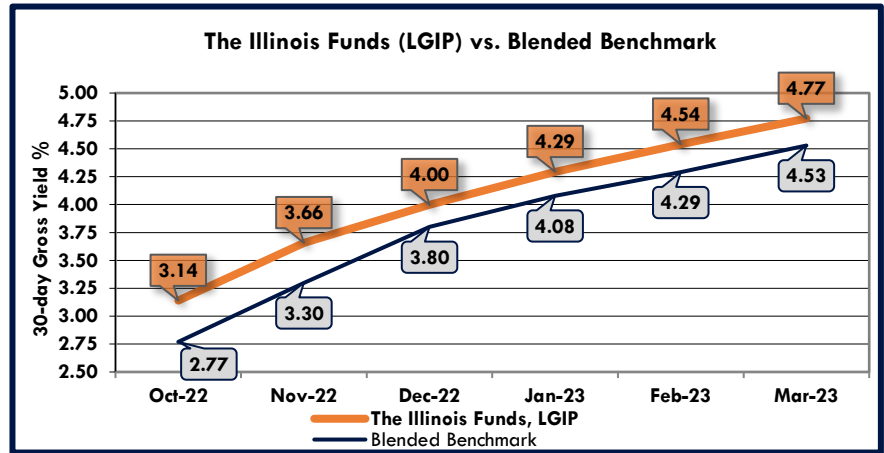




ILLINOIS FUNDS PORTFOLIO SUMMARY

First Quarter 2023

Net Portfolio Assets	\$18,298,934,208
Present Market Value	\$18,289,153,655
Weighted Average Maturity	59.0 Days
Weighted Average Life	104.0 Days
30-day Gross Yield	4.536%
30-day Avg. Net Yield	4.462%
Jan-23	4.221%
Feb-23	4.467%
Mar-23	4.698%
Net Asset Value (NAV)	\$ 1.00
Daily Liquidity Ratio	30.5%
Weekly Liquidity Ratio	36.7%

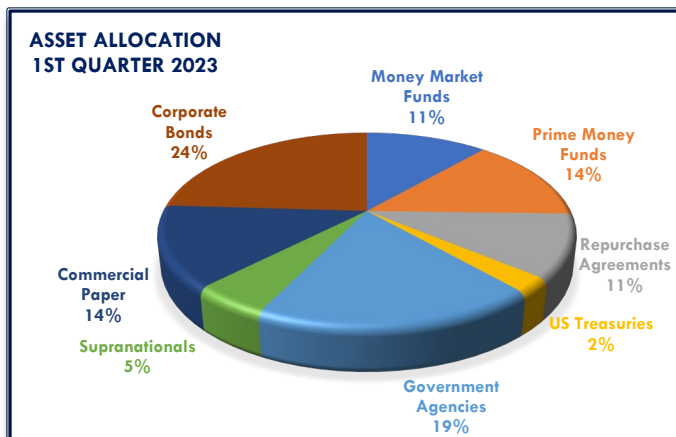


Analytical Comment

Since 2020, the Federal Reserve Bank have been taking aggressive actions on the Federal Funds rate to counter-balance gyrations in the pandemic-inflected economy—first dropping the rate to 0.0-0.25% in March 2020, then, since March 2022, raising the overnight rate to 4.75-5.0%. Rising rates can have different effects on a portfolio, depending on the overall position a holder has. Regional banks have received a lot of interest (as it were) in the last few weeks of the quarter—mostly attributed to the collapse of Silicon Valley and Signature Banks. (SVB held over \$21b in 30-year Treasuries, but had to sell them at a loss all at once when depositors were demanding \$100b in deposits).

But, because of state statutes and our own investment policies, the WAM of The Illinois Funds' portfolio in the first quarter 2023 remained under 60 days, with daily liquidity ratio remaining above 30% for the quarter, ensuring that sufficient funds are available for Participant needs. The continued rise of interest rates has brought in over \$206m in net income to Participants for the Quarter, in contrast to less than \$5m for the same period last year.

Brenton Siemons
Director, State Investments



Annual Portfolio Performance			
	YTD 2023	Year-over-Year	YTD 2022
Net Interest Income	\$ 206,176,002	\$ 486,507,629	\$ 4,893,698
Average Net Yield	4.46%	2.74%	0.16%

Quarterly Portfolio Performance			
	1Q2023	4Q2022	1Q2022
Net Interest Income	\$ 206,176,002	\$ 161,479,536	\$ 4,893,698
Average Net Yield	4.46%	3.70%	0.16%

Asset Class	Net Yield
Money Market Funds	4.48%
Prime Money Funds	4.64%
Repurchase Agreements	4.57%
US Treasuries	4.49%
Government Agencies	4.43%
Supranationals	4.53%
Commercial Paper	4.51%
Corporate Bonds	4.82%
Portfolio	4.46%

Investment Objective

The primary objective in the investment of **The Illinois Funds** is to ensure the **safety of principal** for Participants. In addition, the Treasurer aims to **manage liquidity** for payment of the State's financial obligations and provide the **highest return on investment**, using authorized instruments, while prudently exercising **sustainable stewardship** in its investment decision-making.

Authorized Investments

The Treasurer's investments are subject to the parameters as set forth in the **Deposit of State Moneys Act (15 ILCS 520/22.5)** and the **Public Funds Investment Act (30 ILCS 235/2)**, along with measures of fund rating quality and ability to maintain value, as assessed by Nationally Recognized Statistical Ratings Organizations (NRSRO).

Asset Classes

Certificates of Deposit	Federally insured savings account that has a fixed interest rate and fixed date of withdrawal. FDIC insured
Commercial Paper	Bonds issued by Fortune 500 and AAA-rated companies; maturities range from 2-270 days. Backed by issuing bank line of credit.
Corporate Bonds	Debt issued by corporation, promising to pay bond-holder stated rate of interest up to maturity date (can extend past 270 days)
Floating Rate Notes	Debt (note) with a variable interest rate; adjustments usually happened every six months.
Governmental Agencies	Debt issued by US Government agencies. No US government guarantee
Money Market Funds	Open-ended mutual fund regulated by SEC Rule 2a-7. Invest in high-quality, short-term investments; pays MM rates of distributions
Prime Money Market Funds	Can sometimes achieve higher yields than MMF because of broader portfolio diversity.
Repurchase Agreements	Overnight lending agreement between seller and buyer, where seller buys back collateralized money, with interest.
Supranationals	Debt issued by International agencies (World Bank, EBRD, etc.), for purposes of economic development. Guaranteed by US Govt
US Treasuries	Debt issued by US Treasury Dept. Maximum holding period is 365 days. Guaranteed by full faith and credit of US Government

Fund Glossary

Net Asset Value (NAV)	Price per share (unit). Stable-value NAV fund should be within 0.5% of \$1.00
Net Portfolio Assets	Value of all securities held by fund
Present Market Value	Value of all securities held by fund, controlling on market factors
Weighted Average Maturity (WAM)	Measure of exposure to interest-rate risk by weighting issues within portfolio (Recommended <60 days)
Weighted Average Life (WAL)	A measure of credit-spread risk by weighting issues within portfolio
30-day Net Yield	Return on investment over 30-day period, adjusted for fees, as expressed in percentage
30-day Gross Yield	Return on investment over 30-day period, as expressed in percentage
Daily Liquidity	Percentage of funds that can be converted into cash that day (Ratings Agencies recommend >10%)
Weekly Liquidity	Percentage of funds that can be converted into cash within 5 business days (Ratings Agencies recommend >30%)
Net Interest Income	Return on investment over a period, adjusted for fees, as expressed in dollars
Average Net Yield	Return on investment over a period, adjusted for fees, as expressed in percentage

Contact Details

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 Email: IllinoisFunds@illinoistreasurer.gov
 Web: www.illinoisfunds.com

Fund Rating Criteria for AAAMmf ("Extremely strong capacity to achieve Fund's investment objective of preserving principal and providing shareholder liquidity through limiting credit, market, and liquidity risk.")

Portfolio Interest Rate and Spread Risks		
WAM	Max Days	60
WAL	Max Days	120
Asset Maturity		
All Securities (except below)	Max Days	397
Floating-Rate Securities (Highly-rated Sovereigns or Govt Agencies)	Max Days	762
Portfolio Liquidity Baseline		
Overnight Maturities and other eligible assets	Min %	10
7-Day Maturities and other eligible assets	Min %	30

Asset and Counterparty Credit Quality			
Rated F1+ / F1	Min %		100
Repo Counterparty	Min Ratings		BBB+ / F2
Portfolio Credit Factor (PCF)	Max Level		1.50
Direct Issuer Exposure			
F1+ or F1 Total for Single Issuer	Max %		10
...of which > 7 Days	Max %		5
Indirect and Collateralized Exposures			
Total Combined Exposure to an Entity (Direct + Indirect)	Max %		15
Total Per Repo Counterparty Rated F1 or Higher (Government Collateral)	Max %		25
Total Per Repo Counterparty Rated F2 (Government Collateral)	Max %		10

*This document is not intended to provide disclosure of the terms and conditions of an investment in the Illinois Funds program ("Illinois Funds"). Please contact the Office of the Illinois State Treasurer ("Treasurer") to obtain important information that you should review before opening an account in the Illinois Funds, including information about the benefits and risks of investing in Illinois Funds.

This document is for general informational purposes only and should not be construed as investment advice. It does not constitute an offer, solicitation, or recommendation to purchase any security. Neither the funds contributed to an Illinois Funds account, nor earnings thereon, are guaranteed or insured by the United States, the State of Illinois, the Treasurer, any other state, any agency or instrumentality thereof, the Federal Deposit Insurance Corporation, or any other entity. Participating entities in Illinois Funds assume all investment risk, including the potential loss of principal. The Illinois Funds and its associated persons make no representation regarding the suitability of the Illinois Funds investment portfolio for any particular investor. Other types of investments may be more appropriate depending on the investor's particular circumstances. Any financial or investment decision should be made only after considerable research, consideration and involvement with an experienced professional engaged for the specific purpose. Past performance is not an indication of future performance. Additional information can be found at www.illinoisfunds.com.