



Illinois Heartland Library System

TO: IHLS Board of Directors
 FROM: Leslie Bednar
 DATE: April 11, 2022
 RE: Illinois Funds Investments

Background

The Illinois Funds is a [local government investment pool](#) operated by the Office of the Illinois State Treasurer for state and local governmental agencies. The Illinois Funds was created in 1975 and was one of the first local government investment pools established in the nation.

“The program provides a critical service for state and local agencies, enabling them to pool their money and invest in a safe, liquid investment vehicle that exceeds industry benchmarks, and has received the highest rating (AAAmmf) from [national credit ratings agencies](#).”¹

The Illinois Treasurer, Michael Frerichs, is the trustee and administrator of the Illinois Funds investment portfolio. The Treasurer utilizes approved brokers/dealers to facilitate investment transactions and executing trades, along with approved debt securities issuers to serve as the authorized issuers deemed suitable for purchases.

“The Illinois Funds invests in U.S. Treasury obligations, repurchase agreements collateralized at 102% by U.S. Treasury obligations, certificates of deposit issued by an Illinois financial institution, U.S. agency mortgage-backed securities, and money-market funds rated 'AAAmmf' by Fitch's.”²

Please find below an overview of Illinois Funds.

IHLS Current Balances

As of March 31, 2022, the total cash balance for IHLS at Illinois Funds was \$7,502,879.29.

The table below reflects the institutional allocation of these funds.

<u>Fund</u>	<u>Balance as of March 31, 2022</u>
General Fund	\$4,790,055.97
Capital Projects Fund	\$1,282,333.45
SHARE Fund	\$1,098,414.46
OCLC Billing E-Pay (fiscal agent for Illinois State Library)	\$326,837.83
OCLC Billing (fiscal agent for Illinois State Library)	<u>\$5,237.58</u>
Total Balance at Illinois Funds	\$7,502,879.29

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Current Illinois Funds Investments

The attached is an inventory report of the Illinois Funds position holdings as of February 28, 2022. There is also an interactive list available through the Illinois State Treasurer's [OpenGov site](#).

Illinois Funds is an investment pool, therefore, does not qualify for FDIC insurance. Money is protected from financial losses by strict adherence to their investment policy.

"The portfolio management team adheres to a strict investment policy that includes weekly ratings agency oversight. Investments are submitted to Standard & Poors (S&P) on a weekly basis for compliance and risk review. The Illinois Funds holds a AAAm rating by S&P Global Ratings and has never been downgraded in its entire history.

As part of SEC Rule 2a-7 requirements, The Illinois Funds undergoes monthly stress testing to ensure its net asset value (NAV) remains at a constant \$1.00 per share. The portfolio is run through a series of tests mimicking extreme economic conditions to assess the stability of its NAV during periods of market unrest. To date, these stress tests have never resulted in possible losses to principal balances.

*Each account in The Illinois Funds is collateralized by the other accounts in the fund as the investment risks are shared on a percentage-of-contribution basis. As such, the State of Illinois is the largest investor in The Illinois Funds, therefore, the State bears the largest risk. The fiduciary responsibility of The Illinois Funds team is to preserve principal for the State and its taxpayers, in addition to providing safe, liquid investments for all participants within the Fund."*³

Thank you and please let me know if you have any questions.

¹ <https://stories.opengov.com/illinoistreasurer/published/Byeg8Cjz7>

² https://illinoistreasurer.gov/Local_Governments/The_Illinois_Funds/Schedule_of_Investments

³ https://illinoistreasurer.gov/Local_Governments/The_Illinois_Funds/Illinois_Funds_FAQs

Category	Primary Identifier	Security Description	Maturity	Yield	Quantity	Price	Cost	Market Value	\$ Above/Below
Repurchase Agreements	3BMRGGZF7	Suntrust	3/1/2022	0.061%	300,000,000	\$ 100.000	\$ 300,000,000.00	\$ 300,000,000.00	\$0.00
Repurchase Agreements Total					1,100,000,000		\$ 1,100,000,000.00	\$ 1,100,000,000.00	\$0.00
Supranational Bonds	00828EEA3	African Dev Bk Mtn Sb Nts Be Fr 1.625% 091622	9/16/2022	0.251%	10,000,000	\$ 100.747	\$ 10,074,698.66	\$ 10,039,824.80	(\$34,873.86)
Supranational Bonds	00828ECW7	African Dev Bk Mtn Sb Nts Be Fr 2.125% 111622	11/16/2022	0.301%	23,016,000	\$ 101.298	\$ 23,314,621.27	\$ 23,203,580.40	(\$111,040.87)
Supranational Bonds	045167ET6	Asian Development Bank ADB	4/7/2022	0.108%	26,000,000	\$ 100.053	\$ 26,013,672.49	\$ 26,007,020.00	(\$6,652.49)
Supranational Bonds	045167ES8	Asian Development Bank ADB	1/24/2023	0.419%	15,000,000	\$ 101.091	\$ 15,163,582.94	\$ 15,074,948.70	(\$88,634.24)
Supranational Bonds	045167EN9	Asian Development Bank ADB	7/19/2022	0.491%	50,000,000	\$ 100.541	\$ 50,270,434.78	\$ 50,218,500.00	(\$51,934.78)
Supranational Bonds	045167ED1	Asian Development Bank ADB	9/13/2022	0.372%	72,000,000	\$ 100.743	\$ 72,534,820.89	\$ 72,321,521.76	(\$213,299.13)
Supranational Bonds	29874QEF7	Euro Bk Recon & Dev Euro Mtn Vr 031320-031323	3/13/2023	0.113%	119,000,000	\$ 100.207	\$ 119,246,471.90	\$ 119,211,820.00	(\$34,651.90)
Supranational Bonds	29878TDE1	European Investment Bank 144a	6/10/2022	0.175%	63,100,000	\$ 100.064	\$ 63,140,300.61	\$ 63,139,753.00	(\$547.61)
Supranational Bonds	45818WBPO	Inter-American Dev Bank	7/15/2022	0.231%	25,000,000	\$ 100.031	\$ 25,007,861.07	\$ 25,006,615.00	(\$1,246.07)
Supranational Bonds	4581XOCZ9	Inter-American Dev Bank	9/14/2022	0.468%	10,000,000	\$ 100.699	\$ 10,069,853.60	\$ 10,047,536.20	(\$22,317.40)
Supranational Bonds	4581XODD7	Inter-American Dev Bank	9/26/2022	0.317%	18,000,000	\$ 101.533	\$ 18,275,843.97	\$ 18,214,760.70	(\$61,083.27)
Supranational Bonds	459058JQ7	International Bk For Recon&dev Glbl 101272 FI23	1/13/2023	0.446%	28,250,000	\$ 100.062	\$ 28,267,442.97	\$ 28,259,887.50	(\$7,555.47)
Supranational Bonds	459058ES8	International Bk For Recon&dev Glbl 11301 Nt 22	10/7/2022	0.502%	80,000,000	\$ 100.835	\$ 80,667,692.38	\$ 80,504,057.60	(\$163,634.78)
Supranational Bonds	45950VLH7	International Finance Corp.	10/24/2022	0.342%	50,000,000	\$ 101.078	\$ 50,539,139.49	\$ 50,348,773.50	(\$190,365.99)
Supranational Bonds Total					589,366,000		\$ 592,586,437.02	\$ 591,598,599.16	(\$987,837.86)
U.S. Agencies	3133EMS89	Federal Farm Credit Bank	3/1/2022	0.061%	50,000,000	\$ 100.000	\$ 50,000,000.00	\$ 50,000,000.00	\$0.00
U.S. Agencies	3133ELG40	Federal Farm Credit Bank	6/8/2022	0.284%	85,000,000	\$ 100.000	\$ 85,000,000.00	\$ 85,042,127.70	\$42,127.70
U.S. Agencies	3133ELR09	Federal Farm Credit Bank	3/9/2022	0.203%	25,000,000	\$ 100.000	\$ 25,000,000.00	\$ 25,000,782.50	\$782.50
U.S. Agencies	3133EM3Z3	Federal Farm Credit Bank	9/1/2023	0.101%	50,000,000	\$ 100.000	\$ 50,000,000.00	\$ 50,000,621.00	\$621.00
U.S. Agencies	3133EMQ54	Federal Farm Credit Bank	7/7/2023	0.101%	200,000,000	\$ 99.979	\$ 199,958,881.94	\$ 199,972,070.00	\$13,188.06
U.S. Agencies	3133EMG30	Federal Farm Credit Bank	2/9/2023	0.083%	125,000,000	\$ 99.994	\$ 124,992,230.23	\$ 124,994,737.50	\$2,507.27
U.S. Agencies	3133ENKRO	Federal Farm Credit Bank	1/11/2023	0.423%	25,000,000	\$ 100.000	\$ 25,000,000.00	\$ 24,885,683.50	(\$114,316.50)
U.S. Agencies	3133ENLK4	Federal Farm Credit Bank	1/18/2024	0.101%	50,000,000	\$ 100.000	\$ 50,000,000.00	\$ 49,999,999.50	(\$0.50)
U.S. Agencies	3133EMRY0	Federal Farm Credit Bank	11/25/2022	0.087%	12,500,000	\$ 100.000	\$ 12,499,943.09	\$ 12,501,384.75	\$1,441.66
U.S. Agencies	3133EMTJ1	Federal Farm Credit Bank	3/15/2023	0.106%	50,000,000	\$ 100.000	\$ 50,000,000.00	\$ 50,011,558.50	\$11,558.50
U.S. Agencies	3133EMAA0	Federal Farm Credit Bank	6/17/2022	0.119%	20,000,000	\$ 100.001	\$ 20,000,145.64	\$ 20,004,172.60	\$4,026.96
U.S. Agencies	3133EML75	Federal Farm Credit Bank	6/22/2023	0.073%	50,000,000	\$ 100.004	\$ 50,001,861.84	\$ 49,963,548.00	(\$38,313.84)
U.S. Agencies	3133ELU69	Federal Farm Credit Bank	7/15/2022	0.294%	20,000,000	\$ 100.000	\$ 20,000,000.00	\$ 20,017,886.20	\$17,886.20
U.S. Agencies	3133EL4V3	Federal Farm Credit Bank	7/25/2022	0.137%	20,000,000	\$ 100.000	\$ 20,000,000.00	\$ 20,006,095.20	\$6,095.20
U.S. Agencies	3133EL5C4	Federal Farm Credit Bank	7/25/2022	0.188%	25,000,000	\$ 99.998	\$ 24,999,492.02	\$ 25,012,698.50	\$13,206.48
U.S. Agencies	3133EMAW2	Federal Farm Credit Bank	9/23/2022	0.191%	50,000,000	\$ 99.995	\$ 49,997,597.21	\$ 50,025,568.00	\$27,970.79
U.S. Agencies	3130AK4O6	Federal Home Loan Bank	9/8/2022	0.142%	20,000,000	\$ 100.000	\$ 20,000,000.00	\$ 20,007,911.80	\$7,911.80
U.S. Agencies	313385VV5	Federal Home Loan Bank	4/21/2022	0.253%	25,000,000	\$ 99.965	\$ 24,991,145.83	\$ 24,993,278.00	\$2,132.17
U.S. Agencies	3130AK5X0	Federal Home Loan Bank	9/15/2022	0.142%	20,000,000	\$ 100.000	\$ 20,000,000.00	\$ 20,006,522.20	\$6,522.20
U.S. Agencies	313397VF5	Federal Home Loan Mortgage Corp.	4/7/2022	0.127%	50,000,000	\$ 99.987	\$ 49,993,576.39	\$ 49,990,246.50	(\$3,329.89)
U.S. Agencies Total					972,500,000		\$ 972,434,874.19	\$ 972,436,891.95	\$2,017.76
U.S. Treasuries	912796L64	United States Treasury Bill	8/11/2022	0.527%	50,000,000	\$ 99.719	\$ 49,882,277.73	\$ 49,857,884.50	(\$24,393.23)
U.S. Treasuries Total					50,000,000		\$ 49,882,277.73	\$ 49,857,884.50	(\$24,393.23)
GRAND TOTAL					11,375,561,381		\$ 11,405,309,881.38	\$ 11,396,383,263.52	(\$8,926,617.86)