



Southern Illinois University

Quarterly Investment Report
June 30, 2021

Market Update

SUMMARY

- In Q2, U.S. economic conditions were impacted by: (1) dramatically lower COVID-19 caseloads as vaccine inoculations accelerated, balanced with waning vaccine demand and the emergence of more infectious variants; (2) strong consumer data supported by ongoing fiscal stimulus measures; (3) elevated inflation fueled by surging economic activity amid labor and supply chain shortages; (4) a late-quarter hawkish signal from the Federal Reserve (Fed), as anticipation of bond purchase tapering gained traction and the timeline for expected rate hikes was pulled forward; and (5) the largest increase in corporate earnings estimates in nearly 20 years, which propelled major U.S. stock indices to all-time highs.
- With the public health situation drastically improving and pent-up consumer demand being released, the U.S. has seemingly turned the corner in its recovery. Due to the quicker-than-expected rebound, Federal Open Market Committee (FOMC) officials have suggested that they have started to contemplate the timing and communication around a potential tapering of asset purchases. The FOMC remains “attuned and attentive” to the inflation outlook amid supply shortages and other risk factors. In the updated June projections, 13 of 18 Fed officials indicated they expect to increase short-term rates by the end of 2023, up from seven who expected that outcome in March.
- Despite significant progress toward a comprehensive economic recovery, headwinds persist and mixed signals remain. Demand is recovering faster than supply, triggering supply chain bottlenecks and wage-price pressures. Inflation is rising sooner than in previous cycles, with core consumer prices recently showing the sharpest monthly increase since 1982. Despite some scary inflation headlines, many market participants believe that the economy’s current wave of inflation is likely transitory in nature.

ECONOMIC SNAPSHOT

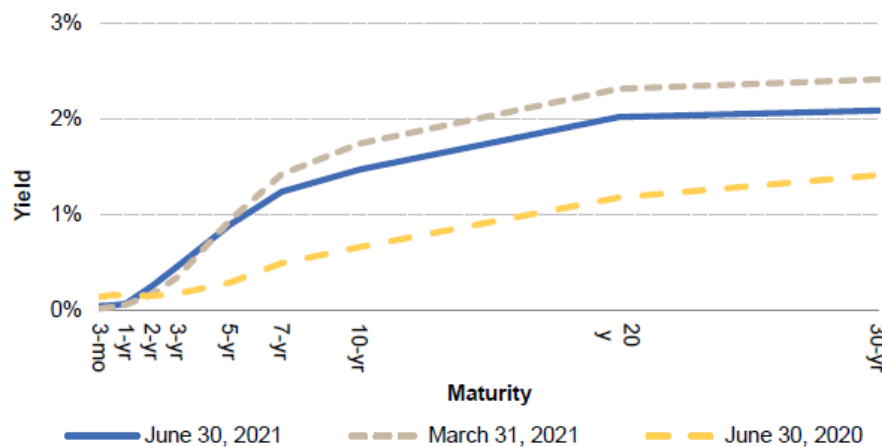
- Following a 4.3% expansion in Q4 2020, U.S. GDP increased 6.4% in Q1. The consumer continues to be the driving force behind recent GDP growth as consumer spending rose by 11.4% in Q2, the second-fastest pace since the 1960s. Goods and services that benefit the most from the reopening of the economy, such as auto sales, food services and travel accommodations, are the main contributors to the growth in spending.
- The U.S. labor market recovery is accelerating after a spring lull. Following a disappointing April jobs report, employers added over 580,000 and 850,000 jobs in May and June, respectively. The service sector led the job recovery in the first half of 2021 as leisure and hospitality accounted for 1.6 million jobs created, or almost half of the year’s payroll gains. The robust demand for workers pushed wages up by a brisk pace of 3.6% year-over-year (YoY).
- Surveys of manufacturing and services activity produced mixed signals this quarter. After reaching a record high in March 2021 of 64.7, the ISM Manufacturing PMI declined to 60.6 by the end of Q2. Similarly, the ISM Non-Manufacturing PMI told a similar story, retracting from a record-high reading. The recent survey noted, “challenges with materials shortages, inflation, logistics and employment resources continue to be an impediment to business conditions.” Despite these headwinds, both indices remain well above both the 50-point threshold that differentiates growth from contraction and long-term historical averages.
- On the housing front, existing home sales declined roughly 21% YoY largely due to inventory shortages. Stressed supply and demand dynamics are evidenced by the drastic changes seen in housing prices, which increased by 15% YoY. Mortgage rates pulled back from the climb seen earlier this year, as the 30-year mortgage rate finished the quarter at 2.93%, compared to last quarter’s reading of 3.18%.

Market Update

INTEREST RATES

- The U.S. Treasury yield curve flattened modestly over the quarter as longer term yields retraced some of their significant first quarter higher moves, and shorter term maturities inched higher from rock-bottom lows. Near quarter-end, short-term Treasury yields rose in response as the Fed raised by five basis points the interest it pays banks on excess reserves and its offering rate for overnight reverse repurchase agreements. An earlier-than-expected discussion by the FOMC of increasing the overnight target rate also contributed to Treasuries softening on the short end of the curve. Long-term yields fell as investors worried less about inflation over the long term. This view was encouraged in part by a more hawkish tone from the FOMC.
- As a result of a flattening curve, index returns were mixed for the quarter. Shorter-duration U.S. Treasury total return indices (three years and under) were generally flat, while longer-duration indices posted strong positive returns. For example, the 3-month Treasury index returned 0% for the quarter, the 2-year Treasury index returned -0.1%, and the 10-year Treasury index returned 3.2%.

U.S. Treasury Yield Curve



Source: Bloomberg, as of 6/30/2021.

SECTOR PERFORMANCE

- Diversification away from U.S. Treasuries was again additive to performance in Q2. Broad global demand for yield has continued to push spreads of most bonds tighter. As a result, most investment-grade (IG) spread sectors showed positive excess returns. The lone exception was mortgage-related sectors, where expectations that the FOMC may begin tapering asset purchases caused mortgage-backed security (MBS) spreads to come under pressure and lift off from multi-year tights.
- The federal agency sector saw minimal spread widening of one to two basis points (0.01% to 0.02%), mostly concentrated in the longer duration part of the curve (past three years). Supply remains markedly light, limiting new buying opportunities within the sector. On the flipside, opportunistic selling opportunities are expected to persist for the foreseeable future.
- IG corporates generated positive returns this quarter as spreads tightened due to the prospect of strong corporate earnings and supportive monetary policy. The continued demand for yield pushed spreads to retest multi-year lows despite an active new issue market.
- Federal agency-backed mortgage-backed security (MBS) excess returns were negative as FOMC-related selling pressure arrived near quarter end. Generally, all collateral and coupon structures underperformed with the exception of agency-backed commercial MBS (CMBS), which have continued to provide solid absolute and relative returns on a consistent basis over the past 18 months.

OUTLOOK

- Looking past this year, economists and strategists have moderated long-term growth projections as uncertainty remains a key characteristic of our current environment. Perhaps the term “cautious optimism” best describes the current mood as we near what we hope to be the final innings of the pandemic.

Summary of Operating Investments

Summary of Operating Investments

Market Value (\$ in millions)*

	6/30/2021
Illinois Funds	\$ 92.2
US Bank Commercial Paper Sweep	26.1
Insured Cash Sweep	5.0
Subtotal Cash & Cash Equivalents	<u>\$ 123.3</u>
Short Term Portfolio	35.1
Intermediate Term Portfolio	153.5
Total Portfolio	<u><u>\$ 312.0</u></u>

Book Value (\$ in millions)

\$ 308.0

Current Yields (Annualized)

Illinois Funds	0.02%
US Bank Commercial Paper Sweep	0.01%
Insured Cash Sweep	0.16%
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%	0.20%	1.67%	-	-	1.53%
Benchmark: BofA Merrill Lynch 3-Month Treasury Bill Index	0.00%	0.09%	1.34%	-	-	1.22%
Intermediate Term Portfolio	0.42%	-0.17%	4.14%	2.23%	-	2.49%
Benchmark: Barclays Intermediate U.S. Govt. Securities	0.62%	-1.14%	3.94%	1.94%	-	2.28%

*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	6/30/2021	
Money Market Mutual Funds	\$ 92.9	29.8%
U.S. Treasury Bonds/Notes	47.7	15.3%
Federal Agency Bonds/Notes	27.5	8.8%
Federal Agency Mortgage Backed Securities	23.7	7.6%
Federal Agency Collateralized Mortgage Obligations	26.2	8.4%
Supra-National Agency Bonds/Notes	9.2	2.9%
Corporate Notes	18.0	5.8%
Commercial Paper	35.0	11.2%
Commercial Paper Sweep (US Bank)	26.1	8.4%
Insured Cash Sweep	5.0	1.6%
Subtotal	311.3	99.8%
Accrued Interest	0.7	0.2%
Total	\$ 312.0	100.0%

SIU - Intermediate Term Portfolio

Investment Approach

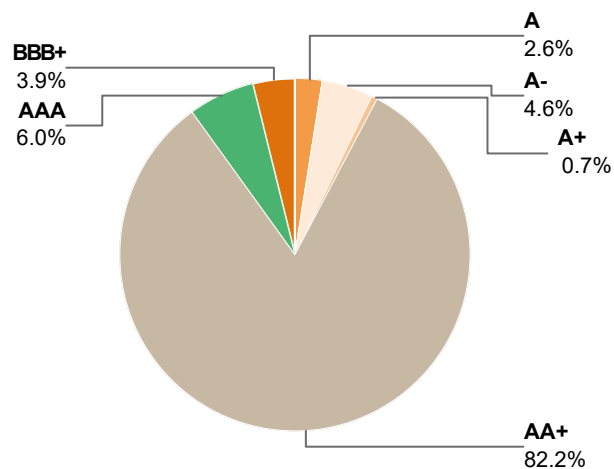
- The University's Intermediate Term portfolio is actively managed by PFM Asset Management, LLC. PFM seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and are therefore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

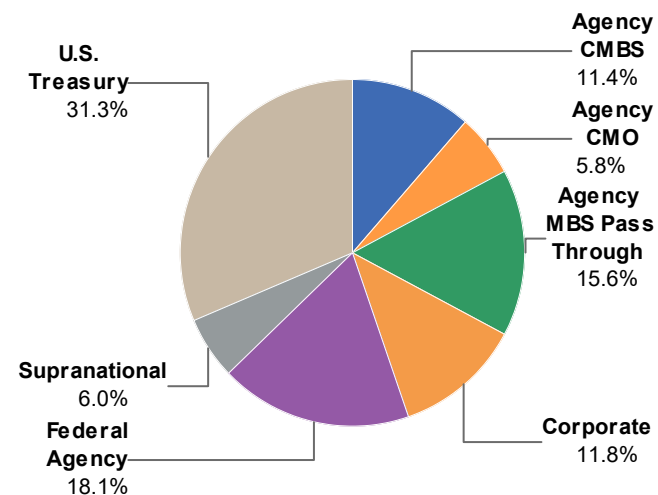
As of June 30, 2021

Par Value:	\$145,035,347
Total Market Value:	\$153,534,033
Security Market Value:	\$152,250,670
Accrued Interest:	\$676,625
Cash:	\$606,738
Amortized Cost:	\$148,317,878
Yield at Market:	1.38%
Yield at Cost:	2.10%
Effective Duration:	3.68 Years
Average Maturity:	7.53 Years
Average Credit: *	AA

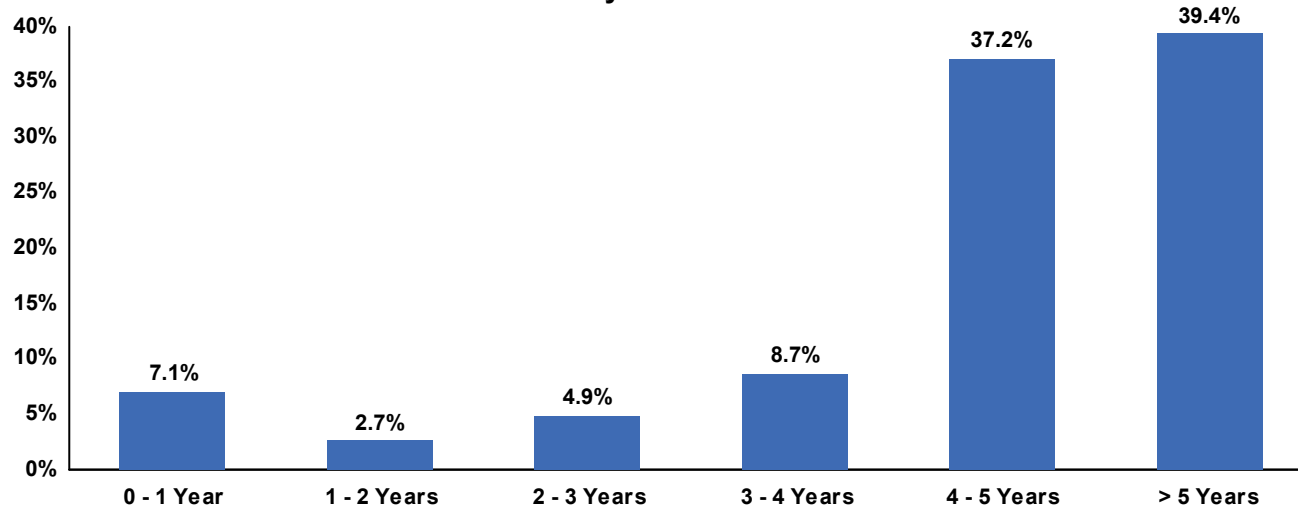
Credit Quality (S&P Ratings)



Sector Allocation



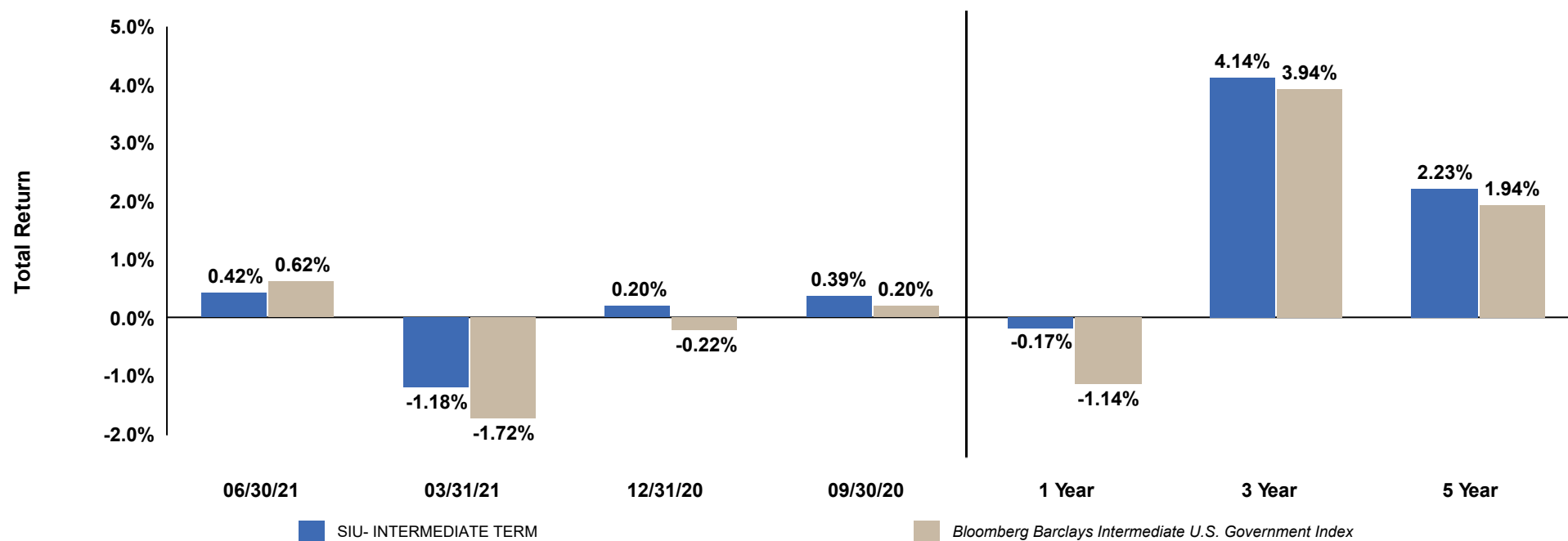
Maturity Distribution



* 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		
		06/30/21	03/31/21	12/31/20	09/30/20	1 Year	3 Year	5 Year
SIU- INTERMEDIATE TERM	3.68	0.42%	-1.18%	0.20%	0.39%	-0.17%	4.14%	2.23%
<i>Net of Fees **</i>	-	0.40%	-1.20%	0.18%	0.37%	-0.24%	4.07%	2.16%
Bloomberg Barclays Intermediate U.S. Government Index	3.99	0.62%	-1.72%	-0.22%	0.20%	-1.14%	3.94%	1.94%
Difference (Gross)		-0.20%	0.54%	0.42%	0.19%	0.97%	0.20%	0.29%
Difference (Net)		-0.22%	0.52%	0.40%	0.17%	0.90%	0.13%	0.22%



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 June 30, 2021*

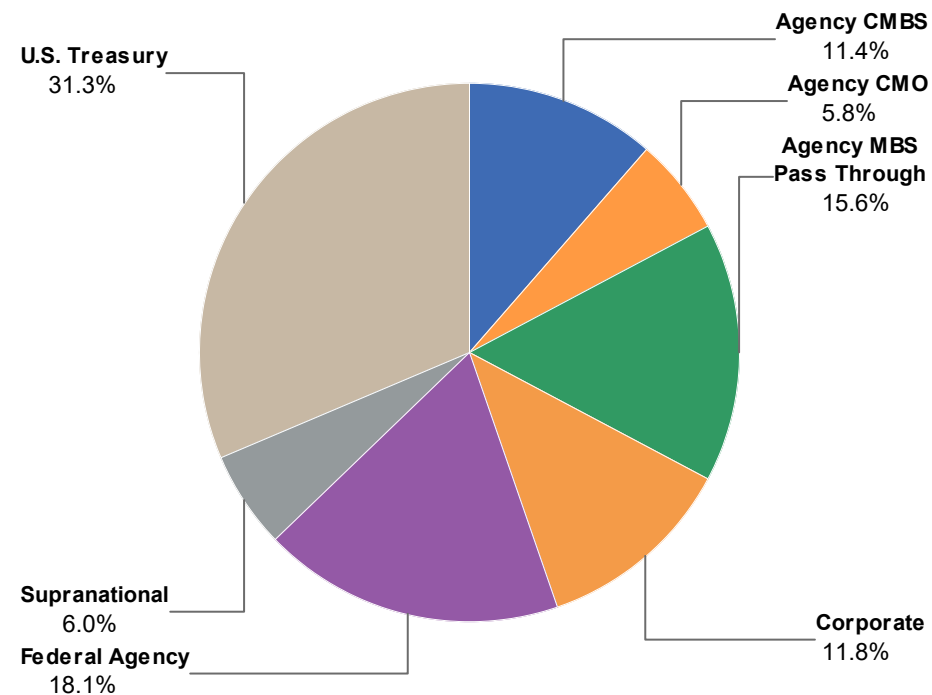
	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/31/2021)	\$151,144,406.52	\$147,101,832.89
Net Purchases/Sales	\$1,369,954.49	\$1,369,954.49
Change in Value	(\$263,690.54)	(\$153,909.14)
Ending Value (06/30/2021)*	\$152,250,670.47	\$148,317,878.24
Interest Earned	\$910,598.30	\$910,598.30
Portfolio Earnings	\$646,907.76	\$756,689.16

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

Sector Allocation

As of June 30, 2021

Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	47,651,219	31.3%
Federal Agency	27,547,814	18.1%
Agency MBS Pass Through	23,740,166	15.6%
Corporate	17,954,132	11.8%
Agency CMBS	17,301,084	11.4%
Supranational	9,193,660	6.0%
Agency CMO	8,862,596	5.8%
Total*	\$152,250,670	100.0%

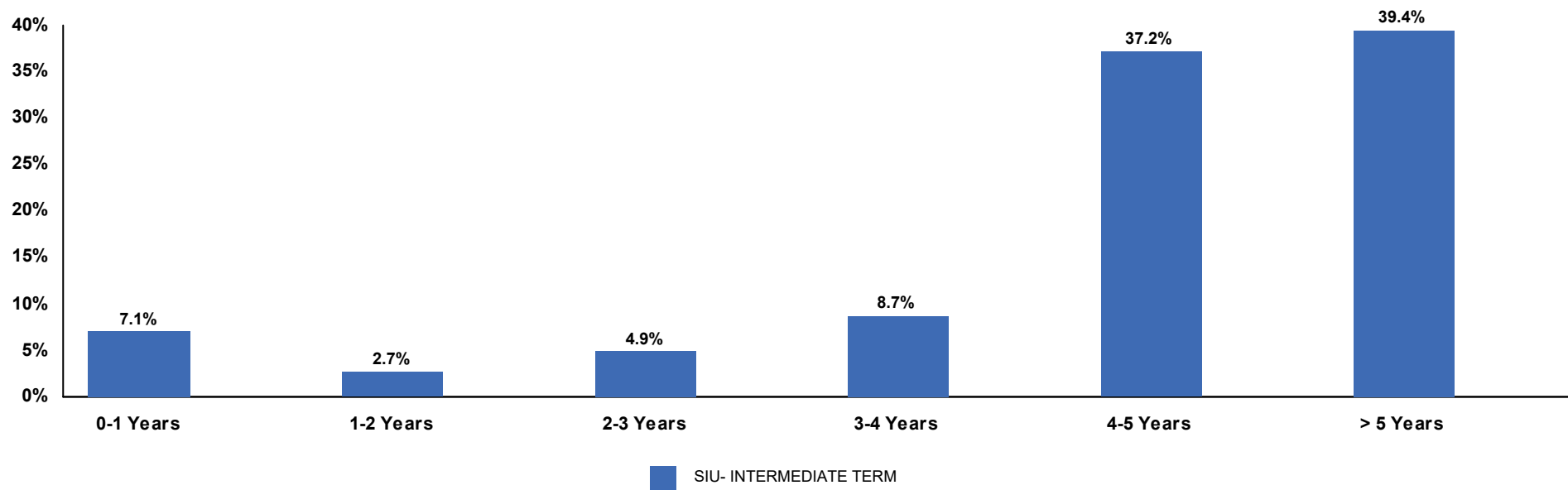


*Amount does not include cash/STIF balances and accrued interest. Detail may not add to total due to rounding.

Maturity Distribution

As of June 30, 2021

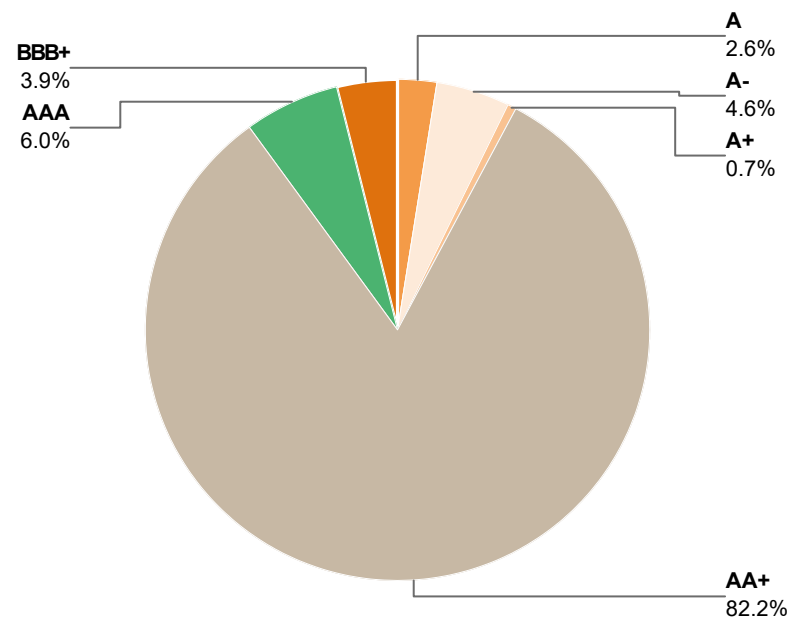
Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
SIU- INTERMEDIATE TERM	1.38%	7.53 yrs	7.1%	2.7%	4.9%	8.7%	37.2%	39.4%



Credit Quality

As of June 30, 2021

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$125,102,879	82.2%
AAA	\$9,193,660	6.0%
A-	\$6,976,601	4.6%
BBB+	\$5,919,090	3.9%
A	\$3,936,640	2.6%
A+	\$1,121,801	0.7%
Totals*	\$152,250,670	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 June 30, 2021

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Agency CMBS			
FANNIE MAE	1,471,373	8.5%	1.0%
FREDDIE MAC	15,829,711	91.5%	10.4%
Sector Total	17,301,084	100.0%	11.4%
Agency CMO			
FANNIE MAE	2,395,485	27.0%	1.6%
FREDDIE MAC	5,489,174	61.9%	3.6%
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	977,937	11.0%	0.6%
Sector Total	8,862,596	100.0%	5.8%
Agency MBS Pass Through			
FANNIE MAE	16,658,619	70.2%	10.9%
FREDDIE MAC	6,746,881	28.4%	4.4%
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	334,666	1.4%	0.2%
Sector Total	23,740,166	100.0%	15.6%
Corporate			
AMERICAN EXPRESS CO	1,529,243	8.5%	1.0%
AMERICAN HONDA FINANCE	1,528,106	8.5%	1.0%
BANK OF AMERICA CO	1,624,670	9.0%	1.1%

SIU- INTERMEDIATE TERM

Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
CATERPILLAR INC	1,101,609	6.1%	0.7%
CITIGROUP INC	1,526,309	8.5%	1.0%
JP MORGAN CHASE & CO	2,286,933	12.7%	1.5%
MORGAN STANLEY	1,531,910	8.5%	1.0%
THE BANK OF NEW YORK MELLON CORPORATION	2,835,031	15.8%	1.9%
TOYOTA MOTOR CORP	1,121,801	6.2%	0.7%
TRUIST FIN CORP	1,536,893	8.6%	1.0%
WELLS FARGO & COMPANY	1,331,629	7.4%	0.9%
Sector Total	17,954,132	100.0%	11.8%
Federal Agency			
AGENCY FOR INTERNATIONAL DEVELOPMENT	2,246,774	8.2%	1.5%
FANNIE MAE	14,998,350	54.4%	9.9%
FREDDIE MAC	4,508,914	16.4%	3.0%
TENNESSEE VALLEY AUTHORITY	5,793,776	21.0%	3.8%
Sector Total	27,547,814	100.0%	18.1%
Supranational			
AFRICAN DEVELOPMENT BANK	2,238,220	24.3%	1.5%
ASIAN DEVELOPMENT BANK	774,150	8.4%	0.5%
INTER-AMERICAN DEVELOPMENT BANK	2,994,498	32.6%	2.0%
INTL BANK OF RECONSTRUCTION AND DEV	3,186,792	34.7%	2.1%
Sector Total	9,193,660	100.0%	6.0%

SIU- INTERMEDIATE TERM

Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
U.S. Treasury			
UNITED STATES TREASURY	47,651,219	100.0%	31.3%
Sector Total	47,651,219	100.0%	31.3%
Portfolio Total*	152,250,670	100.0%	100.0%

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

SIU - Short Term Portfolio

Investment Approach

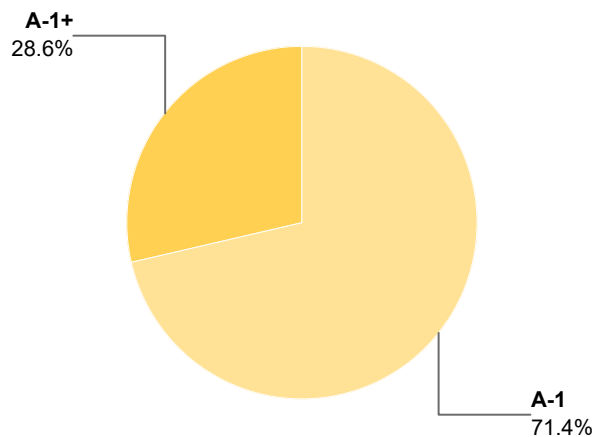
- The University's Short-Term portfolio is actively managed by PFM Asset Management, LLC. The short-term portfolio is structured to match the University's anticipated liquidity needs. The portfolio's duration typically ranges from 0 – 12 months, but is limited to a maximum maturity of 3 years. These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

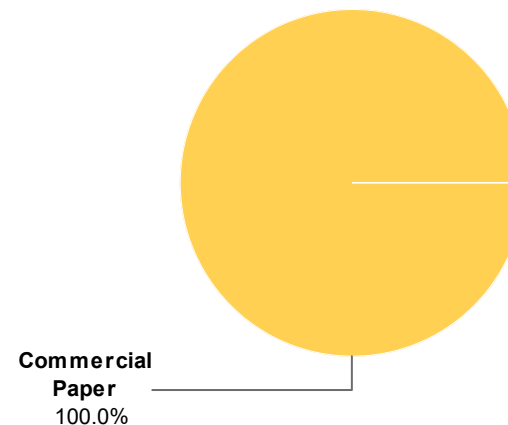
As of June 30, 2021

Par Value:	\$35,000,000
Total Market Value:	\$35,149,762
Security Market Value:	\$34,989,314
Accrued Interest:	-
Cash:	\$160,448
Amortized Cost:	\$34,988,969
Yield at Market:	0.12%
Yield at Cost:	0.14%
Effective Duration:	0.23 Years
Average Maturity:	0.23 Years
Average Credit: *	A

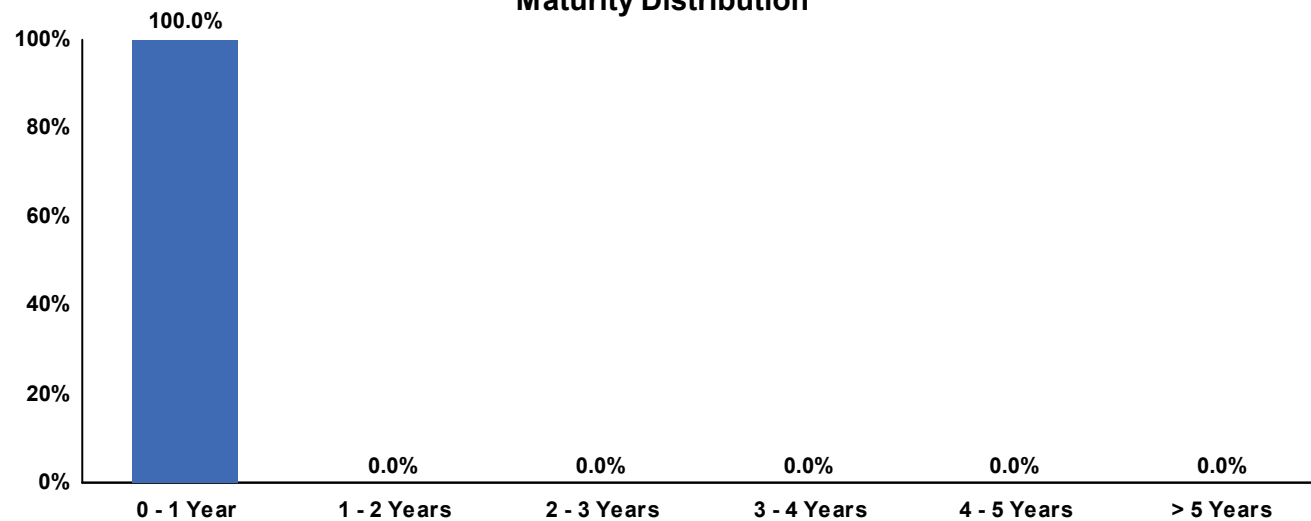
Credit Quality (S&P Ratings)



Sector Allocation



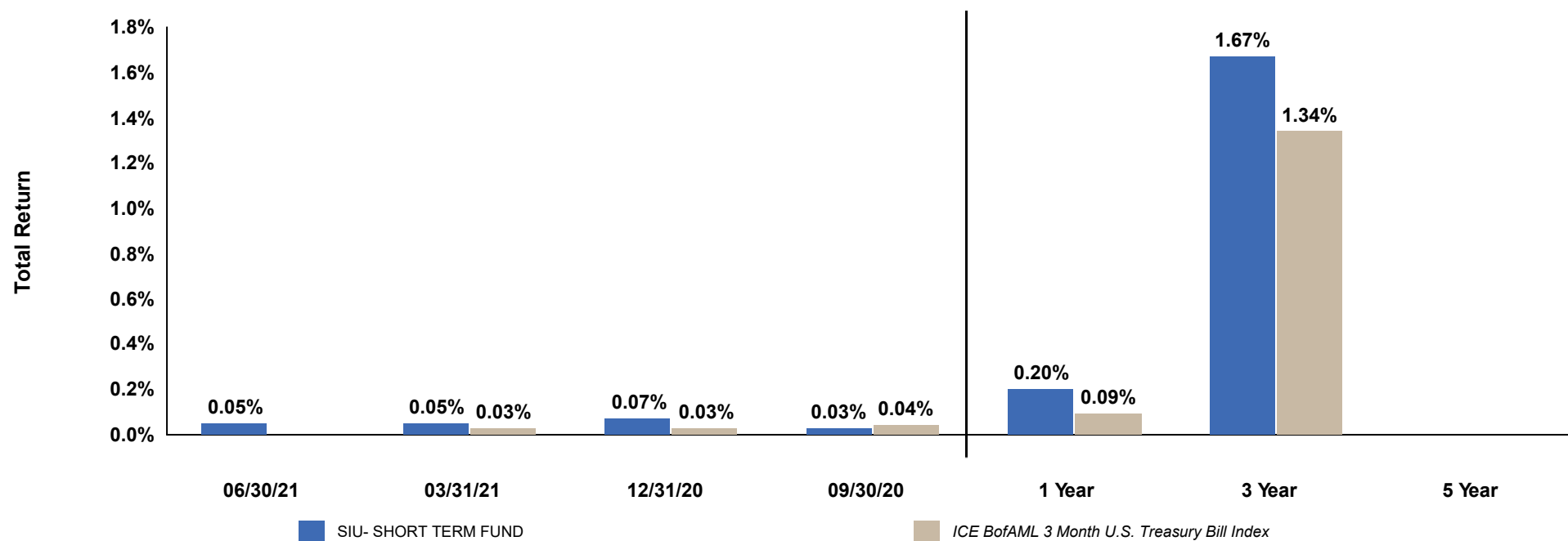
Maturity Distribution



* 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		
		06/30/21	03/31/21	12/31/20	09/30/20	1 Year	3 Year	5 Year
SIU- SHORT TERM FUND	0.23	0.05%	0.05%	0.07%	0.03%	0.20%	1.67%	-
<i>Net of Fees **</i>	-	0.03%	0.03%	0.05%	0.01%	0.13%	1.60%	-
<i>ICE BofAML 3 Month U.S. Treasury Bill Index</i>	0.15	0.00%	0.03%	0.03%	0.04%	0.09%	1.34%	-
Difference (Gross)		0.05%	0.02%	0.04%	-0.01%	0.11%	0.33%	-
Difference (Net)		0.03%	0.00%	0.02%	-0.03%	0.04%	0.26%	-



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 June 30, 2021*

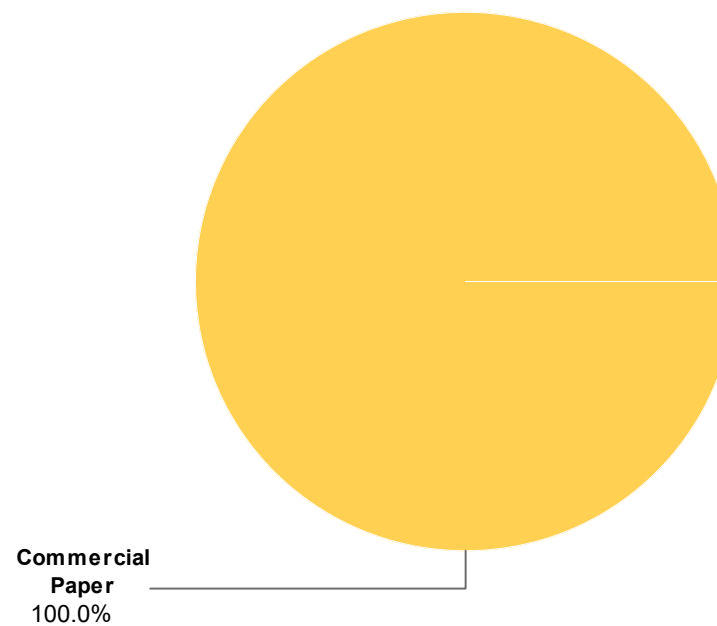
	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/31/2021)	\$39,977,121.50	\$39,980,853.47
Net Purchases/Sales	(\$5,007,981.95)	(\$5,007,981.95)
Change in Value	\$20,173.95	\$16,097.64
Ending Value (06/30/2021)*	\$34,989,313.50	\$34,988,969.16
Interest Earned	\$15.27	\$15.27
Portfolio Earnings	\$20,189.22	\$16,112.91

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

Sector Allocation

As of June 30, 2021

Sector	Market Value (\$)	% of Portfolio
Commercial Paper	34,989,314	100.0%
Total*	\$34,989,314	100.0%

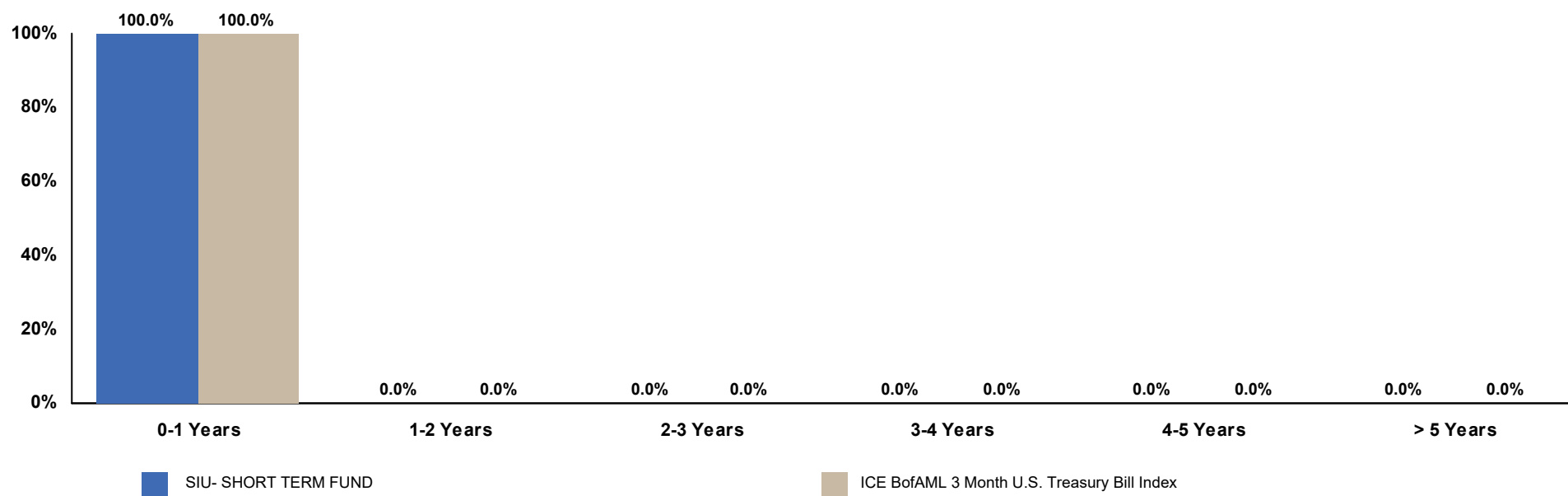


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Maturity Distribution

As of June 30, 2021

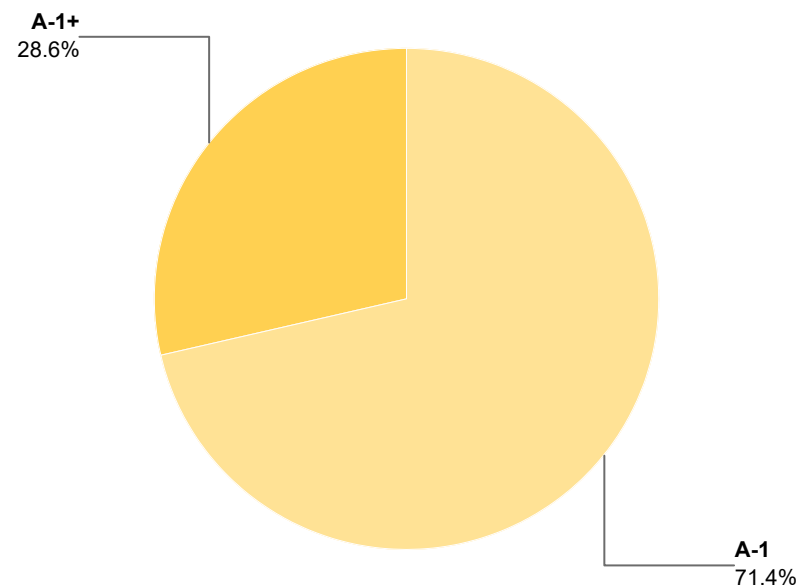
Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
SIU- SHORT TERM FUND	0.12%	0.23 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ICE BofAML 3 Month U.S. Treasury Bill Index	0.05%	0.23 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Credit Quality

As of June 30, 2021

S&P Rating	Market Value (\$)	% of Portfolio
A-1	\$24,990,868	71.4%
A-1+	\$9,998,446	28.6%
Totals*	\$34,989,314	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 June 30, 2021

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
ABN AMRO BANK	2,499,113	7.1%	7.1%
CAFCO LLC	2,499,960	7.1%	7.1%
CROWN POINT CAPITAL CO	2,498,253	7.1%	7.1%
EXXON MOBIL CORP	3,499,559	10.0%	10.0%
LIBERTY STREET FUNDING LLC	3,997,880	11.4%	11.4%
LMA AMERICAS LLC	2,498,925	7.1%	7.1%
METLIFE INC	3,999,076	11.4%	11.4%
mitsubishi UFJ FINANCIAL GROUP INC	1,499,742	4.3%	4.3%
MONT BLANC CAPITAL CORP	2,498,688	7.1%	7.1%
NATIXIS NY BRANCH	3,999,616	11.4%	11.4%
OLD LINE FUNDING LLC	1,499,952	4.3%	4.3%
RIDGEFIELD FUNDNG CO LLC	999,752	2.9%	2.9%
SHEFFIELD RECEIVABLES	1,998,940	5.7%	5.7%
TORONTO-DOMINION BANK	999,859	2.9%	2.9%
Sector Total	34,989,314	100.0%	100.0%
Portfolio Total*	34,989,314	100.0%	100.0%

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

Illinois Funds

Investment Approach

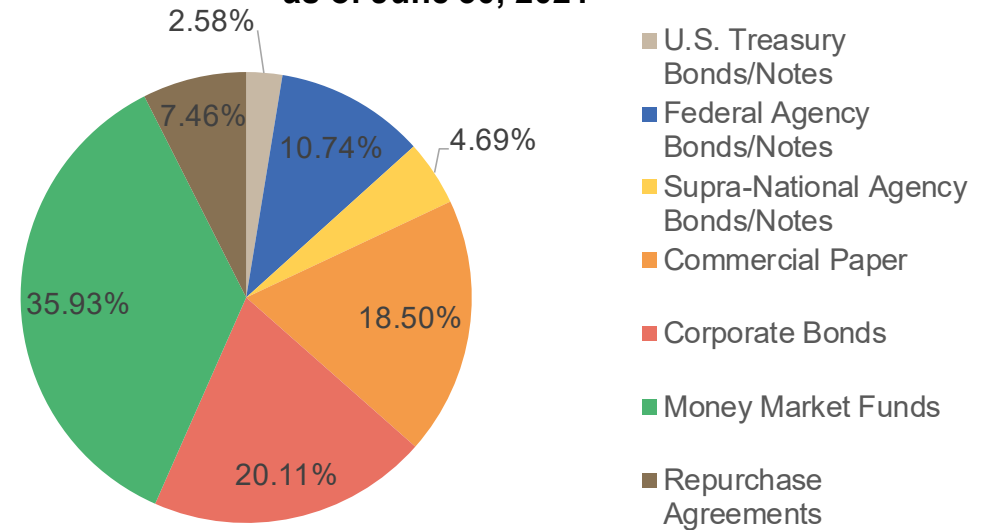
- The Illinois Funds is a Local Government Investment Pool (LGIP) operated by the Illinois State Treasurer's Office. The Illinois Funds strives to provide an inexpensive investment vehicle that features safety, daily liquidity and yield for Illinois public funds programs. The fund is managed by the Office of the State Treasurer in Springfield, Illinois, and contained a combined \$8.7 billion in total assets as of June 30, 2021. The fund is currently rated AAAm by Standard & Poor's.

Illinois Funds Account Overview

Illinois Funds	
Beginning Value (3/31/2021)	\$76,563,138.38
Net Deposits (Withdrawals)	\$15,583,343.29
Interest Earned	\$7,558.45
Ending Value (6/30/21)	\$92,154,040.12

	Current Yield as of 6/30/21
Illinois Funds	0.02%
Benchmark: S&P Rated Government Investment Pool Index	0.02%

**Illinois Funds
Sector Allocation
as of June 30, 2021**



Weighted Average Maturity	59 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 (3/31/2021)	\$31,684,371.04
Net Deposits (Withdrawals)	(\$5,574,077.25)
Interest Earned	\$705.18
Ending Value (6/30/21)	\$26,110,998.97

	Current Yield as of 6/30/21
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 (3/31/2021)	\$5,002,640.30
Net Deposits (Withdrawals)	\$0.00
Interest Earned	\$2,080.58
Ending Value (6/30/21)	\$5,004,720.88

	Current Yield as of 6/30/21
Insured Cash Sweep	0.16%
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)	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021
Housing & Auxiliary Facilities System					
Construction Proceeds	0.4	0.1	0.1	-	-
Interest Sinking Fund	7.2	13.1	16.2	22.4	6.5
Debt Service Reserve	6.2	6.2	6.2	6.2	6.1
Total HAFS	13.8	19.4	22.4	28.6	12.7
Medical Facilities System					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	0.5	0.9	1.4	1.8	0.5
Debt Service Reserve	-	-	-	-	-
Total MFS	0.5	0.9	1.4	1.8	0.5
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	\$ 18.6	\$ 23.9	\$ 26.0	\$ 30.8	\$ 13.1
Investment Balance Book Value (\$ in millions)	\$ 18.5	\$ 23.8	\$ 26.0	\$ 30.8	\$ 13.1

**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.