



Southern Illinois University

Quarterly Investment Report
December 31, 2025

Market Update

SUMMARY

- The U.S. government shutdown halted the collection of key economic indicators, requiring the Federal Reserve (Fed) and the market to rely on survey-based anecdotal evidence and private data reports.
- The labor market continued to soften and the unemployment rate edged higher. Core inflation moved lower but remained above the Fed's 2% target. Gaps in data collection due to the government shutdown likely distorted the official data, though other available private sector data pointed to a slowdown in economic momentum.
- The Fed delivered two additional 25 basis point (bps) rate cuts in the quarter, lowering the federal funds target range to 3.50% to 3.75%. The median forecast from the Fed's December "dot plot" showed an additional 25 bps rate cut in both 2026 and 2027, but the wide dispersion in underlying projections underscores growing differences of opinion. Policymakers have acknowledged ongoing challenges to achieving their dual mandate of maximum employment and stable prices.

ECONOMIC SNAPSHOT

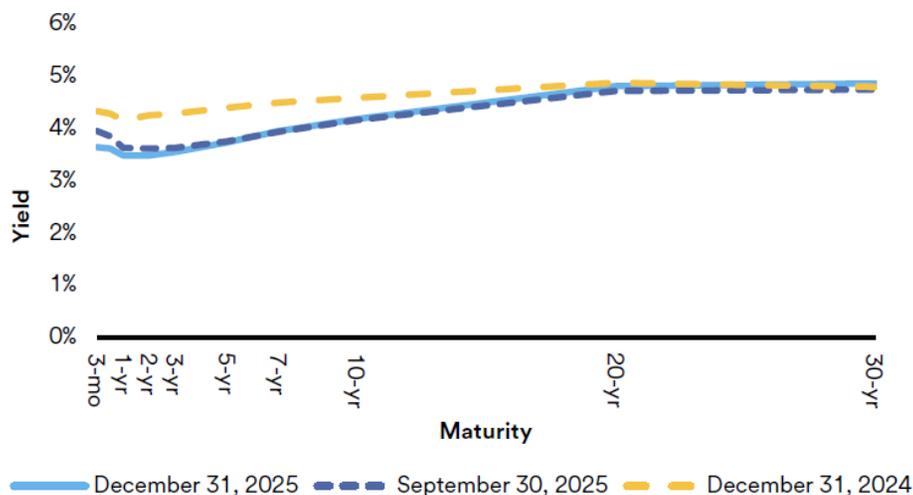
- U.S. inflation decelerated modestly during the fourth quarter, though data collection issues and technical adjustments caused by the government shutdown may have biased the data lower. Headline CPI fell to 2.7% year-over-year and core CPI (ex food and energy) fell to 2.6% year-over-year. Fed Chair Powell noted inflation excluding tariffs is near 2%, suggesting the Fed is looking through these effects.
- Labor markets continued to cool as net new job creation neared zero and the unemployment rate reached 4.5% in November before falling to 4.4% in December. However, layoffs remained low, suggesting employers are maintaining their "no hire, no fire" approach.
- The first estimate of third quarter real gross domestic product (GDP) showed the economy grew at an annualized pace of 4.3%, the fastest in two years. Growth was driven by strong consumer and business spending and steadier trade dynamics. While the data was from the third quarter, it showed the economy was on solid footing heading into the government shutdown.

Market Update

INTEREST RATES

- The U.S. Treasury yield curve steepened further in Q4, led by a decline in short-term yields. Maturities less than six months fell 30-50 basis points as a result of Fed policy.
- The 3-month U.S. Treasury ended the quarter at 3.63%, 31 bps lower. 2-year Treasuries fell by 14 bps to 3.47%, and the 5-year fell by 2 bps to 3.73%. 10- and 30-year U.S. Treasuries increased by 2 and 11bps to 4.17% and 4.84%, respectively. Bond volatility has continued to fall significantly from April highs and has now reached the lowest levels in four years.
- Bond indexes generated positive total returns for the quarter. The ICE BofA 3-month, 2-year, 5-year, and 10-year U.S. Treasury indexes returned 0.97%, 1.09%, 0.93%, and 0.83% for the quarter, respectively. Calendar-year returns for longer-duration indices, except for the 30-year, outperformed shorter-duration indices in 2025. This marks the first time since 2020 that longer maturities have led annual performance. The ICE BofA 3-month, 2-year, 5-year and 10-year U.S. Treasury indexes returned +4.18%, +4.85%, +6.85% and +7.82%, respectively.

U.S. Treasury Yield Curve



Source: Bloomberg, as of 12/31/2025.

SECTOR PERFORMANCE

- Excess returns were strong across investment-grade sectors as investor demand and strong fundamentals kept spreads near multi-year lows.
- Federal agency and supranational issuance remained limited, keeping spreads narrow and excess returns muted.
- Investment-grade (IG) corporate bonds generated modest positive excess returns as spreads were relatively stable over the quarter. Lower-quality led performance, supported by strong investor demand. Positive carry remained the primary driver of returns.
- Agency-backed mortgage-backed securities (MBS) generated solid excess returns in Q4 as lower volatility continues to serve as a tailwind to the sector. Longer-duration collateral (30-year) outperformed shorter-duration (15-year) mortgages. Agency-backed commercial MBS (CMBS) also generated positive excess returns for the quarter but continued to lag residential MBS.
- Short-term credit (commercial paper and negotiable bank CDs) spreads remained attractive over the quarter. Month-end funding pressures pushed repo rates above the upper bound of the federal funds rate, which created opportunities in overnight repo and floating rate securities.

Summary of Operating Investments

Summary of Operating Investments

Market Value (\$ in millions)*

	12/31/2025
Illinois Funds	\$ 84.1
US Bank Investment Sweep	57.0
IntraFi Network Deposits	-
Subtotal Cash & Cash Equivalents	<u>\$ 141.1</u>
Short Term Portfolio	-
Intermediate Term Portfolio	175.1
LMC Intermediate Term Portfolio	28.4
Total Portfolio	<u><u>\$ 344.7</u></u>
<u>Book Value (\$ in millions)</u>	<u><u>\$ 345.8</u></u>

Asset Allocation (\$ in millions)*

Sector	12/31/2025	
Money Market Mutual Funds	\$ 85.1	24.7%
U.S. Treasury Bonds/Notes	92.1	26.7%
Federal Agency Bonds/Notes	13.5	3.9%
Federal Agency Mortgage Backed Securities	28.9	8.4%
Federal Agency Commercial Mortgage Backed Securities	35.5	10.3%
Federal Agency Collateralized Mortgage Obligations	9.6	2.8%
Supra-National Agency Bonds/Notes	11.7	3.4%
Corporate Notes	10.1	2.9%
Commercial Paper	-	0.0%
US Bank Investment Sweep	57.0	16.5%
Subtotal	343.5	99.7%
Accrued Interest	1.1	0.3%
Total	\$ 344.7	100.0%

Current Yields (Annualized)

	12/31/2025
Illinois Funds	3.89%
US Bank Investment Sweep	3.38%
Benchmark: S&P Rated Government Investment Pool Index	3.81%

Performance Summary (Total Return)**

	Current Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception
Intermediate Term Portfolio	1.23%	6.84%	4.91%	1.02%	2.06%	
Benchmark: Barclays Intermediate U.S. Govt. Securities	1.15%	6.50%	4.40%	0.64%	1.76%	
LMC Intermediate Term Portfolio	1.20%	6.72%	-	-	-	6.14%
Benchmark: Barclays Intermediate U.S. Govt. Securities	1.15%	6.50%	-	-	-	5.75%

*Detail may not add to total due to rounding

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

SIU - Intermediate Term Portfolio

Investment Approach

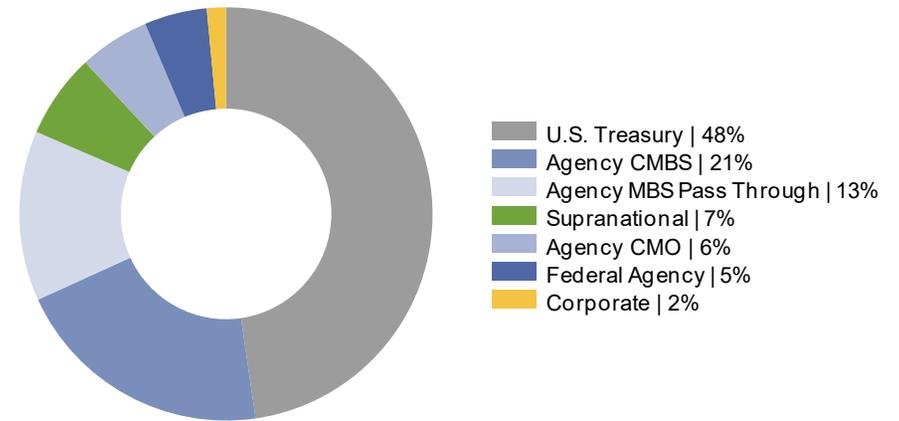
- The University's Intermediate Term portfolio is actively managed by PFM Asset Management. PFMAM seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and are therefore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

Portfolio Snapshot - SIU- INTERMEDIATE TERM¹

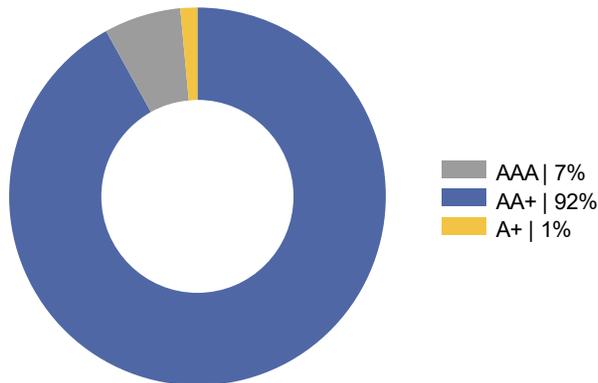
Portfolio Statistics

Total Market Value	\$175,142,314.73
<i>Securities Sub-Total</i>	\$173,485,751.52
<i>Accrued Interest</i>	\$885,403.47
<i>Cash</i>	\$771,159.74
Portfolio Effective Duration	3.48 years
Benchmark Effective Duration	3.59 years
Yield At Cost	3.46%
Yield At Market	3.85%
Portfolio Credit Quality	AA

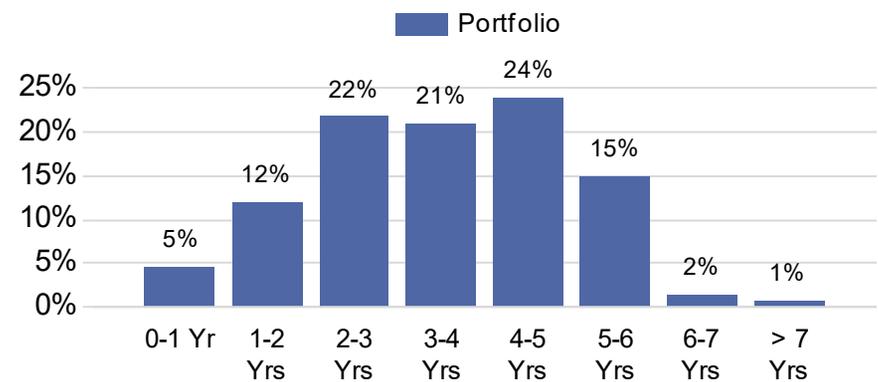
Sector Allocation



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.

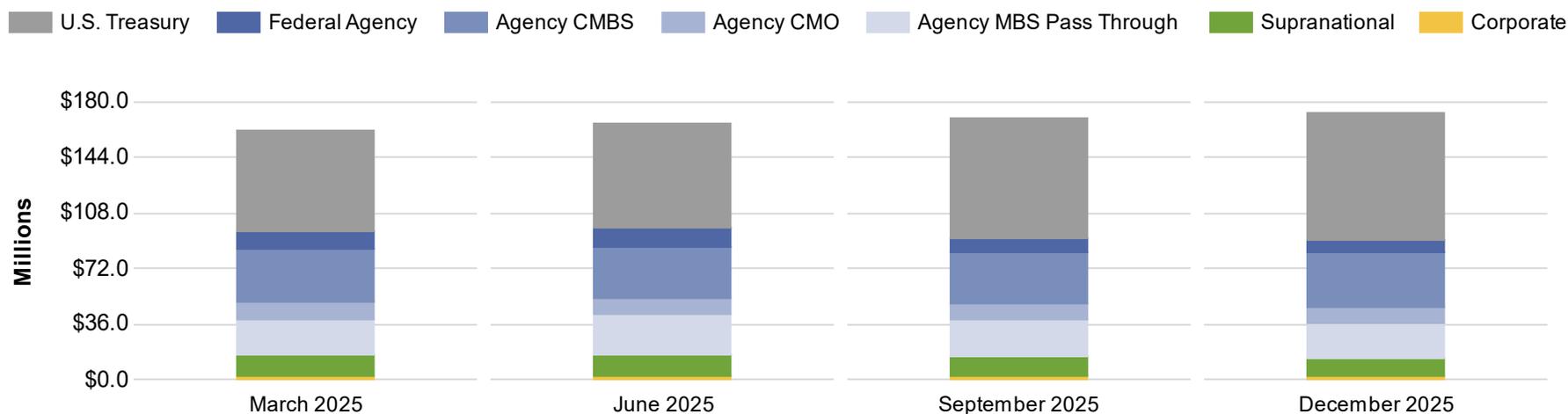
Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	47.8%	
United States Treasury	47.8%	AA / Aa / AA
Federal Agency	4.9%	
Federal Home Loan Mortgage Corp	1.0%	AA / Aa / AA
Federal National Mortgage Association	3.9%	AA / Aa / AA
Agency CMBS	20.5%	
Federal Home Loan Mortgage Corp	20.5%	AA / Aa / AA
Agency CMO	5.5%	
Federal Home Loan Mortgage Corp	3.3%	AA / Aa / AA
Federal National Mortgage Association	1.3%	AA / Aa / AA
Government National Mortgage Associatio	0.9%	AA / Aa / AA
Agency MBS Pass Through	13.3%	
Federal Home Loan Mortgage Corp	5.1%	AA / Aa / AA
Federal National Mortgage Association	8.1%	AA / Aa / AA
Government National Mortgage Associatio	0.1%	AA / Aa / AA
Supranational	6.6%	
African Development Bank	1.7%	AAA / Aaa / AAA
Asian Development Bank	0.4%	AAA / Aaa / AAA
Inter-American Development Bank	2.7%	AAA / Aaa / AAA
International Bank for Reconstruction &	0.9%	AAA / Aaa / AAA
International Finance Corp	0.8%	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.

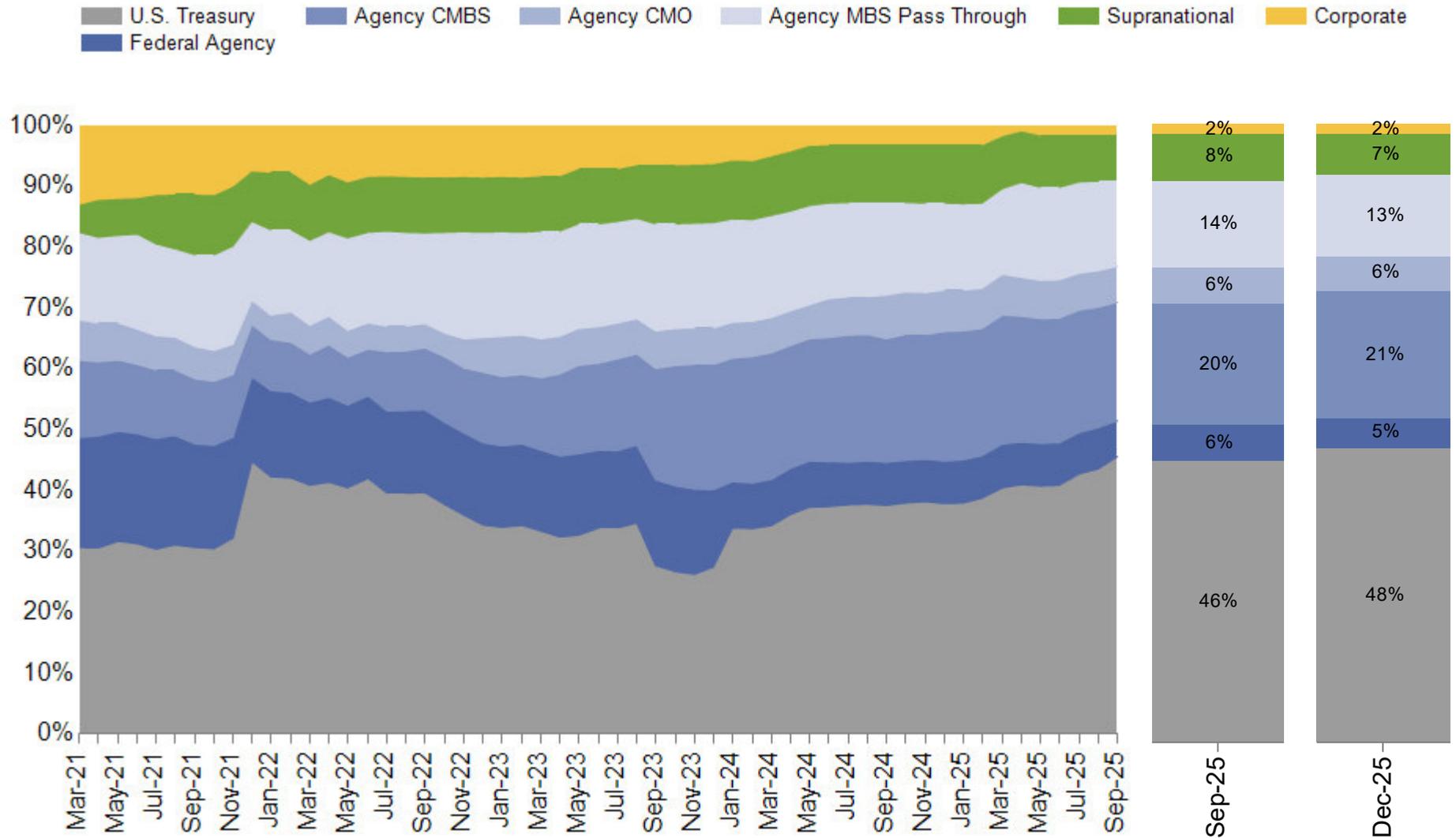
Sector Allocation Review - SIU- INTERMEDIATE TERM

Security Type	Mar-25	% of Total	Jun-25	% of Total	Sep-25	% of Total	Dec-25	% of Total
U.S. Treasury	\$65.7	40.5%	\$68.1	40.9%	\$77.3	45.6%	\$82.8	47.7%
Federal Agency	\$11.6	7.2%	\$11.7	7.0%	\$10.0	5.9%	\$8.5	4.9%
Agency CMBS	\$34.4	21.2%	\$34.0	20.5%	\$33.0	19.5%	\$35.5	20.5%
Agency CMO	\$10.8	6.7%	\$10.4	6.3%	\$10.0	5.9%	\$9.6	5.5%
Agency MBS Pass Through	\$22.7	14.1%	\$25.3	15.2%	\$23.8	14.0%	\$23.0	13.3%
Supranational	\$14.1	8.7%	\$14.2	8.6%	\$12.9	7.6%	\$11.5	6.6%
Corporate	\$2.6	1.6%	\$2.5	1.5%	\$2.5	1.5%	\$2.5	1.5%
Total	\$161.7	100.0%	\$166.3	100.0%	\$169.4	100.0%	\$173.5	100.0%



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

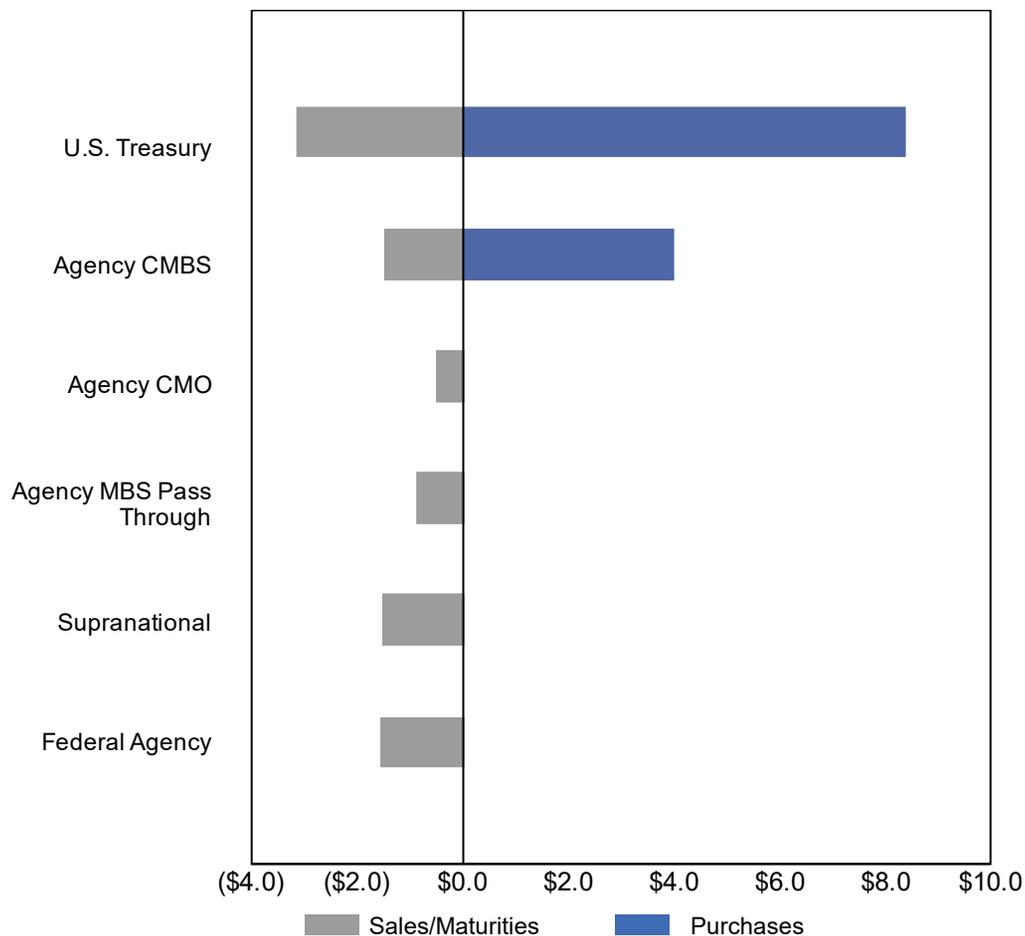
Historical Sector Allocation - SIU- INTERMEDIATE TERM



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

Portfolio Activity - SIU- INTERMEDIATE TERM

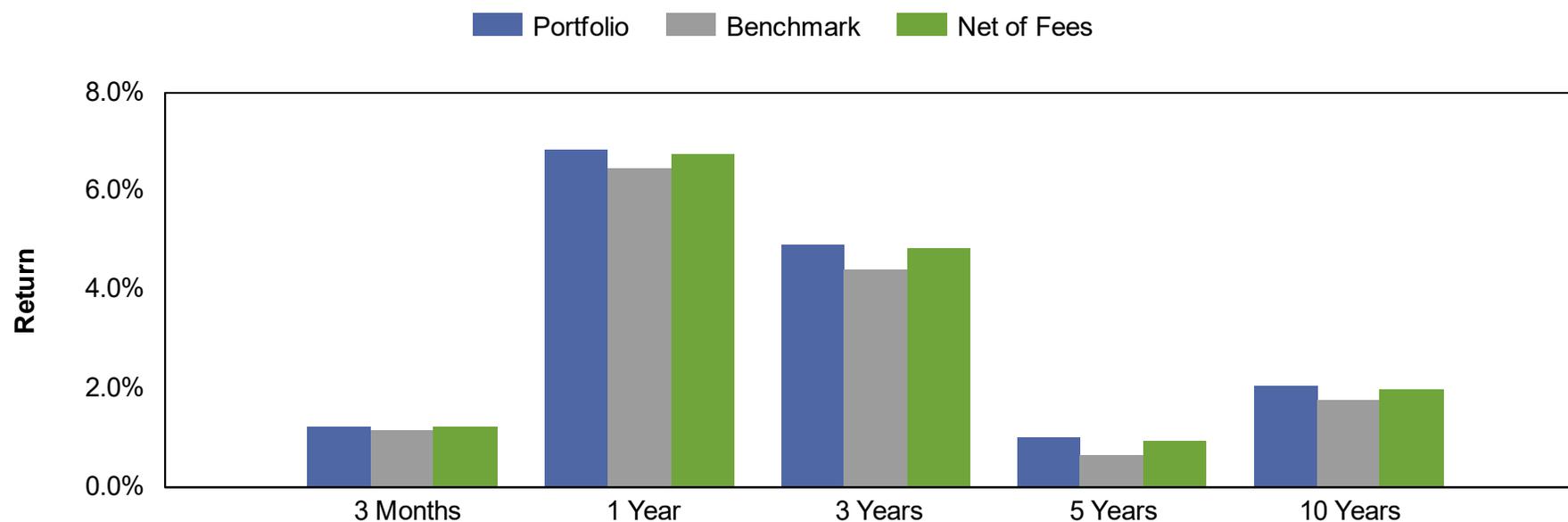
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$5,239,330
Agency CMBS	\$2,533,215
Agency CMO	(\$466,176)
Agency MBS Pass Through	(\$861,731)
Supranational	(\$1,500,000)
Federal Agency	(\$1,535,000)
Total Net Activity	\$3,409,639

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

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years
Interest Earned ²	\$1,400,447	\$5,484,578	\$14,464,321	\$21,584,377	\$37,261,904
Change in Market Value	\$724,740	\$5,735,758	\$9,274,225	(\$13,760,640)	(\$5,576,339)
Total Dollar Return	\$2,125,187	\$11,220,336	\$23,738,546	\$7,823,737	\$31,685,565
Total Return³					
Portfolio	1.23%	6.84%	4.91%	1.02%	2.06%
Benchmark ⁴	1.15%	6.50%	4.40%	0.64%	1.76%
Basis Point Fee	0.02%	0.07%	0.07%	0.07%	0.07%
Net of Fee Return	1.21%	6.77%	4.84%	0.96%	1.99%

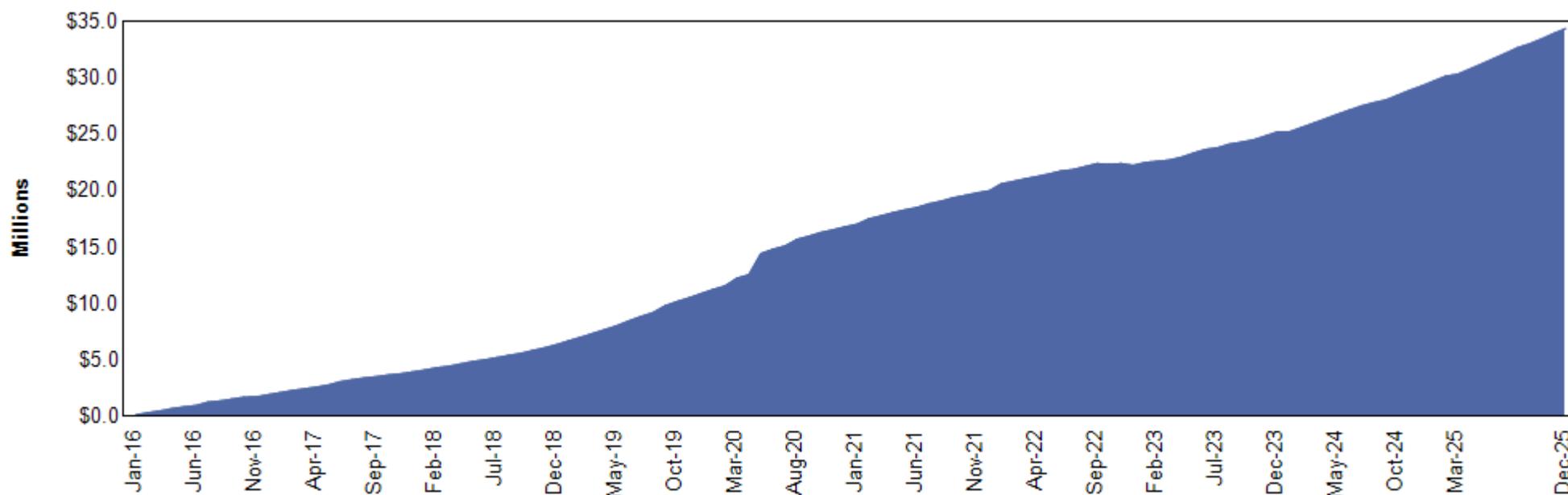
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is September 30, 2014.

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	\$1,400,447	\$5,484,578	\$14,464,321	\$21,584,377	\$37,261,904
Realized Gains / (Losses) ³	(\$152,475)	(\$612,580)	(\$4,076,949)	(\$4,222,669)	(\$1,497,880)
Change in Amortized Cost	\$105,540	\$218,345	\$1,740,685	\$202,729	(\$1,388,262)
Total Earnings	\$1,353,513	\$5,090,342	\$12,128,057	\$17,564,437	\$34,375,763

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

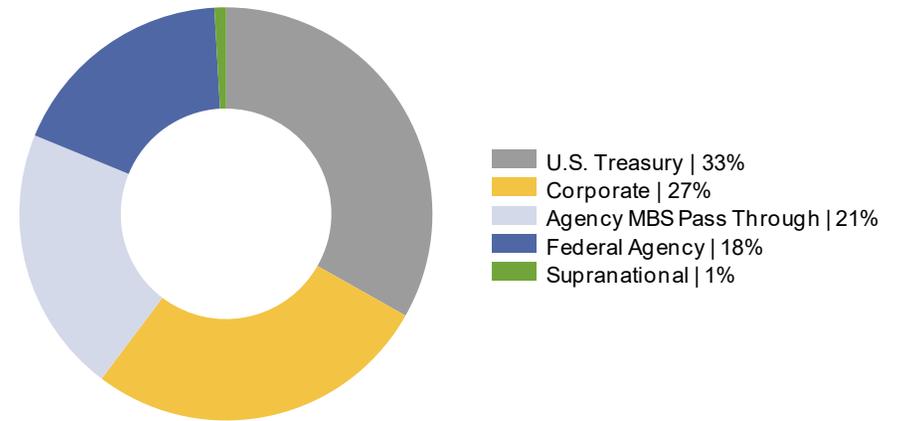
- A portion of the University's Intermediate Term portfolio is managed by LM Capital Group LLC ("LMC"). LMC seeks to add value by strategically buying or selling high-quality, fixed-income securities. Funds in the core portfolio are typically not needed over an intermediate- or long- term horizon and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

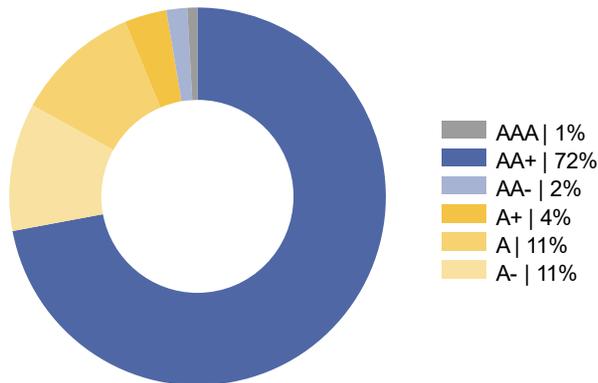
Portfolio Statistics

Total Market Value	\$28,425,560.73
<i>Securities Sub-Total</i>	\$27,930,252.81
<i>Accrued Interest</i>	\$254,566.66
<i>Cash</i>	\$240,741.26
Portfolio Effective Duration	3.50 years
Benchmark Effective Duration	3.59 years
Yield At Cost	4.58%
Yield At Market	4.15%
Portfolio Credit Quality	AA

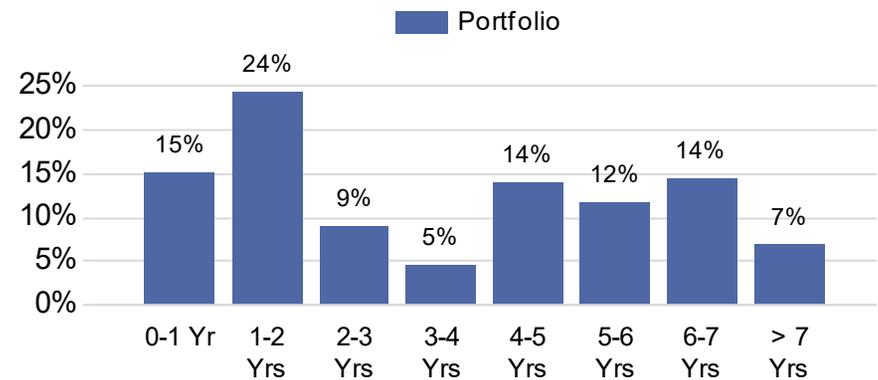
Sector Allocation



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

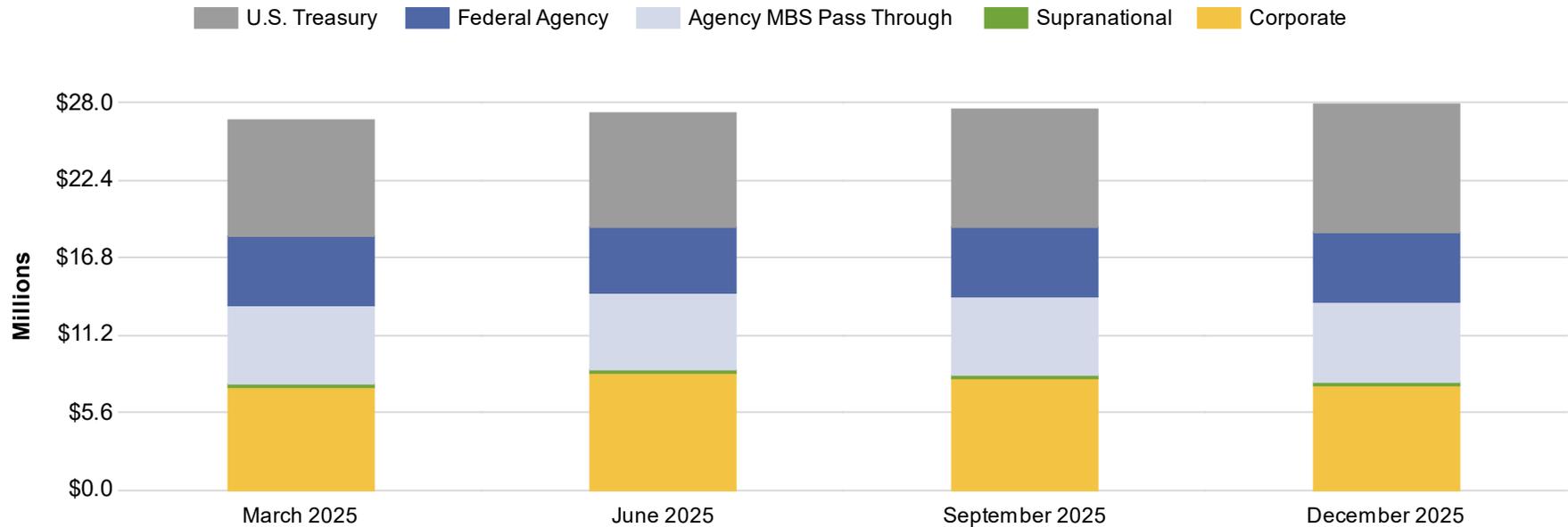
Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	33.3%	
United States Treasury	33.3%	AA / Aa / AA
Federal Agency	17.9%	
Federal Farm Credit Banks Funding Corp	12.1%	AA / Aa / AA
Federal Home Loan Banks	2.6%	AA / Aa / NR
Federal National Mortgage Association	3.1%	AA / Aa / AA
Agency MBS Pass Through	20.8%	
Federal Home Loan Mortgage Corp	7.5%	AA / Aa / AA
Federal National Mortgage Association	10.2%	AA / Aa / AA
Government National Mortgage Associatio	3.1%	AA / Aa / AA
Supranational	0.9%	
International Bank for Reconstruction &	0.9%	AAA / Aaa / NR
Corporate	27.1%	
AbbVie Inc	1.8%	A / A / NR
Bank of America Corp	1.8%	A / A / AA
Bank of New York Mellon Corp	1.8%	A / Aa / AA
Citigroup Inc	1.8%	A / Aa / A
Enterprise Products Partners LP	1.9%	A / A / A
Goldman Sachs Group Inc	1.8%	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
Simon Property Group Inc	2.1%	A / A / NR

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	27.1%	
Truist Financial Corp	1.4%	A / A / A
Total	100.0%	

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

Sector Allocation Review - SIU- LMC INTERMEDIATE TERM

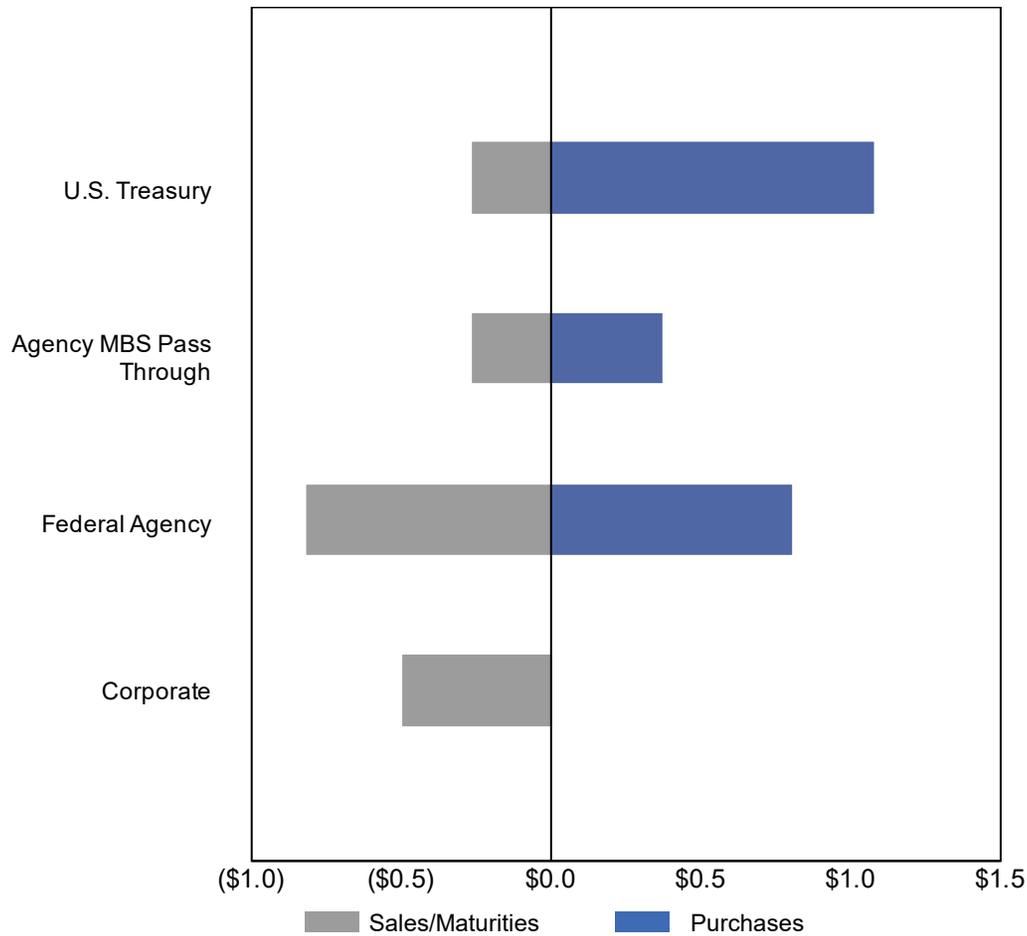
Security Type	Mar-25	% of Total	Jun-25	% of Total	Sep-25	% of Total	Dec-25	% of Total
U.S. Treasury	\$8.3	31.0%	\$8.3	30.5%	\$8.5	30.8%	\$9.3	33.2%
Federal Agency	\$5.0	18.8%	\$4.7	17.3%	\$5.0	18.2%	\$5.0	17.9%
Agency MBS Pass Through	\$5.7	21.4%	\$5.5	20.2%	\$5.7	20.8%	\$5.8	20.9%
Supranational	\$0.2	0.9%	\$0.2	0.9%	\$0.2	0.9%	\$0.2	0.9%
Corporate	\$7.4	27.9%	\$8.5	31.1%	\$8.0	29.3%	\$7.6	27.1%
Total	\$26.7	100.0%	\$27.3	100.0%	\$27.4	100.0%	\$27.9	100.0%



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

Portfolio Activity - SIU- LMC INTERMEDIATE TERM

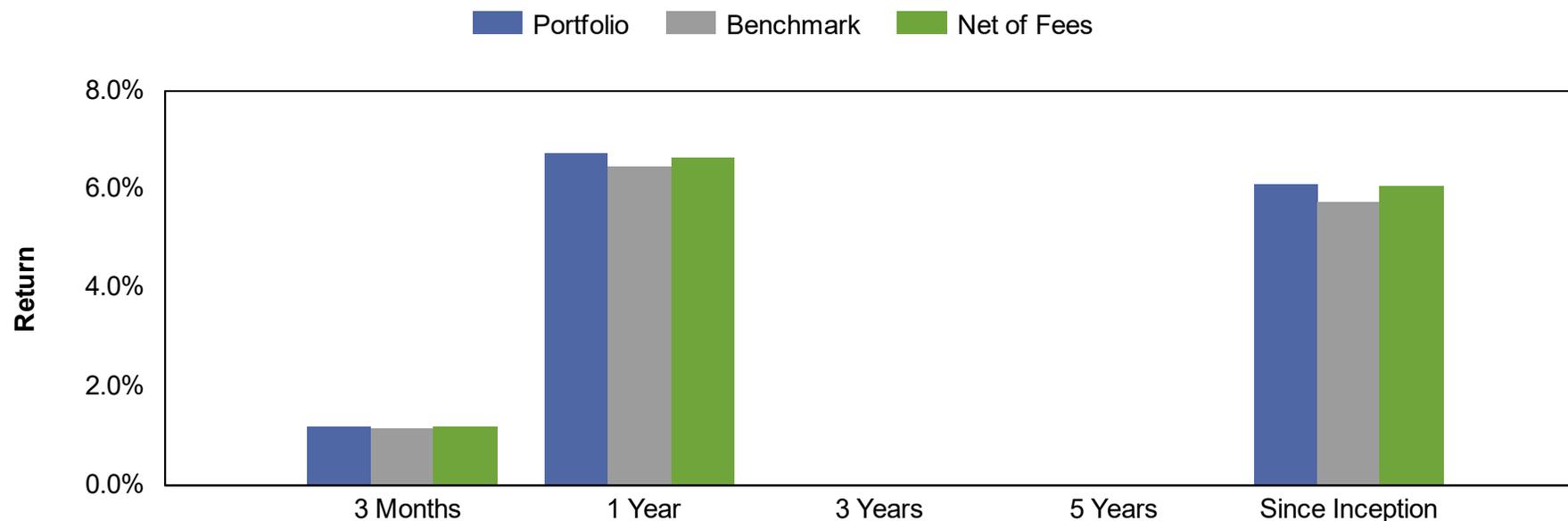
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$816,295
Agency MBS Pass Through	\$111,592
Federal Agency	(\$9,704)
Corporate	(\$493,323)
Total Net Activity	\$424,861

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

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$279,232	\$1,082,187	-	-	\$2,342,880
Change in Market Value	\$56,688	\$708,631	-	-	\$1,229,141
Total Dollar Return	\$335,920	\$1,790,818	-	-	\$3,572,021
Total Return³					
Portfolio	1.20%	6.72%	-	-	6.14%
Benchmark ⁴	1.15%	6.50%	-	-	5.75%
Basis Point Fee	0.02%	0.07%	-	-	0.07%
Net of Fee Return	1.18%	6.65%	-	-	6.07%

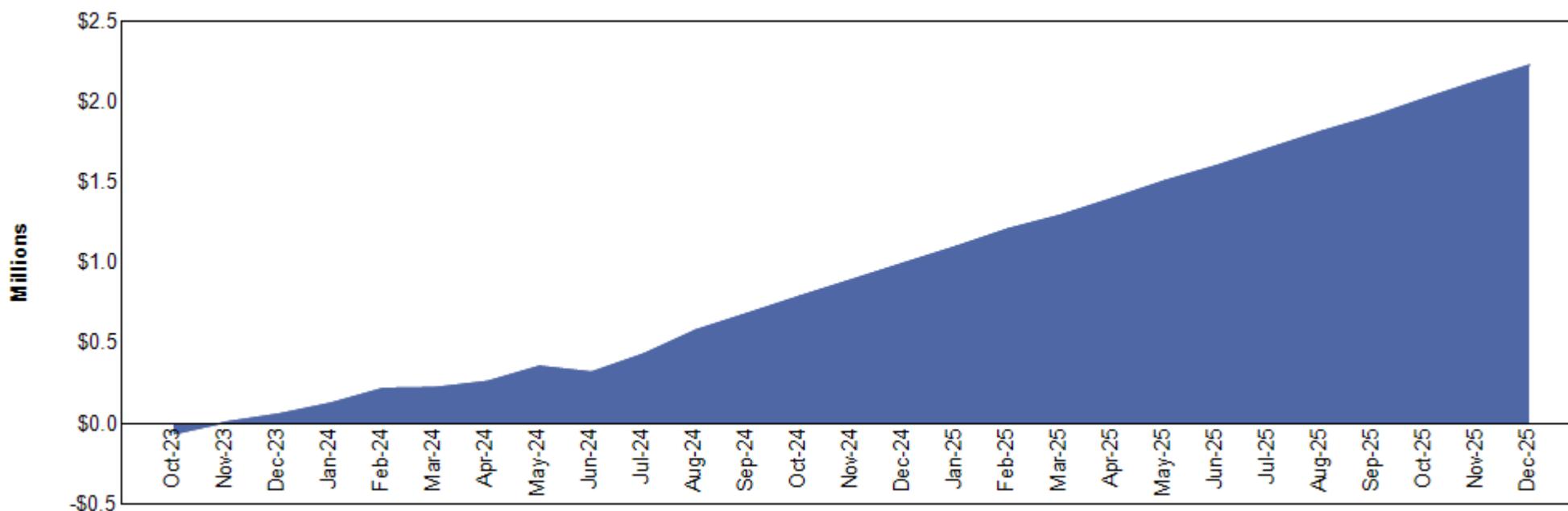
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is September 30, 2023.

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

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

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

Accrual Basis Earnings - SIU- LMC INTERMEDIATE TERM



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$279,232	\$1,082,187	-	-	\$2,342,880
Realized Gains / (Losses) ³	\$681	(\$11,830)	-	-	(\$486,016)
Change in Amortized Cost	\$37,565	\$160,094	-	-	\$372,426
Total Earnings	\$317,479	\$1,230,450	-	-	\$2,229,290

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 December 31, 2025.

Illinois Funds

Investment Approach

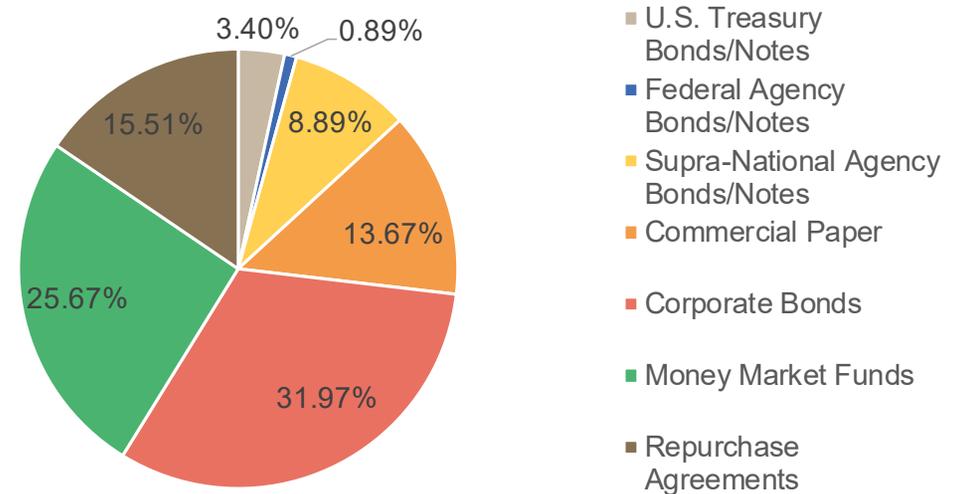
- The Illinois Funds is a Local Government Investment Pool (LGIP) operated by the Illinois State Treasurer's Office. The Illinois Funds strives to provide an inexpensive investment vehicle that features safety, daily liquidity and yield for Illinois public funds programs. The fund is managed by the Office of the State Treasurer in Springfield, Illinois, and contained a combined \$18.4 billion in total assets as of December 31, 2025. The fund is currently rated AAmmf by Fitch.

Illinois Funds Account Overview

Illinois Funds	
Beginning Value (9/30/25)	\$118,915,652.23
Net Deposits (Withdrawals)	(\$35,930,291.92)
Interest Earned	\$1,072,957.84
Ending Value (12/31/25)	\$84,058,318.15

	Current Yield as of 12/31/25
Illinois Funds	3.89%
Benchmark: S&P Rated Government Investment Pool Index	3.81%

**Illinois Funds
Sector Allocation
as of December 31, 2025**



Weighted Average Maturity	29 Days
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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 (9/30/25)	\$32,848,221.46
Net Deposits (Withdrawals)	\$23,910,117.48
Interest Earned	\$281,926.08
Ending Value (12/31/25)	\$57,040,265.02

	Current Yield as of 12/31/25
U.S. Bank Treasury Obligations MMF Sweep	3.38%
Benchmark: S&P Rated Government Investment Pool Index	3.81%

Capital Investments

Investment Approach

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

Capital Investments Position

Investment Balance <u>Market Value (\$ in millions)</u>	12/31/2024	3/31/2025	6/30/2025	9/30/2025	12/31/2025
Housing & Auxiliary Facilities System					
Construction Proceeds	0.7	0.3	0.3	-	-
Interest Sinking Fund	0.6	18.8	1.0	2.6	0.6
Debt Service Reserve	6.6	6.7	6.8	6.9	7.0
Total HAFS	7.9	25.7	8.1	9.5	7.6
Certificates of Participation					
Construction Proceeds	-	-	-	-	-
Interest Sinking Fund	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-
Total COPS	-	-	-	-	-
Total Market Value of Portfolio	\$ 7.9	\$ 25.7	\$ 8.1	\$ 9.5	\$ 7.6
<u>Investment Balance</u> <u>Book Value (\$ in millions)</u>	\$ 7.9	\$ 25.7	\$ 8.0	\$ 9.4	\$ 7.5

**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.
- Any information contained in this report pertaining to Illinois Funds, U.S. Bank Investment Sweep, and the Capital Investments Position were sourced from their respective month end statements. Information for the Intermediate and Short-Term Portfolios was sourced from their respective quarter-end statements provided by PFMAM.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.