



Southern Illinois University

Quarterly Investment Report
March 31, 2021

Market Update

SUMMARY

- In Q1, U.S. economic conditions were impacted by: (1) optimism regarding a lower COVID-19 caseload as vaccine inoculations ramped up despite initial logistical challenges; (2) a new administration in Washington pushing new policies and priorities; (3) improving economic data supported by an additional \$1.9 trillion in relief funds from the American Rescue Plan Act; (4) reaffirmed commitment by the Federal Reserve (Fed) to keep short-term rates near-zero for the foreseeable future; (5) expectations for higher inflation; and (6) a significantly steeper U.S. Treasury yield curve.
- The Fed spent much of the first quarter continuing to convey its commitment to utilize the full scope of its monetary authority to facilitate economic recovery. As a result, the Fed made no changes to the near-zero fed funds policy rate and continued its large-scale monthly asset purchases. The Fed's most recent messaging has evolved to require actual outcomes—not just strong forecasts—before considering any current policy changes. Over the quarter, Fed Chairman Jerome Powell addressed the notable increase in longer term U.S. Treasury yields as unlikely to get out of hand, nor does the Fed expect any destructive breakout of inflation. Building on positive vaccine news and the new relief package, the Federal Open Market Committee (FOMC) raised its projections for real GDP growth to 6.5% for 2021 and now expects the unemployment rate to fall to 4.5% by year-end.
- Shorter-term U.S. Treasury yields remained low and range-bound, while longer-term Treasury yields rose sharply, steepening the yield curve.
- Amidst many market-moving events, domestic equity markets continued their march forward with the Dow Jones Industrial Average, S&P 500, and Nasdaq each posting record highs during the quarter. International and emerging market returns also continued to be strongly influenced by the degree of regional virus containment alongside the value of the U.S. Dollar bouncing off a multi-year low during Q1.

ECONOMIC SNAPSHOT

- In the final revision, U.S. GDP posted a 4.3% expansion in the fourth quarter of 2020, although consumer spending grew at a tepid 2.4% pace. Meanwhile, housing construction was the star performer, growing at a 35.8% rate in the fourth quarter. GDP forecasts for the first quarter are around 5%, with even greater growth expected in Q2 and Q3.
- The labor market recovery in the first quarter progressively improved month by month. The unemployment rate ended the quarter at 6.0%, down 0.7% from the end of 2020. Non-farm payrolls showed strong and accelerating improvement, topping out at 916,000 new jobs in March. Initial jobless claims remained elevated during the quarter but saw claims drop below 700,000 for the first time since the beginning of the pandemic.
- U.S. manufacturing and services activity continued to recover at a healthy rate in Q1. The ISM Manufacturing and Service Sector purchasing manager indices (PMIs) surged to multi-year highs, indicating the strength of the business recovery that is underway. On the housing front, new and existing home sales slowed over the quarter largely due to a lack of inventory, although the 30-year mortgage rate rose sharply from 2.71% at the end of 2020 to 3.18% as of March 31, 2021.

INTEREST RATES

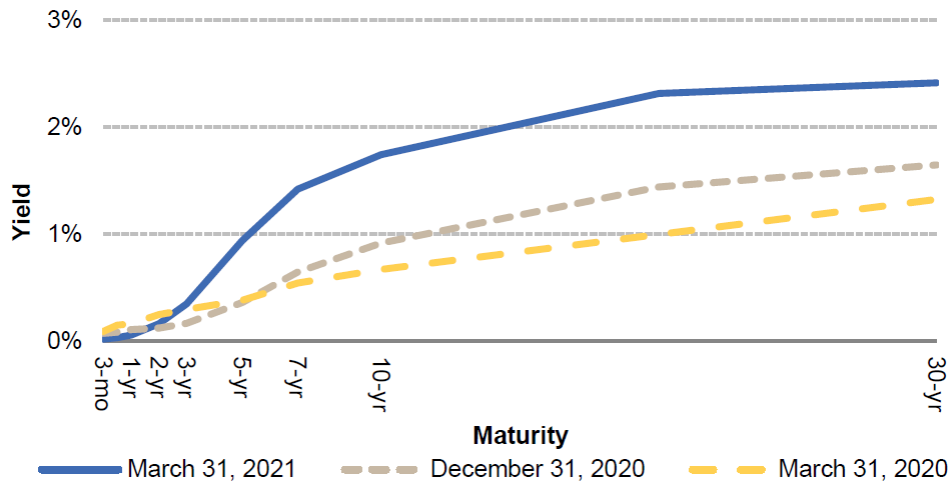
- The U.S. Treasury yield curve steepened dramatically over the quarter. Maturities of less than one year were flat to lower over the quarter as they continued to be anchored by the Fed's zero-interest-rate policy. Yields on maturities of seven years or more rose sharply, steepening the curve and increasing the spread between the 2- and 10-year U.S. Treasury yields to 1.58%, the largest spread since June 2015. Inflation concerns, fueled by a combination of stimulus dollars and economic optimism, were the primary catalysts for the steeper curve.

Market Update

INTEREST RATES

- At quarter-end, the yield on a 3-month U.S. Treasury Bill stood at 0.02%. The 2-year note was 0.16% and the 5-year note 0.94%, while 10- and 30-year Treasuries ended the quarter at 1.74% and 2.41%, respectively.
- As a result of ultra-low short-term rates and a steeper curve, U.S. Treasury index returns were mixed for the quarter. Shorter-duration U.S. Treasury indices (two years and under) were relatively muted and only slightly positive. Longer maturity yields rose precipitously, resulting in the worst returns for 10- and 30-year constant maturity indices on record. For example, the 3-month and 1-year Constant Maturity U.S. Treasury Indices returned 0.03% and 0.07%, respectively. Meanwhile, the 5- and 7-year indices returned -2.41% and -4.60%, and the 10- and 30-year indices returned -7.10% and -16.25%, respectively.

U.S. Treasury Yield Curve



Source: Bloomberg, as of 3/31/2021.

SECTOR PERFORMANCE

- Diversification away from U.S. Treasuries was generally additive to performance, but only modestly. Following three consecutive quarters of significant spread narrowing, most sectors held at tight levels. Two notable exceptions were the investment-grade (IG) corporate sector, where spreads widened a bit off record lows, and the mortgage-backed securities (MBS) sector, where slowing prepayments caused durations to extend materially. On balance, diversification remained a net positive to performance relative to Treasuries, but by a much smaller amount than in recent periods, as spreads began the quarter offering only modest incremental yield.
- The federal agency sector offered record low yield spreads, especially on maturities inside of five years. New issue supply was very light with few new issues. The sector posted modest positive excess returns for the quarter. Callable structures outperformed non-callables in Q1 but continue to trail sharply over the past 1-, 3-, and 5-year periods.
- IG corporates generated muted excess returns over the quarter (although still positive) compared to other spread sectors. Spreads drifted wider as yields rose, and new issue supply came at a near-record pace for a first calendar quarter. As a result, the relative outperformance of corporates over U.S. Treasuries was generally muted as incremental income from the sector largely offset the adverse impact of the widening spread.
- Federal agency-backed MBS excess returns were positive in aggregate, but low coupon pass-throughs notably underperformed. Conventional 30-year collateral generated modest outperformance relative to 15-year, while higher coupons performed better as prepayments slowed. Commercial MBS was again additive to performance while providing insulation against typical adverse rate-sensitive mortgage duration movements.

Summary of Operating Investments

Summary of Operating Investments

Market Value (\$ in millions)*

	3/31/2021
Illinois Funds	\$ 76.6
US Bank Commercial Paper Sweep	31.7
Insured Cash Sweep	5.0
Subtotal Cash & Cash Equivalents	<u>\$ 113.3</u>
Short Term Portfolio	40.1
Intermediate Term Portfolio	152.9
Total Portfolio	<u><u>\$ 306.3</u></u>

Book Value (\$ in millions)

\$ 302.3

Current Yields (Annualized)

Illinois Funds	0.04%
US Bank Commercial Paper Sweep	0.01%
Insured Cash Sweep	0.18%
Benchmark: S&P Rated Government Investment Pool Index	0.02%

Performance Summary (Total Return)**

	Current Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception
Short Term Portfolio	0.05%	0.69%	1.85%	-	-	1.60%
Benchmark: BofA Merrill Lynch 3-Month Treasury Bill Index	0.03%	0.12%	1.49%	-	-	1.28%
Intermediate Term Portfolio	-1.18%	0.87%	4.04%	2.42%	-	2.52%
Benchmark: Barclays Intermediate U.S. Govt. Securities	-1.72%	-1.20%	3.75%	2.07%	-	2.27%

*Detail may not add to total due to rounding

**Returns are gross of fees. Current Quarter total return is a presented on a periodic basis. Trailing returns are presented, on an annualized basis.

Asset Allocation (\$ in millions)*

Sector	3/31/2021	
Money Market Mutual Funds	\$ 77.9	25.4%
U.S. Treasury Bonds/Notes	46.4	15.1%
Federal Agency Bonds/Notes	27.4	8.9%
Federal Agency Mortgage Backed Securi	21.8	7.1%
Federal Agency Collateralized Mortgage (29.2	9.5%
Supra-National Agency Bonds/Notes	6.9	2.3%
Corporate Notes	19.5	6.4%
Commercial Paper	40.0	13.1%
Commercial Paper Sweep (US Bank)	31.7	10.3%
Insured Cash Sweep	5.0	1.6%
Subtotal	305.7	99.8%
Accrued Interest	0.6	0.2%
Total	\$ 306.3	100.0%

SIU - Intermediate Term Portfolio

Investment Approach

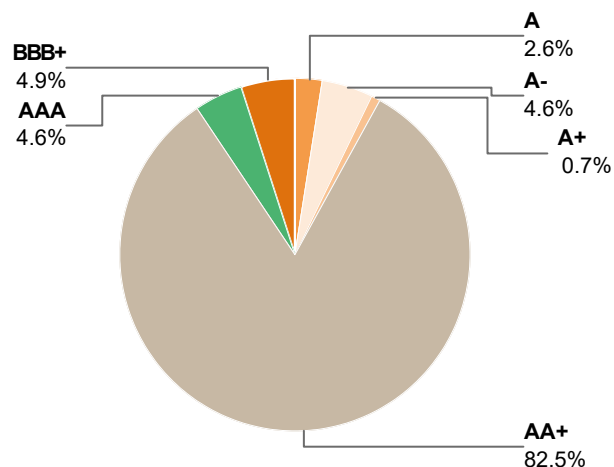
- The University's Intermediate Term portfolio is actively managed by PFM Asset Management, LLC. PFM seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and are therefore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

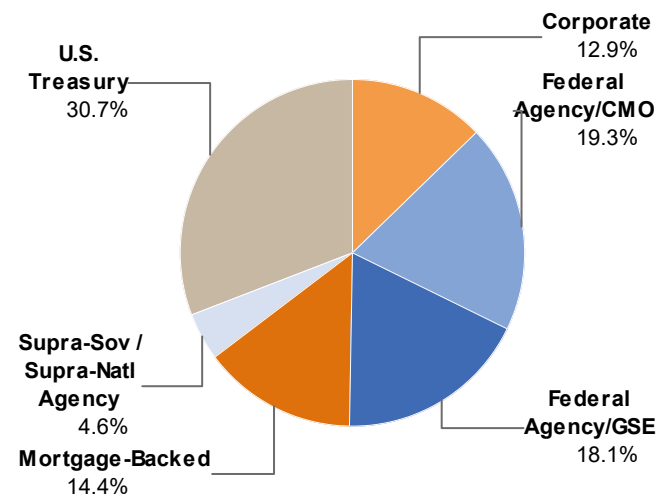
As of March 31, 2021

Par Value:	\$143,803,842
Total Market Value:	\$152,913,986
Security Market Value:	\$151,144,818
Accrued Interest:	\$588,878
Cash:	\$1,180,290
Amortized Cost:	\$147,102,226
Yield at Market:	1.43%
Yield at Cost:	2.15%
Effective Duration:	3.71 Years
Average Maturity:	7.48 Years
Average Credit: *	AA

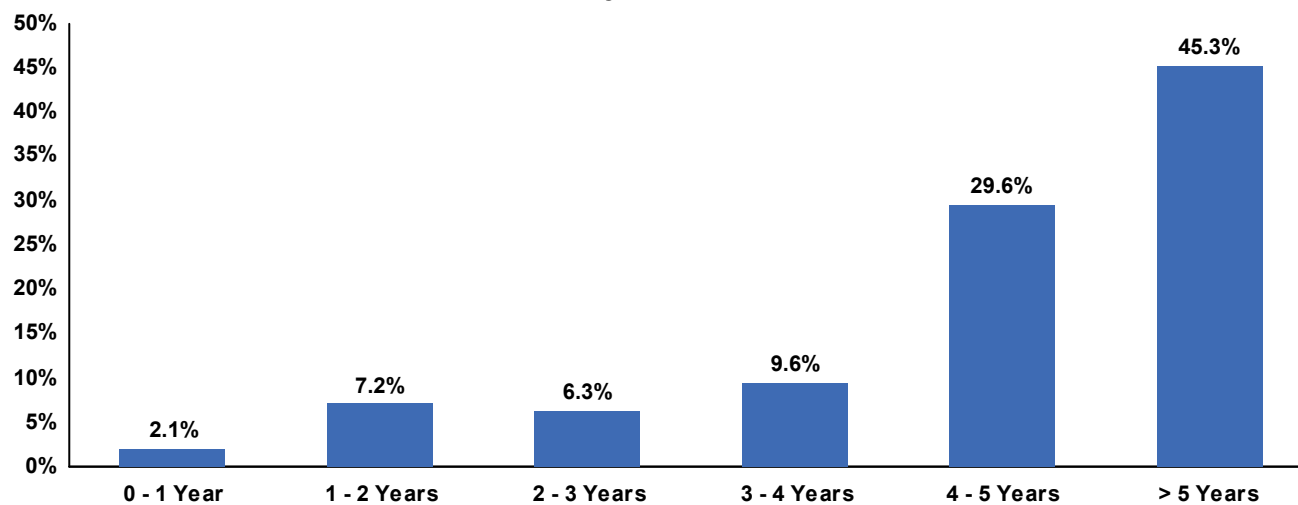
Credit Quality (S&P Ratings)



Sector Allocation



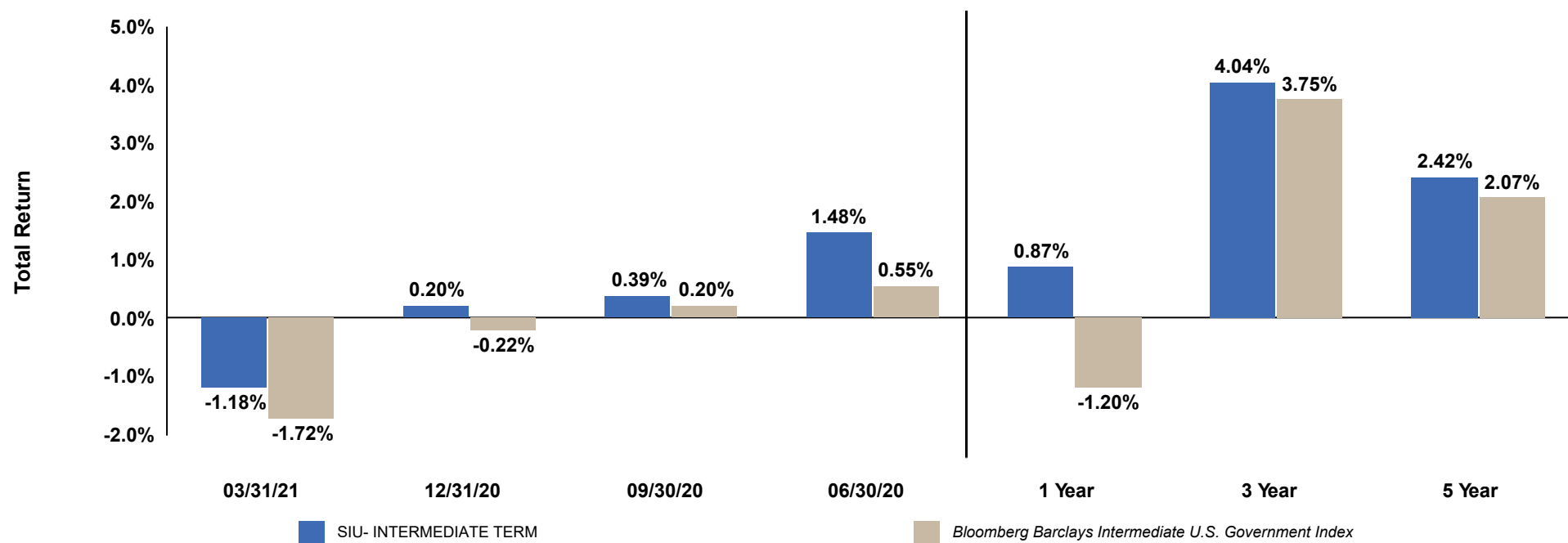
Maturity Distribution



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

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		03/31/21	12/31/20	09/30/20	06/30/20	1 Year	3 Year	5 Year
SIU- INTERMEDIATE TERM	3.71	-1.18%	0.20%	0.39%	1.48%	0.87%	4.04%	2.42%
<i>Net of Fees **</i>	-	-1.20%	0.18%	0.37%	1.46%	0.80%	3.97%	2.35%
Bloomberg Barclays Intermediate U.S. Government Index	3.95	-1.72%	-0.22%	0.20%	0.55%	-1.20%	3.75%	2.07%
Difference (Gross)		0.54%	0.42%	0.19%	0.93%	2.07%	0.29%	0.35%
Difference (Net)		0.52%	0.40%	0.17%	0.91%	2.00%	0.22%	0.28%



Portfolio performance is gross of fees unless otherwise indicated. ** Fees were calculated based on average assets during the period at the contractual rate.

Portfolio Earnings

Quarter-Ended March 31, 2021

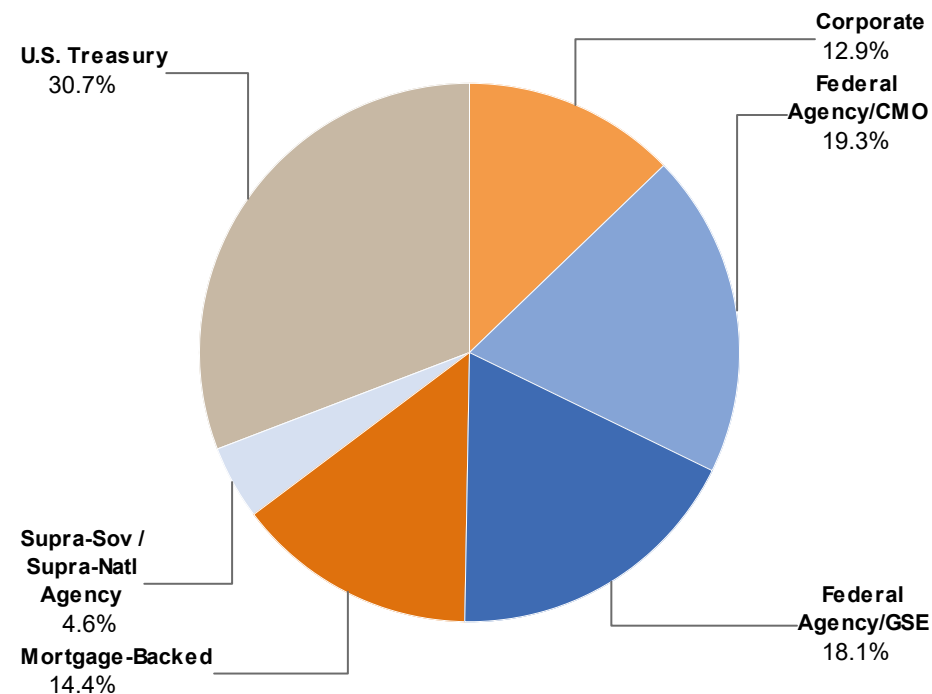
	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (12/31/2020)	\$154,069,095.84	\$147,240,185.14
Net Purchases/Sales	(\$173,197.91)	(\$173,197.91)
Change in Value	(\$2,751,080.20)	\$35,239.15
Ending Value (03/31/2021)*	\$151,144,817.73	\$147,102,226.38
Interest Earned	\$925,079.23	\$925,079.23
Portfolio Earnings	(\$1,826,000.97)	\$960,318.38

*Amount does not include cash/STIF balances and accrued interest.

Sector Allocation

As of March 31, 2021

Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	46,360,251	30.7%
Federal Agency/CMO	29,150,129	19.3%
Federal Agency/GSE	27,406,133	18.1%
Mortgage-Backed	21,799,778	14.4%
Corporate	19,533,585	12.9%
Supra-Sov / Supra-Natl Agency	6,894,942	4.6%
Total*	\$151,144,818	100.0%

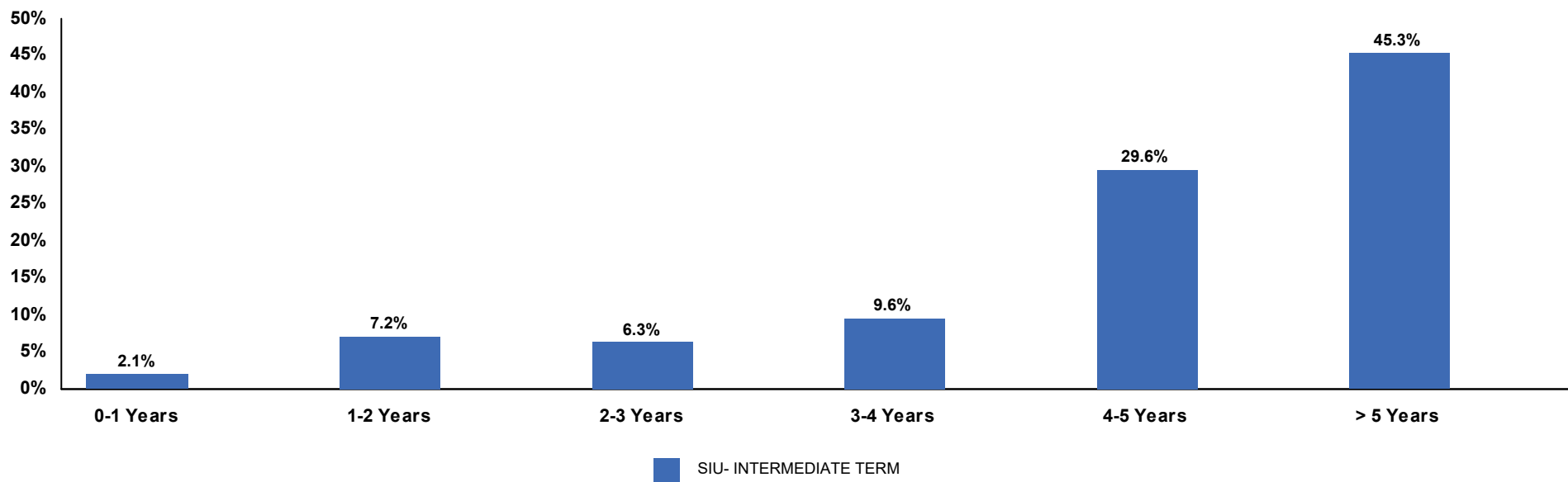


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Maturity Distribution

As of March 31, 2021

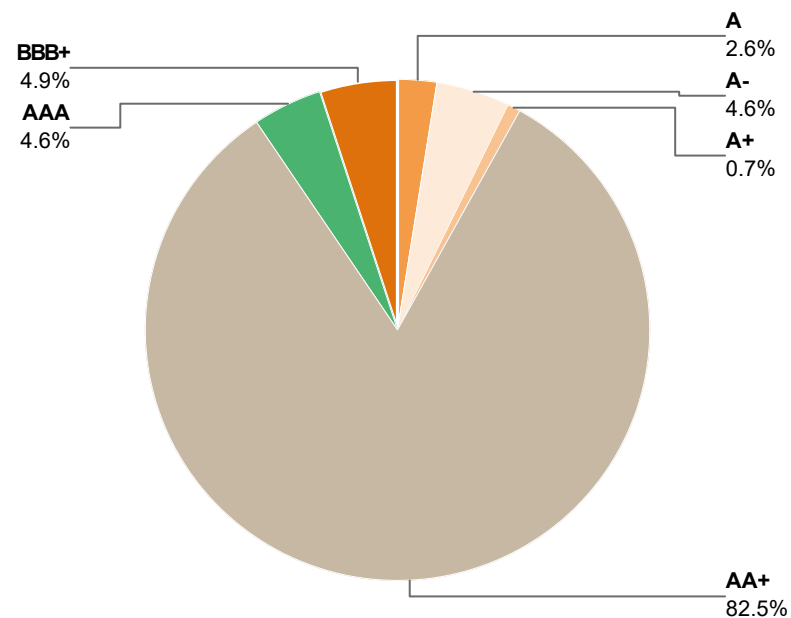
Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
SIU- INTERMEDIATE TERM	1.43%	7.48 yrs	2.1%	7.2%	6.3%	9.6%	29.6%	45.3%



Credit Quality

As of March 31, 2021

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$124,716,290	82.5%
BBB+	\$7,454,026	4.9%
A-	\$7,008,955	4.6%
AAA	\$6,894,942	4.6%
A	\$3,947,154	2.6%
A+	\$1,123,450	0.7%
Totals*	\$151,144,818	100.0%



*Amount does not include cash/STIF balances and accrued interest. Detail may not add to total due to rounding.

Sector/Issuer Distribution

As of March 31, 2021

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Corporate			
AMERICAN EXPRESS CO	1,537,424	7.9%	1.0%
AMERICAN HONDA FINANCE	1,533,512	7.9%	1.0%
BANK OF AMERICA CO	1,632,811	8.4%	1.1%
CATERPILLAR INC	1,098,084	5.6%	0.7%
CITIGROUP INC	1,533,750	7.9%	1.0%
GOLDMAN SACHS GROUP INC	1,501,872	7.7%	1.0%
JP MORGAN CHASE & CO	2,296,202	11.8%	1.5%
MORGAN STANLEY	1,540,893	7.9%	1.0%
THE BANK OF NEW YORK MELLON CORPORATION	2,849,070	14.6%	1.9%
TOYOTA MOTOR CORP	1,123,450	5.8%	0.7%
TRUIST FIN CORP	1,546,431	7.9%	1.0%
WELLS FARGO & COMPANY	1,340,088	6.9%	0.9%
Sector Total	19,533,585	100.0%	12.9%
Federal Agency/CMO			
FANNIE MAE	4,908,778	16.8%	3.2%
FREDDIE MAC	23,056,352	79.1%	15.3%
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	1,184,999	4.1%	0.8%
Sector Total	29,150,129	100.0%	19.3%

SIU- INTERMEDIATE TERM

Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Federal Agency/GSE			
AGENCY FOR INTERNATIONAL DEVELOPMENT	2,271,686	8.3%	1.5%
FANNIE MAE	14,844,003	54.2%	9.8%
FREDDIE MAC	4,466,570	16.3%	3.0%
TENNESSEE VALLEY AUTHORITY	5,823,874	21.3%	3.9%
Sector Total	27,406,133	100.0%	18.1%
Mortgage-Backed			
FANNIE MAE	13,777,427	63.2%	9.1%
FREDDIE MAC	7,609,900	34.9%	5.0%
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	412,450	1.9%	0.3%
Sector Total	21,799,778	100.0%	14.4%
Supra-Sov / Supra-Natl Agency			
AFRICAN DEVELOPMENT BANK	2,234,409	32.4%	1.5%
INTER-AMERICAN DEVELOPMENT BANK	1,484,624	21.5%	1.0%
INTL BANK OF RECONSTRUCTION AND DEV	3,175,910	46.1%	2.1%
Sector Total	6,894,942	100.0%	4.6%
U.S. Treasury			
UNITED STATES TREASURY	46,360,251	100.0%	30.7%
Sector Total	46,360,251	100.0%	30.7%

SIU- INTERMEDIATE TERM

Portfolio Composition

Portfolio Total*	151,144,818	100.0%	100.0%
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*Amount does not include cash/STIF balances and accrued interest.

SIU - Short Term Portfolio

Investment Approach

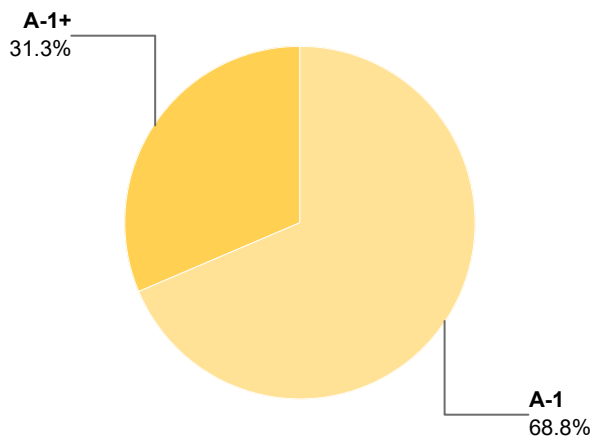
- The University's Short-Term portfolio is actively managed by PFM Asset Management, LLC. The short-term portfolio is structured to match the University's anticipated liquidity needs. The portfolio's duration typically ranges from 0 – 12 months, but is limited to a maximum maturity of 3 years. These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

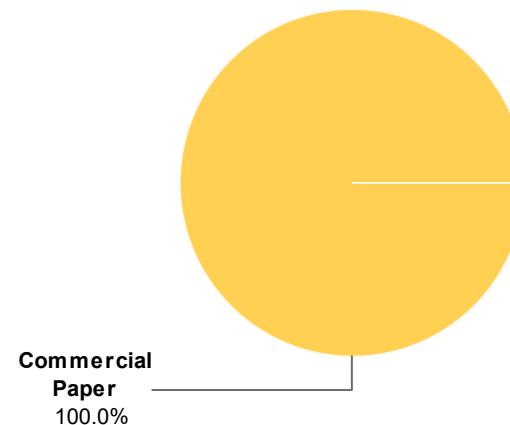
As of March 31, 2021

Par Value:	\$40,000,000
Total Market Value:	\$40,135,315
Security Market Value:	\$39,977,122
Accrued Interest:	-
Cash:	\$158,193
Amortized Cost:	\$39,980,853
Yield at Market:	0.20%
Yield at Cost:	0.19%
Effective Duration:	0.28 Years
Average Maturity:	0.28 Years
Average Credit: *	A

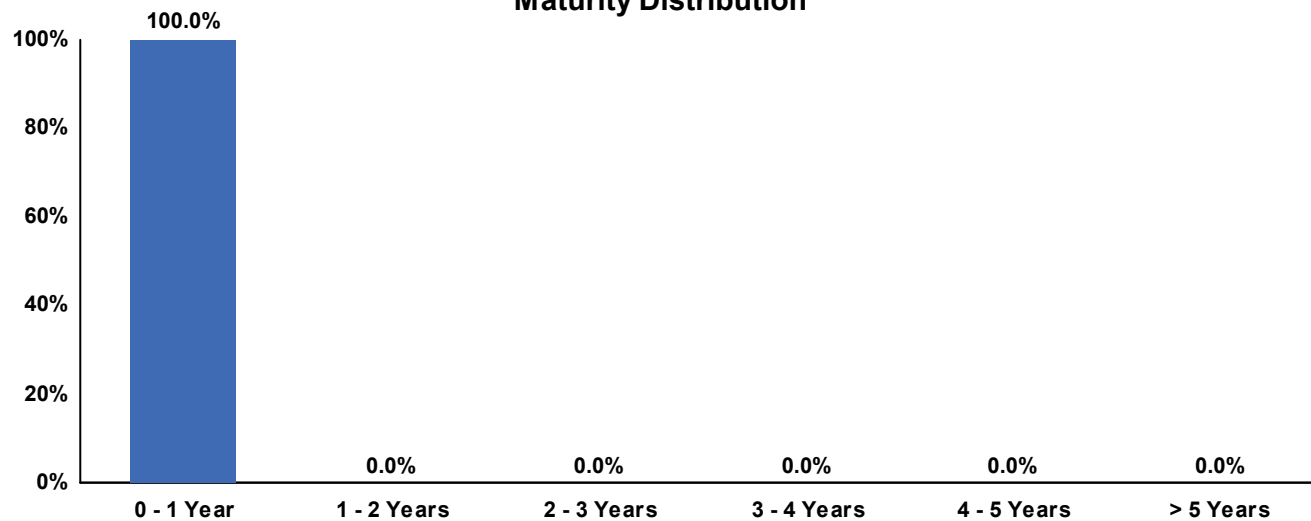
Credit Quality (S&P Ratings)



Sector Allocation



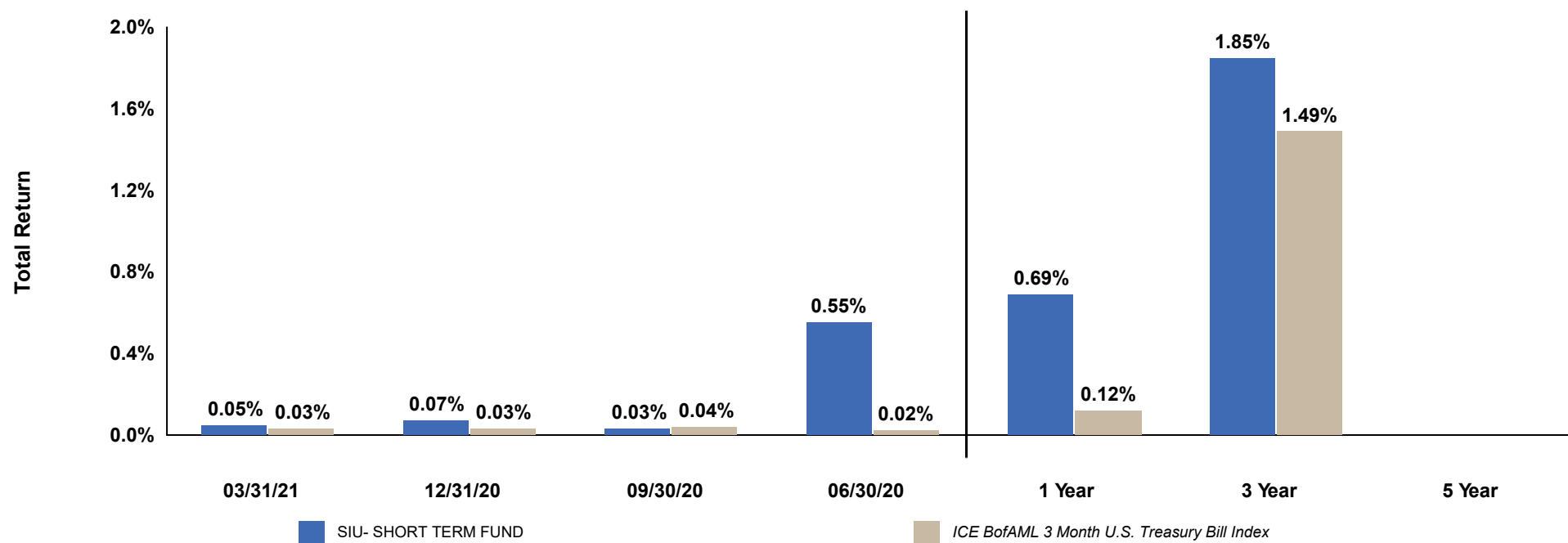
Maturity Distribution



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

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		03/31/21	12/31/20	09/30/20	06/30/20	1 Year	3 Year	5 Year
SIU- SHORT TERM FUND	0.28	0.05%	0.07%	0.03%	0.55%	0.69%	1.85%	-
<i>Net of Fees **</i>	-	0.03%	0.05%	0.01%	0.53%	0.62%	1.78%	-
<i>ICE BofAML 3 Month U.S. Treasury Bill Index</i>	0.15	0.03%	0.03%	0.04%	0.02%	0.12%	1.49%	-
Difference (Gross)		0.02%	0.04%	-0.01%	0.53%	0.57%	0.36%	-
Difference (Net)		0.00%	0.02%	-0.03%	0.51%	0.50%	0.29%	-



Portfolio performance is gross of fees unless otherwise indicated. ** Fees were calculated based on average assets during the period at the contractual rate.

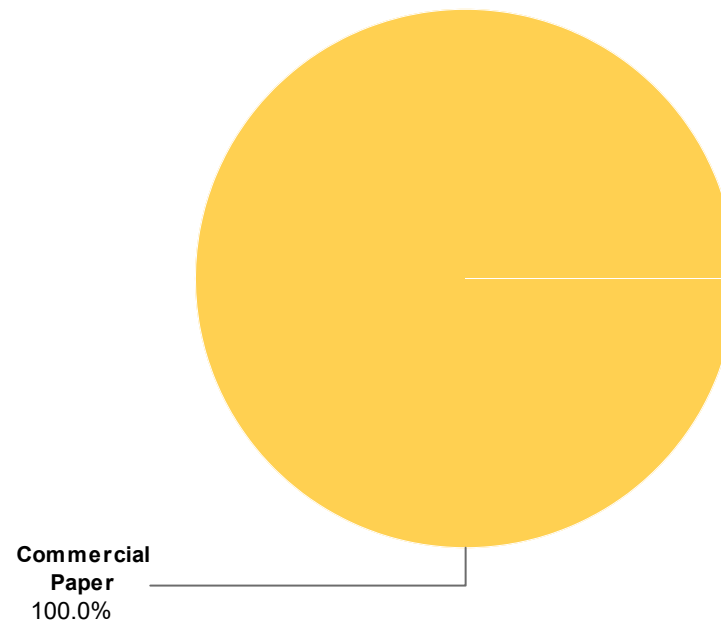
Portfolio Earnings**Quarter-Ended March 31, 2021**

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (12/31/2020)	\$24,980,670.00	\$24,981,599.30
Net Purchases/Sales	\$14,982,672.64	\$14,982,672.64
Change in Value	\$13,778.86	\$16,581.53
Ending Value (03/31/2021)*	\$39,977,121.50	\$39,980,853.47
Interest Earned	\$48.41	\$48.41
Portfolio Earnings	\$13,827.27	\$16,629.94

*Amount does not include cash/STIF balances and accrued interest.

Sector Allocation
As of March 31, 2021

Sector	Market Value (\$)	% of Portfolio
Commercial Paper	39,977,122	100.0%
Total*	\$39,977,122	100.0%

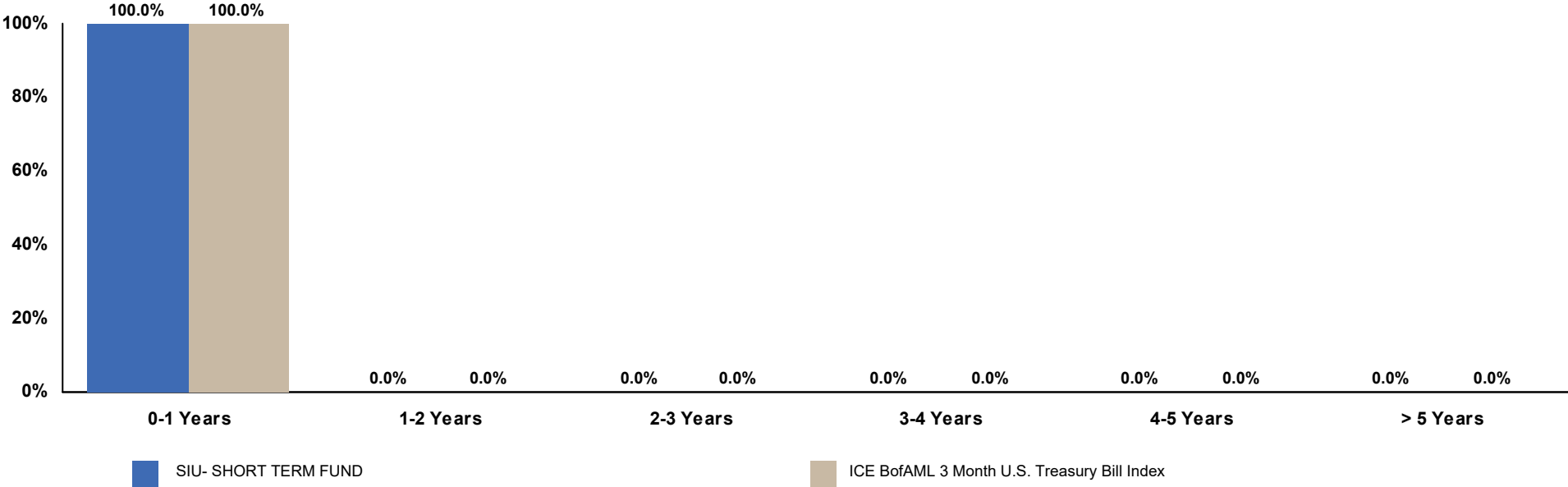


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Maturity Distribution

As of March 31, 2021

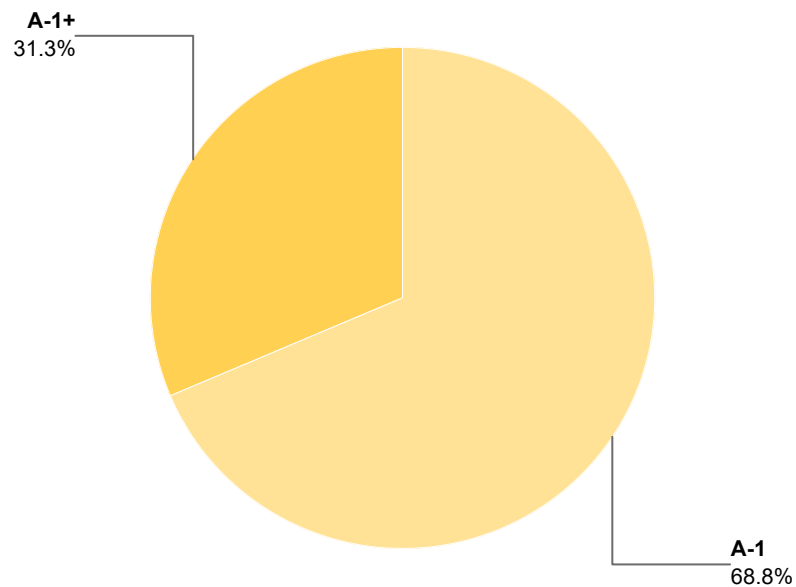
Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
SIU- SHORT TERM FUND	0.20%	0.28 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ICE BofAML 3 Month U.S. Treasury Bill Index	0.01%	0.23 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Credit Quality

As of March 31, 2021

S&P Rating	Market Value (\$)	% of Portfolio
A-1	\$27,486,179	68.8%
A-1+	\$12,490,943	31.3%
Totals*	\$39,977,122	100.0%



*Amount does not include cash/STIF balances and accrued interest. Detail may not add to total due to rounding.

Sector/Issuer Distribution

As of March 31, 2021

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
ATLANTIC ASSET SEC LLC	2,499,065	6.3%	6.3%
BNP PARIBAS	2,499,568	6.3%	6.3%
CAFCO LLC	2,498,445	6.2%	6.2%
CANCARA ASSET SECUR LLC	3,997,936	10.0%	10.0%
COLLAT COMM PAPER FLEX CO	499,704	1.2%	1.2%
COLLAT COMM PAPER V CO	2,499,820	6.3%	6.3%
CROWN POINT CAPITAL CO	2,499,463	6.3%	6.3%
EXXON MOBIL CORP	3,497,407	8.7%	8.7%
LMA AMERICAS LLC	1,499,171	3.8%	3.8%
METLIFE INC	3,996,236	10.0%	10.0%
mitsubishi UFJ Financial Group Inc	3,998,292	10.0%	10.0%
NATIXIS NY BRANCH	3,995,912	10.0%	10.0%
OLD LINE FUNDING LLC	1,499,160	3.8%	3.8%
RIDGEFIELD FUNDNG CO LLC	998,805	2.5%	2.5%
THUNDER BAY FUNDING LLC	2,498,940	6.3%	6.3%
TORONTO-DOMINION BANK	999,200	2.5%	2.5%
Sector Total	39,977,122	100.0%	100.0%
Portfolio Total*	39,977,122	100.0%	100.0%

*Amount does not include cash/STIF balances and accrued interest.

Illinois Funds

Investment Approach

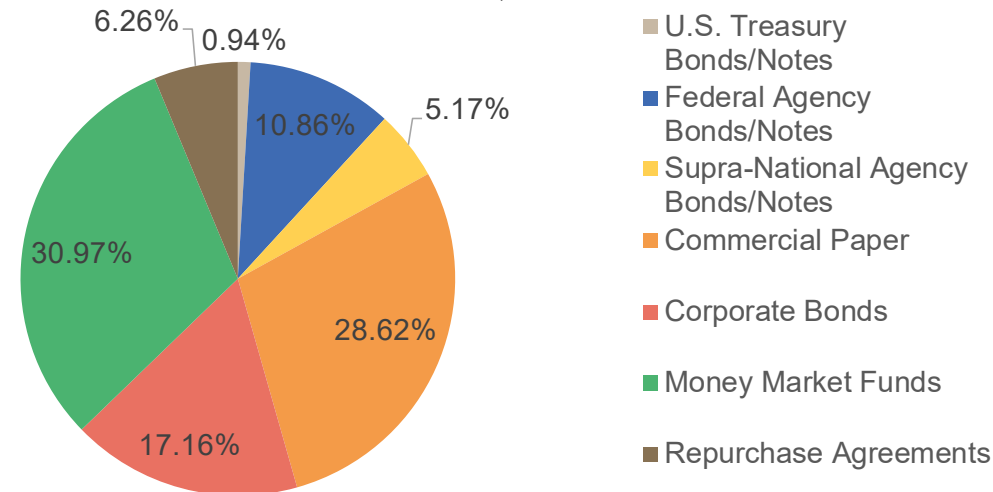
- The Illinois Funds is a Local Government Investment Pool (LGIP) operated by the Illinois State Treasurer's Office. The Illinois Funds strives to provide an inexpensive investment vehicle that features safety, daily liquidity and yield for Illinois public funds programs. The fund is managed by the Office of the State Treasurer in Springfield, Illinois, and contained a combined \$8.0 billion in total assets as of March 31, 2021. The fund is currently rated AAAm by Standard & Poor's.

Illinois Funds Account Overview

Illinois Funds	
Beginning Value (12/31/2020)	\$76,304,717.89
Net Deposits (Withdrawals)	\$241,046.01
Interest Earned	\$17,374.45
Ending Value (3/31/21)	\$76,563,138.35

	Current Yield as of 3/31/21
Illinois Funds	0.04%
Benchmark: S&P Rated Government Investment Pool Index	0.02%

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



Weighted Average Maturity	58 Days
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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 (12/31/2020)	\$46,267,475.21
Net Deposits (Withdrawals)	(\$14,583,870.64)
Interest Earned	\$766.47
Ending Value (3/31/21)	\$31,684,371.04

	Current Yield as of 3/31/21
U.S. Bank Commercial Paper Sweep	0.01%
Benchmark: S&P Rated Government Investment Pool Index	0.02%

Insured Cash Sweep

Investment Approach

- Insured Cash Sweep (ICS) 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.

Insured Cash Sweep Account Overview

Insured Cash Sweep	
Beginning Value (12/31/2020)	\$3,000,922.48
Net Deposits (Withdrawals)	\$2,000,000.00
Interest Earned	\$1,717.82
Ending Value (3/31/21)	\$5,002,640.30

	Current Yield as of 3/31/21
Insured Cash Sweep	0.18%
Benchmark: S&P Rated Government Investment Pool Index	0.02%

Capital Investments

Investment Approach

- PFM Asset Management LLC actively manages the Interest Sinking Fund accounts. The Interest Sinking Fund accounts are managed to follow a cash flow driven strategy that is based on the University's debt service collection schedule and bondholder payment dates.
- PFM Asset Management LLC actively manages the Debt Service Reserve Fund. The Debt Service Reserve Fund is generally managed to a duration of between 1 and 3 years depending on prevailing market conditions. Breakeven and sensitivity analyses are used to determine duration targets in an attempt to minimize downside and replenishment risk.
- Construction proceeds are invested in accordance with the anticipated drawdown schedule of the project(s) being financed and in accordance with debt financing documents.

Capital Investments Position

Investment Balance Market Value (\$ in millions)	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021
Housing & Auxiliary Facilities System					
Construction Proceeds	0.4	0.4	0.1	0.1	-
Interest Sinking Fund	22.5	7.2	13.1	16.2	22.4
Debt Service Reserve	6.2	6.2	6.2	6.2	6.2
Total HAFS	29.2	13.8	19.4	22.4	28.6
Medical Facilities System					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	1.8	0.5	0.9	1.4	1.8
Debt Service Reserve	-	-	-	-	-
Total MFS	1.8	0.5	0.9	1.4	1.8
Certificates of Participation					
Construction Proceeds	-	4.3	3.6	2.2	0.4
Interest Sinking Fund	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-
Total COPS	-	4.3	3.6	2.2	0.4
Total Market Value of Portfolio	\$ 31.0	\$ 18.6	\$ 23.9	\$ 26.0	\$ 30.8
Investment Balance Book Value (\$ in millions)	\$ 30.9	\$ 18.5	\$ 23.8	\$ 26.0	\$ 30.8

**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

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- 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, the Insured Cash 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 PFM.

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.
- **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 DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **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.
- **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.