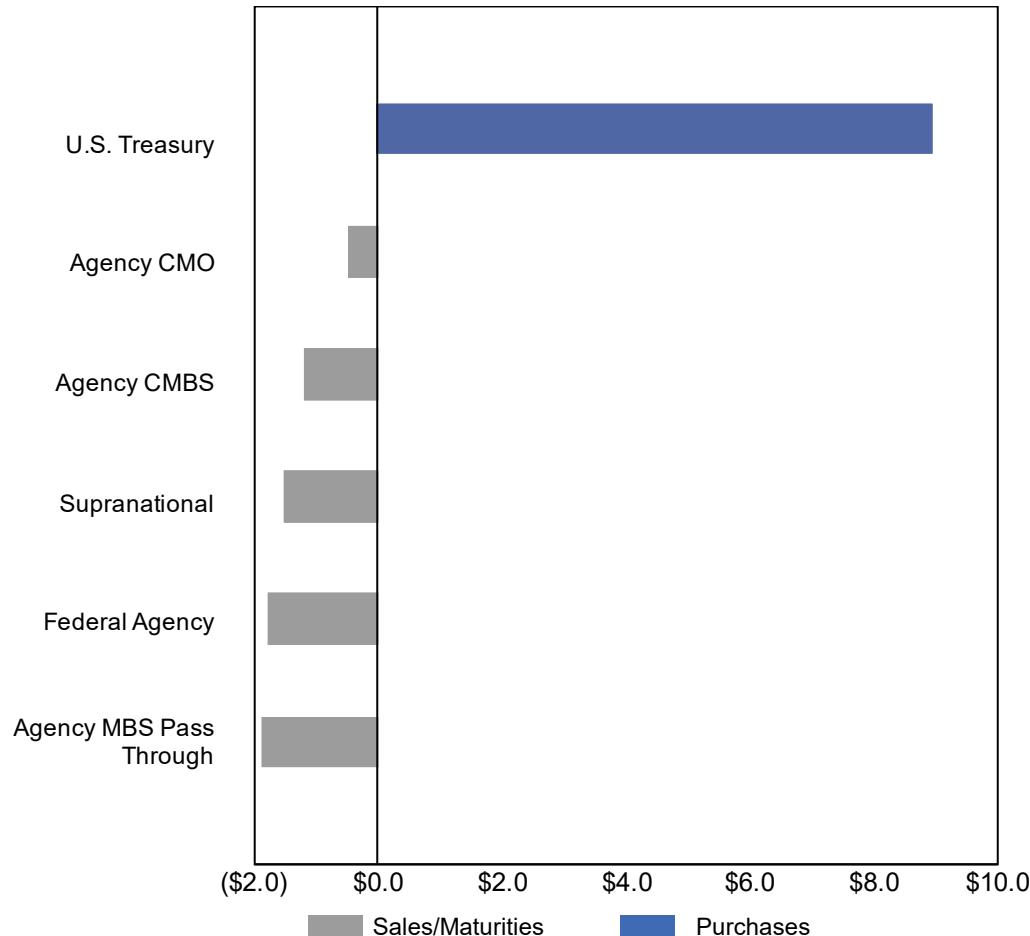


Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM.

Portfolio Activity - SIU- INTERMEDIATE TERM

Net Activity by Sector

(\$ millions)

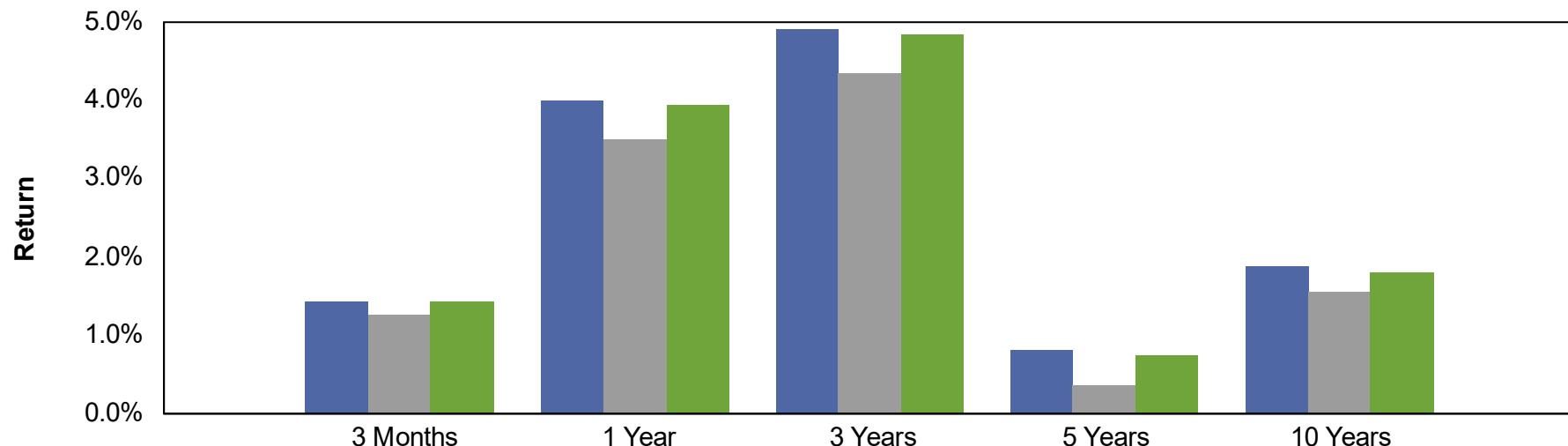


Sector	Net Activity
U.S. Treasury	\$8,936,456
Agency CMO	(\$476,179)
Agency CMBS	(\$1,170,008)
Supranational	(\$1,500,000)
Federal Agency	(\$1,780,000)
Agency MBS Pass Through	(\$1,868,323)
Total Net Activity	\$2,141,945

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

Portfolio Performance

■ Portfolio ■ Benchmark ■ Net of Fees



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years
Interest Earned ²	\$1,410,140	\$5,348,719	\$14,009,025	\$21,119,306	\$36,418,380
Change in Market Value	\$1,041,312	\$1,328,307	\$9,668,442	(\$15,101,829)	(\$7,574,486)
Total Dollar Return	\$2,451,452	\$6,677,026	\$23,677,467	\$6,017,477	\$28,843,894
Total Return³					
Portfolio	1.43%	4.01%	4.92%	0.82%	1.87%
Benchmark ⁴	1.26%	3.51%	4.35%	0.36%	1.55%
Basis Point Fee	0.02%	0.07%	0.07%	0.07%	0.07%
Net of Fee Return	1.42%	3.94%	4.85%	0.75%	1.80%

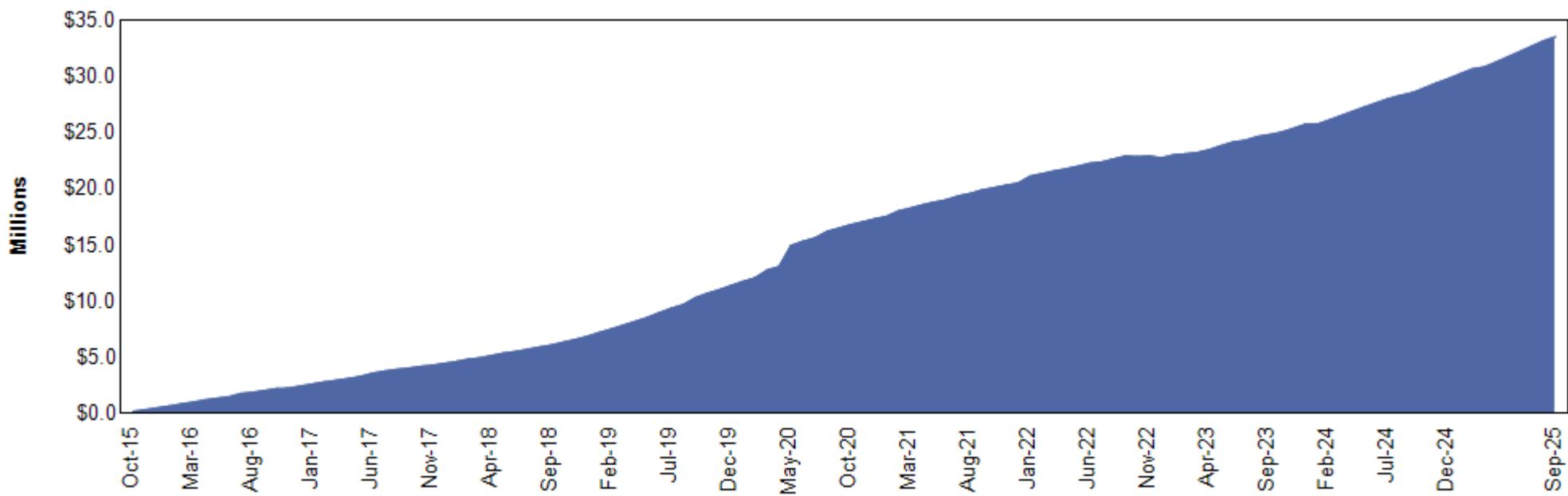
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is September 30, 2014.

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	\$1,410,140	\$5,348,719	\$14,009,025	\$21,119,306	\$36,418,380
Realized Gains / (Losses) ³	(\$144,188)	(\$525,157)	(\$4,955,607)	(\$3,964,174)	(\$1,312,740)
Change in Amortized Cost	\$45,238	\$152,339	\$1,561,376	(\$117,171)	(\$1,562,017)
Total Earnings	\$1,311,190	\$4,975,902	\$10,614,794	\$17,037,961	\$33,543,623

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

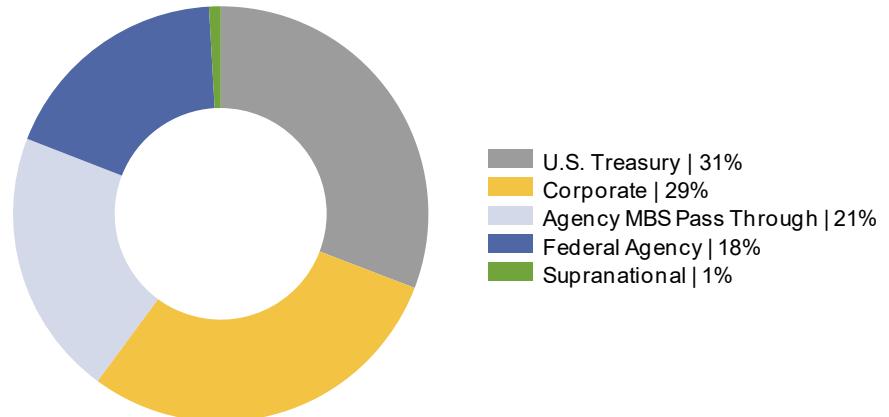
- A portion of the University's Intermediate Term portfolio is managed by LM Capital Group LLC ("LMC"). LMC seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and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

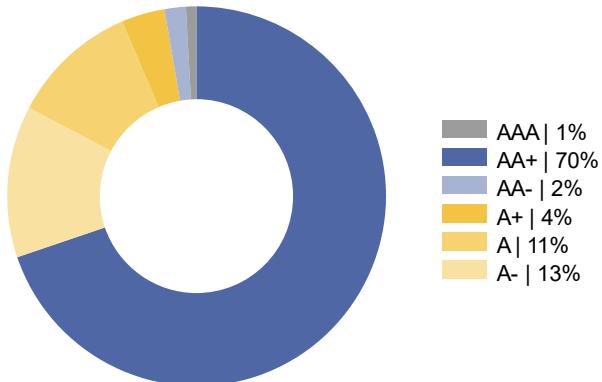
Portfolio Statistics

Total Market Value	\$28,090,115.83
Securities Sub-Total	\$27,447,265.00
Accrued Interest	\$188,937.95
Cash	\$453,912.88
Portfolio Effective Duration	3.54 years
Benchmark Effective Duration	3.59 years
Yield At Cost	4.61%
Yield At Market	4.30%
Portfolio Credit Quality	AA

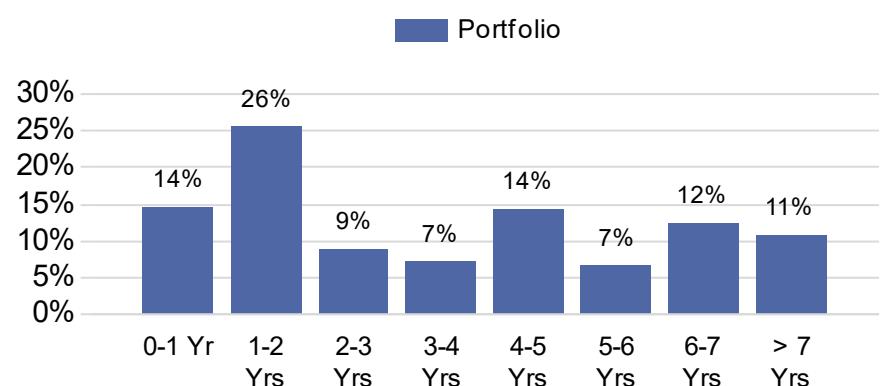
Sector Allocation



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	30.8%	
United States Treasury	30.8%	AA / Aa / AA
Federal Agency	18.2%	
Federal Farm Credit Banks Funding Corp	11.6%	AA / Aa / AA
Federal Home Loan Banks	3.4%	AA / Aa / NR
Federal National Mortgage Association	3.2%	AA / Aa / AA
Agency MBS Pass Through	20.7%	
Federal Home Loan Mortgage Corp	7.9%	AA / Aa / AA
Federal National Mortgage Association	9.4%	AA / Aa / AA
Government National Mortgage Association	3.4%	AA / Aa / AA
Supranational	0.9%	
International Bank for Reconstruction &	0.9%	AAA / Aaa / NR
Corporate	29.4%	
AbbVie Inc	1.8%	A / A / NR
American Express Co	1.8%	A / A / A
Bank of America Corp	1.8%	A / A / AA
Bank of New York Mellon Corp	1.8%	A / Aa / AA
Citigroup Inc	1.9%	A / Aa / A
Enterprise Products Partners LP	1.9%	A / A / A
Goldman Sachs Group Inc	1.9%	A / A / A
Honda Motor Co Ltd	3.7%	A / A / NR
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	1.9%	A / A / A
PNC Financial Services Group Inc	1.8%	A / A / A

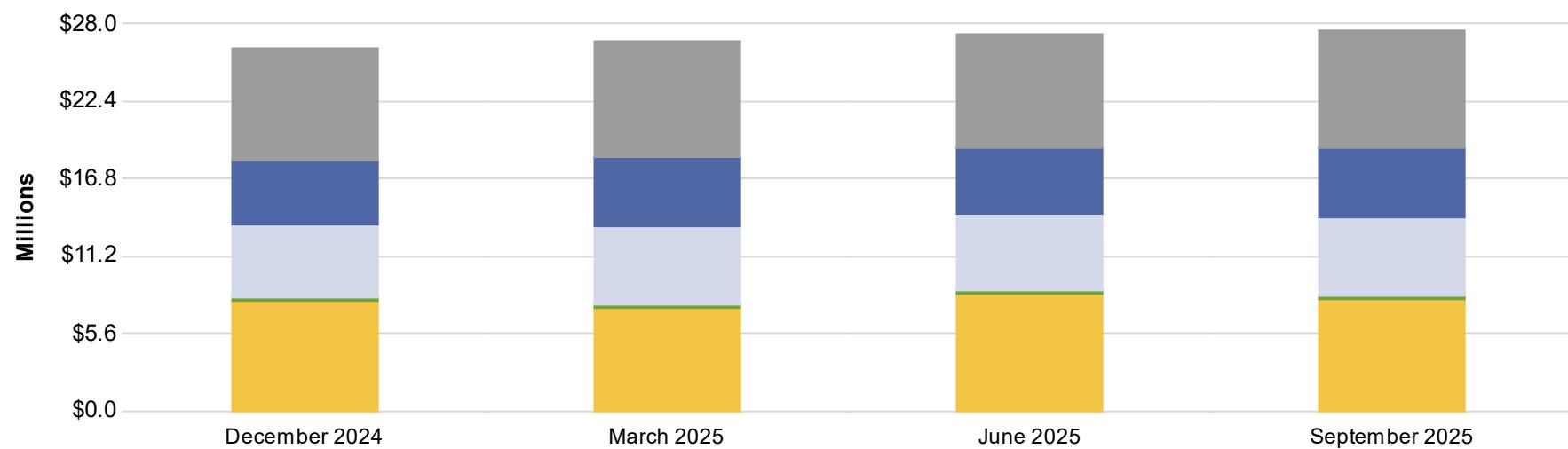
Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	29.4%	
Simon Property Group Inc	2.1%	A / A / NR
Truist Financial Corp	1.5%	A / A / A
Total	100.0%	

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	Dec-24	% of Total	Mar-25	% of Total	Jun-25	% of Total	Sep-25	% of Total
U.S. Treasury	\$8.1	30.8%	\$8.3	31.0%	\$8.3	30.5%	\$8.5	30.8%
Federal Agency	\$4.7	17.8%	\$5.0	18.8%	\$4.7	17.3%	\$5.0	18.2%
Agency MBS Pass Through	\$5.3	20.2%	\$5.7	21.4%	\$5.5	20.2%	\$5.7	20.8%
Supranational	\$0.2	0.9%	\$0.2	0.9%	\$0.2	0.9%	\$0.2	0.9%
Corporate	\$7.9	30.3%	\$7.4	27.9%	\$8.5	31.1%	\$8.0	29.3%
Total	\$26.2	100.0%	\$26.7	100.0%	\$27.3	100.0%	\$27.4	100.0%

U.S. Treasury
 Federal Agency
 Agency MBS Pass Through
 Supranational
 Corporate

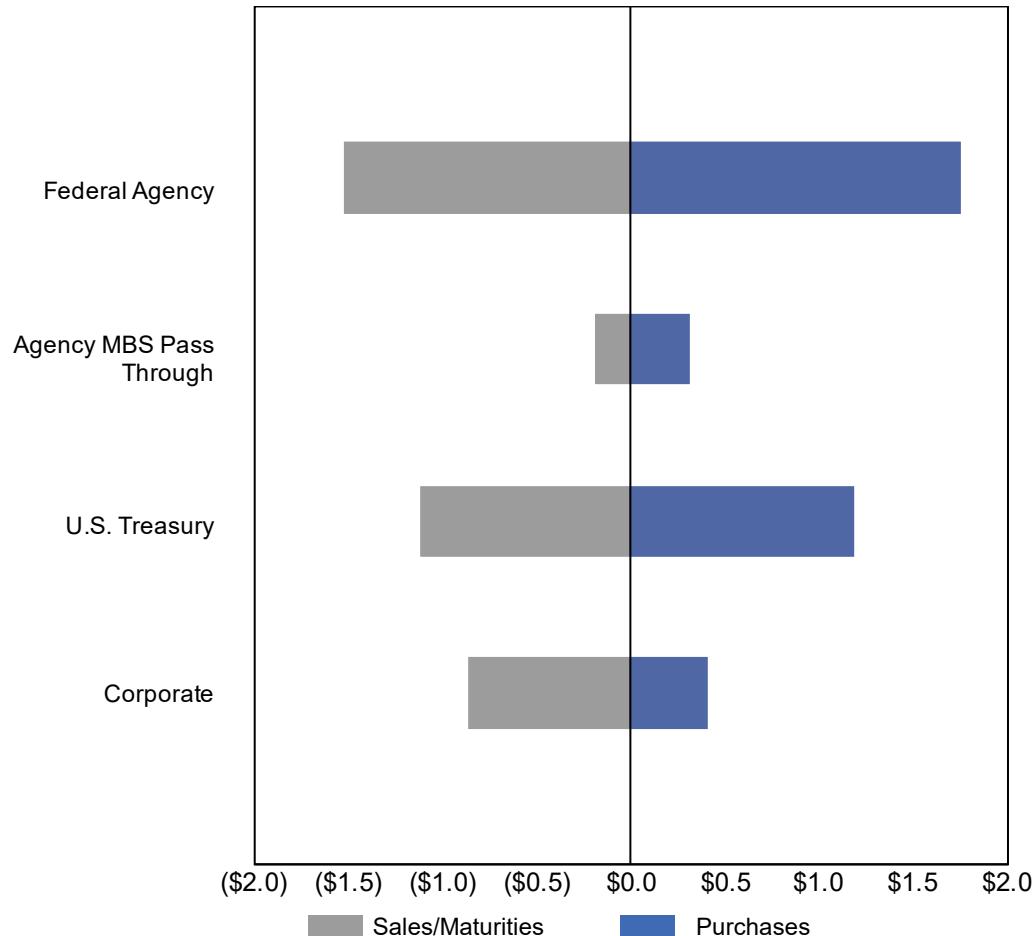


Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

Portfolio Activity - SIU- LMC INTERMEDIATE TERM

Net Activity by Sector

(\$ millions)

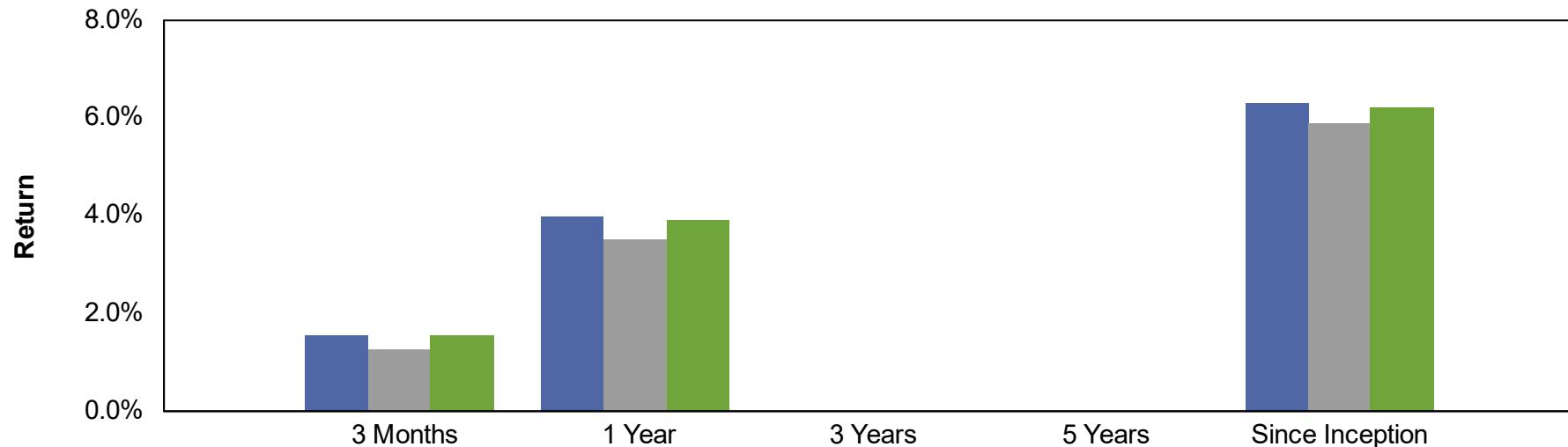


Sector	Net Activity
Federal Agency	\$238,877
Agency MBS Pass Through	\$119,238
U.S. Treasury	\$76,259
Corporate	(\$452,942)
Total Net Activity	(\$18,568)

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

Portfolio Performance

■ Portfolio ■ Benchmark ■ Net of Fees



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$274,554	\$1,066,362	-	-	\$2,063,648
Change in Market Value	\$157,066	\$6,449	-	-	\$1,172,453
Total Dollar Return	\$431,620	\$1,072,811	-	-	\$3,236,101
Total Return³					
Portfolio	1.56%	3.97%	-	-	6.30%
Benchmark ⁴	1.26%	3.51%	-	-	5.89%
Basis Point Fee	0.02%	0.07%	-	-	0.07%
Net of Fee Return	1.54%	3.90%	-	-	6.23%

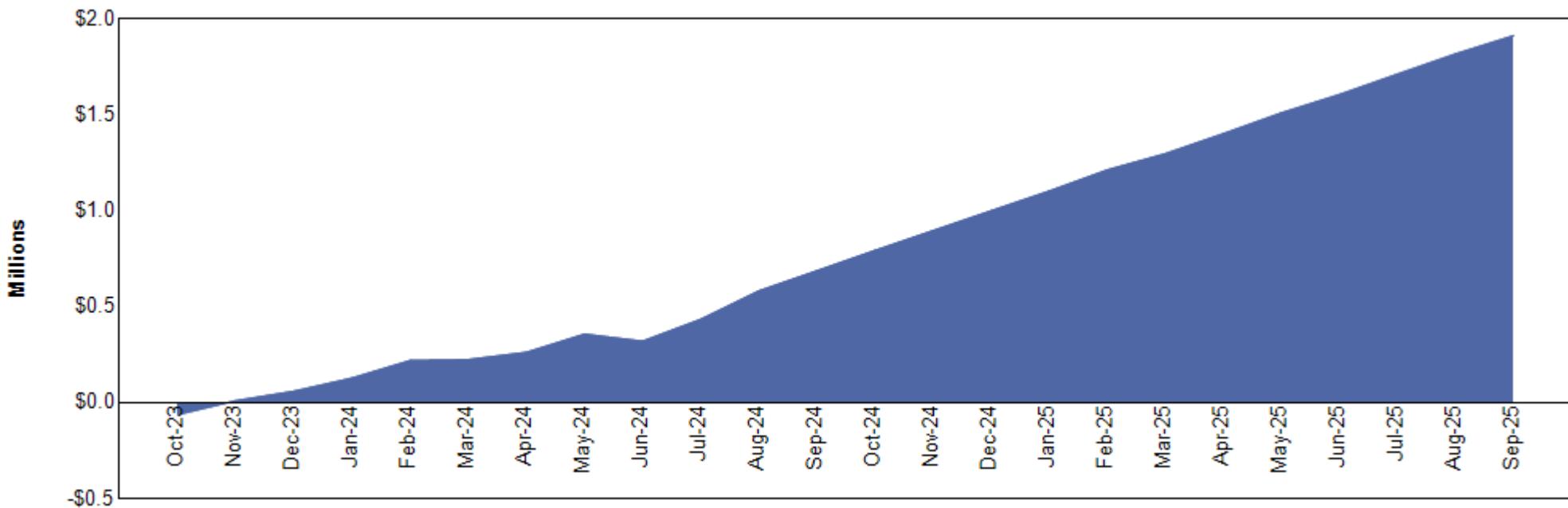
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2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

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	\$274,554	\$1,066,362	-	-	\$2,063,648
Realized Gains / (Losses) ³	(\$6,404)	(\$5,984)	-	-	(\$486,697)
Change in Amortized Cost	\$38,754	\$165,150	-	-	\$334,861
Total Earnings	\$306,903	\$1,225,528	-	-	\$1,911,811

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 September 30, 2025.

Illinois Funds

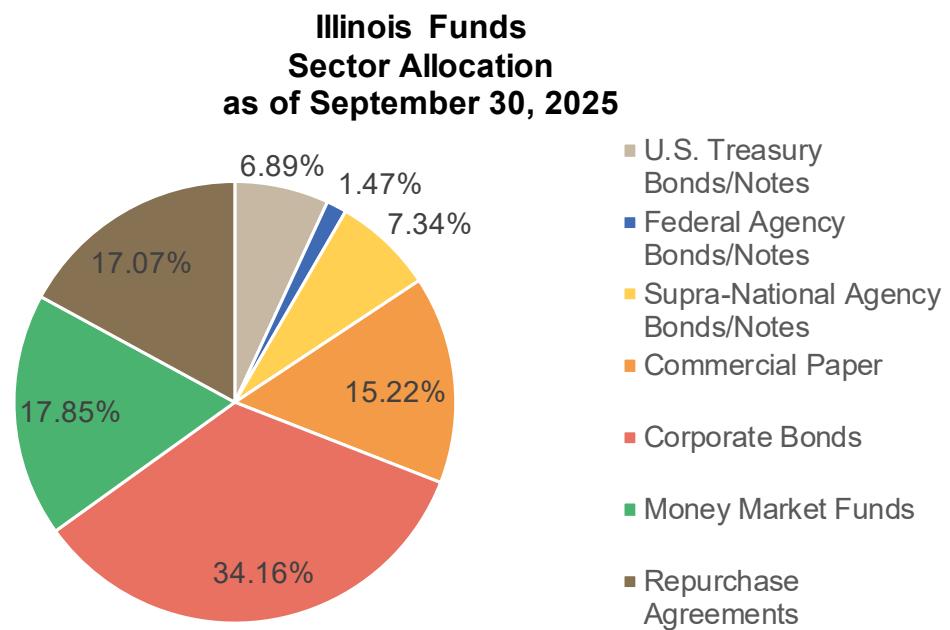
Investment Approach

- 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 \$18.2 billion in total assets as of September 30, 2025. The fund is currently rated AAAmmf by Fitch.

Illinois Funds Account Overview

Illinois Funds	
Beginning Value (6/30/25)	\$85,275,067.59
Net Deposits (Withdrawals)	\$32,435,096.93
Interest Earned	\$1,205,487.71
Ending Value (9/30/25)	\$118,915,652.23

	Current Yield as of 9/30/25
Illinois Funds	4.25%
Benchmark: S&P Rated Government Investment Pool Index	4.20%



Weighted Average Maturity

25 Days

U.S. Bank Investment Sweep

Investment Approach

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

U.S. Bank Investment Sweep Account Overview

U.S. Bank Investment Sweep	
Beginning Value (6/30/25)	\$26,169,823.10
Net Deposits (Withdrawals)	\$6,371,272.26
Interest Earned	\$307,126.10
Ending Value (9/30/25)	\$32,848,221.46

	Current Yield as of 9/30/25
U.S. Bank Treasury Obligations MMF Sweep	3.72%
Benchmark: S&P Rated Government Investment Pool Index	4.20%

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

<u>Investment Balance</u> <u>Market Value (\$ in millions)</u>	9/30/2024	12/31/2024	3/31/2025	6/30/2025	9/30/2025
Housing & Auxiliary Facilities System					
Construction Proceeds	1.0	0.7	0.3	0.3	-
Interest Sinking Fund	2.8	0.6	18.8	1.0	2.6
Debt Service Reserve	6.6	6.6	6.7	6.8	6.9
Total HAFS	10.5	7.9	25.7	8.1	9.5
Certificates of Participation					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-
Total COPS	-	-	-	-	-
Total Market Value of Portfolio	\$ 10.5	\$ 7.9	\$ 25.7	\$ 8.1	\$ 9.5
Investment Balance					
<u>Book Value (\$ in millions)</u>					
	\$ 10.4	\$ 7.9	\$ 25.7	\$ 8.0	\$ 9.4

**Capital Investments are managed internally and are invested in high quality, low risk government securities. The investment maturity, rate of return and type are limited by covenants in the debt financing documents.*

Important Disclosures

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

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- 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.**
- 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.

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.
- 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.