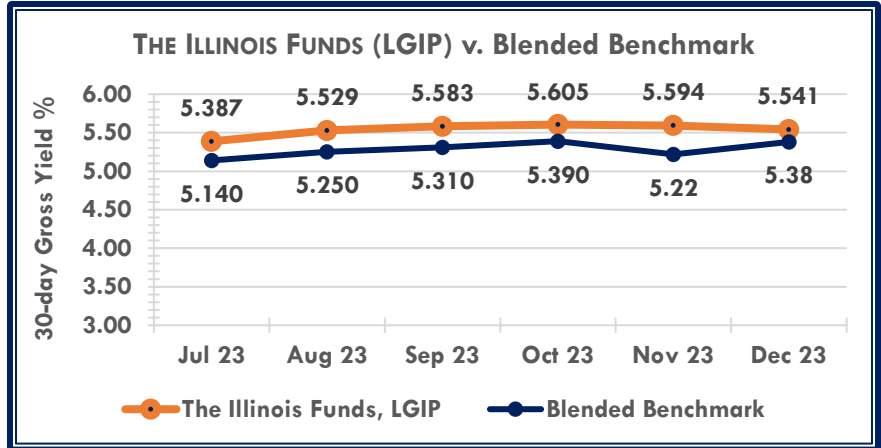




## ILLINOIS FUNDS PORTFOLIO SUMMARY

### Fourth Quarter 2023

Net Portfolio Assets	\$18,808,756,524
Present Market Value	\$18,789,205,196
Weighted Average Maturity	55.3 Days
Weighted Average Life	106.4 Days
30-day Gross Yield	5.580%
30-day Avg. Net Yield	5.507%
Oct-23	5.532%
Nov-23	5.521%
Dec-23	5.468%
Net Asset Value (NAV)	\$ 1.00
Daily Liquidity Ratio	26.0%
Weekly Liquidity Ratio	32.3%



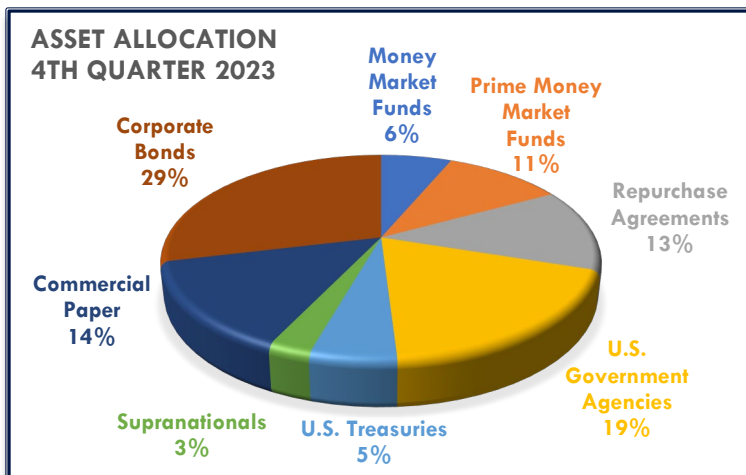
#### Analytical Comment

According to UIUC [Institute of Government and Public Affairs](#), Illinois income tax receipts were strongly positive for December 2023 compared to the same month last year, after adjusting for inflation. Corporate tax receipts were down sharply, but largely because December 2022 revenues were so large in comparison. Additionally, [COGFA](#) notes that FY24 revenues, overall, are well ahead of their pace from FY23.

The growing consensus in economic analysis is that the Federal Reserve Bank will, over the course of 2024, start to lower the effective Federal Funds rate as the threat of inflation appears to abate. The Illinois Funds closed the year with \$18.9 billion in net assets. The monthly net yield (less expenses) over the previous three months was 5.51%, bringing in \$263 million in quarterly net income to Fund participants, and nearly \$1 billion in net income for Calendar Year 2023—more than triple the \$285 million in net income from 2022.

As always, we will be monitoring economic conditions and adjusting accordingly to ensure portfolio safety and liquidity.

Thomas Gary  
Director, The Illinois Funds



Quarterly Portfolio Performance			
	4Q2023	3Q2023	4Q2022
Net Interest Income	\$ 262,894,174	\$ 264,783,566	\$161,479,536
Average Net Yield	5.51%	5.43%	3.52%

Annual Portfolio Performance			
	YTD 2023	Year-over-Year	YTD 2022
Net Interest Income	\$ 969,404,591	\$ 969,404,591	\$285,225,324
Average Net Yield	5.11%	5.11%	1.66%

Asset Class	Gross Yield
Money Market Funds	5.29%
Prime Money Market Funds	5.54%
Repurchase Agreements	5.33%
US Treasuries	5.28%
Government Agencies	5.39%
Supranationals	5.43%
Commercial Paper	5.60%
Corporate Bonds	5.80%
<b>Portfolio</b>	<b>5.46%</b>

## 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)**, along with measures of fund rating quality and ability to maintain value, as assessed by Nationally Recognized Statistical Ratings Organizations (NRSRO).

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

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

## Contact Details

Toll-Free: +1 800 9-IPTIP-9 (800-947-8479)

Email: [IllinoisFunds@illinoistreasurer.gov](mailto:IllinoisFunds@illinoistreasurer.gov)

Web: [www.illinoisfunds.com](http://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](http://www.illinoisfunds.com).