



Michael W. Frerichs

ILLINOIS STATE TREASURER

2019 ANNUAL REPORT

OFFICE OF THE ILLINOIS STATE TREASURER • ANNUAL REPORT • 2019



LETTER FROM ILLINOIS STATE TREASURER MICHAEL W. FRERICHS

Dear Illinois Residents,

In Illinois, the Treasurer is the state's Chief Investment Officer and Banking Officer. The office invests money on behalf of taxpayers, college savers, retirement savers and units of local government. Typically, the investment portfolio is approximately \$31 billion. The investment approach is cautious to ensure the preservation of principal. The financial returns are significant: For every \$1 spent to run the office, we net \$42 for the people of Illinois.

However, I strongly believe the state treasury must also invest in people. That is why we provide tools so individuals can invest in themselves. These tools include savings plans for college and trade school, removing barriers to a secure retirement, helping people with disabilities save their own money for future needs, protecting residents from predatory companies, and making capital available to farmers, entrepreneurs, and neighborhood investment.

In Illinois, Fiscal Year 2019 is from July 1, 2018 to June 30, 2019. During this past fiscal year, our office made significant strides to benefit taxpayers and residents. They include:

Enhanced Investment Options: Working with the General Assembly, the Treasury was successful in passing legislation that expands investment opportunities. While the new investment tools remain cautious by private-sector measures, the new authority allows investments in highly-rated municipal and county bonds; highly-rated corporate bonds, and prime money market funds.

College Savings: Bright Start and Bright Directions college savings programs continue to earn top honors by independent analyst Morningstar. Bright Start earned a gold rating, the highest rating for a direct-sold plan. Bright Directions earned a silver rating, the highest rating for an advisor-sold plan. At the end of the fiscal year, about 620,000 account holders invested approximately \$12 billion to pay for certain expenses at college or a qualifying trade school.

Protecting Consumers: We led the fight in the Illinois General Assembly to pass legislation to prohibit retailers from using rebate cards that charge dormancy fees. These fees often deplete the entire value of a rebate card. This addresses the practice of retailers utilizing cards issued by national banks to avoid consumer protections under the Illinois Unclaimed Property Act.

Cannabis Banking: Medical cannabis is legal in Illinois. Recreational cannabis for adults 21 years of age and older will be legal Jan. 1, 2020. Nevertheless, significant hurdles remain when offering financial services directly to the enterprises that cultivate or dispense cannabis. Equally important, but less widely known, is that service providers to the cannabis industry such as landlords, attorneys, electricians, and plumbers potentially face banking hurdles. While the Illinois Treasury continues to urge federal clarification, it did convince Illinois lawmakers to prohibit the state from issuing an

order against, or prohibiting, penalizing, or discouraging a state bank or credit union from providing financial services to legitimate cannabis-related businesses.

Fighting for Families: Our unclaimed property unit safeguards more than \$3 billion in cash and valuables. Examples include bank safe deposit box contents or an undelivered paycheck or utility refund. Life insurance policies also are included. We returned a record-breaking \$239 million in this past fiscal year, the fourth consecutive year in which we set a record.

Saving for Retirement: There is a retirement crisis in America. Secure Choice is one tool to address this emergency in Illinois. This retirement savings vehicle is not employer-based. Instead, it travels with the worker. Enrollment was the key accomplishment this fiscal year. For the first time, approximately 33,000 workers saved their own money for their own retirement. They saved more than \$8.5 million. When fully implemented, Secure Choice could create retirement savings for 1.2 million workers in Illinois.

People with Disabilities: Achieving A Better Life Experience ABLE savings and investment accounts allow people with disabilities and their families to save money for qualified disability expenses without jeopardizing federal benefits. During this fiscal year, there were approximately 1,000 Illinois ABLE accounts with an estimated value of \$6.5 million. The Illinois State Treasurer leads a bi-partisan, 17-state ABLE Alliance that offers a high quality, low-cost ABLE program, and the benefits continue to grow. Across the Alliance, there were approximately 10,000 accounts with an estimated value of \$60 million.

Honoring Our Veterans: Military medals also are part of unclaimed property. Our efforts to locate these servicemen or their heirs continue after private entities failed for more than five years. These bittersweet reunions are profoundly moving and include Purple Hearts and Service Medals from military conflicts.

Sound Investment for Local Governments: The Illinois Funds is a Local Government Investment Pool operated by the Treasurer's Office. At the end of the fiscal year, there were approximately 3,000 investment accounts with a total value of approximately \$5.6 billion. Since 1975, The Illinois Funds has provided a safe, liquid, and competitive investment. The Illinois Funds continues to enjoy Standard & Poor's highest rating of AAAM and is designed to augment, not replace, local banking relationships.

Sustainable Investing: The sustainable investing space continues to grow. Nationally, there are more than \$20 trillion in assets under management. This space also is called ESG investing because environmental, social, and governance factors are considered when evaluating risk. Ignoring risk invites ill-informed decisions and potential governmental regulation. The Illinois General Assembly agrees with our view and passed legislation that encourages all state and local entities that manage public funds to integrate sustainable investing factors into the investment decision-making process.

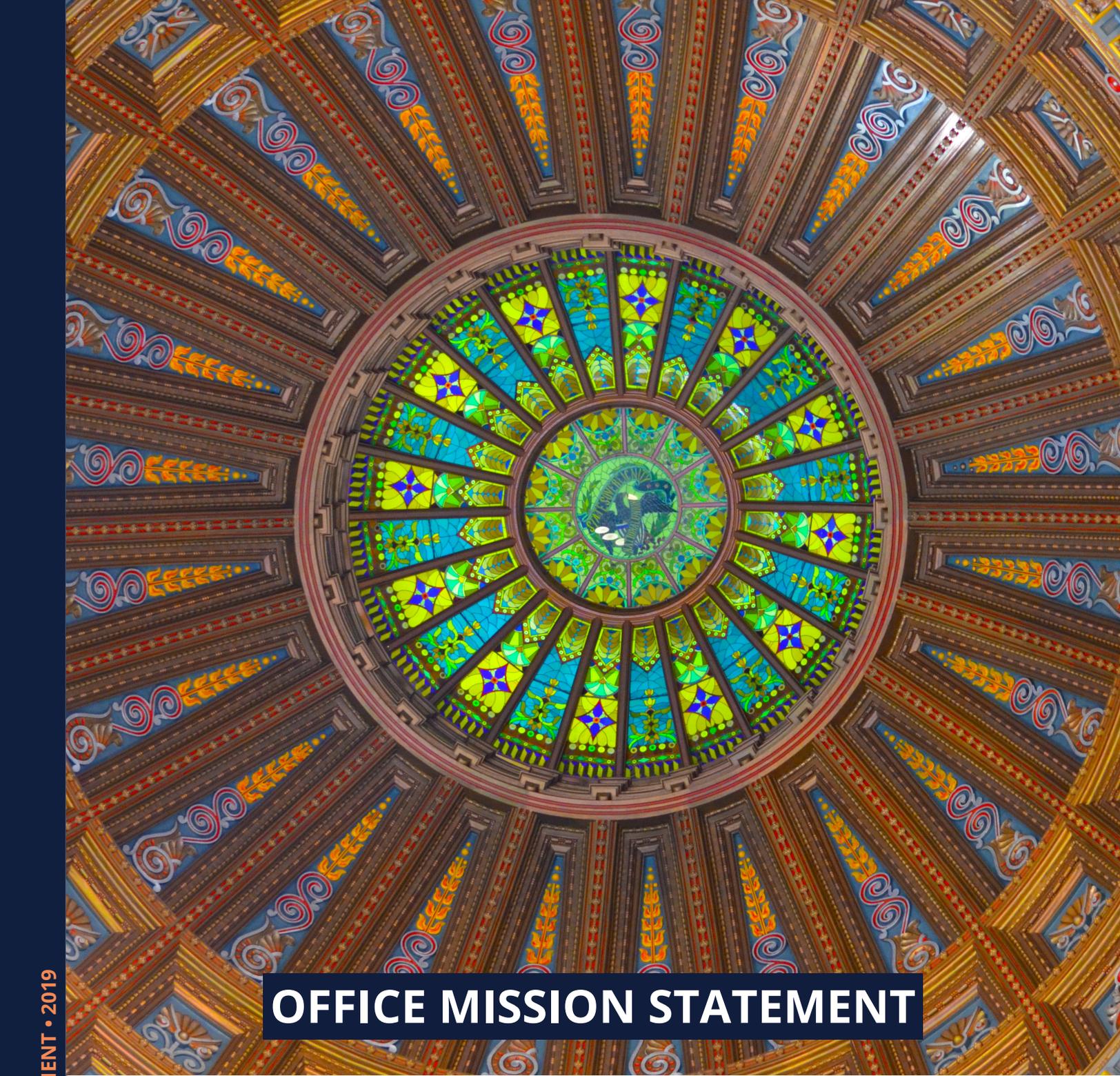
The Illinois Treasurer's Office invests money on behalf of the state, college savers, retirement savers and units of local government. However, the treasurer must also provide tools so that individuals can invest in themselves. I pledge to continue to be a responsible investment officer and to promote the tools of the treasurer's office that can help people save for college, retire with dignity, and have access to capital to pursue their dreams.

Sincerely,



Michael W. Frerichs
Illinois State Treasurer

This annual report is intended to fulfill the requirements of Section 15 of the State Treasurer Act, Section 3(a) of the State Finance Act, and Article V, Section 19 of the Illinois Constitution.



OFFICE MISSION STATEMENT

The Illinois State Treasurer's Office is dedicated to protecting the state's investment portfolio, ensuring the liquidity of all investments, and consistently producing earnings at or above industry standards.

Our investment decisions will promote education, access, and opportunity for individuals and governmental bodies across our state to give families the tools to achieve the American Dream.

The Treasurer's Office is committed to fulfilling this mission in a highly professional and ethical manner, while striving for transparency, efficiency, and preservation of public trust.

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INVESTMENTS, BANKING AND FINANCE

State Investments & Banking

State legislators budget public monies that are collected, but that money is not spent all at once. The Treasurer's Office is responsible for receiving and safekeeping public monies and managing the State Investments portfolio, ensuring liquidity to meet the State's obligations and investing all remaining funds in authorized investments. The State Investments portfolio, with total assets over \$14 billion, is an investment program that aims to ensure the following objectives: safety of principal, liquidity, diversification, return on investment, and/or to support community development efforts.

Furthermore, State Banking maintains numerous accounts with financial institutions to process deposits for check clearing, lockbox services, ACH transactions, depository and custodial services, and electronic payment transactions on the State's behalf. In fiscal year 2019, the State Banking processed \$170 billion in receipts and \$170 billion in expenditures on behalf of the State.

The Illinois Public Treasurers' Investment Pool ("The Illinois Funds")

Created in 1975, the Illinois Public Treasurers' Investment Pool (referred to as "The Illinois Funds") was the first local government investment pool established in the nation. The Illinois Funds enables communities across the state to pool and invest their money together in a fund to earn greater returns. The fund is comprised of over 1,500 participating entities, holding approximately 3,000 accounts with net assets of approximately \$6-7 billion. The Illinois Funds is a safe, secure, highly liquid, diversified fund that holds Standards & Poor's AAAM rating, the highest fund rating possible.

ePAY

ePAY is a full-service electronic payment services product specifically designed for Illinois government agencies so they can quickly and securely receive monies through convenient, customized payment channels. Over 800 local and state government agencies have adopted ePAY since it was created in

2002 to provide public agencies and state universities with a safe, timely, and competitively priced electronic payments solution. Today, ePAY processes over \$2 billion in annual transactions for public agencies in the state. The Treasurer's Office conducts and oversees product management, including customer service, marketing, and compliance.

Fiscal Operations

Fiscal Operations successfully performs daily, monthly, quarterly, and annual general accounting activities, including balancing the general ledger, processing accounts payable, reconciling bank accounts, compiling budget estimates for the appropriation process, and preparing financial statements. The team is also responsible for processing payment warrants, forgery claims and depositing unclaimed property, circuit clerk, estate tax, and other miscellaneous receipts. The Fiscal Operations Division continues to work toward its overall objective to provide accurate and timely general, budgetary, and financial reporting services to internal and external constituents.

Portfolio & Risk Analytics

Portfolio & Risk Analytics is responsible for analyzing modeling, and reporting on the Office's investment portfolio to anticipate, identify, and mitigate financial risk exposure. As such, they assess existing and prospective debt issuing counterparties for risks and opportunities such as creditworthiness, financial performance, and potential factors that may have a material and relevant financial impact on the safety and/or performance of our investments. The eligibility and suitability of existing and prospective broker/dealers is examined to identify financial performance, compliance with regulators, and other risks. They employ internal quantitative and qualitative models to measure risk utilizing market best practices of data and relative analysis to ensure financial application measures up against self-performance, industry peers, and the overall market. Investment recommendations are formally presented to the investment committee and portfolio managers which helps guide the investments of the Treasurer's Office.

Investment Analysis & Due Diligence

Investment Analysis and Due Diligence is responsible for monitoring externally managed portfolios and investment funds within the investment vehicles of the Treasurer's Office, including, but not limited to, the 529 College Savings Programs, Secure Choice Retirement Savings Program, the Illinois Growth and Innovation Fund, and the Illinois Achieving a Better Life Experience (ABLE) program. This team is responsible for the selection, assessment, portfolio management, and integration of sustainability factors for all prospective and current investment managers. The team continually reviews investment framework/design, portfolio construction, manager selection, asset allocation and modification, investment analysis, economic impact, investment policies/objectives and management structures and helps guide decision-making regarding the continued appropriateness of investment managers, policies, and program structures.

Corporate Governance & Sustainable Investment

In order to fulfill the fiduciary and mission objectives, the Corporate Governance & Sustainable Investment manages and executes a number of core investment policies that apply across the Office's programs, including: (1) maximizing participation of qualified investment firms owned by minorities, women, veterans, or disabled persons (MWVD Program); (2) providing preference to investment firms with corporate headquarters located in Illinois (Illinois-Headquartered Program); and (3) integrating sustainability factors into the investment decision-making process in order to enhance the long-term value of the Office's investments (Raising The Bar Program).



Community Development Linked Deposits

Through the Community Development Linked Deposit program (Linked Deposits), the Treasurer's Office deposits money in approved financial institutions at a below-market rate. Those financial institutions, which include community banks, credit unions, and savings and loan companies, then use that money to provide loans to qualified borrowers per the guidance and terms of the Treasurer's Office.

As a result, the Treasurer's Office earns an investment return on the money deposited, participating financial institutions earn interest on the money lent, and qualified borrowers in Illinois gain access to lower rate loans they can use to expand their business or improve their farm.

Win-Win Strategy. The Treasurer's Office has a tremendous opportunity to generate investment earnings while simultaneously promoting community development and economic growth here in Illinois. The Treasurer's Office is particularly focused on championing, growing, and investing in underserved areas of Illinois, be it rural small towns, suburban communities, or large city centers. Not only are there great investment opportunities in these communities, there are also opportunities to create jobs, business growth, and long-term economic prosperity.

Ag Invest

Since taking office in 2015, Treasurer Frerichs has continued to increase the Treasurer's Office role in Illinois agriculture. With changes implemented in 2017, we have seen increased usage of the Ag Invest program for the purchase of farmland, equipment and storage expansion, and increased operating lines of credit. The success is in the numbers with a 16% increase in the Annual Ag Loan program and a 43% increase in the Long-Term Ag program from FY 18 to FY 19.

Ag Invest FY '19

Annual Ag: \$189,323,000 / 986 Borrowers
 Long-Term Ag: \$5,592,890 / 141 Borrowers

Ag Invest FY '18

Annual Ag: \$163,021,000 / 883 Borrowers
 Long-Term Ag: \$3,902,402 / 29 Borrowers

Use of Funds for Ag Invest Programs:

- Feasibility Study
- Application Fees
- Salary Cost
- Milling
- Processing
- Inventory
- Transitioning Cost
- Marketing/ Advertising
- Business Plan Development
- Transportation Cost
- Construction

Long Term - Value Added Program:

- Loan terms of 3+3 for projects less than \$300,000
- Loan terms of 3+3+3 for projects greater than \$300,000 (cost associated should have a useful life of 9 years)

Use of Funds for Long-Term Value Added Program:

- Expansion/renovation of current building
- Construction of new building/storage silos
- Acquisition of land- allowable funding up to \$400,000
- Transitioning Cost
- Inventory
- Transportation Equipment
- Refrigeration Trucks
- Greenhouses
- Irrigation
- Livestock
- Technology

Cream of the Crop

The Ag Invest Program celebrated its 7th annual Cream of the Crop Photo Contest to encourage Illinois youth to get more involved in agriculture. Children of various age groups submitted agriculture related photographs taken by them. The contest was judged by a panel of individuals from the education and agriculture industry. The winner's artwork was featured in the Ag Invest Program Calendar and other marketing materials. Winners were also invited to an awards reception with Treasurer Frerichs at the Illinois State Fair on Agriculture Day.

Two New Invest in Illinois Programs Launched in 2019

Business Invest

Business Invest is a business-focused loan impact investment program. Through Business Invest, the Treasurer's Office partners with approved financial institutions to provide low-cost loans to businesses in underserved communities. This provides an opportunity for the Treasurer's Office to stimulate business growth and economic activity while earning a competitive return for the State.

Community Invest

Community Invest is a consumer-focused loan impact investment program. Through Community Invest, the Treasurer's Office partners with approved financial institutions to provide loans to individuals and families in underserved communities. In doing so, the Treasurer's Office seeks to boost community development and economic activity in Illinois, while earning a competitive return for the State.

\$500 Million Commitment. The Treasurer's Office has taken bold steps to make targeted investments through Invest in Illinois. In 2019, the Treasurer's Office committed \$500 million in impact investment deposit funds to be placed with local financial institutions that seek to provide lower rate loans in their communities.

INVESTING IN THE ILLINOIS ECONOMY:

ILLINOIS IS THE MIDWEST TECHNOLOGY HUB

The Illinois Growth and Innovation Fund (ILGIF), an impact investment fund, invests in ways that attract, assist and retain quality technology businesses in Illinois. On August 29, 2018, Illinois Treasurer Frerichs announced an increase to the amount of investment capital available in ILGIF, increasing the total to approximately \$1 billion in investment capital from the State's existing investment portfolio to be invested with Illinois venture capital, growth equity and private debt investment firms.

History

Legally named the Technology Development Account I (TDA I), lawmakers in 2002 authorized the initial round of \$74 million in investments to Illinois venture capital firms. TDA I created approximately 6,300 jobs and generated more than \$150 million in private investment.

Lawmakers in 2011 authorized a second round of TDA funding, called TDA II. However, the treasury did not act on the authorization. Treasurer Frerichs, however, used the TDA II authority to establish and launch the \$222 million ILGIF investment fund and began making investments in 2016.

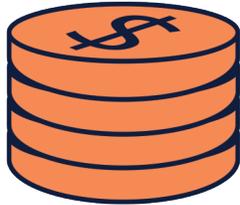
In August 2018, the Illinois General Assembly amended the Technology Development Act (30 ILCS 265), authorizing the Illinois Treasurer to segregate up to five percent (5%) of the State's investment portfolio to primarily invest with venture capital, growth equity and private debt firms located in Illinois with a goal of investing in technology businesses seeking to locate, expand or remain in Illinois.

Illinois Growth and Innovation Fund (ILGIF) Goals

1. Deliver strong investment performance for Illinois
2. Drive economic development for Illinois
3. Foster a more connected, inclusive and engaged entrepreneurial and venture community in Illinois
4. Support diversity and inclusion to enable fund managers to grow promising tech-enabled companies
5. Integrate sustainability factors to increase expected financial returns and minimize projected risk

ILGIF Projected Impact

The goal of ILGIF is two-fold: earn investment returns for the state and support technology and related jobs here in Illinois. The investment is expected to create approximately 60,000 jobs in Illinois and attract more than \$2 billion in additional private-sector money, which will further spur interest in the Midwest technology and entrepreneurial scene.



Invest \$1B State Funds



Attract \$2B+ Private Investment



Create 60,000+ Jobs

IMPACT SINCE JANUARY 1, 2016

12.6%

INTERNAL RATE OF RETURN

1.14X

MULTIPLE ON INVESTED CAPITAL

5,229

NUMBER OF FULL-TIME ILLINOIS
EMPLOYEES

\$2.5 BILLION

INVESTED IN
ILLINOIS COMPANIES

\$22.3 BILLION

IN AGGREGATE GAAP REVENUE

\$118 MILLION INVESTED IN

MINORITY & WOMEN-OWNED FUNDS

INVESTED IN 70 BUSINESSES

OWNED BY MINORITIES, WOMEN,
VETERAN OR DISABLED OWNED PERSONS

CONTINUE TO IDENTIFY,

RECRUIT & RECOMMEND MWVD FUND
MANAGERS/BUSINESSES

INVESTED IN 15 GREEN TECHNOLOGY BUSINESSES



LEVELING THE PLAYING FIELD

A core tenet of Treasurer Frerichs' mission is to promote education, access, and opportunity for individuals and governmental bodies across our state to give families the tools to achieve the American Dream.

Treasurer Frerichs has made diversity and inclusion a priority officewide. Treasurer Frerichs' new investment strategy, Raising The Bar, integrates sustainability factors into investment decisions to reduce risk exposures and maximize returns for the people of Illinois. This includes a focus on investment risks and opportunities related to corporate governance, environmental factors, social capital, human capital, and business model features.

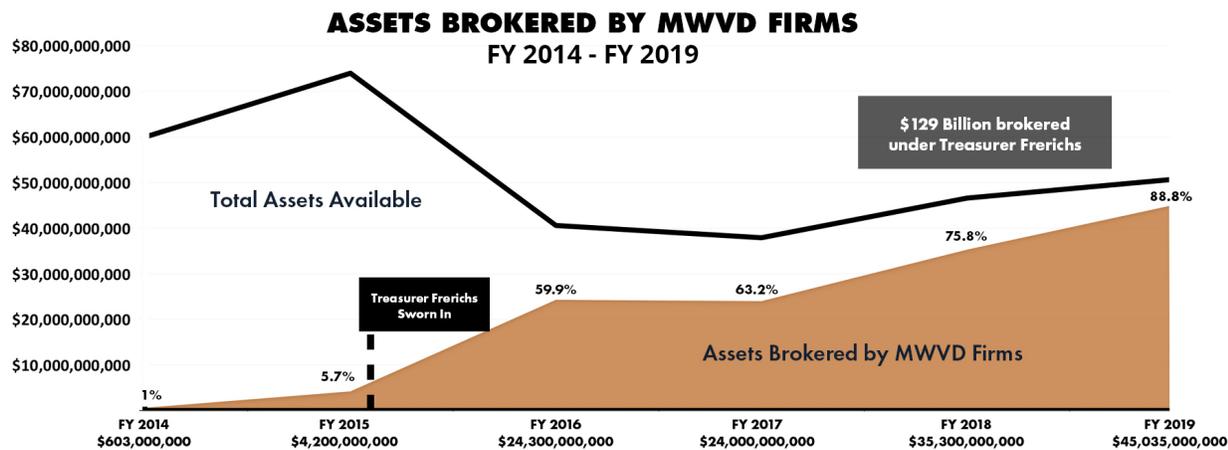
Focus On Diversity

Treasurer Frerichs believes that our government should mirror the great diversity in our state. Furthermore, diversity is good for business. In the last year, the Treasurer's Office has made great strides to ensure inclusion and provide more opportunities for Minority, Women, Veteran, and Disabled (MWVD) firms. Among Treasurer Frerichs' top priorities is to continue to transform the Office's culture, policies, and operations to help ensure equal opportunity.

- **Increasing Business with MWVD Broker/Dealers: From 1% to 89%.** The Treasurer's two internally managed investment programs, the State Investment Portfolio and Illinois Public Treasurers' Investment Pool (also referred to as "The Illinois Funds"), are made up of direct purchases and brokered investments. Tapping diverse-owned broker/dealers is one of the quickest and best ways to ensure MWVD participation. Recent numbers emphasize our sustained progress in this area:
- Since 2015, the Treasury increased utilization of MWVD broker/dealers from 1% to 89%.

**Year-by-Year Comparison of Assets Brokered by MWVD Firms
FY 2014 - FY 2019**

State Investments + Illinois Funds	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Assets Brokered by MWVD Firms	\$603 million	\$4.2 billion	\$24.3 billion	\$24.0 billion	\$35.3 billion	\$45 billion
Total Assets Available	\$60 billion	\$74.0 billion	\$40.6 billion	\$37.9 billion	\$46.6 billion	\$50.7 billion
% Brokered by MWVD Firms	1.0%	5.7%	59.9%	63.2%	75.8%	88.8%



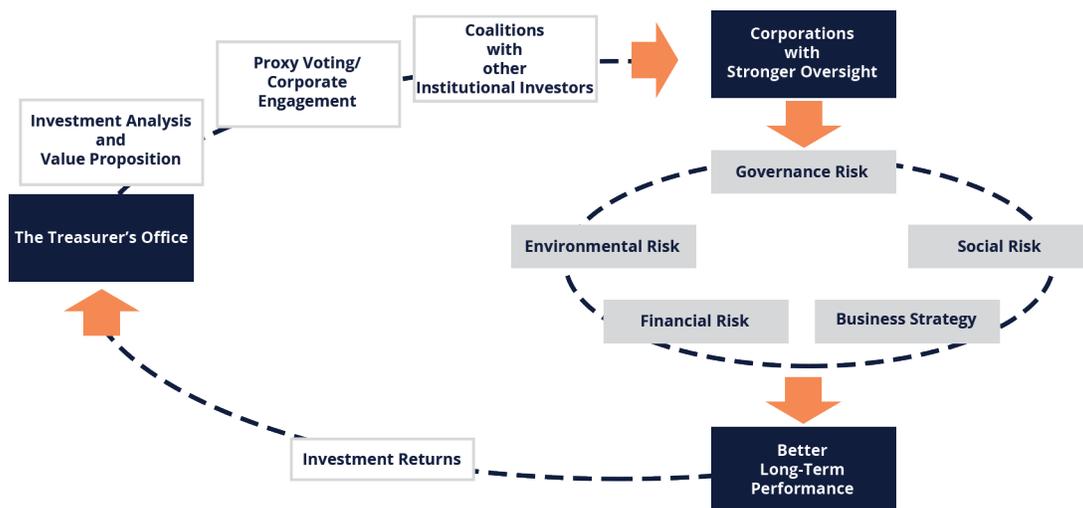
- Increasing Business with MWVD Asset Managers: From \$20 million to \$446 million.** The Treasurer's Office has made tremendous strides expanding the use of MWVD asset managers. When Treasurer Frerichs came into office in January 2015, the Treasury had \$20 million under MWVD asset managers. As of June 2019, the Treasurer's Office had over \$446 million with MWVD asset managers. That represents a 22-fold increase since 2015.

Garcia Rule: Mandatory inclusion of MWVD Firms in Investment Searches. We require that for every search for an external investment manager, our consultants must include at least one diverse-owned manager.

- Closing the Gender and Racial Divide: Board Diversity.** Diverse corporate boards are more successful than non-diverse boards. As such, Treasurer Frerichs continues to help women and minorities break the glass ceiling and get more opportunities.
- Engagement with Board Diversity Laggards* – Our office independently engages portfolio companies facing board diversity shortfalls. In 2018, we worked with two companies, FCB Financial and CACI International to encourage changes and both companies have since taken action to either appoint a diverse board member or implement the Rooney Rule, which ensures consideration of diverse board candidates.
- Midwest Investors Diversity Initiative* – The Treasurer's Office is the leader of the Midwest Investors Diversity Initiative (MIDI), a 13-member investor coalition, with over \$870 billion in assets under management and advisement, working to increase gender and racial diversity on corporate boards. Since the coalition formed in 2016, MIDI has successfully engaged 12 companies that appointed diverse board members and 24 companies that adopted a diverse search policy.
- Proxy Voting* – The Treasurer's Office exercises its proxy voting rights to urge public company boards to recruit, identify, and retain diverse board members. In 2018, we voted against 128 directors due to a lack of gender diversity on the Board.
- 30% Coalition* – Treasurer Frerichs also works with the 30% Coalition to push more companies to add women to their boards. Since 2012, 189 companies targeted added women to their boards.

- **Enforcing Community Reinvestment Act Standards.** In the Treasurer's Office, we are working hard to help Illinois families succeed and expect our banking partners to do the same. Treasurer Frerichs continues to enforce federal rules to ensure that banks and financial institutions doing business with the State are reinvesting in the communities they serve.
- In September 2017, the Treasurer's Office renewed its suspension of investment activity with Wells Fargo due to their "needs to improve" Community Reinvestment Act rating, and continued business concerns.
- *360-Degree Review of Business Partners* – All firms seeking to do business with the Treasurer's Office must disclose how their firm promotes diversity and equal opportunity. This includes a 360-degree assessment of diversity among its board, executive leadership, workforce, supplier network, and volunteerism.
- **RFP Process.** All RFPs in the Treasurer's Office now provide points in the scoring process to MWVD applicants. In addition, all firms that submit an RFP must illustrate how their firm promotes further diversity and equal opportunity. This is an important policy to build and sustain diversity within our array of external relationships.
- *Diversity Goals in the Illinois Growth and Innovation Fund.* Of the \$255 million committed to date, \$105 million has been invested in MWVD technology funds as of July 2019. That represents over 41%. Also, 49 diverse-owned businesses have received support through ILGIF.

RAISING THE BAR: THE TREASURER'S SUSTAINABLE INVESTMENT STRATEGY



Making Prudent Choices. Investing means making choices. For the investment officers at the Illinois State Treasurer's Office, it means choosing investments that are risk-appropriate, high-performing, and meet or exceed the benchmark. It means making investments that reflect our commitment to sustainability, inclusion, and sound corporate governance. With these factors, we boost our investment returns and strengthen the economic well-being of Illinois citizens and institutions.

Sustainability Factors. We at the Treasurer's Office know that to fulfill our fiduciary duty and maximize returns, we need to focus on more than just short-term gains and traditional indicators. Additional risk and value-added factors that may have a material and relevant financial impact on the safety and performance of our investments need to be integrated into the decision-making process. These material sustainability factors include (1) environmental; (2) social capital; (3) human capital; (4) business model and innovation; and (5) leadership and governance factors.

Raising The Bar puts this philosophy in practice. Over the past two years, the Treasurer's Office has been busy capitalizing on opportunities to grow the \$30 billion investment portfolio while achieving results on sustainability issues. The Treasurer's Office continues to actively engage corporate decision-makers, work with other institutional investors, vote by proxy, weigh in on public policy, and communicate the multi-faceted benefits of responsible investing.

Getting Results. Under the leadership of Treasurer Frerichs, here are highlights of the results we have achieved to date:

- **Sustainability Fully Integrated across the Treasurer's Investment Programs** – The Treasurer's Office formalized additional policies and processes to better integrate sustainability factors in the review of debt issuers, fund managers, equity holdings, and all due diligence activities.
- **Income Inequality: Tamping Down on Executive Compensation** – There are 319 U.S. companies that give shareholders a vote on their executive pay only every three years. The Treasurer's Office joined 11 institutional investors to urge these companies to join the rest of the market by allowing investors a vote every year.
- **Human Capital Management** – The Treasurer's Office submitted an argument to the Securities and Exchange Commission urging that companies be required to disclose data on human capital metrics. Most companies in our service-based economy cite their employee base as their most valuable asset, but investors have virtually no data on a companies' workforce composition, stability, or health and safety.
- **Pay Parity** – The Treasurer's Office voted for Alphabet, American Express, Bank of America, Citigroup, CVS Health, Express Scripts, Facebook, JPMorgan Chase, Mastercard and Wells Fargo to report and reduce the gender pay gap in their workforce.
- **Purchased \$70 million in Green and Social Impact Bonds** – The Treasurer's Office purchased \$70 million in green and social impact bonds, which provide an excellent return on investment while supporting important projects that aim to create a more sustainable, prosperous future.
- **Taking Action on Climate Risks and Opportunities** – The Treasurer's Office engaged four companies on climate-related business risks and opportunities. We joined Climate Action 100+ to systematically engage greenhouse gas emitters, and we now hold \$70 million in green and social bonds.
- **Addressing Risks Related to the Opioid Epidemic** – To combat investment risks related to the opioid epidemic, the Treasurer's Office has actively led and supported engagements launched by Investors for Opioid Accountability, which has collectively filed over 50 shareholder resolutions, settled 30 proposals, and overseen votes on 22 resolutions.
- **Engaging Facebook on Data Security and Risk Management Challenges** – To enhance corporate governance and increase independent oversight at Facebook, a company plagued by recent scandals, the Treasurer's Office co-filed proposals to (1) make the board chair an independent position and (2) request increased reporting on its risk mitigation strategies to address election interference, fake news, and hate speech.
- **First Ever Public Treasury to Sign the Principles for Responsible Investment** – The Treasurer's Office has made history as the first ever U.S. public treasury to become a member

of the Principles for Responsible Investment. Not only is this a milestone, it is an important step that strengthens our ability to protect and grow investment returns.

- **Launch of The Vault** – To enhance transparency and accountability here in Illinois, the Treasurer’s Office launched The Vault, an interactive open data portal that provides access to a wealth of data on State financial and investment activities.
- **17,830 Proxy Votes Cast** – The Treasurer’s Office voted on 17,830 proposals on corporate proxy ballots and engaged hundreds of companies on sustainability issues since it launched Raising The Bar in September 2016.

GROWING ILLINOIS BUSINESSES AND THE STATE'S ECONOMY



The Treasurer's Office Prioritizes Local Businesses. The Treasurer's Office has made it a priority to transform the Office's policies and operations to increase opportunities available to businesses based in the State of Illinois.

- **Preference in Procurement.** All RFPs now provide points in the scoring process to businesses headquartered or with a significant staff presence in Illinois.
- **Investing in Illinois Communities through Municipal Bonds.** The Treasurer's Office actively seeks to purchase high-rated bonds from Illinois municipalities, thereby giving communities the monies they need to grow while generating added yield for the State. The Office purchased approximately \$80 million in municipal bonds from Illinois communities as of September 2019.
- **Investing in Illinois Businesses through Corporate Bonds.** The Treasurer's Office successfully advocated for legislation that allows the Treasury to buy highly-rated corporate bonds, which enables the State to invest in businesses with operations in Illinois while earning a high-yielding return.
- **Illinois-Based Broker/Dealers.** The Treasurer's Office utilized Illinois-based investment firms to broker \$75 billion in assets in FY 2019.
- **Illinois-Based Asset Managers.** The Treasurer's Office utilizes Illinois-based investment firms to manage over \$1.5 billion. This increase compares to \$406 million in January 2015, which represents a 285% increase.

- **Illinois Growth and Innovation Fund.** The Illinois Growth and Innovation Fund (ILGIF) invests in ways that attract, assist and retain quality tech-enabled businesses in Illinois. ILGIF aims to invest approximately \$1 billion on a recurring basis creating an estimated 60,000 jobs per investment cycle. The investment is expected to attract more than \$2 billion in additional private-sector money, which will further spur interest in the Midwest tech and entrepreneurial scene. Since inception, ILGIF has already supported over 5,200 jobs, generated over \$2.5 billion of invested capital in Illinois tech companies, and contributed to \$22.3 billion in GAAP revenue.
- The Treasurer's Office seeks to maximize the use of Illinois-based asset managers across all pertinent programs, including the State Investment Portfolio, The Illinois Funds Local Government Investment Pool, 529 College Savings Plans, and Technology Investments.

Investment Activity with Illinois Firms



\$1.5 Billion
Assets Managed



\$80 Million
Municipal Bonds
Purchased from
Illinois Governments



\$75 Billion
Assets Brokered
in FY19

**MAKING MONEY
FOR THE PEOPLE OF ILLINOIS**



As an asset manager that invests money on behalf of state and local government agencies, Treasurer Frerichs is laser-focused on obtaining the best risk-adjusted return for the people of Illinois. The Treasurer’s Office has evidence of outperformance, cost-savings, and an enterprising spirit that seeks to elevate individuals and government bodies across the State.

State Investments

The numbers tell the story. If you look at state investment returns you will see that monthly returns increased from 0.45% in January 2015 to 2.14% in September 2019. That represents a 375% increase.

Gross Investments Earnings for State Investments and The Illinois Funds FY 2015 – FY 2019			
FISCAL YEAR	State Investments	IL Funds	TOTAL
FY 2015	\$49,052,640	\$5,235,320	\$54,287,960
FY 2016	\$51,226,332	\$11,378,833	\$62,605,165
FY 2017	\$102,603,945	\$29,928,060	\$132,532,005
FY 2018	\$204,579,906	\$78,164,791	\$282,744,698
FY 2019	\$318,150,879	\$134,074,225	\$452,225,104
TOTAL	\$725,613,702	\$258,781,230	\$984,394,932

**State Investment Earnings for FY2019
\$318 million**

This is the direct result of the Treasurer’s new investment strategy. After a review of past practices and the state’s statutory investment restrictions, the Treasurer’s Office successfully implemented real-time solutions to capitalize on market conditions and increase earnings – all while fulfilling the Treasurer’s obligations of preservation of capital and liquidity. These accomplishments can be attributed to:

- Implementation of an investment strategy that prioritizes investments in higher-yielding investments and extended maturities to match expected liabilities;
- Additional investment asset classes, including corporate bonds and municipal bonds;
- External money managers with expertise in higher-yielding asset classes; and
- Increased pool of eligible companies, including Illinois-based and Minority, Women, Veteran and Disabled-owned firms, from which the Treasury can purchase fixed income securities, thereby providing more opportunities for diversification and higher earnings.

These changes have produced tangible benefits for Illinois agencies and the people they serve. Over \$750 million in investment earnings has been attained since January 2015, making more money available for State programs and reducing the burden placed on the State’s limited tax revenues.

Illinois Public Treasurers’ Investment Pool

The Illinois Public Treasurers’ Investment Pool (IPTIP, or also referred to as The Illinois Funds) is a AAA-rated local government investment pool operated by the Treasurer for state and local government agencies. Investing together generates economies of scale typically not available if participants invested alone. Thus, the program provides a critical service for state and local agencies, enabling them to invest their money in a safe, liquid investment vehicle that exceeds industry benchmarks. The fund balance typically is about \$5 billion. The IPTIP gross monthly returns increased from 0.01% in January 2015 to 2.48% in August 2019.

**IPTIP Investment Earnings for FY 2019
\$134 million**

Increased earnings are a direct result of the Treasurer’s enhanced investment approach. The investment strategy prioritizes higher-yielding investments and extended maturities to match expected liabilities; increase to the pool of eligible companies from which the Treasury can purchase fixed income securities, thereby providing more opportunities for diversification and higher investment earnings.



ePAY: MORE OPTIONS AND SERVICES

What is ePAY? ePAY is a full-service electronic payment program specifically designed to provide Illinois governments the ability to safely accept credit card, debit card, and electronic check (ACH) payments at an affordable cost.

Key Benefits:

- *Speed and Convenience* – Participants can accept payments online, over-the-counter, or via an automated phone system using secure and convenient payment services. All payment services can be customized for efficiency or to maximize customer engagement with recurring bill pay, e-receipts, and more.
- *Security and Compliance* – All payments are collected in a manner consistent with the Deposit of Statement Moneys Act (15 ILCS 520), the Local Government Acceptance of Credit Cards Act (50 ILCS 345), PCI Data Security Standards, NACHA guidelines, and prevailing credit card industry rules. Participation in ePAY includes PCI support and administration tools at no additional cost.
- *Competitive Pricing* – ePAY offers multiple pricing options to fit each government's needs. Whether you pass the processing fee to your constituents or absorb the fees, your agency has control over the costs of electronic payment acceptance.
- *Settlement Bank Options* - ePAY funds can be swept directly into an Illinois Funds investment account(s) or deposited to a settlement bank of your choosing.
- *Customer Care* - Participants and constituents have access to 24/7 customer support through a dedicated customer help desk and online ticket portal. 95% of participant tickets are resolved within one business day.
- *Easy Application* - No contract or request for proposal required. Just complete our enrollment application and government agencies in Illinois can leverage economies of scale provided by the Treasurer's master processing contract.



UNCLAIMED PROPERTY

Treasurer Frerichs works each day to protect consumers, including families who have lost a loved one. As part of the Illinois Treasurer’s Unclaimed Property Division, the I-Cash program connects state residents and businesses with their unclaimed money including lost bank accounts, insurance policy proceeds, and unused rebate cards.

The Unclaimed Property Division recovers hundreds of thousands of properties each year from government agencies, banks, insurers, utilities, and other companies across the country that have been unable to return the properties to their rightful owners.

In FY 2019, the Unclaimed Property Division saw more than 2.8 million properties reported that were associated with 3 million owners.

During FY 2019, Treasurer Frerichs launched the ‘Money Match’ program to make claiming unclaimed property easier and faster.

The ‘Money Match’ program automatically returns lost money to Illinois residents without the usual need to gather paperwork or file a claim.

The program uses existing technology and state records to match unclaimed cash with qualifying Illinois taxpayers. The property must be \$2,000 or less in cash with only one owner.

“The treasurer’s office has over \$3 billion in lost money and unclaimed property,” Frerichs said. “This new matching process makes it even easier for us to return money to people here in Illinois so they can use it as they see fit.”

During FY 2019, \$473,594,898 in cash and 41,727,929 in shares were reported and remitted to the State Treasurer as unclaimed property. This total includes \$447,012,725 in cash and 36,409,280 in shares that were voluntarily remitted and \$26,582,173 in cash and 5,318,649 in shares that were remitted pursuant to an examination.

The total amount of property returned to Illinois residents in FY 2019 was \$239,741,608, including \$195,875,763 in cash and \$43,865,845 in securities value.

The amounts expended from the State Pensions Fund in FY 2019 were as follows:

State Universities Retirement System (SURS):	\$215,000,000
Treasurer’s Office Operational Expenses:	\$23,866,869
Auditor General:	\$500,000
Court of Claims:	\$633
Total:	\$239,367,503



COLLEGE SAVINGS PROGRAMS



Bright Start and Bright Directions are the 529 College Savings programs administered by the Illinois State Treasurer's Office. Families in Illinois and across the country are participating in Bright Start and Bright Directions to save for the rising cost of college expenses.

Under Treasurer Frerichs, the Illinois College Savings Programs have received national recognition for their quality and price. Bright Start has received the Gold rating for the second year in a row from Morningstar, while Bright Directions maintains a Silver rating for the fourth consecutive year.

Since 2015, fees were reduced by over 50 percent. This includes the elimination of the \$10 annual fee and \$3 quarterly service fee. Now more than \$10,000,000 annually will stay in owners' accounts and continue to grow to pay for college rather than going to an investment manager.

Families can use these tax-advantaged investment plans to pay for qualified higher education expenses associated with attending accredited post-secondary institutions, from vocational schools and community colleges, to public and private colleges and universities.

Qualified higher education expenses include tuition, room and board, books, fees, computers, supplies, and equipment required for enrollment for a student who is carrying at least half the normal full-time course load. Administered by the Treasurer's Office, both Bright Start and Bright Directions offer a variety of investment options including age-based, target-date and individual fund portfolios.

Bright Start

With over \$6 billion in assets under management and over 300,000 accounts, Bright Start offers a wide range of investment choices for both hands-off and do-it-yourself investors. In addition to recent accolades from Morningstar, Bright Start was awarded the Gold Medal Rating for the second year in a row. According to Morningstar "Illinois' Bright Start Direct-Sold College Savings Program became a topnotch plan following a complete overhaul in July 2017." To learn more, visit www.brightstart.com.

"The revamped plan boasts low fees. The Index series' expense ratios range between 0.12% and 0.15%, making it one of the least expensive age-based options."

- Morningstar, October 2018 (Bright Start)

Bright Directions

Bright Directions is one of the top two financial advisor-sold 529 plans in the country. It boasts over \$5.5 billion in assets under management for over 330,000 account holders. This plan offers more than 40 different age-based, target-date, and individual portfolio options and 15 Exchange-Traded Fund (ETF) Portfolios.

Morningstar awarded Bright Directions the Silver Medal for the fourth consecutive year and has received accolades as one of the top performing advisor-sold programs in the nation. In its analysis Morningstar stated, "The plan has retained its appealing aspects, offering well-constructed age-based portfolios for hands-off investors and an impressive selection for do-it-yourselfers." To learn more, visit www.brightdirections.com.

"The plan has retained its appealing aspects, offering well constructed age-based portfolios for hands-off investors and an impressive selection for do it yourselfers."

- Morningstar, October 2018 (Bright Directions)

**ILLINOIS ABLE:
ACHIEVING A BETTER LIFE EXPERIENCE**

ILLINOIS
able



The Treasurer's Office helps to empower people with disabilities and their families to invest in themselves and help to achieve their personal goals.

The Illinois "Achieving a Better Life Experience" or ABLE plan offers a new savings and investment account that eligible people with disabilities can own to save for qualified disability expenses without losing, or losing eligibility for, their federal means-tested benefits programs, such as SSI, SSDI and Medicaid.

Earnings and withdrawals on ABLE accounts are tax-free as long as they are used for qualified disability expenses such as therapy, education and training, accessible equipment, housing, transportation, assistive technology, medical and dental care, financial and legal services, daily living expenses and more.

The easy-to-manage investment and checking options offered by the Illinois ABLE plan give account owners flexibility and freedom to help take care of today's expenses and to save and invest for their future.

Since the Illinois ABLE plan launched in January 2017, more than \$7 million in contributions have been made to accounts. Illinois ABLE gives individuals with disabilities and their families greater self-reliance and financial independence.

Illinois leads the 17- member National ABLE Alliance, a bi-partisan consortium of states and the District of Columbia. The NAA represents approximately one-quarter of the ABLE-eligible population nationwide.



"Our family has big goals for Alex, but we don't want his future needs to be a financial burden to our 2 bigger kids. We are saving for Alex's future with IL ABLE so our two older kids can advocate for their little brother later on, ensuring he gets the services he needs and deserves without worrying. We understand that we are truly investing for his future."

Lauren McClain, Olney, IL

ILLINOIS SECURE CHOICE: A PATH TO RETIRING WITH DIGNITY



Illinois
Secure Choice
Retirement Savings Program

More than 1.2 million Illinois workers do not have access to a retirement savings option at work, but a law passed in 2015 creating the Illinois Secure Choice Retirement Savings Program (Secure Choice) will make it easier for them to save for their golden years.

Secure Choice creates a retirement savings program for private sector workers who lack access to an employer-sponsored plan. Employees can save for their own retirement through automatic payroll deductions that flow into professionally managed Roth Individual Retirement Accounts (Roth IRAs). Employers can provide a retirement savings benefit without the burden of heavy administrative costs or responsibilities. The employer's role is limited to enrolling employees, transmitting information to the program, and remitting payroll contributions on behalf of their employees.

Secure Choice applies to employers with 25 or more employees, that have been in business for two years or more, and do not offer a qualified retirement savings plan. Employers were assigned to one of the three waves based on their total number of employees and must begin facilitation of the program before their assigned deadline. Employees are automatically-enrolled in the program at a 5% contribution rate into a Target Date Roth IRA, but may select a different investment option, a higher or lower contribution amount, or can opt-out of the program entirely.

Secure Choice is overseen by a seven-person bi-partisan board, but a private-sector financial services firm is responsible for all recordkeeping and overall day-to-day aspects of program administration. The Treasurer serves as chair of the Secure Choice Board and his office provides administrative support to the program.

Secure Choice formally launched in the summer of 2018 with a small group of pilot employers. Wave One began in November for employers with 500 or more employees. Wave Two included employers with 100 - 499 employees and the deadline to register was July of 2019. Wave Three began in the Fall of 2019 for employers with 25-99 employees. Since launch, Secure Choice has helped over 40,000 workers save over \$10.5 million dollars for retirement.



Nationally, approximately half of working Americans do not save for retirement, according to the Survey of Income and Program Participation by the U.S. Census Bureau. Of those who do not save, 84 percent work for an employer that does not offer a retirement savings vehicle.



Charitable Trust



Charitable Trust Stabilization Grants

The Charitable Trust Stabilization Fund was created in 2007 to help small non-profits across Illinois. Money for the fund comes from the filing fees not-for-profit organizations pay to incorporate with the State of Illinois. The program is funded by non-profits and exists to support non-profits.

The program is intended to help small non-profits with annual budgets of \$1 million or less and special attention is given to applicants located in areas where pervasive poverty, unemployment, and economic distress exist.

For 2019, the grants are focused on three categories: workforce and economic development, housing, and food programs. Grants of up to \$25,000 were awarded to 40 non-profits during FY 2019.

Fall 2018 Grantees

Total Applicants: 50

Total Grantees: 20

Total Grant Awards: \$461,815

Average Award Size: \$ 23,091

Spring 2019 Grantees

Total Applicants: 50

Total Grantees: 20

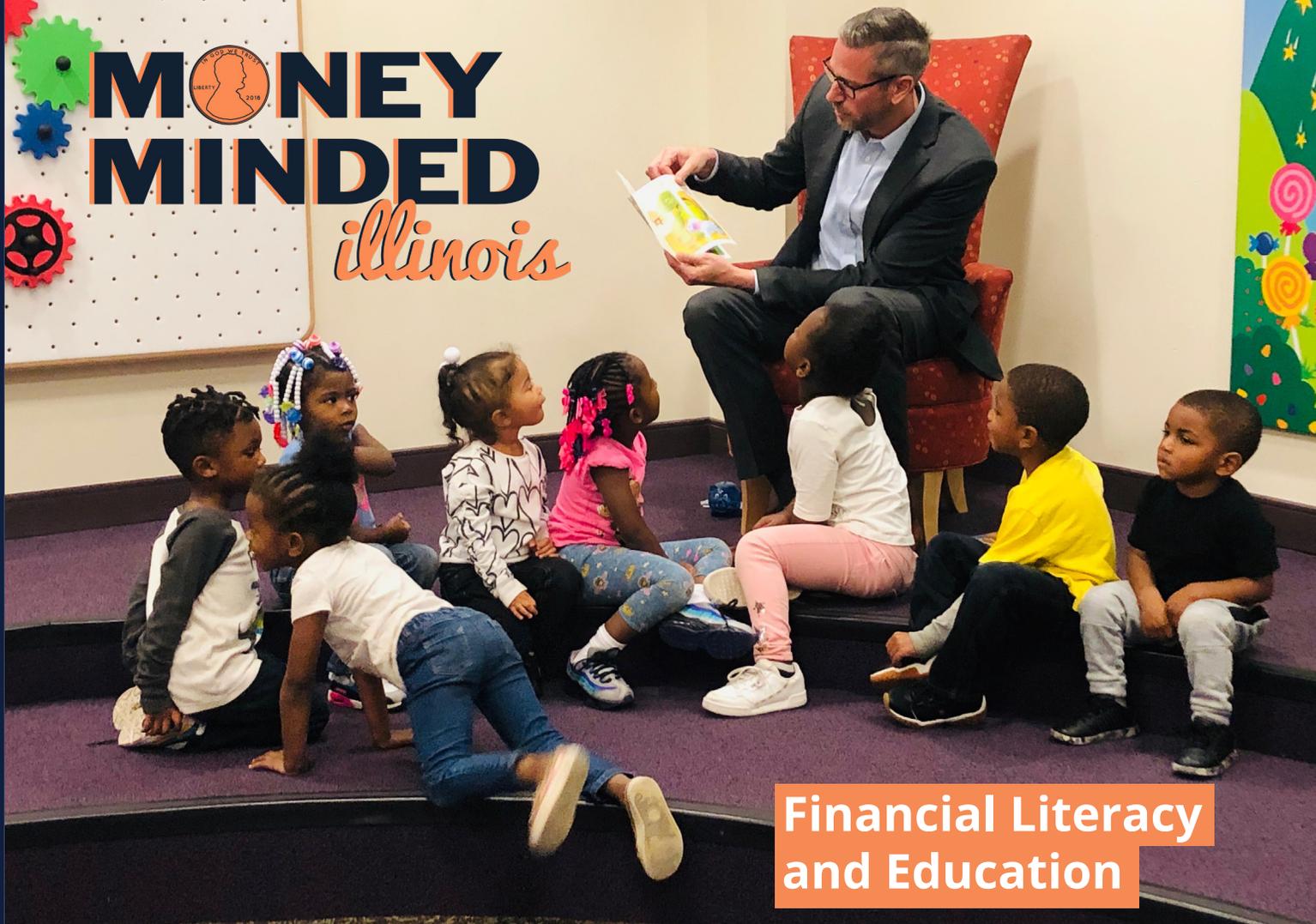
Total Grant Awards: \$451,675

Average Award Size: \$ 22,584

For more information, visit www.illinoistreasurer.gov and click on Charitable Trust.



MONEY MINDED *illinois*



Financial Literacy and Education

Financial literacy and education are central to the mission of the State Treasurer's Office. In 2019, we launched two new programs to help combat the lack of personal finance skills that is so staggering in society today.

Money Minded Curriculum

In 2016, the new Social Studies Standards for Illinois were approved. For the first time ever, they included Financial Literacy skills for students in first grade through high school. In order to make it easier for teachers to implement these brand-new requirements in their classroom, we partnered with Econ Illinois (a nonprofit that has specialized in economic education for over 50 years) to develop and write a standards-aligned financial literacy curriculum for Illinois. Our curriculum is designed for grades 1-8 and incorporates reading, writing, math, and inquiry skills along with financial concepts. By using our curriculum, teachers can cover several standards at once. The materials are designed to make teaching the standards easy to implement for schools. Our curriculum is available both online and in print, and it is free to all Illinois school districts and teachers. The curriculum can be accessed at www.moneymindedillinois.com.

Money Minded Story Time

This program is designed for children ages 3-5 at local libraries. Our Civic Engagement staff reads a picture book that has a money theme and then teaches the children a basic financial literacy skill. These events have become very popular. To date, we have had over 50 story times throughout the state.



INVESTMENT POLICIES

The Illinois State Treasurer's Office Investment Policy Statement for the State Investments Portfolio

1.0 Policy

Under this instrument, the Office of the Illinois State Treasurer's Investment Policy Statement for the State Investments portfolio ("Policy"), it is the policy of the Office of the Illinois State Treasurer's Office ("Treasurer") to invest all moneys and securities deposited with the Treasurer (collectively, the "State Investments portfolio") in a manner that will provide safety to the principal investment, meet the State's daily cash flow demands, and seek the highest risk-adjusted investment return, using authorized instruments and supporting community development efforts, in accordance with all State statutes governing the investment of public funds.

This Policy applies to all investments of the State Investments portfolio entered into on or after the adoption of this instrument. Investments made prior to the adoption of this Policy will continue to be governed by the policy in effect at the time such investments were made, until the maturity or selling of such investments.

This Policy applies to any investment under the stewardship of the Treasurer for which no other specific investment policy exists.

2.0 Investment Policy Committee

The Treasurer affirms the existence of the Investment Policy Committee. The Investment Policy Committee shall be chaired by the Treasurer and include the following members of the Treasurer's staff: Deputy Treasurer & Chief Investment Officer, Chief of Staff, Chief Financial Products Officer, Chief Legislative and Policy Officer, General Counsel, Director of State Investments and Banking, Director of Investment Analysis and Due Diligence, Director of Fiscal Operations, Director of IPTIP Investments, Director of ePAY and The Illinois Funds, Director of Portfolio and Risk Analytics, Director of Corporate Engagement & Investment Operations, State Investments - Portfolio Management Officer and anyone else deemed appropriate by the Treasurer.

The Deputy Treasurer & Chief Investment Officer, who bears responsibility for the administration, planning, development, and implementation of all financial and investment strategies per the direction of the Treasurer, shall assist the Treasurer in executing the duties and activities of the Investment Policy Committee.

3.0 Objective

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

3.1 Safety

The safety of principal is the foremost objective of the state's investments. State Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. To achieve this objective, diversification, as defined in Section 9.0 of this Policy, and investment stewardship is required to ensure that the Treasurer prudently manages market, operational, reputational, financial, legal, sustainability, interest rate, and credit risks.

3.2 Liquidity

The State Investments portfolio shall remain sufficiently liquid to enable the State to meet all operating and cash flow requirements that might be reasonably projected.

3.3 Return on Investment

The State Investments portfolio shall be designed and constructed to obtain the highest available return, given the objectives of safety of principal and liquidity. The Director of State Investments and Banking or equivalent thereto shall seek to obtain the highest available return, using authorized investments during budgetary and economic cycles as mandated by Section 1.0 of this Policy. When the Treasurer deposits funds in support of community development efforts, the rate of return may include benefits other than direct investment earnings, as authorized by Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7).

The rate of return achieved on the State Investments portfolio shall be measured at regular intervals against relevant industry benchmarks, established by the Investment Policy Committee, to determine the effectiveness of investment decisions in meeting investment goals. The benchmarks shall be reviewed a minimum of every two (2) years to ensure accuracy and relevance.

3.4 Sustainability

The Treasurer seeks to invest all funds under its control in a manner that provides the highest risk-adjusted investment return using authorized instruments. To achieve this objective, the Treasurer has a responsibility to recognize and evaluate risk factors that may have a material and relevant financial impact on the safety and/or performance of investments. Consistent with achieving the investment objectives set forth herein, the Treasurer and its agents shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, risk management, due diligence and investment ownership in order to maximize anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duty.

The sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and helps assess the reliability of future cash flows and debt repayments. Similar to financial accounting, sustainability accounting has both confirmatory and predictive value, thus, it can be used to evaluate past performance and be used for future planning and decision-making. As a complement to financial accounting, it provides a more complete view of an investment fund or portfolio company's performance on material factors likely to impact its long-term value.

Sustainability factors may include, but are not limited to, the following:

- a) Corporate governance and leadership factors, such as the independence of boards and auditors, the expertise and competence of corporate boards and executives, systemic risk management practices, executive compensation structures, transparency and reporting, leadership diversity, regulatory and legal compliance, shareholder rights, and ethical conduct.
- b) Environmental factors that may have an adverse or positive financial impact on investment performance, such as greenhouse gas emissions, air quality, energy management, water and wastewater management, waste and hazardous materials management, and ecological impacts.
- c) Social capital factors that impact relationships with key outside parties, such as customers, local communities, the public, and the government, which may impact investment

performance. Social capital factors include human rights, customer welfare, customer privacy, data security, access and affordability, selling practices and product labeling, community reinvestment, and community relations.

- d) Human capital factors that recognize that the workforce is an important asset to delivering long-term value, including factors such as labor practices, responsible contractor and responsible bidder policies, employee health and safety, employee engagement, diversity and inclusion, and incentives and compensation.
- e) Business model and innovation factors that reflect an ability to plan and forecast opportunities and risks, and whether a company can create long-term shareholder value, including factors such as supply chain management, materials sourcing and efficiency, business model resilience, product design and life cycle management, and physical impacts of climate change.

The Treasurer shall develop policy guidelines to integrate material sustainability risks relevant to particular financial products, investment funds, companies, or government bodies, which shall be provided to internal and external investment managers to factor into their investment decision-making. The policy guidelines for integrating sustainability factors shall be reviewed and updated every two (2) years at a minimum to ensure consistency within the rapidly evolving global economy.

The State Investments portfolio's investment officers shall identify and select authorized investment options that meet the Treasurer's criteria for sustainable investing opportunities and risk parameters and fall within the framework of the investment objectives.

4.0 Ethics and Conflicts of Interest

Authorized investment officers and employees in policy-making positions shall refrain from personal business activity that could (a) conflict, or give the appearance of a conflict, with proper execution of the investment program or (b) impair their ability to make impartial investment decisions. Such individuals shall disclose to the Treasurer any material and relevant financial interests, as determined by the Treasurer, in financial institutions that conduct business within the State, and they shall further disclose any personal financial investment positions that could be related to the performance of the State Investments portfolio. In addition, such individuals shall subordinate their personal investment transactions to those of the State Investments portfolio, particularly with regard to the time of purchases and sales.

5.0 Authorized Brokers/Dealers and Financial Institutions

The Treasurer shall maintain a list of approved financial institutions, which shall be utilized by authorized investment officers. Pursuant to 15 ILCS 505/30, the Treasurer shall review a financial institution's Community Reinvestment Act ("CRA") rating, record, and current level of financial commitment to the community prior to making a decision to utilize or determine the eligibility of such financial institutions. No State funds may be deposited in any financial institution unless the institution has a current satisfactory or outstanding rating under the Community Reinvestment Act of 1977. Exception to the CRA rating requirement may be granted, by the Deputy Treasurer, to financial institutions for participation in the Treasurer's Invest in Illinois-Community Development Linked Deposit and Access to Capital Programs. State funds may not be deposited in any financial institution unless the Treasurer's investment officers have conducted a safety and soundness review of the financial institution by consulting various bank rating services. If the financial institution has not yet been rated by the bank rating services, the institution may be eligible for a deposit that at maturity will not exceed \$250,000. The amount and duration of deposits shall be based on the safety and soundness review, in accordance with guidelines established by the Investment Policy Committee,

and the diversification limits set forth in Section 9.0 of this Policy. No public deposit may be made, except in a qualified public depository, as defined by the Deposit of State Moneys Act (15 ILCS 520/et seq.).

The Treasurer shall maintain a list of approved security brokers/dealers, which shall be utilized by authorized investment officers. The security brokers/dealers shall be selected according to their creditworthiness and their financial significance in the State, which shall be measured in terms of the location of the broker/dealer's corporate office, the number of full-time employees, the size of its payroll, or the extent that the broker/dealer has an economic presence in the State. The list may include "primary" dealers or regional dealers who qualify under Securities and Exchange Commission Rule 17 CFR § 15Cc3-1 (Net Capital Requirements for Brokers or Dealers).

All broker/dealers who wish to qualify to bid for investment transactions shall initially, and on a periodic basis upon request, provide to the Treasurer's credit review staff documentation pertinent to firm's financial condition, ownership status, registration with applicable government agencies, and any other documentation deemed necessary by the Treasurer.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Treasurer's authorized investment officer(s). More frequent reviews may be conducted if warranted.

5.1 External Investment Consultants

To the extent that the Investment Policy Committee deems it advisable to hire external investment consultants, it may do so in accordance with the Treasurer's procurement rules at 44 Ill. Admin. Code § 1400.

5.2 Preference for Broker/Dealers Owned by Minorities, Women, Military Veterans, and Persons with Disabilities

Pursuant to 15 ILCS 505/30, it shall be the aspirational goal of the Treasurer to use businesses owned by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability for not less than 25% of the total dollar of purchases of investment securities, including, but not limited to, the use of broker/dealers. Beginning with fiscal year 2019, and at least annually thereafter, the Treasurer shall measure and report its utilization of broker/dealers owned or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability. The report shall be published on the Treasurer's official website at least annually.

The terms "minority person", "woman", "person with a disability", "minority-owned business", "women-owned business", "business owned by a person with a disability", and "control" have the meanings provided in Section 1 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575). The terms "veteran", "qualified veteran-owned small business", "qualified service-disabled veteran-owned small business", "qualified service-disabled veteran", and "armed forces of the United States" have the meanings provided in Article 1 of the Illinois Procurement Code (30 ILCS 500).

To the greatest extent feasible within the bounds of financial and fiduciary prudence, it is the policy of the Treasurer to remove any barriers to the full participation in investment transactions afforded via the investment program by actively identifying and considering for hire brokers/dealers that provide proof of minority-, female-, disabled-, and/or veteran-owned or -managed status. The Treasurer shall establish a process by which said specially claimed statuses are verified, and a

review shall be conducted at fixed intervals to ensure that special statuses continue to apply.

5.3 Preference for Broker/Dealers Headquartered in Illinois

The Treasurer shall seek to provide preference to qualified brokers/dealers that provide proof that their corporate headquarters is located in the State of Illinois. In doing so, the Treasurer shall establish a process to verify the location of broker/dealers' corporate headquarters, and a review shall be conducted at fixed intervals to ensure that the Illinois-based location continues to apply.

Beginning with fiscal year 2019, and at least annually thereafter, the Treasurer shall measure and report its utilization of broker/dealers with headquarters located in the State of Illinois. The report shall be published on the Treasurer's official website at least annually.

6.0 Authorized And Suitable Investments

The following investments are authorized pursuant, subject to the Deposit of State Moneys Act (15 ILCS 520/22.5) and the Public Funds Investment Act (30 ILCS 235/2):

- a) Federally guaranteed obligations that receive the full faith and credit of the United States of America ("United States") as to principal and interest;
- b) Obligations of agencies of the United States, as originally issued by the agencies. For purposes of this Section, the term "agencies of the United States" includes the following: federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 and Acts amendatory thereto, the federal home loan banks and the federal home loan mortgage corporation, and any other agency created or supported through an Act of Congress and issues United States dollar-denominated debt;
- c) Obligations of instrumentalities of the United States, as originally issued by the instrumentalities. For the purposes of this section, the term "instrumentalities of the United States" is an instrumentality created or supported through an Act of Congress and issues United States dollar-denominated debt;
- d) Obligations of a foreign government that are guaranteed by the full faith and credit of that government as to principal and interest and rated at one (1) of the three (3) highest classifications established by at least two (2) standard rating services, (upper medium grade for the long-term rating of A- and above or equivalent), and only if the foreign government has not defaulted and has met its payment obligations in a timely manner on all similar obligations for at least 25 years prior to the time of acquiring those obligations;
- e) Interest-bearing bonds, issued by counties or municipal corporations of the State of Illinois, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the State of Illinois or held under a custodial agreement at a financial institution. The bonds shall be rated at the time of purchase at one (1) of the three (3) highest classifications established by at least one (1) standard rating service with nationally recognized expertise in rating bonds of states and their political subdivisions, (upper medium grade for the long-term rating of A- and above or equivalent). The maturity or pre-refunded date(s) of the bonds authorized by this subsection shall, at the time of purchase, not exceed ten (10) years. Notwithstanding the foregoing, a longer maturity is authorized, if the State of Illinois has a put option to tender the bonds within ten (10) years from the date of purchase;

- f) Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 (1 U.S.C. § 78o-5);
- g) Commercial paper of a corporation or a limited liability company that is organized in the United States with assets exceeding \$500,000,000 and is rated at the time of purchase at one (1) of the two (2) highest classifications established by at least two (2) standard rating services (short-term rating of A-2 and above or equivalent);
- h) Obligations of either corporations or limited liability companies organized in the United States that have a significant presence in the State of Illinois, with assets exceeding \$500,000,000, and rated at the time of purchase at one (1) of the three (3) highest classifications established by at least two (2) standard rating services, (upper medium grade for the long-term rating of A- and above or equivalent). At the time of purchase, the maturity or pre-refunded date(s) shall not be less than 270 days and shall not exceed ten (10) years;
- i) Money market mutual funds registered under the Investment Company Act of 1940;
- j) Securities may be lent under this Policy only in accordance with Federal Financial Institution Examination Council guideline and only if the securities are collateralized at a satisfactory level to assure the safety of the securities, taking into account market value fluctuation. The securities may be collateralized by cash or collateral acceptable under Sections 11 and 11.1 of the Deposit of State Moneys Act. Securities lending cash collateral may be invested according to the Securities Lending Agreement between the Treasurer and the Treasurer's Agent;
- k) Interest-bearing savings accounts, interest-bearing certificates of deposit, interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (205 ILCS 5/1 et seq.);
- l) Interest-bearing accounts for the deposit of funds in support of local community development efforts;
- m) Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of the State of Illinois or the United States that maintains its principal office in the State of Illinois;
- n) The Illinois Public Treasurers Investment Pool, created under Section 17 of the State Treasurer Act (15 ILCS 505/17); and
- o) Investments made in accordance with the Technology Development Act (30 ILCS 265/1 et seq.).

6.1 Private Debt Placement

The Treasurer may invest any State money in the Treasury, excluding specific funds noted in the Deposit of State Moneys Act (15 ILCS 520/22/5), with the Office of the Illinois State Comptroller in order to pay vouchers, when the total amount of vouchers presented exceeds the funds available in the General Revenue Fund by \$1,000,000,000 or more. The total outstanding investments, at any given time, shall not exceed \$2,000,000,000.

The interest rate will be tied to the London Interbank Offered Rate (LIBOR) or the Federal Funds Rate or an equivalent market established variable rate. At no time shall the interest rate exceed the penalty rate established under the State Prompt Payment Act or the timely pay interest rate under Section 368a of the Illinois Insurance Code.

Approved: August 28, 2019 • Published: September 13, 2019 • Effective: October 1, 2019

The Treasurer and Comptroller will mutually agree upon the funds in the Treasury that will be utilized for the investment(s).

The Treasurer and Comptroller shall enter into a written agreement that specifies the terms of each investment, including, but not limited to, the repayment of the principal and interest. The terms of each investment will be posted to the Treasurer's official website.

6.2 Administrative Trust Funds

Pursuant to the Deposit of State Moneys Act (15 ILCS 520/), the Treasurer may invest or reinvest up to 5% of the College Savings Pool Administrative Trust Fund, the Illinois Public Treasurer's Investment Pool (IPTIP) Administrative Trust Fund and the State Treasurer's Administrative Fund that is not needed for current expenditures due or about to become due in common or preferred stocks of publicly traded corporations, partnerships, or limited liability companies organized in the United States, with assets exceeding \$500,000,000 if:

- a) The purchases do not exceed 1% of the corporation's or the limited liability company's outstanding common and preferred stock.
- b) No more than 10% of the total funds are invested in any one publicly traded corporation, partnership, or limited liability company.
- c) The corporation of the limited liability company has not been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code.

7.0 Investment Restrictions

The following investment restrictions apply to the State Investments portfolio:

- a) Any investments not authorized by this or any other investment policy or applicable law are prohibited;
- b) Repurchase agreements may only be executed with approved financial institutions or broker/dealers that meet the Treasurer's standards, which include mutual execution of a Master Repurchase Agreement adopted by the Treasurer;
- c) Investments in derivative products and leveraging of assets through reverse repurchase agreements are prohibited;
- d) All qualified repurchase agreement dealers, commercial paper issuers and corporate bond issuers must have a corporate headquarters, corporate office, or operating location in the State of Illinois and that location must retain full-time staff employed within the State of Illinois or the dealer must have a significant economic presence in the State of Illinois as determined by the Treasurer;
- e) Commercial paper with a credit rating or evaluation that is derived from any factor other than the full faith and credit of the issuing institution and/or the guarantee of the parent company is prohibited;
- f) Obligations may not be purchased from a corporation or limited liability company that has been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code (40 ILCS 5);

- g) Asset-backed securities and mortgage-backed securities of any kind is prohibited; and
- h) Investments may not be made in any savings and loan association unless a commitment by the savings and loan association, executed by the president or chief executive officer of that association, is submitted in the form required by Section 22.5 of the Deposit of State Moneys Act (15 ILCS 520/22.5).

8.0 Collateralization

The following shall apply:

- a) All State deposits, repurchase agreements, and securities lending shall be secured as required by the Treasurer and provided for by the Deposit of State Moneys Act (15 ILCS 520) and the Treasurer's Acceptable Collateral Listing, which may change from time to time. The Treasurer may take possession and title to any securities held as collateral and hold such securities until it is prudent to dispose of them.
- b) Securities lending cash or securities collateral shall have the meaning set forth in the Securities Lending Agreement between the Treasurer and a financial institution ("Treasurer's Agent"). The Treasurer's Agent may reinvest cash collateral as indicated in the Securities Lending Agreement. The Treasurer or Treasurer's Agent may take possession and title to any cash or securities held as collateral and hold such securities according to the Securities Lending Agreement.

9.0 Diversification

The State Investments portfolio shall be diversified to mitigate the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In order to properly manage any risk attendant to the investment of State assets, the State Investments portfolio shall not deviate from the following diversification guidelines, unless specifically authorized by the Treasurer in writing:

- a) The Treasurer shall seek to achieve diversification in the State Investments portfolio by distributing investments among authorized investment categories among financial institutions, issuers and broker/dealers.
- b) The State Investments portfolio shall not hold time deposits that constitute more than 10% of any single financial institution's total deposits.
- c) No financial institution shall at any time hold more than \$100,000,000 of time deposits other than community development deposits, described in Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7). Provided, however, that financial institutions that, as a result of a merger or acquisition, hold deposits that exceed \$100,000,000.00 may continue to be eligible to hold deposits that do not exceed the amount of deposits held on the date of the merger or acquisition.
- d) The State Investments portfolio shall not contain investments that exceed the following diversification limits. These limits will apply to the total assets in the State Investments portfolio at the time of the origination or purchase. As maturities and or calls of instruments occur, these limits will be monitored and adjusted accordingly:
 - i. With the exception of cash equivalents, treasury securities and time deposits, as defined in Section 6.0 of this Policy, no more than 55% of the State Investments portfolio shall be invested in other investment categories;

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- ii. No more than one-third of the State Investments portfolio shall be invested in commercial paper;
 - iii. No more than 25% of the money market fund asset class may be placed with one money market fund investment option and the State Investments portfolio cannot be invested in more than 10% of each money market fund (including all share classes) at a given time;
 - iv. As much as 40% of the State Investments portfolio may be invested in time deposits when required by the cash flow of the State;
 - v. No more than ½ of 1% of the State Investments portfolio shall be invested in foreign government securities, not to exceed a five (5) year maturity, as defined in Section 6.0(l) of this Policy;
 - vi. No more than 55% of the State Investments portfolio shall be allocated to investments greater than two (2) years and less than or equal to three (3) years;
 - vii. No more than 30% of the State Investments portfolio shall be allocated to investments greater than three (3) years and less than or equal to four (4) years, not including foreign government securities;
 - viii. No more than 15% of the State Investments portfolio shall be allocated to investments greater than four (4) years and less than or equal to five (5) years;
 - ix. No more than 10% of the State Investments portfolio shall be allocated to investments greater than five (5) years and no less than or equal to ten (10) years;
 - x. There shall be no limit to the percentage of the State Investments portfolio that may be allocated to investments with a 0- to 2-year maturity band; and
 - xi. No more than one-third of the State Investments portfolio shall be invested in obligations of corporations or limited liability companies as defined by Section 6.0(p) of this Policy.
- e) The investment portfolio shall not hold obligations of corporations or limited liability companies that exceed 10% of the corporation's or the limited liability company's outstanding obligations.

10.0 Custody and Safekeeping

The custody and safekeeping of collateral will be handled by Illinois financial institutions selected in compliance with the Treasurer's procurement rules at 44 Ill. Adm. Code 1400. Financial institutions selected by the Treasurer to perform custody and safekeeping services will be required to enter into a contractual agreement approved by the General Counsel.

All security transactions entered into by the Treasurer shall be conducted on a delivery-versus-payment ("DVP") or receipt-versus-payment ("RVP") basis. Securities shall be held by a safekeeping agent designated by the Treasurer and evidenced by safekeeping receipts or a statement of holdings.

11.0 Internal Controls

The Treasurer and the Chief Investment Officer, with the assistance of the Investment Policy Committee, shall establish a system of internal controls and written operational procedures that shall be documented and filed with the Treasurer's Chief Internal Auditor for review. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by authorized investment officers.

- a) **Asset Allocation:** The allocation of assets within investment categories authorized under Section 6.0 of this Policy shall be approved by the Chief Investment Officer in writing.
- b) **Competitive Bidding:** Authorized investment officers shall obtain competitive bids from at least three (3) broker/dealers prior to executing the purchase or sale of any authorized investments. Reverse inquiry investments, investments in a new issue, and investments defined under Sections 6(a)-(b) of this Policy purchased from the agency discount window are exempt from this provision.
- c) **Certificates of Deposit:** Authorized investment officers shall purchase certificates of deposit on the basis of a qualified financial institution's ability to pay a required rate of interest to the Treasurer, which is established daily. Such rate is generally determined on the basis of treasury or other appropriate market rates for a comparable term.

12.0 Limitation Of Liability

The standard of care to be used by authorized investment officers shall be the "prudent person" standard, which shall be applied in the context of managing an overall portfolio. Authorized investment officers, acting in accordance with written procedures and this Policy and exercising due diligence, will be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and necessary action is taken to control adverse developments.

13.0 Reporting

Monthly reports shall be presented by the Chief Investment Officer to the Investment Policy Committee for its review. The monthly report shall contain sufficient information to enable the Investment Policy Committee to review the investment portfolio, its effectiveness in meeting the needs of the Treasurer for safety, liquidity, rate of return, and diversification, and the general performance of the State Investments portfolio. The following information shall be included in the monthly reports:

- a) The total amount of funds held by the Treasurer;
- b) The asset allocation for the investments made by the Treasurer;
- c) The benchmarks established by the Treasurer;
- d) The current and historic return information;
- e) Any circumstances resulting in a deviation from the standards established in Section 9.0 of this Policy; and
- f) Impact of any material change in investment policy adopted during the month.

The Treasurer shall develop performance reports in compliance with established industry reporting standards within six (6) months following the adoption of this Policy. Such reporting standards shall be in accordance with Generally Accepted Accounting Principles (“GAAP”).

14.0 External Advisory Committee

The Investment Policy Committee may convene an External Advisory Committee at the direction of the Treasurer to provide independent advice and counsel to the Investment Policy Committee on investment policy, investments, and investment related issues for the benefit of all Illinois citizens.

15.0 Emergency Powers

In the event of an emergency, the Treasurer may, at his or her discretion, invoke emergency powers and suspend any or all of the provisions of this Policy, provided that:

- a) The Treasurer shall, even in the event that emergency powers are invoked, comply with all State statutes governing the use and investment of the State Investments portfolio including, but not limited to, the State Treasurer Act, the Treasurer as Custodian of Funds Act, the Deposit of State Moneys Act, the Securities Safekeeping Act, and any other applicable statute;
- b) The Treasurer reasonably believes that deviating from this Policy is in the best interest of the taxpayers; and
- c) Within thirty (30) days of invoking emergency powers the Treasurer shall provide an explanation in writing to the Chief Internal Auditor and the Investment Policy Committee, a copy of which shall be posted on the Treasurer’s website that includes the following:
 - i. The date and time that the emergency powers were invoked;
 - ii. The date and time that emergency powers were repealed;
 - iii. The Section or Sections of this Policy that were affected by the emergency or use of emergency powers; and
 - iv. The reason for invoking emergency powers resulting in the deviation from this Policy.

16.0 Statutory References

Any statutory references in this policy shall include any amendments to or repeals of those statutes.

17.0 Amendments

The Treasurer reserves the right to amend this Policy at any time.

Appendix A

Investment Policy Statement for the State Investments Portfolio's Externally Managed Municipal Securities

1.0 Policy

Under this instrument, the Illinois State Treasurer's Investment Policy for Externally Managed Municipal Securities ("Policy"), it is the policy of the Illinois State Treasurer's Office ("Treasurer") to invest all funds under its control in a manner that provides the highest risk-adjusted investment return, using authorized instruments.

This Policy applies to all investments entered into by any of the Treasurer's external managers of municipal securities on or after the adoption of this Policy.

2.0 Objective

The primary objective in the investment of State funds by any external manager of municipal securities is to ensure the safety of principal and provide the highest risk-adjusted investment return, using authorized instruments.

2.1 Safety

The safety of principal is an objective of the investment program. Investments managed externally on behalf of the Treasurer shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. To achieve this objective, diversification, as defined in Section 7.0 of this Policy, is required to ensure that the Treasurer prudently manages market, operational, reputational, financial, legal, sustainability, interest rate and credit risks.

2.2 Return on Investment

The investment portfolio shall be designed and constructed to obtain the highest available return, given the safety of principal objective. The external manager shall seek to obtain the highest available return, using the authorized investments set forth in Section 5.0 of this Policy.

The rate of return achieved on the externally managed funds shall be measured at regular intervals against the Bloomberg Barclays Intermediate US Treasury Index, or other indexes mutually agreed upon by the Treasurer and external manager, to determine the effectiveness of investment decisions in meeting the Treasurer's investment goals. The benchmark shall be reviewed annually by the Treasurer to ensure accuracy and relevance.

2.3 Sustainability

The Treasurer seeks to invest all funds under its control in a manner that provides the highest risk-adjusted investment return using authorized instruments. To achieve this objective, the Treasurer has a responsibility to recognize and evaluate risk factors that may have a material and relevant financial impact on the safety and/or performance of investments. Consistent with achieving the investment objectives set forth herein, the Treasurer and its agents shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, risk management, due diligence and investment ownership in order to maximize anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duty. The sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and helps assess the reliability of future cash flows and debt repayments. Similar to financial accounting, sustainability accounting has both confirmatory and predictive value, thus, it can be

used to evaluate past performance and be used for future planning and decision-making. As a complement to financial accounting, it provides a more complete view of an investment fund or portfolio company's performance on material factors likely to impact its long-term value.

Sustainability factors may include, but are not limited to, the following:

- a) Corporate governance and leadership factors, such as the independence of boards and auditors, the expertise and competence of corporate boards and executives, systemic risk management practices, executive compensation structures, transparency and reporting, leadership diversity, regulatory and legal compliance, shareholder rights, and ethical conduct.
- b) Environmental factors that may have an adverse or positive financial impact on investment performance, such as greenhouse gas emissions, air quality, energy management, water and wastewater management, waste and hazardous materials management, and ecological impacts.
- c) Social capital factors that impact relationships with key outside parties, such as customers, local communities, the public, and the government, which may impact investment performance. Social capital factors include human rights, customer welfare, customer privacy, data security, access and affordability, selling practices and product labeling, community reinvestment, and community relations.
- d) Human capital factors that recognize that the workforce is an important asset to delivering long-term value, including factors such as labor practices, responsible contractor and responsible bidder policies, employee health and safety, employee engagement, diversity and inclusion, and incentives and compensation.
- e) Business model and innovation factors that reflect an ability to plan and forecast opportunities and risks, and whether a company can create long-term shareholder value, including factors such as supply chain management, materials sourcing and efficiency, business model resilience, product design and life cycle management, and physical impacts of climate change.

The Treasurer shall develop policy guidelines to integrate material sustainability risks relevant to particular financial products, investment funds, companies, or government bodies, which shall be provided to internal and external investment managers to factor into their investment decision-making. The policy guidelines for integrating sustainability factors shall be reviewed and updated every two (2) years at a minimum to ensure consistency within the rapidly evolving global economy.

The State Investments portfolio's investment officers shall identify and select authorized investment options that meet the Treasurer's criteria for sustainable investing opportunities and risk parameters and fall within the framework of the investment objectives.

3.0 Ethics and Conflicts of Interest

External managing firm employees making investment decisions on behalf of the Treasurer shall refrain from personal business activity that could conflict or give the appearance of a conflict with this Policy or impair their ability to make impartial investment decisions. Any individuals with such a conflict or impairment shall disclose to the Treasurer any material conflicts of interest or impairment. If permitted by the Treasurer to proceed, such individuals shall subordinate their personal investment transactions to those of the investment portfolio, particularly with regard to the time of purchases and sales.

4.0 Brokers/Dealers

The external manager, on behalf of the Treasurer, shall seek to provide a preference to qualified brokers/dealers that provide proof of minority-, female-, disabled-, and/or military veteran-owned or -managed status and brokers/dealers that provide proof that their corporate headquarters are located in the State of Illinois.

5.0 Investment Parameters

The Treasurer has authorized the purchase of municipal securities, subject to the provisions of the Deposit of State Moneys Act (15 ILCS 520/1 et seq.), the Public Funds Investment Act (30 ILCS 235/1 et seq.), and the following:

- a) Municipal securities ("securities") must be issued by any counties or municipal corporations of the State of Illinois;
- b) Securities must be interest-bearing;
- c) At a maximum, securities must have a maturity or pre-refunded date of ten (10) years from the time of purchase;
- d) Securities shall be rated within three (3) intermediate credit ratings of United States' sovereign credit rating but not less than an A-, or an equivalent rating by at least one (1) accredited rating agency with nationally recognized expertise in rating bonds of states and their political subdivisions ("Rating Agency"), at the time of purchase;
- e) If the securities are credit enhanced with bond insurance policies, the external manager will apply the securities' underlying credit ratings or bond insurer' credit rating, whichever is greater. There will be no limit on the percentage of credit enhanced bonds with an underlying issuer rating not less than A-, or its equivalent by a Rating Agency, in the externally managed portfolio. For securities with credit enhancements with an underlying issuer rating below A-, or its equivalent by a Rating Agency, the external manager will not hold more than 10% of securities guaranteed by a single bond insurer in the externally managed portfolio. Bond insurance policies issued by the following companies are permissible, or other bond insurance policies mutually agreed upon by the Treasurer and external manager:
 - i. Assured Guaranty Municipal Corporation;
 - ii. Assured Guaranty Corporation;
 - iii. Build America Mutual; and
 - iv. National Public Finance Guarantee.
- f) Should a security be downgraded below A3/A-, the external managers will provide written notification to the Treasurer in order to determine the appropriate action (sell or hold) based on the perceived risk and expected return.

6.0 Investment Restrictions

The Treasurer's external investment managers may not invest in the following types of investments:

- a) Any investments not authorized by this Policy, any other investment policy of the Treasurer, or applicable law are prohibited; or
- b) Any investments prohibited by Section 22.6 of the Deposit of State Monies Act.

7.0 Diversification

The externally managed municipal securities shall be diversified to mitigate the risk of loss resulting from concentration of assets in a specific maturity or a specific issuer. In order to properly manage any risk attendant to the investment of State assets, the external managers shall not deviate from the following diversification guidelines unless specifically authorized by the Treasurer in writing:

- a) The Treasurer's external managers shall seek to achieve diversification in the portfolio by distributing investments among issuers and broker/dealers and
- b) The externally managed municipal securities shall not contain investments that exceed the lesser of 25% of an issuance or \$5,000,000.00.

8.0 Internal Controls

The Treasurer's external managers shall establish a system of internal controls and written operational procedures and share them with the Treasurer. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by authorized investment officers.

9.0 Due Diligence

The Treasurer's external managers will perform due diligence, including, but not limited to, research and financial analysis of municipal securities and legal compliance with federal and State laws, rules, and regulations, and the Treasurer's investment policies.

10.0 Risk Management

The Treasurer's external managers will establish risk management protocols to mitigate risk, including but not limited to, credit risks, liquidity risks, market risks, operational risks, reputational risks, and legal risks for the Treasurer.

11.0 Limitation Of Liability

External managing firm employees making investment decisions on behalf of the Treasurer shall use the "prudent person" standard, which shall be applied in the context of managing an overall municipal securities portfolio. Such individuals who act in accordance with this Policy and exercise due diligence will be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and necessary action is taken to control adverse developments.

12.0 Reporting

The external investment manager shall present monthly reports to the Treasurer for review. The monthly reports shall contain sufficient information for the Treasurer to evaluate the investment portfolio; its effectiveness in meeting the Treasurer's standards for safety, liquidity, rate of

return, and diversification; and the general performance of the portfolio. At a minimum, the following information shall be included in the monthly reports:

- a) Change in market value of the securities;
- b) Rating changes of the securities;
- c) Portfolio performance and characteristics;
- d) Benchmark comparison;
- e) Portfolio transaction detail and holdings, including any supporting research documentation; and
- f) Listing of all securities held with a rating less than A-, or equivalent, with supporting research documentation.

Appendix B

Investment Policy Statement for the State Investments Portfolio's Externally Managed Corporate Securities

1.0 Policy

Under this instrument, the Illinois State Treasurer's Investment Policy for Externally Managed Corporate Securities ("Policy"), it is the policy of the Illinois State Treasurer's Office ("Treasurer") to invest all funds under its control in a manner that provides the highest risk-adjusted investment return, using authorized instruments.

This Policy applies to all investments entered into by any of the Treasurer's external managers of corporate securities on or after the adoption of this Policy.

2.0 Objective

The primary objective in the investment of State funds by any external manager of corporate securities is to ensure the safety of principal and provide the highest risk-adjusted investment return, using authorized instruments.

2.1 Safety

The safety of principal is an objective of the investment program. Investments managed externally on behalf of the Treasurer shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. To achieve this objective, diversification, as defined in Section 7.0 of this Policy, is required to ensure that the Treasurer prudently manages market, operational, reputational, financial, legal, sustainability, interest rate, and credit risks.

2.2 Return on Investment

The investment portfolio shall be designed and constructed to obtain the highest available return, given the safety of principal objective. The external manager shall seek to obtain the highest available return, using the authorized investments set forth in Section 5.0 of this Policy.

The rate of return achieved on the externally managed funds shall be measured at regular intervals against the Bloomberg Barclay's U.S. Corporate A+ 1-3 Index, or other indexes mutually agreed upon by the Treasurer and external manager, to determine the effectiveness of investment decisions in meeting the Treasurer's investment goals. The benchmark shall be reviewed annually by the Treasurer to ensure accuracy and relevance.

2.3 Sustainability

The Treasurer seeks to invest all funds under its control in a manner that provides the highest risk-adjusted investment return using authorized instruments. To achieve this objective, the Treasurer has a responsibility to recognize and evaluate risk factors that may have a material and relevant financial impact on the safety and/or performance of investments. Consistent with achieving the investment objectives set forth herein, the Treasurer and its agents shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, risk management, due diligence and investment ownership in order to maximize anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duty. The sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and helps assess the reliability of future cash flows and debt repayments. Similar to financial accounting, sustainability accounting has both confirmatory and predictive value, thus, it can be

used to evaluate past performance and be used for future planning and decision-making. As a complement to financial accounting, it provides a more complete view of an investment fund or portfolio company's performance on material factors likely to impact its long-term value.

Sustainability factors may include, but are not limited to, the following:

- f) Corporate governance and leadership factors, such as the independence of boards and auditors, the expertise and competence of corporate boards and executives, systemic risk management practices, executive compensation structures, transparency and reporting, leadership diversity, regulatory and legal compliance, shareholder rights, and ethical conduct.
- g) Environmental factors that may have an adverse or positive financial impact on investment performance, such as greenhouse gas emissions, air quality, energy management, water and wastewater management, waste and hazardous materials management, and ecological impacts.
- h) Social capital factors that impact relationships with key outside parties, such as customers, local communities, the public, and the government, which may impact investment performance. Social capital factors include human rights, customer welfare, customer privacy, data security, access and affordability, selling practices and product labeling, community reinvestment, and community relations.
- i) Human capital factors that recognize that the workforce is an important asset to delivering long-term value, including factors such as labor practices, responsible contractor and responsible bidder policies, employee health and safety, employee engagement, diversity and inclusion, and incentives and compensation.
- j) Business model and innovation factors that reflect an ability to plan and forecast opportunities and risks, and whether a company can create long-term shareholder value, including factors such as supply chain management, materials sourcing and efficiency, business model resilience, product design and life cycle management, and physical impacts of climate change.

The Treasurer shall develop policy guidelines to integrate material sustainability risks relevant to particular financial products, investment funds, companies, or government bodies, which shall be provided to internal and external investment managers to factor into their investment decision-making. The policy guidelines for integrating sustainability factors shall be reviewed and updated every two (2) years at a minimum to ensure consistency within the rapidly evolving global economy.

The State Investments portfolio's investment officers shall identify and select authorized investment options that meet the Treasurer's criteria for sustainable investing opportunities and risk parameters and fall within the framework of the investment objectives.

3.0 Ethics and Conflicts of Interest

External managing firm employees making investment decisions on behalf of the Treasurer shall refrain from personal business activity that could conflict or give the appearance of a conflict with this Policy or impair their ability to make impartial investment decisions. Any individuals with such a conflict or impairment shall disclose to the Treasurer any material conflicts of interest or impairment. If permitted by the Treasurer to proceed, such individuals shall subordinate their personal investment transactions to those of the investment portfolio, particularly with regard to the time of purchases and sales.

4.0 Brokers/Dealers

The external manager, on behalf of the Treasurer, shall seek to provide a preference to qualified brokers/dealers that provide proof of minority-, female-, disabled-, and/or military veteran-owned or -managed status and brokers/dealers that provide proof that their corporate headquarters are located in the State of Illinois.

5.0 Investment Parameters

The Treasurer has authorized the purchase of corporate securities, subject to the provisions of the Deposit of State Moneys Act (15 ILCS 520/1 et seq.), the Public Funds Investment Act (30 ILCS 235/1 et seq.), and the following:

- a) Securities must be issued by corporations or limited liability companies (“securities/security”) organized in the United States that have a significant presence in the State of Illinois and assets exceeding \$500,000,000;
- b) At the time of purchase, the maturity of the securities shall not be less than 270 days and shall not exceed ten (10) years;
- c) Securities must be rated at the time of purchase by one of the three (3) highest classifications established by at least two (2) standard rating services, but not less than an A- long-term rating or equivalent;
- d) The corporation or limited liability company has not been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-11.16 of the Illinois Pension Code;
- e) The Treasurer’s external managers will not purchase corporate bonds that are credit enhanced by mortgages or the collection of mortgages;
- f) Corporate bonds with credit enhancements based on tangible assets pledged as collateral for the bond will not exceed 20% of the overall externally managed portfolio; and
- g) Should a security be downgraded below A3/A-, or equivalent rating, the external managers will provide written notification to the Treasurer in order to determine the appropriate action (sell or hold) based on the perceived risk and expected return.

6.0 Investment Restrictions

The Treasurer’s external investment managers may not invest in the following types of investments:

- a) Any investments not authorized by this Policy, any other investment policy of the Treasurer, or applicable law are prohibited; or
- b) Any investments prohibited by Section 22.6 of the Deposit of State Monies Act.

7.0 Diversification

The externally managed corporate securities shall be diversified to mitigate the risk of loss resulting from concentration of assets in a specific maturity or a specific issuer. In order to properly manage any risk attendant to the investment of State assets, the external managers shall not deviate from the following diversification guidelines, unless specifically authorized by the Treasurer in writing:

- a) The Treasurer's external managers shall seek to achieve diversification in the portfolio by distributing investments among issuers and broker/dealers; and
- b) Purchases cannot exceed 10% of the corporation's or the limited liability company's outstanding obligations.

8.0 Internal Controls

The Treasurer's external managers shall establish a system of internal controls and written operational procedures and share them with the Treasurer. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by authorized investment officers.

9.0 Due Diligence

The Treasurer's external managers will perform due diligence, including, but not limited to, research and financial analysis of corporate securities and legal compliance with federal and State laws, rules, and regulations, and the Treasurer's investment policies.

10.0 Risk Management

The Treasurer's external managers will establish risk management protocols to mitigate risk, including but not limited to, credit risks, liquidity risks, market risks, operational risks, reputational risks, and legal risks for the Treasurer.

11.0 Limitation Of Liability

External managing firm employees making investment decisions on behalf of the Treasurer shall use the "prudent person" standard, which shall be applied in the context of managing an overall corporate portfolio. Such individuals who act in accordance with this Policy and exercise due diligence will be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and necessary action is taken to control adverse developments.

12.0 Reporting

The external investment manager shall present monthly reports to the Treasurer for review. The monthly reports shall contain sufficient information for the Treasurer to evaluate the investment portfolio; its effectiveness in meeting the Treasurer's standards for safety, liquidity, rate of return, and diversification; and the general performance of the portfolio. At a minimum, the following information shall be included in the monthly reports:

- a) Change in market value of the securities;
- b) Rating changes of the securities;
- c) Portfolio performance and characteristics;
- d) Benchmark comparison;
- e) Portfolio transaction detail and holdings, including any supporting research documentation; and
- f) Listing of all securities held with a rating less than A3/A-, or equivalent, with supporting research documentation.

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The Illinois Funds Local Government Investment Pool Investment Policy Statement

1.0 Policy

The Office of the Illinois State Treasurer (“Treasurer”) has authority under Section 17 of the State Treasurer’s Act (15 ILCS 505/17) to establish and administer a Public Treasurer’s Investment Pool to supplement and enhance investment opportunities otherwise available to custodians of public funds for public agencies in the State of Illinois. The Public Treasurer’s Investment Pool is a local government investment pool known as “The Illinois Funds.” Under this instrument, The Illinois Funds Local Government Investment Pool Investment Policy Statement (“Policy”), it is the policy of the Treasurer to invest funds pooled by local and State custodians of public funds for public agencies in The Illinois Funds in a manner that will provide safety to the principal investment, meet the daily cash flow demands of participants, and seek the highest investment return, using authorized instruments in accordance with all State statutes governing the investment of public funds. It is the policy of The Illinois Funds to operate in a manner consistent with Securities and Exchange Commission Rule 2a7 (17 CFR § 270.2a-7).

2.0 Objective

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

2.1 Safety

The safety of principal is the foremost objective of the investment program. The Illinois Funds’ investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the portfolio. To obtain this objective, diversification among permissible investments is required to ensure that The Illinois Funds properly manages market, operational, reputational, financial, legal, sustainability, interest rate, and credit risks.

2.2 Liquidity

The investment portfolio shall remain sufficiently liquid to enable The Illinois Funds to meet all participant redemption demands that might be reasonably anticipated.

2.3 Return on Investment

The investment portfolio shall be designed to obtain the highest available return. The Treasurer shall seek to obtain the highest available return, using authorized investments during budgetary and economic cycles as mandated by Section 1.0 of this Policy.

The Treasurer will select accepted industry benchmarks that best reflect The Illinois Funds’ portfolio and measure performance against those benchmarks over time. The benchmarks shall be reviewed a minimum of every two (2) years to ensure accuracy and relevance.

2.4 Sustainability

The Treasurer seeks to invest all funds under its control in a manner that provides the highest

risk-adjusted investment return using authorized instruments. To achieve this objective, the Treasurer has a responsibility to recognize and evaluate risk factors that may have a material and relevant financial impact on the safety and/or performance of investments. Consistent with achieving the investment objectives set forth herein, the Treasurer and its agents shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, risk management, due diligence and investment ownership in order to maximize anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duty.

The sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and helps assess the reliability of future cash flows and debt repayments. Similar to financial accounting, sustainability accounting has both confirmatory and predictive value, thus, it can be used to evaluate past performance and be used for future planning and decision-making. As a complement to financial accounting, it provides a more complete view of an investment fund or portfolio company's performance on material factors likely to impact its long-term value.

Sustainability factors may include, but are not limited to, the following:

- a) Corporate governance and leadership factors, such as the independence of boards and auditors, the expertise and competence of corporate boards and executives, systemic risk management practices, executive compensation structures, transparency and reporting, leadership diversity, regulatory and legal compliance, shareholder rights, and ethical conduct.
- b) Environmental factors that may have an adverse or positive financial impact on investment performance, such as greenhouse gas emissions, air quality, energy management, water and wastewater management, waste and hazardous materials management, and ecological impacts.
- c) Social capital factors that impact relationships with key outside parties, such as customers, local communities, the public, and the government, which may impact investment performance. Social capital factors include human rights, customer welfare, customer privacy, data security, access and affordability, selling practices and product labeling, community reinvestment, and community relations.
- d) Human capital factors that recognize that the workforce is an important asset to delivering long-term value, including factors such as labor practices, responsible contractor and responsible bidder policies, employee health and safety, employee engagement, diversity and inclusion, and incentives and compensation.
- e) Business model and innovation factors that reflect an ability to plan and forecast opportunities and risks, and whether a company can create long-term shareholder value, including factors such as supply chain management, materials sourcing and efficiency, business model resilience, product design and life cycle management, and physical impacts of climate change.

The Treasurer shall develop policy guidelines to integrate material sustainability risks relevant to particular financial products, investment funds, companies, or government bodies, which shall be provided to internal and external investment managers to factor into their investment decision-making. The policy guidelines for integrating sustainability factors shall be reviewed and updated every two (2) years at a minimum to ensure consistency within the rapidly evolving global economy.

The Illinois Funds' investment officers shall identify and select authorized investment options that meet the Treasurer's criteria for sustainable investing opportunities and risk parameters and fall within the framework of the investment objectives.

3.0 Ethics and Conflicts of Interest

Authorized investment staff and employees in policy-making positions for The Illinois Funds shall refrain from engaging in personal business activity that could (a) conflict, or give the appearance of a conflict, with proper execution of the investment program or (b) impair their ability to make impartial investment decisions. Such individuals shall disclose to the Treasurer any material financial interests in financial institutions or broker/dealers that conduct business within the State. They shall further disclose any personal investments that are related to the performance of The Illinois Funds' portfolio. In addition, such individuals shall subordinate their personal investment transactions to those of The Illinois Funds, particularly with regard to the time of purchases and sales.

4.0 Authorized Brokers/Dealers and Financial Institutions

Authorized investment staff shall utilize the Treasurer's approved list of broker/dealers and financial institutions when selecting institutions to provide investment services.

No monies may be deposited in any financial institution until the Treasurer's credit review team has conducted a safety and soundness review of the financial institution by consulting various bank rating services. If the financial institution has not yet been rated by the bank rating services, the institution may be eligible for a deposit that at maturity will not exceed \$250,000. The amount and duration of deposits shall be based on the safety and soundness review, in accordance with guidelines established by the Investment Policy Committee, and the diversification limits set forth in Section 10.0 of this Policy. No public deposit may be made, except in a qualified public depository, as defined by the Deposit of State Moneys Act (15 ILCS 520/1 et seq.).

In addition, the Treasurer shall maintain a list of approved security brokers/dealers, which shall be utilized by authorized investment officers. The security brokers/dealers shall be selected according to their credit worthiness and their financial significance in the State, which shall be measured in terms of the location of the broker/dealer's corporate office, or the extent to which the broker/dealer has a large labor or economic impact on the State. The approved broker/dealers may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 17 CFR § 15Cc3-1 (Net Capital Requirements for Brokers or Dealers).

All brokers/dealers interested in becoming qualified parties for investment transactions must supply the Treasurer's authorized investment staff with the following documents or the equivalent acceptable to the Treasurer, where applicable:

- a) Audited financial statements or a published Statement of Condition;
- b) Proof of minority-, woman-, disabled-, and/or veteran-owned or -managed broker/dealer status;
- c) A signed copy of the Treasurer's trading authorization;
- d) Proof of National and State of Illinois registration;
- e) Completed Broker/Dealer and Authorized Counterparty Questionnaire;
- f) Certification of notice and acknowledgment of this Policy; and
- g) Any other documentation deemed necessary by the Treasurer.

To the greatest extent feasible within the bounds of financial and fiduciary prudence, the Treasurer

shall seek to provide preference to qualified brokers/dealers that provide proof of minority-, female-, disabled-, and/or veteran-owned or -managed status. The Treasurer shall establish a process by which said specially claimed statuses are verified, and a review shall be conducted at fixed intervals to ensure that special statuses continue to apply.

To the greatest extent feasible within the bounds of financial and fiduciary prudence, the Treasurer shall also seek to accord preference to qualified brokers/dealers that provide proof that their corporate headquarters is located in the State of Illinois. The Treasurer shall establish a process to verify the location of broker/dealers' corporate headquarters, and a review shall be conducted at fixed intervals to ensure that the Illinois-based location continues to apply.

An annual review of the financial condition and registration of qualified parties and investments will be conducted by the Treasurer's authorized investment staff. More frequent reviews may be conducted.

5.0 Authorized and Suitable Investments

The following investments are authorized, pursuant to the Deposit of State Moneys Act (15 ILCS 520/22.5) and the Public Funds Investment Act (30 ILCS 235/2):

- a) Federally guaranteed obligations that receive the full faith and credit of the United States of America ("United States") as to principal and interest;
- b) Obligations of agencies of the United States as originally issued by the agencies. For purposes of this Section, the term "agencies of the United States" includes the following: federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 and Acts amendatory thereto, the federal home loan banks and the federal home loan mortgage corporation, and any other agency created or supported through an Act of Congress and issues United States dollar-denominated debt;
- c) Obligations of instrumentalities of the United States, as originally issued by the instrumentalities. For the purposes of this section, the term "instrumentalities of the United States" is an instrumentality created or supported through an Act of Congress and issues United States dollar-denominated debt;
- d) Obligations of a foreign government that are guaranteed by the full faith and credit of that government as to principal and interest and rated at one (1) of the three (3) highest classifications established by at least two (2) standard rating services (upper medium grade for a long-term rating of A- and above or equivalent), and only if the foreign government has not defaulted and has met its payment obligations in a timely manner on all similar obligations for at least 25 years prior to the time of acquiring those obligations;
- e) Interest-bearing bonds, issued by counties or municipal corporations of the State of Illinois, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the State of Illinois or held under a custodial agreement at a financial institution. The bonds shall be rated at the time of purchase at one (1) of the three (3) highest classifications established by at least one (1) standard rating service with nationally recognized expertise in rating bonds of states and their political subdivisions, (upper medium grade for the long-term rating of A- and above or equivalent). The maturity or pre-refunded date(s) of the bonds authorized by this subsection shall, at the time of purchase, not exceed ten (10) years. Notwithstanding the foregoing, a longer maturity is authorized, if the State of Illinois has a put option to tender the bonds within ten (10) years from the date of purchase;

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- f) Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 (1 U.S.C. § 78o-5);
- g) Commercial paper of a corporation or a limited liability company that is organized in the United States with assets exceeding \$500,000,000 and is rated at the time of purchase at one (1) of the two (2) highest classifications established by at least two (2) standard rating services, (short-term rating of A-2 and above or equivalent);
- h) Obligations of either corporations or limited liability companies organized in the United States that have a significant presence in the State of Illinois, with assets exceeding \$500,000,000 and rated at the time of purchase at one (1) of the three (3) highest classifications established by at least two (2) standard rating services, (upper medium grade for a long-term rating of A- and above or equivalent). At the time of purchase, the maturity or pre-refunded date(s) shall not be less than 270 days and shall not exceed ten (10) years;
- i) Money market mutual funds registered under the Investment Company Act of 1940;
- j) Securities may be lent in accordance with the Federal Financial Institution Examination Council guidelines and only if the securities are collateralized at a satisfactory level to assure the safety of the securities, taking into account market value fluctuation. The securities may be collateralized by cash or collateral acceptable under Sections 11 and 11.1 of the Deposit of State Moneys Act. Securities lending cash collateral may be invested according to the Securities Lending Agreement between the Treasurer and the Treasurer's Agent; and
- k) Interest-bearing savings accounts, interest-bearing certificates of deposit, interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (205 ILCS 5/1 et seq.).

6.0 Investment Restrictions

The following investment restrictions apply to the Illinois Funds portfolio:

- a) Any investments not authorized by this or any other investment policy or applicable law are prohibited;
- b) Repurchase agreements may only be executed with approved financial institutions or broker/dealers that meet the Treasurer's standards, which include mutual execution of a Master Repurchase Agreement adopted by the Treasurer;
- c) Investments in derivative products and leveraging of assets through reverse repurchase agreements are prohibited;
- d) All qualified repurchase agreement dealers, commercial paper issuers and corporate bond issuers must have a corporate headquarters, corporate office, or operating location in the State of Illinois and that location must retain full-time staff employed within the State of Illinois or the dealer must have a significant economic presence in the State of Illinois as determined by the Treasurer;
- e) Commercial paper with a credit rating or evaluation that is derived from any factor other than the full faith and credit of the issuing institution and/or the guarantee of the parent company is prohibited;
- f) Obligations may not be purchased from a corporation or limited liability company that has

been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code (40 ILCS 5);

- g) Asset-backed securities and mortgage-backed securities of any kind are prohibited;
- h) Investments in bankers' acceptances of any kind are prohibited; and
- i) Certificates of deposit may not be purchased from The Illinois Funds' custodial institution or any of its subcontractors.

6.1 Operational Requirements

Pursuant to Securities and Exchange Commission Rule 2a7 (17 CFR § 270.2a-7), the Treasurer shall:

- a) Maintain and execute standard operating procedures for deviations beyond the normal net asset value ("NAV") of The Illinois Funds; and
- b) Annually complete a checklist that clarifies the intention of the Treasurer to operate The Illinois Funds as a Securities and Exchange Commission Rule 2a7-like fund.

7.0 Ratings Criteria

The Illinois Funds strives to achieve AAAM fund rating guidelines. As such, the fund will meet and abide by the guidelines for an AAAM fund rating from a "Nationally Recognized Statistical Rating Organization" (NRSRO).

8.0 Collateralization

The Illinois Funds deposits and repurchase agreements shall be secured by direct U.S. Treasury and/or U.S. Agency obligations as required by the Treasurer and provided for by the Deposit of State Moneys Act (15 ILCS 520/1 et seq.) and the Treasurer's Acceptable Collateral Listing, which may change from time to time.

9.0 Safekeeping and Custody

All direct treasury, agency and instrumentality security transactions entered into by The Illinois Funds shall be conducted on a delivery-versus-payment ("DVP") or receipt-versus-payment ("RVP") basis. Securities shall be held by a safekeeping agent designated by the Treasurer and evidenced by safekeeping receipts. Commercial paper will settle daily with the Depository Trust Company.

10.0 Diversification

The primary purpose of diversification in general is to control credit and market risk. The Illinois Funds portfolio will be diversified to eliminate the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer or a specific class of securities. The majority of The Illinois Funds' investments will be in direct obligations of the United States Treasury and United States Government Agencies and Instrumentalities and cash equivalents as listed in Section 5.0 of this Policy. In order to properly manage any risk that may be attendant to the investment of The Illinois Funds assets, The Illinois Funds portfolio will observe the following diversification guidelines, at the time of purchase:

- a) The Illinois Funds will seek to achieve diversification in the portfolio by reasonably distributing investments within authorized investment categories, and with issuers and brokers/dealers.

- b) The Illinois Funds shall at no time hold certificates of deposit constituting more than 10% of any single financial institution's total deposits.
- c) The Illinois Funds shall not hold obligations of corporations or limited liability companies that exceed 10% of the corporation's or the limited liability company's outstanding obligations. No more than one third of the public agency's funds can be invested in such obligations of corporations or limited liability companies.
- d) The investment portfolio shall not contain investments that exceed the following diversification limits. These limits will apply to the total assets in the portfolio at the time of the origination or purchase. As maturities and or calls of instruments occur these limits will be monitored and adjusted accordingly:
 - i. The Illinois Funds will invest no more than 50% of its total assets in securities with maturities greater than thirty (30) days issued by any single permissible United States government agency or instrumentality;
 - ii. The Illinois Funds will invest no more than 5% of its total assets in securities issued by any single commercial paper issuer;
 - iii. The Illinois Funds will invest no more than 1/3 of its total assets in direct commercial paper obligations not to exceed 270 days to maturity at the time of purchase;
 - iv. A maximum of 25% of total assets may be invested in any approved AAAM Money Market Fund;
 - v. The Illinois Funds shall invest a minimum of 75% of its assets in authorized investments of less than one-year maturity. No investment shall exceed two (2) years maturity; and
 - vi. No more than 5% of The Illinois Funds shall be invested in obligations of corporations or limited liability companies as defined by Section 5.0(j) of this Policy.

11.0 Internal Controls

The Treasurer shall establish a system of internal controls, which shall be documented in writing and filed with the Treasurer's Chief Internal Auditor for review. The controls shall be designed to prevent loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by authorized investment staff of The Illinois Funds.

The Treasurer shall publish the current investment policy on The Illinois Funds website and in accordance with applicable statutes.

12.0 Asset Allocation

The Treasurer shall approve asset allocation among investment categories authorized under Section 5.0 of this Policy.

13.0 Competitive Bidding

Authorized investment staff shall obtain competitive bids from at least three (3) brokers/dealers prior to executing repurchase agreements, purchasing United States Treasury securities, United States government agency or instrumentality securities, obligations of either corporations or limited

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liability companies, bonds issued by counties or municipal corporations of the State of Illinois, or commercial paper from a broker/dealer. Reverse inquiry investments, investments in a new issue, and investments defined under Section 5(a)-(b) of this Policy purchased from the agency discount window are exempt from this provision. Certificates of deposit shall be purchased by authorized investment staff on the basis of a financial institution's ability to pay the Treasurer's required interest rate.

14.0 Liability

Authorized investment staff, acting in accordance with written procedures and this Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. The Treasurer is bonded to a level of \$150,000 for the faithful performance of duties in relation to The Illinois Funds.

15.0 Reporting

Reports shall be made available quarterly by the Director of The Illinois Funds to the Treasurer and The Illinois Funds participants. The quarterly report shall contain the following:

- a) The performance of The Illinois Funds as compared to the established benchmark;
- b) Asset allocation;
- c) Any deviation from the standards established in Section 10.0 of this Policy;
- d) Any change in investment policy adopted during the quarter; and
- e) The average number of days to maturity.

A listing of all investments in the portfolio marked to market shall be made available to the Treasurer and The Illinois Funds participants annually.

16.0 Emergency Powers

In the event of an emergency, the Treasurer may, at his or her discretion, invoke emergency powers and suspend any or all of the provisions of this Policy, provided that:

- a) The Treasurer shall, even in the event that emergency powers are invoked, comply with all State statutes governing the use and investment of monies;
- b) The Treasurer reasonably believes that deviating from this Policy is in the best interest of the participants;
- c) Within thirty (30) days of invoking emergency powers the Treasurer shall provide an explanation in writing to the Chief Internal Auditor and the Investment Policy Committee, a copy of which shall be posted on the Treasurer's website, that includes the following:
 - i. The date and time that the emergency powers were invoked;
 - ii. The date and time that emergency powers were repealed, if applicable;
 - iii. The Section or Sections of this Policy that were affected by the emergency or use of emergency powers; and

- iv. The reason for deviating from this Policy.

17.0 Statutory References

Any statutory references in this Policy shall include any amendments to or repeals of those statutes.

18.0 Amendments

The Treasurer reserves the right to amend this Policy at any time.

Bright Start College Savings Program Investment Policy Statement

1.0 Statement of Purpose of Investment Policy

The purpose of this Investment Policy Statement (the “Policy”) is to assist contractors retained by the Office of the Illinois State Treasurer (the “Treasurer”) to provide services related to the management of the assets of the Illinois College Savings Pool (the “Pool”) that are contributed to the Bright Start College Savings Program (the “Program”) and to assist the Treasurer in evaluating the performance of such contractors by:

- Describing the Treasurer’s investment objectives;
- Providing general guidelines for the investment of assets of the Program;
- Describing the Treasurer’s long-term investment strategy;
- Describing the process of evaluating the performance of employees or contractors that provide investment management services to the Program; and
- Specifying the responsibilities of any contractors that provide investment management services to the Program.

This is the official Policy of the Program. Deviation from this Policy is not permitted without prior, explicit, written permission from the Treasurer.

2.0 Establishment and Authority of Entity

The Program has been established as part of the Illinois College Savings Pool, and is intended to qualify as a qualified tuition program in accordance with Section 529 of the Internal Revenue Code of 1986, as amended. The Program was established to provide families with an opportunity to invest toward future college education expenses.

3.0 Investment Philosophy

The Treasurer has adopted a long-term total return strategy for the Program and its investments. To achieve the Program’s objectives, investments shall be diversified so as to minimize the risk of loss. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. A long-term focus on investment results as well as prudent diversification across financial markets will be the primary risk control mechanisms.

In its investment strategy, the Treasurer relies on prevailing financial theory, which currently utilizes a long-term diversified asset allocation strategy. A prudently allocated investment program possesses a significant level of diversification, which produces risk reduction. In terms of impact, diversification shall be considered along the following lines: (1) asset classes (stocks, bonds, cash, etc.); (2) geography/country; (3) industry; (4) maturity; and (5) duration.

Contributions to the Program will be directed to one or more of the available Portfolios (the “Portfolios”), each composed of a designated mix of investments or an individual investment fund. The determination of the investment parameters of each Portfolio shall be made by the Treasurer and shall take into account the financial characteristics of the investments in the Program. The investment parameters will also give due consideration to the fact that the investment horizon for participants will vary from a few months to over 18 years.

The Treasurer will review the investment performance of each Portfolio at least quarterly and shall review this Policy at least annually.

The holdings of the Program and the Portfolios may be divided into the following broad asset categories:

- A. Short-Term Investments;
- B. Fixed Income Investments;
- C. Real Estate Investments;
- D. Domestic Equity Investments; and
- E. International Equity Investments.

The Treasurer will establish reasonable guidelines for each Portfolio, specifying (as applicable) limits on asset and asset class exposures, risk constraints and investment return objectives. While the investment parameters offered under the Program are developed by the Treasurer, participants bear the risk of investment results. Individual participants who seek investments materially different from those offered may wish to select an investment alternative outside of the Program.

The administration and offering of the Program should not be relied upon as a guarantee to participants. Each participant should seek appropriate advice as he or she deems necessary.

Consistent with achieving the foremost investment objectives of the Treasurer set forth herein, the Treasurer will endeavor to identify and evaluate investment managers that are more than 50% owned and/or managed by minorities, women, military veterans, or disabled persons.

Consistent with achieving the foremost investment objectives of the Treasurer set forth herein, the Treasurer will prudently exercise investment stewardship to maximize anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duty. Sustainability factors shall be implemented within such a framework predicated on the following:

- A. Prudent integration of material sustainability factors, including, but not limited to (1) corporate governance and leadership factors, (2) environmental factors, (3) social capital factors, (4) human capital factors, and (5) business model and innovation factors, as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership, given that these tangible and intangible factors may have material and relevant financial impacts;
- B. Recurring evaluation of sustainability factors to ensure the factors are relevant and decision-useful to the Program and the evolving marketplace;
- C. Attentive oversight of investment holdings to encourage the advancement of sustainability accounting and disclosure through the exercise of proxy voting rights and engagement with entities – such as investment funds, investment holdings, portfolio companies, government bodies, and other organizations – and move the marketplace toward more prudent, sustainable business practices; and
- D. Consideration of other relevant factors such as legal, regulatory, and reputational risks that enable an optimal risk management framework and supports long-term investment value.

4.0 Investment Objectives

The overall investment program for the Program and, as applicable, the Portfolios provided to the participants shall seek to achieve the following long-term investment objectives:

- A. A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section 7.0 hereof; and
- B. An investment program flexible enough to meet the needs of participants based upon their age or investment objective and which provides each participant with the ability to invest in a diversified portfolio to meet his or her investment goals.

5.0 Investment Responsibilities

The Treasurer is responsible for the investment policy statement, the direction of investments and administration of the assets of the Program. In order to properly carry out his responsibilities, the Treasurer may rely on one or more contractors to assist in the administration of the Program. The Treasurer will engage and plan to rely heavily on said contractor (the “Manager”) for administrative services as well as the contractor’s pertinent investment advisor, should they retain one, for investment management services. The Treasurer also plans to rely heavily on an external investment consultant for investment advisory services. Among the current responsibilities of the Manager is the implementation of the investment strategy outlined in this Policy and the rebalancing of the Age-Based and Target Portfolios when market movement and/or cash flows cause an asset class to be outside its policy allocation bands. With the Treasurer’s approval, the Manager may retain an investment advisor to provide it with portfolio design, due diligence and ongoing monitoring services with respect to the Portfolios and the implementation of the investment strategy outlined in this Policy. The Treasurer and the Manager shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Program and the Portfolios, the Manager agrees that it will act with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

In addition, the Treasurer may engage an independent investment consultant that will:

- Measure investment performance results, evaluate the investment program, and advise the Treasurer as to the performance and continuing appropriateness of each investment manager;
- Recommend modifications to the investment policies, objectives, guidelines, or management structure as appropriate; and
- Promptly inform the Treasurer regarding significant matters pertaining to the investment program.

6.0 Investment Parameters

Contributions will be invested in one or more of the available Portfolios, each composed of a designated mix of investments or an individual investment fund, which is appropriate for the age of the participant or the investment objective of the Portfolio. Each Portfolio may allocate assets among domestic equity, international equity, real estate, fixed-income, and/or short-term investments. The asset allocation of each Portfolio will be established by the Treasurer and managed by the Manager. The Treasurer may adjust the weighting in stocks, bonds, real estate, and cash in each Portfolio and may change the underlying investment funds within the Portfolios consistent with this Policy.

The Policy target asset allocations and benchmarks for the underlying investments within the Age-Based and Target Portfolios are shown in the following table. There is a permissible range of plus or minus 10% of the target allocation for each underlying investment fund.

7.0 Plan Options

Direct Plan: Index Age-Based and Target Portfolios

Age-Based Portfolios		Age of Beneficiary										
Aggressive Option		0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +		
Moderate Option			0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +	
Conservative Option				0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +
Target Portfolios		Equity Portfolio				Balanced Portfolio						Fixed Income
Asset Class	Benchmark											
Domestic Equity	CRSP U.S. Total Market Index	57.0%	54.0%	49.0%	42.0%	36.0%	32.0%	25.0%	19.0%	14.0%	7.0%	0.0%
Real Estate	MSCI US REIT Index	7.0%	6.0%	5.0%	5.0%	5.0%	3.0%	3.0%	2.0%	2.0%	1.0%	0.0%
International Equity	FTSE Global All Cap ex US Index	36.0%	30.0%	26.0%	23.0%	19.0%	15.0%	12.0%	9.0%	4.0%	2.0%	0.0%
Domestic Fixed Income	BofA/Merrill Lynch - High Yield Master II Index	0.0%	1.0%	3.0%	5.0%	5.0%	6.0%	7.0%	5.0%	5.0%	3.0%	0.0%
	Bloomberg Barclays U.S. 1-5 Year Government / Credit Float Adjusted Index	0.0%	2.0%	4.0%	6.0%	9.0%	11.0%	14.0%	22.0%	25.0%	22.0%	20.0%
	Bloomberg Barclays U.S. Aggregate Float Adjusted Index	0.0%	4.0%	7.0%	11.0%	17.0%	23.0%	24.0%	25.0%	25.0%	25.0%	15.0%
	Bloomberg Barclays U.S. 0-5 Year TIPS Index	0.0%	2.0%	3.0%	4.0%	4.0%	4.0%	9.0%	13.0%	11.0%	14.0%	15.0%
Foreign Bonds	Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)	0.0%	1.0%	3.0%	4.0%	5.0%	6.0%	6.0%	5.0%	5.0%	3.0%	0.0%
Money Market	3-month T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.0%	23.0%	50.0%

Direct Plan: Multi-Firm Age-Based and Target Portfolios

Age-Based Portfolios		Age of Beneficiary										
Aggressive Option		0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +		
Moderate Option			0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +	
Conservative Option				0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +
Target Portfolios		Equity Portfolio				Balanced Portfolio						Fixed Income
Asset Class	Benchmark											
Domestic Equity	Russell 1000 Value	12.0%	12.0%	11.0%	9.0%	8.0%	7.0%	6.0%	4.0%	3.0%	2.0%	0.0%
	S & P 500 Index	23.0%	20.0%	19.0%	16.0%	14.0%	12.0%	9.0%	7.0%	6.0%	2.0%	0.0%
	Russell 1000 Growth	12.0%	12.0%	11.0%	9.0%	8.0%	7.0%	6.0%	4.0%	3.0%	2.0%	0.0%
	Russell 2500 Value	5.0%	5.0%	4.0%	4.0%	3.0%	3.0%	2.0%	2.0%	1.0%	1.0%	0.0%
	Russell 2500 Growth	5.0%	5.0%	4.0%	4.0%	3.0%	3.0%	2.0%	2.0%	1.0%	0.0%	0.0%
Global Real Estate	FTSE EPRA/NAREIT Developed Real Estate Index	7.0%	6.0%	5.0%	5.0%	5.0%	3.0%	3.0%	2.0%	2.0%	1.0%	0.0%
International Equity	MSCI ACWI ex-U.S. Index	26.0%	22.0%	19.0%	17.0%	14.0%	12.0%	10.0%	7.0%	4.0%	2.0%	0.0%
	MSCI World ex-U.S. Small Cap Index	5.0%	4.0%	3.0%	3.0%	2.0%	1.0%	1.0%	1.0%	0.0%	0.0%	0.0%
	MSCI Emerging Markets Index	5.0%	4.0%	4.0%	3.0%	3.0%	2.0%	1.0%	1.0%	0.0%	0.0%	0.0%
Domestic Fixed Income	BofA/Merrill Lynch – High Yield Master II Index	0.0%	1.0%	2.0%	3.0%	3.0%	3.0%	4.0%	3.0%	3.0%	2.0%	0.0%
	Bloomberg Barclays 1-3 Year U.S. Government / Credit Bond Index	0.0%	2.0%	4.0%	6.0%	9.0%	11.0%	14.0%	22.0%	25.0%	22.0%	20.0%
	Bloomberg Barclays U.S. Aggregate Bond Index	0.0%	4.0%	7.0%	11.0%	17.0%	23.0%	24.0%	25.0%	25.0%	25.0%	15.0%
	Bloomberg Barclays U.S. 0-5 Year TIPS Index	0.0%	2.0%	3.0%	4.0%	4.0%	4.0%	9.0%	13.0%	11.0%	14.0%	15.0%
	Credit Suisse Leveraged Loan Index	0.0%	0.0%	1.0%	2.0%	2.0%	3.0%	3.0%	2.0%	2.0%	1.0%	0.0%
Global Bonds	Bloomberg Barclays Global Aggregate Index (Hedged)	0.0%	1.0%	3.0%	4.0%	5.0%	6.0%	6.0%	5.0%	5.0%	3.0%	0.0%
Money Market	3-month T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.0%	23.0%	50.0%

*Benchmarks are subject to change as mutually agreed by the Treasurer and Manager in order to ensure that they remain appropriate for each underlying investment and consistent with industry standards.

Each underlying investment fund's return objective is to equal or exceed, over a five-year rolling period, the return of the applicable benchmark. Volatility, measured by the standard deviation of quarterly returns over that period, is expected to be similar to the benchmark. Each underlying investment is also expected to perform favorably relative to its peer group.

To the extent that the assets of a Portfolio are invested in one or more underlying investments approved by the Treasurer having investment objectives consistent with the above-noted asset allocation categories, the above-noted percentage guidelines shall be deemed satisfied. This shall be the case even if such an underlying investment's assets may not be entirely invested in the asset class in which such underlying investment has been placed.

Individual Fund Portfolios:

To provide additional diversity and flexibility to participants the Individual Fund Portfolios and underlying investment funds the Treasurer selects will be described in the Program's current Program Disclosure Statement and may include the following asset classes:

Asset Class	Benchmark
Money Market	3 Month T-Bills
Short Term Fixed Income	Bloomberg Barclays 1-3 Year U.S. Government/Credit Bond Index Bloomberg Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index
Core Bond	Bloomberg Barclays U.S. Aggregate Float Adjusted Index Bloomberg Barclays U.S. Aggregate Bond Index
High Yield Bonds	BofA/Merrill Lynch – High Yield Master II Index
Short Term U.S. TIPS	Bloomberg Barclays U.S. 0–5 Year TIPS Index
Foreign Bonds	Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)
Global Bonds	Bloomberg Barclays Global Aggregate Index (Hedged)
Bank Loans	Credit Suisse Leveraged Loan Index
Balanced	60% S&P 500 Index / 40% Bloomberg Barclays U.S. Aggregate Bond Index
All Cap US Equity	CRSP U.S. Total Market Index
Large Cap Value	Russell 1000 Value
Large Cap Blend	S&P 500 Index
Large Cap Growth	Russell 1000 Growth
Small-Cap Value	Russell 2500 Value
Small-Cap Growth	Russell 2500 Growth
All-Country Non-US	FTSE Global All Cap ex US Index
Emerging Market	MSCI Emerging Markets Index
Non-U.S. Small Cap	MSCI World ex-U.S. Small Cap Index
Real Estate	MSCI U.S. REIT Index FTSE EPRA/NAREIT Developed Real Estate Index

8.0 Minority- and Woman-Owned Portfolios

The Treasurer may also add additional Individual Fund Portfolios – for example, Minority, Woman, Veteran, and Disabled-Managed Portfolios – for participants who would like to have a more diverse set of investment options as new viable options become available.

Bright Directions College Savings Program Investment Policy Statement

1.0 Statement of Purpose of Investment Policy

The purpose of this Investment Policy Statement (the "Policy") is to assist contractors retained by the Office of the Illinois State Treasurer ("Treasurer") to provide services related to the management of the assets of the Illinois College Savings Pool that are contributed to the Bright Directions College Savings Program (the "Program") and to assist the Treasurer in evaluating the performance of such contractors by:

- Describing the Treasurer's investment philosophy for the Program;
- Describing the Treasurer's investment objectives for the Program;
- Specifying the responsibilities of the Treasurer and any contractors that provide investment management services to the Program to thereby provide a basis to evaluate the performance of contractors that provide services to the Program;
- Providing investment parameters for the investment of assets of the Program; and
- Detailing the investment plan options available through the Program and the applicable performance benchmarks.

This is the official Policy of the Program. Deviation from this Policy is not permitted without prior, explicit, written permission from the Treasurer.

2.0 Establishment and Authority of Entity

The Bright Directions College Savings Program has been established as part of the Illinois College Savings Pool, and is intended to qualify as a qualified tuition program in accordance with Section 529 of the Internal Revenue Code of 1986, as amended. The Program is sold through financial advisors and was established to complement the existing Bright Start College Savings Program by allowing families to utilize a financial advisor to assist them with investing toward future college education expenses.

3.0 Participating Financial Institution

Accounts in the Program will be distributed through registered broker-dealers and financial institutions that have entered into a Selling Agent Agreement with the designated distributor for the Program. All new accounts in the Program will be processed through the designated participating financial institution.

4.0 Investment Philosophy

The Treasurer has adopted a long-term total return strategy for the Program and its investments. To achieve the Program's objectives, investments shall be diversified so as to minimize the risk of loss. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. A long-term focus on investment results as well as prudent diversification across public security markets will be the primary risk control mechanisms.

As part of its investment strategy, the Treasurer has relied on prevailing financial theory, which currently utilizes a long-term diversified asset allocation strategy. A prudently allocated investment program possesses a significant level of diversification, which produces risk reduction. In terms of impact, diversification shall be considered along the following lines: (1) asset classes (stocks, bonds, cash, etc.); (2) geography/country; (3) industry; and (4) maturity.

Contributions to the Program will be directed to one or more of the available Age-Based, Target, Individual, or Female- and Minority-Owned Portfolios (“Portfolios”), each composed of a designated mix of investments or an individual investment fund. The determination of the investment parameters of each Portfolio shall be made by the Treasurer and shall take into account the financial characteristics of the investments in the Program. The investment parameters will also give due consideration to the fact that the investment horizon for participants will vary from a few months to over 18 years.

The Treasurer will review the investment performance of each Portfolio at least quarterly and shall review this Policy at least annually.

The holdings of the Program and the Portfolios are divided into the following broad asset categories:

- A. Short-Term Investments;
- B. Fixed Income Investments;
- C. Real Estate Investments;
- D. Domestic Equity Investments; and
- E. International Equity Investments.

The Treasurer will establish reasonable guidelines for each Portfolio, specifying (as applicable) limits on asset and asset class exposures, risk constraints and investment return objectives. While the investment parameters offered under the Program are developed by the Treasurer, participants bear the risk of investment results. Individual participants who seek investments materially different from those offered may wish to select an investment alternative outside of the Program.

To the greatest extent feasible within the bounds of financial and fiduciary prudence, it is the policy of the Treasurer to endeavor to actively identify and evaluate investment managers that are more than 50% owned and/or managed by minorities, women, military veterans, or disabled persons.

Consistent with achieving the foremost investment objectives of the Treasurer set forth herein, the Treasurer will prudently exercise investment stewardship to maximize anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duty. Sustainability factors shall be implemented within such a framework predicated on the following:

- A. Prudent integration of material sustainability factors, including, but not limited to (1) corporate governance and leadership factors, (2) environmental factors, (3) social capital factors, (4) human capital factors, and (5) business model and innovation factors, as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership, given that these tangible and intangible factors may have material and relevant financial impacts;
- B. Recurring evaluation of sustainability factors to ensure the factors are relevant and decision-useful to the Program and the evolving marketplace;
- C. Attentive oversight of investment holdings to encourage the advancement of sustainability accounting and disclosure through the exercise of proxy voting rights and engagement with entities – such as investment funds, investment holdings, portfolio companies, government bodies, and other organizations – and move the marketplace toward more prudent, sustainable business practices; and

- D. Consideration of other relevant factors such as legal, regulatory, and reputational risks that enable an optimal risk management framework and supports long-term investment value.

5.0 Investment Objectives

The overall investment program for the Program and, as applicable, the Portfolios provided to the participants shall seek to achieve the following long-term investment objectives:

- A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section 7.0 hereof; and
- An investment program flexible enough to meet the needs of participants based upon their age or investment objective and which provides each individual with the ability to invest in a diversified portfolio to meet his or her long-term investment goals.

6.0 Investment Responsibilities

The Treasurer is responsible for the investment policy statement, the direction of investments and administration of the assets of the Program. In order to properly carry out his responsibilities, the Treasurer may rely on one or more contractors to assist in the administration of the Program. The Treasurer will engage and plan to rely on said contractor (the “Manager”) for administrative services as well as the contractor’s pertinent investment advisor, should they retain one, for certain investment management services. The Treasurer also plans to rely heavily on an external investment consultant for investment advisory services. Among the current responsibilities of the Manager is the implementation of the investment strategy outlined in this Policy and the rebalancing of the Age-Based and Target Portfolios when market movement and/or cash flows cause an asset class to be outside its policy allocation bands. With the Treasurer’s approval, the Manager may retain an investment advisor to provide it with portfolio design, due diligence and ongoing monitoring services with respect to the Portfolios and the implementation of the investment strategy outlined in this policy. The Treasurer and the Manager shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Program and the Portfolios, the Manager agrees that it will act with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

In addition, the Treasurer may engage an independent investment consultant that will:

- Measure investment performance results, evaluate the investment program, and advise the Treasurer as to the performance and continuing appropriateness of each investment manager;
- Recommend modifications to the investment policies, objectives, guidelines, or management structure as appropriate; and
- Promptly inform the Treasurer regarding significant matters pertaining to the investment program.

7.0 Investment Parameters

Contributions will be invested in one or more of the available Portfolios, each composed of a designated mix of investments or an individual investment fund, which is appropriate for the age of the participant or the investment objective of the Portfolio. Each Portfolio may allocate assets

among domestic equity, international equity, real estate, fixed-income, and/or short-term investments. The asset allocation of each Portfolio will be established by the Treasurer and managed by the Manager. The Treasurer may adjust the weighting in stocks, bonds, real estate, and cash in each Portfolio and may change the underlying investment funds within the Portfolios consistent with this Policy.

The policy target asset allocations and benchmarks for the underlying investments within the Age-Based and Target Portfolios are shown in the following table. There is a permissible range of plus or minus 10% of the target allocation for each underlying investment fund.

Age-Based Portfolios		Age of Beneficiary										
Aggressive Option		0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +		
Moderate Option			0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +	
Conservative Option				0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +
Target Portfolios		Fund 100		Fund 80		Fund 60		Fund 40		Fund 20	Fund 10	Fixed Income
Asset Class	Benchmark											
Domestic Equity	Russell 1000 Value	12.0%	12.0%	11.0%	9.0%	8.0%	7.0%	6.0%	4.0%	3.0%	2.0%	0.0%
	S & P 500 Index	25.0%	22.0%	21.0%	17.0%	15.0%	13.0%	10.0%	8.0%	6.0%	2.0%	0.0%
	Russell 1000 Growth	12.0%	12.0%	11.0%	9.0%	8.0%	7.0%	6.0%	4.0%	3.0%	2.0%	0.0%
	Russell 2000 Value	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	1.0%	1.0%	1.0%	0.0%	0.0%
	Russell 2000	2.0%	2.0%	2.0%	3.0%	1.0%	1.0%	1.0%	1.0%	0.0%	1.0%	0.0%
	Russell 2000 Growth	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	1.0%	1.0%	1.0%	0.0%	0.0%
Global Real Estate	FTSE EPRA/NAREIT Global	7.0%	6.0%	5.0%	5.0%	5.0%	3.0%	3.0%	2.0%	2.0%	1.0%	0.0%
International Equity	MSCI EAFE	25.0%	21.0%	18.0%	16.0%	13.0%	11.0%	9.0%	6.0%	3.0%	2.0%	0.0%
	MSCI World ex- U.S. Small Cap	5.0%	4.0%	3.0%	3.0%	2.0%	1.0%	1.0%	1.0%	0.0%	0.0%	0.0%
	MSCI Emerging Markets	6.0%	5.0%	5.0%	4.0%	4.0%	3.0%	2.0%	2.0%	1.0%	0.0%	0.0%
Domestic Fixed Income	3-month T-Bills	0.0%	1.0%	2.0%	4.0%	5.0%	7.0%	8.0%	13.0%	15.0%	13.0%	12.0%
	Bloomberg Barclays U.S. Gov't/Credit 1-3yr	0.0%	1.0%	2.0%	4.0%	5.0%	7.0%	8.0%	13.0%	15.0%	13.0%	12.0%
	ML 1-3 yr Treasury	0.0%	1.0%	2.0%	2.0%	4.0%	4.0%	6.0%	9.0%	10.0%	9.0%	8.0%
	Bloomberg Barclays U.S. Aggregate Bond	0.0%	5.0%	10.0%	16.0%	22.0%	29.0%	31.0%	30.0%	30.0%	28.0%	15.0%
	Bloomberg Barclays U.S. TIPS	0.0%	2.0%	3.0%	4.0%	4.0%	4.0%	9.0%	13.0%	11.0%	14.0%	15.0%
Foreign Bonds	CitiGroup Non-U.S. World Gov't Bond	0.0%	1.0%	3.0%	4.0%	5.0%	6.0%	6.0%	5.0%	5.0%	3.0%	0.0%
Money Market	3-month T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.0%	23.0%	50.0%

Each underlying investment fund's return objective is to equal or exceed, over a five-year rolling period, the return of the applicable benchmark. Volatility, measured by the standard deviation of quarterly returns over that period, is expected to be similar to the benchmark. Each underlying investment fund is also expected to perform favorably relative to its peer group.

To the extent that the assets of a Portfolio are invested in one or more underlying investment funds approved by the Treasurer having investment objectives consistent with the above-noted asset allocation categories, the above-noted percentage guidelines shall be deemed satisfied. This shall be the case even if such underlying investment fund's underlying assets may not be entirely invested in the asset class in which such underlying investment fund has been placed.

Individual Fund Portfolios

Participants in the Program open their Accounts through registered broker-dealers and other financial advisors. As a result, the Treasurer deems it appropriate to offer individual funds as separate Portfolios in the Program. The Individual Fund Portfolios and underlying investment funds the Treasurer selects will be described in the Program's current Program Disclosure Statement and may include the following asset classes:

Asset Class	Benchmark
Money Market	3 Month T-Bill
Ultra Short Bond	Bloomberg Barclays U.S. Gov't/Credit 1-3yr Index
Low Duration	ML 1-3 Treasury Index
Corporate Bond	Bloomberg Barclays U.S. Credit Index
Intermediate Bond	Bloomberg Barclays U.S. Aggregate Bond Index
Foreign Bonds	Citigroup Non-U.S. World Government Bond Index
U.S. TIPS	Bloomberg Barclays U.S. TIPS Index
Balanced	Bloomberg Barclays U.S. Aggregate Bond Index; S&P 500; MSCI EAFE
Large Cap Value	Russell 3000 Value Index, Russell 1000 Value Index
Large Cap Growth	Russell 1000 Growth Index
Large Cap Blend	Russell 1000 Index, S&P 500
Mid-Cap Value	Russell 2500 Value Index
Mid-Cap Growth	Russell Mid-Cap Growth Index
Mid-Cap Blend	Wilshire 4500 Index
Small-Cap Value	Russell 2000 Value Index
Small-Cap Growth	Russell 2000 Growth Index
Small-Cap Blend	Russell 2000 Index
Foreign Stock	MSCI EAFE, MSCI World ex U.S. Small Cap, and MSCI Emerging Markets
Socially Responsible	S&P 500
Real Estate	DJ Wilshire Real Estate Securities

8.0 Female- and Minority-Owned Portfolios

The Program has included the Female- and Minority-Owned Portfolios for participants who would like to have a more diverse set of investment options. The female- and minority-owned underlying investment funds utilized in the program were screened on the following initial criteria: (1) firms with at least 50% female and/or racial minority ownership or (2) funds that have a female and/or racial minority investment manager that makes the portfolio management decisions (i.e., a minority-owned subadvisor), and (3) funds that delivered above median returns over a 3-year and/or 5-year

time period. The female- and minority-owned options provided in the program include relatively high scoring female- and minority-owned investment managers representing a diverse set of asset classes.

Contributions will be invested in one or more of the available Portfolios, each composed of an individual investment fund, which is appropriate for the investment objective of the Portfolio. The Treasurer may change the underlying investment funds within specially designated portfolios, such as the Female- and Minority-Owned Portfolios, consistent with this Policy.

The Treasurer may also add additional portfolios – for example, a veteran- or disabled-owned and/or managed portfolio – as new viable options become available.

Illinois Growth And Innovation Fund Investment Policy

1.0 Purpose

This document sets forth the investment policy (“Policy”) for the Illinois Growth and Innovation Fund (“ILGIF”) of the Office of the Illinois State Treasurer (“Treasurer’s Office”).

The purpose of the Policy is to ensure that the Treasurer’s Office, the ILGIF Advisory Council (“Advisory Council”), as well as any contractors the Treasurer’s Office retains to provide services related to ILGIF, take prudent, measured, effective actions while supporting ILGIF. Specifically, this Policy addresses the following key areas:

- a) The investment objectives and underlying investment strategy of ILGIF;
- b) General parameters for the investment of assets in ILGIF;
- c) The roles and responsibilities of the Treasurer’s Office and any contractors retained that provide services related to ILGIF; and
- d) The processes for the performance evaluation of contractors who provide investment, administrative, advisory, and/or reporting services to the Treasurer’s Office for ILGIF.

This Policy is designed to allow for sufficient flexibility in the management oversight process to take advantage of investment opportunities as they arise, while setting forth reasonable parameters to ensure prudence and care in the execution of ILGIF.

The Treasurer’s Office establishes and executes this Policy in accordance with applicable local, State, and federal laws.

2.0 Establishment And Authority Of Entity

In August of 2002, the Illinois General Assembly passed the Technology Development Act, 30 ILCS 265/1 et seq. (the “Act”), allowing the Treasurer’s Office to segregate up to 1% of the investment portfolio to invest in Illinois venture capital firms with a goal of investing in technology businesses seeking to locate, expand, or remain in Illinois. The Act established the Technology Development Account, which serves to support Illinois technology businesses, generate acceptable returns for the State of Illinois, and strengthen Illinois’ science, technology, and business communities.

In July 2011, the Act was amended to establish a second Technology Development Account, 30 ILCS 265/11, which for the purposes of this Policy and programmatic operations, shall be referred to as ILGIF. The 2011 legislation authorizes the Treasurer’s Office to segregate an additional portion of the investment portfolio to help attract, assist, and retain quality technology businesses in Illinois. An August 2018 amendment to the Act allows the Treasurer’s Office to segregate a portion of the Treasurer’s investment portfolio, not to exceed 5% of the portfolio, in ILGIF. Assets in ILGIF may be invested by the Treasurer’s Office to provide venture capital to technology businesses, including co-investments, seeking to locate, expand, or remain in Illinois by placing money with Illinois venture capital firms for investment in technology businesses.

3.0 Definitions

- a) **“Illinois venture capital firm”** means an entity that:
 1. has a majority of its employees in Illinois or that has at least one managing partner or principal domiciled in Illinois, and that provides equity financing

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for starting up or expanding a company, or related purposes such as financing for seed capital, research and development, introduction of a product or process into the marketplace, or similar needs requiring risk capital. This includes, but is not limited to, investment funds or fund managers classified as venture capital, mezzanine, buyout, or growth; or

2. that has a “track record” of identifying, evaluating, and investing in Illinois companies and that provides equity financing for starting up or expanding a company, or related purposes such as financing for seed capital, research and development, introduction of a product or process into the marketplace, or similar needs requiring risk capital.
- b) **“Track record”** means having made, on average, at least one (1) investment in an Illinois company in each of its funds if the Illinois venture capital firm has multiple funds, or at least two (2) investments in Illinois companies if the Illinois venture capital firm has only one fund. The Treasurer’s Office is authorized to invest up to 15% of ILGIF assets in venture capital firms headquartered outside of Illinois, but with a “track record” of investing in Illinois companies.
 - c) **“Venture capital”** means equity financing that is provided for starting up, expanding, or relocating a company, or related purposes such as financing for seed capital, research and development, introduction of a product or process into the marketplace, or similar needs requiring risk capital. This includes, but is not limited to, financing classified as venture capital, mezzanine, buyout, or growth.
 - d) **“Technology businesses”** means a company that has as its principal function the providing of services including computer, information transfer, communication, distribution, processing, administrative, laboratory, experimental, developmental, technical, or testing services; manufacture of goods or materials; the processing of goods or materials by physical or chemical change; computer related activities; robotics, biological or pharmaceutical, industrial activities; or technology-oriented or emerging industrial activity.
 - e) **“Illinois companies”** are companies that are headquartered or that otherwise have a significant presence in the State of Illinois at the time of initial or follow-on investment.
 - f) **“Significant presence”** means at least one (1) physical office and one (1) full-time employee within the geographic borders of Illinois. A “physical office” may include a professional workplace, a co-working location, or a home office.

4.0 Investment Objectives

The Treasurer’s Office maintains a number of underlying objectives for the investment of monies from ILGIF in accordance with the Act, including the following:

- a) **Performance** – ILGIF has a dual objective of achieving good performance and developing technology businesses in Illinois. ILGIF will endeavor to make investments in Illinois venture capital firms in order to attract, assist, and retain quality technology businesses in Illinois. It is expected that the returns generated by ILGIF will be sufficient to compensate the Treasurer’s Office for the long-term and illiquid commitments associated with these investments.

Recognizing the long-term nature of these investments, this relative performance will be measured over a period of multiple market cycles. As a result, the Treasurer's Office has adopted a long-term total return strategy for ILGIF investments. As such, ILGIF assets will be managed on a total return basis. While the Treasurer's Office recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally remunerated with compensating returns in the long term.

To evaluate performance, the Treasurer's Office will use both a target Internal Rate of Return (IRR) and benchmarking. The goal will be to create and utilize a customized benchmark that incorporates benchmark data from the Cambridge All Private Equity (PE) benchmark service and Preqin. As ILGIF's asset mix becomes apparent during the commitment period, a review shall be conducted to assess whether use of a blended benchmark is more appropriate for performance measurement purposes. Furthermore, the Investment Advisor shall perform and report benchmark comparisons against pertinent public market equivalents (PMEs).

- b) **Diversification** – In order to achieve ILGIF investment objectives, investments shall be diversified so as to minimize the risk of loss. A long-term focus on investment results, as well as prudent diversification and active oversight, will be the primary risk control mechanisms. Diversification shall chiefly be considered along the following lines: (1) strategy; (2) industry sector; (3) size of investment; (4) investment stage; (5) vintage year; (6) geographic location; (7) fund managers; (8) underlying portfolio companies; and (9) business model.
- c) **Strategy Classifications** – ILGIF investments may be classified by strategy, including, but not limited to the following:
 - 1. Venture Capital;
 - 2. Mezzanine;
 - 3. Buyout – Acquisition; and
 - 4. Growth.
- d) **Small Business Investment Companies** – There is a goal to invest monies in qualified fund managers that participate in the U.S. Small Business Administration's (SBA) Small Business Investment Companies (SBIC) Program (15 U.S.C. Chpt. 14B), because of the SBA's commitment of up to \$2 of debt for every \$1 an SBIC raises from investors, subject to a cap of \$150 million.
- e) **Cost-Efficiency and Fee Transparency** – The Treasurer's Office, the Advisory Council, and its contractors shall seek to minimize any fees or costs that diminish from the total assets or value of ILGIF. Furthermore, the Treasurer's Office and its contractors shall strive to achieve full transparency by delineating fees and expenses.
- f) **Encouraging Additional Investments and Investor Focus in Illinois Technology Businesses** – The Treasurer's Office, the Advisory Council, and any contractors servicing ILGIF shall encourage the investment and philanthropic community to explore and monitor investment opportunities in Illinois technology businesses in tandem with the Treasurer's Office. This may include hosting investor forums, facilitating meetings between investors and the Treasurer's Office, or various other efforts.

- g) **Diversity among Fund Managers** – In addition to the pursuit of venture capital firms with a significant presence in Illinois, pursuant to 15 ILCS 505/30, it shall be an aspirational goal of the Treasurer, the Advisory Council, and any contractors servicing ILGIF to use fund managers that are more than 50% owned by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability for not less than 25% of the total dollar amount of moneys allocated to fund managers in ILGIF.

To the greatest extent feasible within the bounds of financial and fiduciary prudence, it shall be the policy of the Treasurer, the Advisory Council, and any contractors servicing ILGIF to identify, recruit, and recommend fund managers, and to remove any barriers to the full participation of fund managers, that are more than 50% owned by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability.

The terms “minority person” “woman” “person with a disability” “minority-owned business” “women-owned business” “business owned by a person with a disability” and “control” have the meanings provided in Section 1 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575). The terms “veteran” “qualified veteran-owned small business” “qualified service-disabled veteran-owned small business” “qualified service-disabled veteran”, and “armed forces of the United States” have the meanings provided in Article 1 of the Illinois Procurement Code (30 ILCS 500).

- h) **Diversity among Portfolio Companies** – The Treasurer’s Office, the Advisory Council, and any contractors servicing ILGIF shall seek to identify, recruit, and recommend fund managers that have demonstrated experience and/or an express ability to invest in (a) portfolio companies that are more than 50% owned and/or managed by minorities, women, military veterans, or persons with a disability, and/or (b) portfolio companies geographically located in diverse communities or low-to-moderate income (“LMI”) communities. A company is in an LMI area if it has an office in a census tract deemed “underserved,” with 20% or more of the population beneath the poverty line or earning a median family income of 80% or less than the metropolitan area’s median family income (per the standards of the Federal Financial Institutions Examination Council).
- i) **Green Technology Investments** – Within the stated investment objectives of this Policy, the Treasurer’s Office, the Advisory Council, and any contractors servicing ILGIF shall seek to identify, recruit, and recommend fund managers that have demonstrated experience and/or an express ability to invest in “green technology” businesses located in Illinois. “Green technology” means technology that (a) promotes clean energy, renewable energy, or energy efficiency, (b) reduces greenhouse gases or carbon emissions, or (c) involves the invention, design, and application of chemical products and processes to eliminate the use and generation of hazardous substances.
- j) **Opportunity Zone Investments** – The Treasurer’s Office, the Advisory Council, and any contractors servicing ILGIF shall seek to identify, recruit, and recommend qualified fund managers that invest in Opportunity Zones, in Opportunity Funds offered through the Tax Cuts and Job Act signed into law on December 22, 2017. An “Opportunity Fund” is any investment vehicle organized as a partnership to invest in opportunity zones that holds at least 90% of its assets in opportunity zone assets.

- k) **Sustainability Factors** – The Treasurer’s Office, the Investment Advisor, the Advisory Council and any other contractors servicing ILGIF have a responsibility to recognize and evaluate risk factors that may have a material and relevant financial impact on the safety and/or performance of ILGIF investments. Thus, consistent with achieving the investment objectives set forth herein, the Treasurer’s Office, the Investment Advisor, the Advisory Council, and any contractors shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, due diligence, and investment ownership in order to maximize anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duty.

The sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and helps assess the reliability of future cash flows and debt repayments. Sustainability accounting has both confirmatory and predictive value, thus, it can be used to evaluate past performance and be used for future planning and decision-making. As a complement to financial accounting, it provides a more complete view of an investment fund or portfolio company’s performance on material factors likely to impact its long-term value.

Sustainability factors may include, but are not limited to, the following:

- (1) Corporate governance and leadership factors, such as the independence of boards and auditors, the expertise and competence of corporate boards and executives, systemic risk management practices, executive compensation structures, transparency and reporting, leadership diversity, regulatory and legal compliance, shareholder rights, and ethical conduct.
- (2) Environmental factors that may have an adverse or positive financial impact on investment performance, such as greenhouse gas emissions, air quality, energy management, water and wastewater management, waste and hazardous materials management, and ecological impacts.
- (3) Social capital factors that impact relationships with key outside parties, such as customers, local communities, the public, and the government, which may impact investment performance. Social capital factors include human rights, customer welfare, customer privacy, data security, access and affordability, selling practices and product labeling, community reinvestment, and community relations.
- (4) Human capital factors that recognize that the workforce is an important asset to delivering long-term value, including factors such as labor practices, responsible contractor and responsible bidder policies, employee health and safety, employee engagement, diversity and inclusion, and incentives and compensation.
- (5) Business model and innovation factors that reflect an ability to plan and forecast opportunities and risks, and whether a company can create long-term shareholder value, including factors such as supply chain management, materials sourcing and efficiency, business model resilience, product design and life cycle management, and physical impacts of climate change.

Sustainability factors may be analyzed in a variety of ways, including, but not limited to: (1) direct financial impacts and risks; (2) legal, regulatory, and policy impacts and risks; (3) against industry norms, best practices, and competitive drivers; and (4) stakeholder engagement.

Sustainability factors shall be implemented within a framework predicated on the following:

1. Prudent integration of material sustainability factors as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership given that these tangible and intangible factors may have material and substantive financial impacts as well as non-financial impacts;
2. Recurring evaluation of sustainability factors to ensure the factors are relevant to ILGIF and the evolving marketplace;
3. Attentive oversight of investment holdings to encourage the advancement of sustainability accounting and disclosure through engagement with entities, such as investment funds, investment holdings, portfolio companies, government bodies, and other organizations, and move the marketplace toward more prudent sustainability investment practices; and
4. Consideration of other relevant factors such as legal, regulatory, and reputational risks that enable an optimal risk management framework and supports long-term investment value.

5.0 Investment Parameters

- a) Commitment Amount – No more than 5% of the balance of the State investment portfolio, which shall be calculated as: (1) the balance at the inception of the State’s fiscal year; or (2) the average balance in the immediately preceding 5 fiscal years, whichever number is greater (“TDA IIa account balance”), shall be invested in ILGIF.
- b) Re-Investment of Distributions – Distributions from ILGIF may be re-invested into ILGIF by the Treasurer’s Office without being counted against the 5% cap on monies invested in ILGIF. The re-investment does not need to occur in the same fund.
- c) Fund-of-Funds Approach – ILGIF investments shall be spread across multiple venture capital firms based in Illinois and/or venture capital firms with a track record of investing in Illinois companies.
- d) 85% in Illinois Venture Capital Firms – At least 85% of ILGIF assets shall be invested in Illinois venture capital firms. The Treasurer’s Office is authorized to invest up to 15% of ILGIF in venture capital firms headquartered outside of Illinois, but with a track record of investing in Illinois companies.
- e) Cap on the Amount Invested in Individual Funds – No more than 15% of the total TDA IIa account balance shall be invested in any individual fund.
- f) 2x Investment from Venture Capital Fund Managers in Illinois Companies – Any fund in which the Treasurer’s Office places money under ILGIF shall invest a minimum of twice the aggregate amount of investable capital that is received from the Treasurer’s Office in Illinois companies during the life of the fund. Investable capital is calculated as committed capital, as defined in the firm’s applicable fund’s governing documents, less related estimated fees and expenses to be incurred during the life of the fund. For instance, if the Treasurer’s Office invests \$5 million in an ILGIF recipient fund, the recipient fund must invest at least \$10 million in Illinois companies over the life of the fund.

1. Non-Compliance – If, as of the earlier to occur of (a) the fourth year of the investment period of any ILGIF recipient fund or (b) when that ILGIF recipient fund has drawn more than 60% of the investable capital of all limited partners, an ILGIF recipient fund has failed to invest the minimum amount required in Illinois companies, then the Treasurer’s Office shall provide written notice to the manager of that fund, seeking compliance with the minimum amount requirement. If, after 180 days of receipt of notice, the ILGIF recipient fund has still failed to invest the minimum amount required in Illinois companies, then the Treasurer’s Office may elect, in writing, to terminate any further commitment to make capital contributions to that fund.
- h) Underlying Funds – The following investment considerations apply to all underlying as well as prospective recipient funds:
1. Utilize reputable service providers in their administration of their legal, accounting, technology, and other various needs.
 2. Provide audited financials within 150 days of fiscal year-end.
 3. Demonstrate a commitment to diversity, both amongst their staff and their portfolio companies.
- i) Minimum Fund Size – ILGIF investments shall have a minimum fund size of \$5 million, although, the Treasurer’s Office reserves the ability to grant exceptions to funds that are below the \$5 million fund size minimum based on the fund’s ability to significantly exceed one or more of the investment objectives set forth in Section 4.0, above.
- j) Co-Investments – This Policy authorizes the use of co-investments. Co-investments shall be made on the same (or better) terms and conditions as provided to the partnership.

Co-investments can only be made in investments that have received investments or commitments from a recognized, proven, uninvolved third-party lead investor who sets the terms and conditions and provides at least twice (2x) the amount of investment capital as ILGIF.

The maximum amount of each commitment shall not exceed the greater of 5% of the TDA Ila account balance or \$35 million per fund and will also not exceed the greater of 10% of the TDA Ila account balance or \$70 million per a single parent company. The Investment Advisor, in conjunction with the External Investment Consultant, will review and provide a concrete recommendation for each co-investment opportunity. Due diligence, reporting, and all other responsibilities shall be consistent, appropriate, and abide by the requirements set forth for ILGIF investments in this Policy.

Co-investments are limited to fund investing in Illinois (the business activities of the co-investment must be primarily in the State of Illinois) and to growth and buyout strategy classifications. Co-investments may take the form of equity, convertible preferred equity, or a comparable instrument, which provides an equity-type of return. Funds in the co-investment fund shall be accounted for separate and apart from moneys in the ILGIF and Treasurer’s Office.

6.0 Investment Roles And Responsibilities

a) Treasurer's Office

The Treasurer's Office exercises authority and control over the management of ILGIF, by setting policy and procedures which the staff of the Treasurer's Office executes either internally or through the use of contractors.

Key roles and responsibilities include, but are not limited to:

1. **Investment Policy** – The Treasurer's Office is responsible for this Policy and shall review this Policy at least annually to ensure accuracy and continued relevance.
2. **Oversight** – The Treasurer's Office is responsible for the direction of investments and administration of the assets of ILGIF.
3. **Contractors** – In order to properly carry out its responsibilities, the Treasurer's Office may use one or more contractors to assist in the administration of ILGIF.
4. **Performance and Fee Monitoring** – The Treasurer's Office will review the investment performance of each ILGIF recipient fund, as well as the fees, on a quarterly or annual basis.
5. **Due Diligence** – The Treasurer's Office will monitor investments and participate in operational due diligence activities in coordination with the contractors retained to assist in the administration of ILGIF.
6. **Accounting** – ILGIF assets must be kept and accounted for separately from moneys in the Treasurer's Office. The Treasurer's Office will execute investment valuation procedures in compliance with Statement No. 72, Fair Value Measurement and Application, February 2015 of the Governmental Accounting Standards Board of the Financial Accounting Foundation, evaluating available inputs for investments to determine the input level most applicable.

The Treasurer's Office maintains an Investment Policy Committee that is chaired by the Treasurer and includes the following members of the Treasurer's staff: Deputy Treasurer & Chief Investment Officer, Chief of Staff, Chief Financial Products Officer, Chief Legislative and Policy Officer, General Counsel, Director of State Investments and Banking, Director of Investment Analysis and Due Diligence, Director of Fiscal Operations, Director of IPTIP Investments, Director of ePAY and The Illinois Funds, the Portfolio Investments & Cash Management Officer, and anyone else deemed appropriate by the Treasurer. The Investment Policy Committee will perform oversight and advisory duties on behalf of the Treasurer's Office to support ILGIF, including, but not limited to:

1. Monitoring and providing insight into the construction and overall strategy of the investment portfolio;
2. Reviewing and providing insight into the investment policies, objectives, parameters, responsibilities, benchmarks, or management structure as appropriate;
3. Monitoring investment performance results and associated costs/fees on a quarterly basis;

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4. Providing guidance and feedback regarding the suitability of prospective investment funds that are recommended for receipt of ILGIF monies;
5. Monitoring and evaluating the performance and continuing appropriateness of each fund manager;
6. Assisting in the evaluation of the Investment Advisor, External Investment Consultant, and any other external parties hired to service ILGIF; and
7. Providing general commentary, perspective, and insights regarding market conditions in the venture capital and entrepreneurial community.

b) Investment Advisor

Should the Treasurer's Office decide to rely on an Investment Advisor to provide investment, administrative, and reporting services, chief responsibilities of such contractor shall include, but not be limited to:

1. **Implementation of Investment Strategy** –The Investment Advisor shall implement, at the direction of the Treasurer, the investment strategy and portfolio allocation in accordance with this Policy.
2. **Evaluation of Recipient Funds** – The Investment Advisor may advise and provide fund evaluations to the Treasurer's Office, taking into consideration the investment policy and objectives set forth in this Policy. This may include the screening of venture capital and private equity firms and their associated investment funds, including the screening of qualified fund managers that participate in the SBIC program. In addition, as outlined in Section 4.0 of this Policy, the Investment Advisor shall seek to identify, recruit, and recommended (a) qualified fund managers that are more than 50% owned and/or managed by minorities, women, military veterans, or persons with a disability, (b) qualified fund managers that have demonstrated experience and/or an express ability to invest in portfolio companies that are more than 50% owned and/or managed by minorities, women, military veterans, or persons with a disability or portfolio companies geographically located in diverse communities or LMI communities, (c) qualified fund managers that have demonstrated experience and/or an express ability to invest in "green technology" businesses located in Illinois, and (d) qualified fund managers that integrate sustainability factors into investment analysis, portfolio construction, and due diligence.

While the Investment Advisor will have the responsibility to seek, recruit, screen, evaluate, and recommend funds or venture capital firms for investment through ILGIF, the Treasurer's Office reserves the right to reject recommendations to funds or venture capital firms.

3. **Due Diligence** – The Investment Advisor is responsible for fund manager due diligence, which includes, but is not limited to, research, financial analysis, and legal, accounting, and background investigations of fund managers. The Investment Advisor will undergo due diligence activities in coordination with the Treasurer's Office and the External Investment Consultant.
4. **Fund Monitoring** – The Investment Advisor is responsible for monitoring the performance of ILGIF recipient funds, tracking the diversification of investments

and the amounts invested by recipient funds, and reconciling all reporting and accounting requirements of portfolio companies and recipient funds.

5. **Benchmarking** – The Investment Advisor is responsible for establishing applicable investment benchmarks (including public market equivalents), measuring the performance of recipient funds against set benchmarks, and reviewing benchmarks.
6. **Reporting** – The Investment Advisor is responsible for administering all pertinent reporting and recordkeeping duties of this Policy and the Act.
7. **Quarterly Meetings** – The Treasurer’s Office and the Investment Advisor shall meet at least quarterly to review fund performance as compared to applicable benchmarks and peer group performance.
8. **Annual Report** – The Investment Advisor will prepare and provide the Treasurer’s Office with an annual report that (a) contains a summary of recipient fund performance, (b) outlines the impact on Illinois companies and the Illinois economy, (c) delineates percentages and amounts of investment options/returns, and (d) notes other pertinent reporting information that illustrates ILGIF impact and pertinent developments.
9. **Webpage** – The Investment Advisor will create and maintain a publicly accessible webpage dedicated to ILGIF. The webpage shall feature a standardized submission process that allows Illinois-based, profit-driven entrepreneurial ventures to submit their endeavors for seed capital/funding consideration to the Investment Advisor. The Investment Advisor will maintain a list of submissions and make them available to the specific recipient funds. The webpage will also feature information on the purpose, impact, and general performance of ILGIF and its investments. This may include quarterly or annual reports, content that showcases the economic impact of the program, or documents that demonstrate compliance with reporting requirements. The Investment Advisor and all other pertinent contributors shall treat the information reported by recipient funds as confidential proprietary information that cannot be shared publicly.
10. **Communication and Liaison Duties** – The Investment Advisor shall create and distribute program information to existing and prospective venture capital funds and portfolio companies.
11. **Encouraging Additional Investments and Investor Focus in Illinois Technology Businesses** – The Investment Advisor, working independently as well as in active collaboration with the Treasurer’s Office, shall make a concerted effort to encourage the investment and philanthropic community to explore and monitor investment opportunities in Illinois technology businesses in tandem with the Treasurer’s Office. This may include hosting investor forums, facilitating meetings between investors and the Treasurer’s Office, or various other efforts.
12. **General Resource** – The Investment Advisor will serve as a general resource to the Treasurer’s Office and its consultants for information, guidance, and training regarding investment, reporting, fund vetting and management, portfolio company valuation, and marketing strategies.

13. **Other duties as assigned by the Treasurer's Office** – In managing the investments of ILGIF and recipients' funds, the Investment Advisor shall act with the skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives. Responsibilities are subject to contractual terms agreed upon between the Treasurer's Office and the Investment Advisor.

c) **External Investment Consultant**

The Treasurer's Office may engage an External Investment Consultant that will perform a number of advisory and reporting duties to support ILGIF, including, but not limited to the following:

1. Measuring investment performance results and associated costs/fees on a quarterly basis (at a minimum), evaluating the investment program, and advising the Treasurer's Office as to the performance and continuing appropriateness of each investment manager;
2. Participating in quarterly due diligence meetings with the Treasurer's Office;
3. Recommending modifications to the investment policies, objectives, parameters, responsibilities, benchmarks, or management structure as appropriate;
4. Assisting in the selection and evaluation of the Investment Advisor, including providing guidance in identifying and negotiating an acceptable fee structure;
5. Assisting in the identification, selection, and evaluation of recipient funds and venture capital firms, applying a specific focus to identify funds and venture capital firms with a significant presence in Illinois and/or an ownership and/or management status regarding minority, woman, veteran, or disabled status; and
6. Promptly informing the Treasurer's Office about significant matters pertaining to ILGIF.

d) **ILGIF Advisory Council**

There is hereby established the ILGIF Advisory Council ("Advisory Council"), which shall consist of individuals that possess knowledge and expertise in the venture capital and private equity industry. The Treasurer shall serve as an ex officio member of the Advisory Council and may appoint additional designees from his office to serve on the Advisory Council on a temporary basis. All members of the Advisory Council shall serve at the pleasure of the Treasurer.

The Advisory Council will perform a number of consultative and outreach duties to support ILGIF, including, but not limited to:

1. **Identification of Potential Fund Managers** – The Advisory Council will assist in identifying and recruiting suitable fund managers for vetting, due diligence and review by the Investment Advisor;
2. **Review of Fund Recommendations** – The Advisory Council will provide insight and perspective to the Treasurer's Office regarding the funds that the

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Treasurer's Office has invested in;

3. **Portfolio Construction and Strategy** – The Advisory Council will provide feedback into the construction and overall strategy of the investment portfolio;
4. **Investment Performance and Market Conditions** – The Advisory Council will provide general commentary, perspective, and insights to the Treasurer's Office in regard to the aggregate investment performance of ILGIF and market conditions in the venture capital and entrepreneurial community; and
5. **Outreach and Civic Engagement** – The Advisory Council will serve as a general resource to the entrepreneurial, venture capital, and technology business community, actively collaborating with the Treasurer's Office and the Investment Advisor to provide stakeholders and members of the public with information on the purpose, operation, and impact of ILGIF.

Advisory Council members shall administer the affairs of the Advisory Council in good faith and will comply with all applicable laws, rules, agreements and policies pursuant to membership. This obligation includes but is not limited to any confidentiality agreements signed by ILGIF Advisory Council members.

Advisory Council members shall use their best efforts to avoid any actual or perceived conflict of interest as related to any recommendations or input provided to the Treasurer's Office and its staff.

For all purposes, including compliance with the Open Meetings Act, 5 ILCS 120/1 et seq., five (5) members of the Advisory Council shall constitute a quorum.

7.0 Reporting Requirements

In accordance with the Act, the Treasurer's Office is required to obtain reports with information from all ILGIF recipient funds on all investments. In order to fulfill these duties, the Investment Advisor shall track, aggregate, and report specific data and information to the Treasurer's Office on a quarterly or annual basis, as determined by the Treasurer for all ILGIF investments. Not only is this intended to ensure compliance with pertinent statutes, but it will enable the Treasurer's Office and the State of Illinois to obtain a more precise, comprehensive read on the outcomes and impact of ILGIF.

Key reporting components include, but are not limited to the following:

- a) The aggregate amount of capital that is invested in Illinois companies by ILGIF recipient funds during the life of the recipient fund (placed side-by-side with the amount of capital that is invested in the recipient fund from ILGIF to ensure the fund is meeting the 2x requirement by the sooner of four years, or when the fund has drawn more than 60% of the capital of all limited partners);
- b) The names of portfolio companies within recipient funds;
- c) The addresses of portfolio companies within recipient funds;
- d) The date of the initial and any follow-on investments;
- e) The cost of the investment, including all pertinent fees;

- f) The current fair market value of the investment;
- g) For Illinois companies within recipient funds, the number of Illinois employees on the investment date;
- h) For Illinois companies within recipient funds, the current number of Illinois employees;
- i) The annual revenue generated by portfolio companies within recipient funds;
- j) The annual State taxes paid by participating funds and portfolio companies; and
- k) The ownership and/or management status of recipient funds and portfolio companies with regard to minority, women, veteran, or disabled status.

The Investment Advisor will be required to ensure standardization of reporting across all recipient funds.

In order to maintain sound accounting and financial reporting processes in accordance with generally accepted accounting principles, ILGIF investments and disclosures must be tracked and reported at fair market value.

The Treasurer's Office shall execute ILGIF investment valuation procedures in compliance with GASB Statement 72, completing and maintaining pertinent input level review documents.

The Investment Advisor shall provide quarterly reports to the Treasurer's Office no later than one-hundred-and-twenty (120) days of the final day in the pertinent quarter.

The Investment Advisor shall provide fiscal year-end reports to the Treasurer's Office no later than one-hundred-and-fifty (150) days of the final day in the pertinent year.

If feasible, the Investment Advisor shall provide an audited financial report covering all of the investments in ILGIF to the Treasurer's Office annually.

Quarterly and annual financial statements from recipient funds shall follow Financial Accounting Standards Board (FASB) topics 820 and 946.

The Treasurer's Office supports and has subsequently adopted the fee reporting template established by the Institutional Limited Partners Association into its reporting efforts.

Penalties for the Investment Advisor's violation of this Policy and its reporting requirements may include, but are not limited to, a verbal warning, a written warning, withheld payment, or termination of the Investment Advisor's contract.

Any written information prepared, owned, used or retained by the Treasurer with respect to an ILGIF Recipient Fund may be subject to disclosure pursuant to the Illinois Freedom of Information Act, 5 ILCS 140/1 et seq.

8.0 Best Practices

As a fiduciary, the Treasurer's Office seeks transparency, good governance practices, and alignment of interests when investing ILGIF funds. Although the Treasurer's Office will examine any and all fund terms on a case-by-case basis, the principles set forth in this section provide a general framework for discussing prospective fund partnership investments and are designed to improve the long-term

benefits of the program. These principles are intended to promote thought-leadership, consistency, and equity in the development of partnership agreements and in the management of funds by aligning the interests of general partners with limited partners, improving fund governance, and increasing the transparency of fees. As such, best practices for consideration may include, but not be limited to the following:

- a) **Carried Interest:** There should be a strong alignment of interest between the General Partner (“GP”) and Limited Partners (“LPs”) such that carried interest should be the primary motivator for investment success and profit creation for the GP. ILGIF believes that the GP should be entitled to market-based carried interest after the return of contributed capital, including management fees and fund-level expenses. Preferred returns (net of profits) are an appropriate mechanism to ensure GPs are seeking to drive above market investment returns before generating carried interest.
- b) **Management Fees:** Management fees should be market-based and reflect the fund size, team size, and operation needs of a specific manager. Budget-based fees are a preferred mechanism of ensuring a strong alignment of interest between GP and LP and that carried interest is the primary means of profit generation for the GP. Management fees should follow the J-curve of a private equity fund and step down gradually over time as successor fund(s) are formed. Management fees should be inside the fund.
- c) **Expenses:** Placement agent fees and insurance expenses should be borne solely by the general partner. Transaction fees and other fees (e.g., monitoring, directors’ fees, advisory fees, etc.) should be offset 100% against management fees to ensure an alignment of interest between GP and LPs.
- d) **General Partner Commitment:** The general partner should have a substantial equity interest in the fund to maintain a strong alignment of interest with the limited partners, and a high percentage of the amount should be in cash as opposed to being contributed through the waiver of management fees. The general partner should not seek to transfer a material portion of its interest in the general partnership entity, unless for estate/tax planning purposes to an affiliated entity.
- e) **Standard for Multiple Product Firms:** Key-persons should devote substantially all their business time to the fund and its parallel vehicles. No general partner or any principal may close or act as general partner for a fund with substantially equivalent investment objectives and policies until after the investment period ends, or the fund is invested, expended, committed or reserved for investments and expenses. The general partner should not invest in opportunities that are appropriate for the fund through other investment vehicles unless such investment is made on a pro-rata basis under pre-disclosed co-investment agreements established prior to the close of the fund.

9.0 Exceptions To This Policy

The Treasurer’s Office shall review exceptions to this Policy to ensure activities remain relevant and appropriate with the intent of the Act, this Policy, and prudent investment standards.

10.0 Policy Review

The Treasurer’s Office shall review this Policy at least once every year to ensure that it remains relevant and appropriate.

Appendix A:

As of the date of approval of this Policy, the following firms have been retained and authorized:

Investment Advisor: 50 South Capital

External Investment Advisor: Marquette Associates

Law firm and other subcontractors providing services valued at \$50,000 or more will be required to receive approval from the Treasurer's Chief Procurement Officer.

Illinois Achieving A Better Life Experience Program Investment Policy Statement

1.0 Statement of Purpose of Investment Policy

The purpose of this Investment Policy Statement (the “Policy”) is to assist contractors retained by the Achieving a Better Life Experience Program Alliance (the “Consortium”) to provide services related to the management of the assets of the Illinois Achieving a Better Life Experience (“ABLE”) pool that are contributed to the Illinois Achieving a Better Life Experience program (the “Program”) and to assist the Consortium in evaluating the performance of such contractors by:

- Describing the Consortium’s investment objectives;
- Providing general guidelines for the investment of assets of the Program;
- Describing the Consortium’s long-term investment strategy;
- Describing the process of evaluating the performance of employees or contractors that provide investment management services to the Program; and
- Specifying the responsibilities of any contractors that provide investment management services to the Program.

This is the official Policy of the Program. Deviation from this Policy is not permitted without prior, explicit, written permission from the Consortium.

2.0 Establishment and Authority of Entity

The Illinois Achieving a Better Life Experience program has been established as part of Illinois’ State Treasurer Act, 15 ILCS 505 (“Act”). The Act creates ABLE account program to encourage and assist individuals and families in saving private funds for the purpose of supporting persons with disabilities in endeavors to maintain health, independence, and quality of life, and to provide secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, federal and State medical and disability insurance, the beneficiary’s employment, and other sources.

3.0 Investment Philosophy

The Illinois State Treasurer’s Office, as a member of the Consortium, has adopted a long-term total return strategy for the Program and its investments. In order to achieve the Program’s objectives, investments shall be diversified so as to minimize the risk of loss. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. A long-term focus on investment results as well as prudent diversification across public security markets will be the primary risk control mechanisms.

In its investment strategy, the Consortium has relied on prevailing financial theory, which currently utilizes a long-term diversified asset allocation strategy. A prudently allocated investment program possesses a significant level of diversification, which produces risk reduction. In terms of impact, diversification shall be considered along the following lines: (1) asset classes (stocks, bonds, cash, etc.); (2) geography/country; (3) industry; and (4) maturity.

Contributions to the Program will be directed to one or more of the available Target Portfolios (“Portfolios”), each composed of a designated mix of investments funds. The determination of the investment parameters of each Portfolio shall be made by the Consortium and shall take into account the financial characteristics of the investments in the Program. The investment parameters

will also give due consideration to the fact that the investment horizon for participants will vary from a few months to over 25 years.

The Illinois State Treasurer's Office will review the investment performance of each Portfolio at least quarterly and shall review this Policy at least annually.

The holdings of the Program and the Portfolios are divided into the following broad asset categories:

- Short-Term Investments
- Domestic Fixed Income Investments
- International Fixed Income Investments
- Domestic Equity Investments
- International Equity Investments
- Real Estate Investments

The Consortium will establish reasonable guidelines for each Portfolio, specifying (as applicable) limits on asset and asset class exposures, risk constraints and investment return objectives. While the investment parameters offered under the Program are developed by the Consortium, participants bear the risk of investment results.

The administration and offering of the Program should not be relied upon as a guarantee to participants. Each participant should seek appropriate advice as he or she deems necessary.

Consistent with achieving the foremost investment objectives of the Treasurer set forth herein, the Treasurer will prudently exercise investment stewardship to maximize anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duty. Sustainability factors shall be implemented within such a framework predicated on the following:

- a) Prudent integration of material sustainability factors, including, but not limited to (1) corporate governance and leadership factors, (2) environmental factors, (3) social capital factors, (4) human capital factors, and (5) business model and innovation factors, as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership, given that these tangible and intangible factors may have material and relevant financial impacts;
- b) Recurring evaluation of sustainability factors to ensure the factors are relevant and decision-useful to the Program and the evolving marketplace;
- c) Attentive oversight of investment holdings to encourage the advancement of sustainability accounting and disclosure through the exercise of proxy voting rights and engagement with entities – such as investment funds, investment holdings, portfolio companies, government bodies, and other organizations – and move the marketplace toward more prudent, sustainable business practices; and
- d) Consideration of other relevant factors such as legal, regulatory, and reputational risks that enable an optimal risk management framework and supports long-term investment value.

4.0 Investment Objectives

The overall investment program for the Program and, as applicable, the Portfolios provided to the participants shall seek to achieve the following long-term investment objectives:

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- A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section 7.0 hereof; and
- An investment program flexible enough to meet the needs of participants based upon their age or investment objective and which provides each individual with the ability to invest in a diversified portfolio to meet his or her long-term investment goals.

5.0 Investment Responsibilities

The Consortium is responsible for the direction of investments and administration of the assets of the Program. In order to properly carry out his responsibilities, the Consortium may rely on one or more contractors to assist in the administration of the Program. The Consortium will engage and plan to rely heavily on said contractor (the “Manager”) for administrative services and investment management services. Among the current responsibilities of the Manager is the implementation of the investment strategy outlined in this Policy and the rebalancing of the Target Portfolios when market movement and/or cash flows cause an asset class to be outside its policy allocation bands. With the Consortium’s approval, the Manager may retain an investment advisor to provide it with portfolio design, due diligence and ongoing monitoring services with respect to the Portfolios and the implementation of the investment strategy outlined in this policy. The Consortium and the Manager shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Program and the Portfolios, the Manager agrees that it will act with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

The Program will rely on external investment consultants for investment and administrative advisory services. The independent investment consultant will:

- Measure investment performance results, evaluate the investment program, and advise the Consortium as to the performance and continuing appropriateness of each investment manager;
- Recommend modifications to the investment policies, objectives, guidelines, or management structure as appropriate; and
- Promptly inform the Consortium regarding significant matters pertaining to the investment program.

5.1 Treasurer’s Investment Policy Committee

The Treasurer’s Office maintains an Investment Policy Committee that is chaired by the Treasurer and includes the following members of the Treasurer’s staff: Deputy Treasurer & Chief Investment Officer, Chief of Staff, Chief Financial Products Officer, Chief Legislative and Policy Officer, General Counsel, Director of State Investments and Banking, Director of Investment Analysis and Due Diligence, Director of Fiscal Operations, Director of IPTIP Investments, Director of Portfolio Risk and Analytics, Director of ePAY and The Illinois Funds, the Portfolio Investments & Cash Management Officer, and anyone else deemed appropriate by the Treasurer. The Investment Policy Committee will perform oversight and advisory duties on behalf of the Treasurer’s Office to support the Program, including, but not limited to:

- Monitoring and providing insight into the construction and overall strategy of the investment portfolio;

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- Reviewing and providing insight into the investment policies, objectives, parameters, responsibilities, benchmarks, or management structure as appropriate;
- Monitoring investment performance results and associated costs/fees on a quarterly basis;
- Providing guidance and feedback regarding the suitability of prospective investment funds that are recommended for receipt of Program monies;
- Monitoring and evaluating the performance and continuing appropriateness of each fund manager;
- Assisting in the evaluation of the Manager, external investment consultants, and any other external parties hired to service the Program; and
- Providing general commentary, perspective, and insights regarding market conditions that may impact the Program.

5.2 Preference for Investment Managers Owned by Minorities, Women, Veterans, and Persons with Disabilities

Pursuant to 15 ILCS 505/30, it shall be an aspirational goal of the Treasurer and its agents to use businesses owned by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability for not less than 25% of the total dollar amount of funds under management in the Program.

The terms “minority person”, “woman”, “person with a disability”, “minority-owned business”, “women-owned business”, “business owned by a person with a disability”, and “control” have the meanings provided in Section 1 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575). The terms “veteran”, “qualified veteran-owned small business”, “qualified service-disabled veteran-owned small business”, “qualified service-disabled veteran”, and “armed forces of the United States” have the meanings provided in Article 1 of the Illinois Procurement Code (30 ILCS 500).

To the greatest extent feasible within the bounds of financial and fiduciary prudence, it shall be the policy of the Treasurer and its agents to remove any barriers to the full participation in investment management services afforded via the Program by actively identifying and considering for hire investment managers that are owned by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability.

6.0 Risk Management

The Illinois State Treasurer’s Office shall develop internal processes and procedures to ensure that effective risk management systems are in place to monitor the risk levels of the Program. The processes shall ensure that the risks taken are prudent and properly managed, provide an integrated process for overall risk management, and assess investment returns as well as risk to determine if the risks taken are adequately compensated compared to applicable performance benchmarks and standards. The Illinois State Treasurer’s Office and the Manager shall meet quarterly to review Portfolio and underlying fund performance as compared to the applicable benchmarks and peer group performance and will review the asset allocation of each Portfolio on an annual basis.

7.0 Investment Parameters

Contributions will be invested in one or more of the available Portfolios, each composed of a designated mix of investments which is appropriate for the investment preference of the participant or the investment objective of the Portfolio. Each Portfolio may allocate assets among domestic equity, international equity, real estate, domestic and international fixed-income, and/or cash and cash equivalents. The asset allocation of each Portfolio will be established by the Consortium and managed by the Manager. The Consortium may adjust the weighting in stocks, bonds, real estate, and cash in each Portfolio and may change the underlying investment funds within the Portfolios consistent with this Policy.

The policy target asset allocations and benchmarks for the underlying investments within the Target Portfolios are shown in the following table. There is a permissible range of plus or minus 5% of the target allocation for each underlying investment fund. Please refer to Exhibit A for Target Portfolio Objectives and refer to Exhibit B for a list of underlying investment products and their corresponding benchmarks.

Target Portfolios		#1	#2	#3	#4	#5	#6
Asset Class	Benchmark	Aggressive	Moderately Aggressive	Growth	Moderate	Moderately Conservative	Conservative
Domestic Equity	S & P 500 Index	31.50%	26.25%	21.00%	15.75%	10.50%	3.50%
	S & P Completion	27.00%	22.50%	18.00%	13.50%	9.00%	3.00%
Real Estate	Dow Jones U.S. Select Real Estate Index	9.00%	7.50%	6.00%	4.50%	3.00%	1.00%
International Equity	MSCI EAFE	16.20%	13.50%	10.80%	8.10%	5.40%	1.80%
	MSCI Emerging Markets	6.30%	5.25%	4.20%	3.15%	2.10%	0.70%
Domestic Fixed Income	Bloomberg Barclays US Treasury TIPS 0-5 Yrs.	3.50%	8.75%	14.00%	19.25%	15.75%	10.50%
	Bloomberg Barclays U.S. Aggregate Bond	3.00%	7.50%	12.00%	16.50%	13.50%	9.00%
	Bloomberg Barclays U.S. Gov't/Credit 1-5yr	2.50%	6.25%	10.00%	13.75%	11.25%	7.50%
International Fixed Income	Bloomberg Barclays Global Aggregate Bond ex-US	1.00%	2.50%	4.00%	5.50%	4.50%	3.00%
Short Term Investments	3-month T-Bills	0.00%	0.00%	0.0%	0.00%	25.00%	60.00%

Each underlying investment fund's return objective is to equal or exceed, over a five-year rolling period, the return of the applicable benchmark net of fees. Volatility, measured by the standard deviation of quarterly returns over that period, is expected to be similar to the benchmark. Each underlying investment fund is also expected to perform favorably relative to its peer group.

To the extent that the assets of a Portfolio are invested in one or more underlying investment funds approved by the Consortium having investment objectives consistent with the above-noted asset allocation categories, the above-noted percentage guidelines shall be deemed satisfied. This shall be the case even if such underlying investment fund's underlying assets may not be entirely invested in the asset class in which such underlying investment fund has been placed.

8.0 Banking Option

The Program has included the option for participants for a short-term investment vehicle in the

form of a Demand Deposit Account (the “Banking Option”). The Banking Option will be an FDIC-Insured bank account whose primary objective is the preservation and safety of the principal and the provision of a stable and low-risk rate of return. This option allows the participants the ability to execute recurring transactions with greater ease. The provider for the Banking Option will be Fifth Third Bank (the “Banking Option Provider”).

The Banking Option Provider will provide monthly account statements following any month in which an account using the Account utilizing the Banking Option had financial activity. All account statements shall be sent to the respective Account Owner and any authorized agents and may be sent via /or Authorized Agents by U.S. postal mail and/or provided via website access electronic delivery, as selected specified by the Account Owner.

Exhibit A

Target Portfolio Objectives

The **Aggressive Target Portfolio** seeks to provide very aggressive capital appreciation and some current income. The fund holds 90% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 10% in bonds, allocated among domestic and international bonds. Investors with a long-term time horizon who are looking for the most aggressive growth of principal over time and who can accept stock market volatility may wish to consider this Portfolio.

The **Moderately Aggressive Target Portfolio** seeks to provide aggressive capital appreciation and some current income. The fund holds 75% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 25% in bonds, allocated among domestic and international bonds. Investors with a long-term time horizon who are looking for aggressive growth of principal over time and who can accept stock market volatility may wish to consider this Portfolio.

The **Growth Target Portfolio** seeks to provide capital appreciation and some current income. The fund holds 60% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 40% in bonds, allocated among domestic and international bonds. Investors with a long-term time horizon who are looking for growth of principal over time and who can accept stock market volatility may wish to consider this Portfolio.

The **Moderate Target Portfolio** seeks to provide moderate capital appreciation and current income. The fund holds 45% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 55% in bonds, allocated among domestic and international bonds. Investors with a long-term time horizon who are looking for growth of principal over time and who can accept stock market volatility may wish to consider this Portfolio.

The **Moderately Conservative Target Portfolio** seeks to provide conservative capital appreciation and current income. The fund holds 30% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 70% in bonds, allocated among domestic bonds, international bonds, and short-term investments. Investors with a medium-term time horizon who are looking for conservative growth of principal over time and who can accept some stock market volatility may wish to consider this Portfolio.

The **Conservative Target Portfolio** seeks to provide very conservative capital appreciation and current income. The fund holds 10% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 90% in bonds, allocated among domestic bonds, international bonds, and short-term investments. Investors with a short-term time horizon who are looking for very conservative growth of principal over time and who can accept limited stock market volatility may wish to consider this Portfolio.

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Exhibit B Underlying Investment Products

Underlying Investment Product	Asset Class	Benchmark
Vanguard Institutional Index Fund	U.S. Large Cap	S & P 500 Index
Vanguard Extended Market Index Fund	U.S. Small & Mid Cap	S & P Completion
iShares Core MSCI EAFE ETF	Non-U.S. Multi Cap	MSCI EAFE
Schwab Emerging Markets Equity ETF	Emerging Markets	MSCI Emerging Markets
Schwab U.S. REIT ETF	Real Estate	Dow Jones U.S. Select Real Estate Index
Vanguard Total Bond Market Index Fund	U.S. Core Bond	Bloomberg Barclays U.S. Aggregate Bond
Vanguard Short-Term Bond Index Fund	Short-Term Investment Grade	Bloomberg Barclays U.S. Gov't/Credit 1-5yr
Vanguard Short-Term Inflation Protected Securities Index	Short-Term Inflation Protected Bond	Bloomberg Barclays US Treasury TIPS 0-5 Yrs.
iShares Core International Aggregate Bond ETF	International Bond	Bloomberg Barclays Global Aggregate Bond ex-US
Sallie Mae High-Yield FDIC	Cash & Cash Equivalents	3-month T-Bills

Sustainability Investment Policy Statement

1.0 Purpose

This document sets forth the Sustainability (“Sustainability”) Investment Policy (“Policy”) for the Office of the Illinois State Treasurer (“Treasurer”).

The purpose of the Policy is to outline the sustainability factors that shall be applied by the Treasurer’s internal and external investment holdings in evaluating investment decisions and ongoing business relationships.

This Policy is designed to allow for sufficient flexibility in the execution of sustainability investment responsibilities while setting forth specific sustainability factors and industry-recognized best practices that are relevant to the Treasurer’s investment portfolio and the evolving marketplace.

The Treasurer establishes and executes this Policy in accordance with applicable local, state, and federal laws.

2.0 Authority

Pursuant to the State Treasurer Act (15 ILCS 505), Deposit of State Moneys Act (15 ILCS 520), and the Public Fund Investment Act (15 ILCS 235), the Treasurer is authorized to serve as the fiscal agent for public agencies and specific program participants for the purpose of holding and investing assets.

Pursuant to the Illinois Sustainable Investing Act (30 ILCS 238), the Treasurer shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, risk management, due diligence and investment ownership in order to maximize anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duty.

3.0 Philosophy

The Treasurer seeks to invest all funds under its control in a manner that provides the highest risk-adjusted investment return for beneficiaries using authorized instruments. To achieve this objective, the Treasurer has a responsibility to recognize and evaluate risk factors that may have a material and relevant financial impact on the safety and/or performance of our investments.

Thus, consistent with achieving the investment objectives set forth herein, the Treasurer and its agents shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, risk management, due diligence and investment ownership in order to maximize anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duty.

Sustainability factors shall be implemented within a framework predicated on the following:

- **Integration of Sustainability Factors** – Prudent integration of material sustainability factors, including, but not limited to, (1) corporate governance and leadership, (2) environmental factors, (3) social capital, (4) human capital, and (5) business model and innovation, as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership, given that these tangible and intangible factors may have material and relevant financial impacts.
- **Regular Evaluation of Sustainability Factors** – Recurring biannual evaluation, at a

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minimum, of sustainability factors to ensure the factors are relevant to the evolving marketplace.

- **Engagements** – Attentive oversight of investment holdings to address sustainability risks and opportunities through direct engagement with entities, such as investment funds, portfolio companies, government bodies, and other organizations.
- **Additional Relevant and Financially Material Factors** – Consideration of other relevant factors such as legal, regulatory, and reputational risks that contribute to an optimal risk management framework and are necessary to protect and create long-term investment value.

The sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and helps assess the reliability of future cash flows and debt repayments. Similar to financial accounting, sustainability accounting has both confirmatory and predictive value, thus, it can be used to evaluate past performance and be used for future planning and decision-making. As a complement to financial accounting, it provides a more complete view of an investment fund or portfolio company's performance on material factors likely to impact its long-term value.

4.0 Corporate Governance and Leadership Factors

The Treasurer supports board accountability, transparency, sensible executive compensation programs, robust shareholder rights, and ethical conduct as key governance factors. The Treasurer advocates for policies and practices in support of these factors. Corporate governance and leadership factors also involve the management of issues that are inherent to the business model or common practice in the industry and that are in potential conflict with the interest of broader stakeholder groups (e.g., government, community, customers, and employees), and therefore create a potential liability or, worse, a limitation or removal of a license to operate. This includes compliance, and regulatory and political influence.

a) **Board Accountability**

The board of directors is elected by the company's shareholders and is accountable to them. The role of the board is to represent shareholders' interests in their oversight of corporate management.

The board of directors must maintain a level of independence from management to exercise proper oversight. The Treasurer considers an independent director to be one who: (1) is not an executive of the company, (2) does not have direct familial ties with executive management, (3) does not have significant business ties to the company, and (4) is not a significant shareholder.

b) **Board Diversity**

Research demonstrates that a diverse board of directors is better equipped to ensure multiple perspectives are considered and better positioned to enhance long-term company performance within a marketplace defined by extensive diversity and multiculturalism. Diversity is inclusive of gender, race/ethnicity, skill sets, professional backgrounds, and LGBT status.

c) **Transparency**

With due respect to proprietary information, companies should strive to be transparent in their business operations. Disclosure concerning matters of shareholder or public interest, such as those items outlined in this Policy, provides useful information and mitigates risks inherent with undisclosed matters.

Transparency and accuracy in the reporting of fees to the Treasurer from service providers is also essential to secure competitive rates.

d) **Sensible Executive Compensation Programs**

Excessive executive compensation programs may signal board entrenchment and exacerbate income inequality. Executive compensation should be reflective of company performance and within a reasonable range of compensation levels at industry leading companies.

The Treasurer believes an annual vote on executive compensation is a better option than a biennial or triennial vote because it affords shareholders the opportunity to provide the company's compensation committees more timely feedback about the appropriateness of executive pay levels, which typically are decided on an annual basis.

e) **Robust Shareholder Rights**

Shareholders should be given tools to convey their perspectives to the board of directors, which serves as their representative body. Tools that provide shareholders with the appropriate mechanisms for communication include the ability to (1) call a special meeting, (2) act by written consent, and (3) have access to the proxy to nominate their own candidate(s) for the board assuming certain threshold requirements.

In addition, a majority voting standard for the election of directors ensures that directors have the confidence of their shareholders.

Boards of directors should also be declassified to enable shareholders to weigh-in on each director on an annual basis.

f) **Ethical Conduct and Business Practices**

Companies conducting business with or in receipt of investments from the Treasurer must comply with all laws and regulations under which they are governed. Further, the Treasurer expects companies to meet (if not exceed) all applicable ethical and professional standards of conduct.

Companies that seek short-term profits by taking disreputable or anti-social actions may risk long-term sustainability. Prior corporate scandals have clearly demonstrated that profiting from harm caused to others impacts a company's reputation and bottom line. The Treasurer expects companies to operate within the bounds of the law and ethical norms, particularly when it comes to responsible drug pricing, safe working conditions, and the sale and distribution of drugs, weapons and other products and services that may cause harm.

g) **Systemic Risk Management**

The increased globalization and interconnectedness of the marketplace has become a central concern of state, federal, and international regulators. This is particularly relevant to companies in the financial sector and insurance industry, with many designated or at-risk of being designated as systemically important institutions. This designation can subject firms to stricter regulatory standards, credit limitations, and increased oversight by government officials. In an effort to demonstrate how these risks are being managed, companies should enhance their disclosures of key metrics, risk exposures, and additional aspects of systemic risk management.

h) **Regulatory Capture and Political Influence**

While political contributions can benefit the strategic interests of a company, board-level policies and processes should exist to ensure that such giving is aligned with shareholders' long-term interests. While shareholders understand that corporate participation in the

political process can benefit companies strategically and contribute to value creation, corporate political giving has the potential to create risks to shareholder value through reputational harm and through undesirable reactions by employees and customers. Companies should have appropriate internal controls in place to manage, monitor, and disclose political contributions and managed related risks.

5.0 Environmental Factors

Environmental stewardship is a shared responsibility. Furthermore, environmental and climate-related factors may have adverse financial impacts on the Treasurer's investment portfolio. Accordingly, the Treasurer recognizes that impacts on the environment, either through the use of non-renewable natural resources as inputs to the factors of energy production or through harmful releases into the environment are key factors for consideration in identifying a company's value proposition and risk exposures.

a) **Greenhouse Gas Emissions**

Greenhouse gas emissions contribute to climate change, and create additional regulatory compliance costs and risks due to climate change mitigation policies. Companies that cost-effectively reduce greenhouse gas emissions from their operations by implementing industry-leading technologies and processes can create operational efficiency. They can mitigate the impact on value from increased fuel costs and regulations that limit — or put a price on — carbon emissions, which are occurring as regulatory and public concerns about climate change are increasing in the U.S. and globally.

b) **Air Quality, Energy and Fuel Management**

Companies should consider how the environment and related regulation will positively or negatively impact operations and vice versa. Routine assessment of the nexus of operations, natural resource dependency, and the environment may be communicated to investors through sustainability reports. Quantitative reporting on environmental risks, policies, performance, and goals assures investors that companies are aware of potential opportunities and/or risks and are seeking to act upon them appropriately.

c) **Water and Waste**

Impacts of water-intensive production and potential contamination of water resources include higher costs, liabilities, and lost revenues due to curtailment or suspension of operations. Similarly, companies that reduce, recycle, and effectively manage their waste streams lower their regulatory and litigation risks, remediation liabilities, and operating costs.

d) **Climate Competence**

Climate change has serious risk implications for investors and the businesses in which they invest. Shifts in temperature, weather patterns, and rising sea levels impact supply chain, consumer demand, physical capital, and communities. Extreme weather events are occurring on a more frequent basis and with increasing intensity. Events such as droughts, floods, and storms may lead to scarce resources and disruptions in operations and workforce availability. A company's awareness of environmental risks and opportunities may have a significant impact on its operational capacity, financial position, and long-term value creation. With new environmental technologies, regulations, and business strategies rapidly developing (e.g., carbon pollution regulations and energy efficiency opportunities), it is important that companies maintain the knowledge and innovation to adapt and capitalize on these evolving changes. This may include, among other strategies, maintaining a board member or senior executive with expertise or ample experience with environmental science and technology.

6.0 Social Capital Factors

Social capital factors address the management of relationships with key outside parties, such as customers, local communities, the public, and the government. They may impact investment returns, particularly if companies become involved in controversies that pose risks to their reputation. Human rights, access and affordability, customer welfare, data security and customer privacy, fair disclosure and labeling, and fair marketing and advertising, and community reinvestment are key social capital factors that warrant attention.

a) **Human Rights**

Companies have a legal duty to adhere to internationally recognized labor and human rights standards. Beyond the legal requirements, companies risk losing their social license to operate if they contribute to human rights abuses throughout their supply chain. The United Nations' "Guiding Principles on Business and Human Rights" sets out corporations' responsibility to respect human rights. Companies should regularly assess and seek to minimize any negative impact caused by their operations.

b) **Consumer Welfare**

Companies have a material interest to provide products and services that do not expose their customers to undue physical or mental harm, deception, manipulation, exploitation, or unlawful conduct. This can expose companies to significant legal, regulatory, reputational, or other financial risks that jeopardize shareholder value. In addition, research demonstrates that companies that employ socially responsible business practices have the potential to create several distinct forms of value for customers, including positive marketing outcomes and subsequent financial performance. As such, this enhances firm value and long-term shareholder value.

c) **Data Security and Consumer Privacy**

Consumers trust companies with their personal and financial data. Companies that prevent data breaches and effectively manage data security and consumer privacy avoid harming brand value, reduce contingent liabilities, and maintain market share. Furthermore, companies that address data security threats and vulnerabilities through prevention, detection, and remediation are better positioned for customer acquisition and retention and may reduce extraordinary expenses from breaches of data security.

d) **Community Relations and Community Reinvestment**

Community relations are a fundamental, strategic aspect of business for public and private corporations. They are not only a barometer of image and market presence across the world. It helps attract and retain top employees, positions itself positively among customers and, increasingly improves its position in the market. Positive, proactive community relations can translate into improved financial performance.

The Treasurer wants to encourage an open and effective banking system that grows local communities and boosts Illinois' economy. Pursuant to the Deposit of State Moneys Act (15 ILCS 520/16.3), the Treasurer is authorized to consider a financial institution's record and current level of financial commitment to its local community when deciding whether to deposit State funds in that financial institution. As such, the Treasurer shall consider applicable firms' level of community reinvestment when undertaking investment decision-making.

Furthermore, all banking and financial firms seeking to transact in investment activity with the Treasurer shall possess a minimum Community Reinvestment Act (CRA) rating of Satisfactory.

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7.0 Human Capital Factors

Companies that consider their workforce to be an important asset to deliver long-term value should manage their human capital with as much care and analytical insight as they manage their tangible and financial capital. It includes issues that affect the productivity of employees, such as employee engagement, diversity, incentives and compensation, as well as the attraction and retention of employees in highly competitive or constrained markets for specific talent, skills, or education. Employers should respect the right of their workers to organize under collective bargaining agreements and should provide a working environment that upholds health and safety standards.

a) **Labor Relations and Fair Labor Practices**

Companies benefit from taking a long-term perspective on managing human capital. This relates to practices involving fair compensation, workers' rights, worker safety, and workforce productivity enhancements through skills and capacity building, research and development, and capital investments. Companies that subvert the law of widely adopted international standards for labor practices are exposed to operational, legal, regulatory, and reputational risks that may create roadblocks for both its existing operations as well as efforts to expand to other markets. Conversely, companies with fair labor policies and practices may be at a competitive advantage in attracting and employing an effective workforce, leading to a healthy company culture, stronger customer loyalty, increased revenue, and reduced costs.

b) **Recruitment, Development, and Retention**

The evolution of U.S. business into a true service-based economy has led many companies to espouse that their employees are their most valuable asset. As key contributors to value creation, skilled workers are highly sought after, and many companies face challenges recruiting and retaining those assets. Shortages in skilled domestic employees have created intense competition to acquire and maintain highly skilled employees, as evidenced by high employee turnover rates. Companies that improve employee compensation, benefits, training, and engagement are likely to improve retention and productivity, which positively contributes to profitability and long-term value creation.

c) **Equity, Diversity and Inclusion**

The U.S. population is undergoing a massive demographic shift, with an increase in minority populations. Companies can benefit from ensuring that their company culture and hiring and promotion practices embrace the building of a diverse workforce at management and lower-ranking positions. Companies that respond to this demographic trend and employ staff who will recognize the needs of these populations may be better able to capture demand from these segments, which can provide companies a competitive advantage.

8.0 Business Model and Innovation Factors

The impact of sustainability issues on innovation and business models including corporate strategy and other innovations in the production process are integral to a company's financial and operating performance. The ability of a company to plan and forecast viable opportunities and risks to its business model is critically important to its ability to create long-term shareholder value.

a) **Lifecycle Impacts of Products and Services**

Companies face increasing challenges associated with environmental and social externalities attributed to product manufacturing, transport, use and disposal. Rapid obsolescence of products exacerbates the externalities. Addressing product lifecycle concerns such as hazardous material inputs, energy efficiency, and waste, particularly through product design and end-of-life management could contribute to increased shareholder value through improved competitive positioning, greater market share, and lower regulatory, demand, and supply chain risks.

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b) **Product Quality and Safety**

Companies have a material interest in ensuring the safety, proper labeling, and quality of their products. Companies that limit the incidence of safety or other product claims will be better positioned to reduce regulatory, legal, and reputational expenses and protect shareholder value. Conversely, companies with poor quality and safety standards may experience revenue loss due to damaged reputation, product recalls, or fines.

c) **Supply Chain Management**

Supply chain management is crucial for companies to prevent operational disruptions, avoid legal or regulatory action, protect brand value, and improve revenues. Sourcing from suppliers that have high quality standards, employ environmentally sustainable methods, honor labor rights, and avoid socially damaging practices better positions companies to protect themselves from supply disruptions and maintain shareholder value. In addition, appropriate supplier screening, monitoring, and engagement is necessary to ensure continued future supply and to minimize potential lifecycle impacts on company operations.

9.0 Divestment

The Treasurer opposes any policy or strategy that would direct the Treasurer to sell an individual or group of securities in order to achieve a goal that is not primarily investment-related. The Treasurer may consider divesting only in cases where the financial or reputational risks from a company's policies or activities are so great that maintaining the investment security is no longer prudent. The Treasurer firmly believes that active and direct engagement is the best way to resolve issues and risk factors. The Treasurer's policy of engagement over divestment is based on several key considerations: (1) divestment would eliminate our standing and rights as a shareholder and foreclose further engagement; (2) divestment would likely have a negligible impact on portfolio companies or the market; (3) divestment could result in increased costs and short-term losses; and (4) divestment could compromise the Treasurer's investment strategies and negatively affect performance. For these reasons, we believe that divestment does not offer the Treasurer an optimal strategy for changing the policies and practices of portfolio companies, nor is it the best means to produce long-term value.

10.0 Potential Actions

It is necessary to remain informed about issues that are likely to be of interest to other investors during the review process, including the Treasurer. The total mix of information available through the existence of, or potential for, impacts on factors include: (1) direct financial impacts and risk; (2) legal, regulatory, and policy drivers; (3) industry norms, best practices, and competitive drivers; (4) stakeholder concerns that could lead to financial impact; and (5) opportunities for innovation.

Potential actions will identify issues that can or do affect operational and financial performance by analyzing the three primary drivers of financial impact: (1) revenues and costs; (2) assets and liabilities; and (3) cost of capital or risk profile. Revenue in market size or pricing power of a company will be tracked to identify trends. Costs that can impact a company's profitability include recurring costs such as COGS, R&D, CAPEX or any other capital expenditures will be monitored. Issues, like climate change, that can impair tangible and intangible assets, such as PP&E and brand value are part of the review. Sustainability issues have the potential to create contingencies and provisions, or impact pensions and other liabilities and must be part of the overall assessment. The financial condition of a company can be impacted by sustainable factors that will raise the risk profile and create uncertainty in time capital needs.

The Treasurer may undertake various activities to advance the aforementioned key sustainability factors, including, but not limited to:

1. **Internal and External Investment Management** – Prudently integrating sustainability criteria as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership for internally-managed and externally-managed investment managers;
2. **Policy Advocacy** – Weighing in on the public policymaking process as it pertains to the investment landscape generally and sustainability issues specifically;
3. **Engagements** – Engaging corporate decision-makers directly on sustainability risks and opportunities to protect shareholder value;
4. **Coalitions** – Working in coalition with other institutional investors and with thought-leadership organizations;
5. **Proxy Voting** – Casting proxy votes in accordance with fiduciary duty and within policy guidelines; and
6. **Shareholder Proposals** – Submitting shareholder proposals to companies for inclusion in the annual stockholders’ general meeting.

State Agency Investment Policy Statement For Investments Not Under the Control of the Illinois State Treasurer's Office

1.0 Policy

This Policy applies to all investments entered into on or after the adoption of this instrument. Until the expiration of investments made prior to the adoption of this Policy, such investments will continue to be governed by the policies in effect at the time such investments were made.

This Policy applies to any state agency investment not under the stewardship of the Illinois State Treasurer's Office for which no other specific investment policy exists.

2.0 Objective

The primary objective in the investment of state agency funds is to ensure the safety of principal, while managing liquidity to pay the financial obligations related to those state agency funds, and providing the highest investment return using authorized instruments.

2.1 Safety

The safety of principal is the foremost objective of the investment program. State agency investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. To achieve this objective, diversification, as defined in Section 8.0 of this Policy, is required to ensure that the state agency prudently manages market, interest rate, and credit risks.

2.2 Liquidity

The investment portfolio shall remain sufficiently liquid to enable the state agency to meet all operating requirements that might be reasonably projected.

2.3 Return on Investment

The investment portfolio shall be designed to obtain the highest available return, given the objectives of safety of principal and liquidity. The state agency's designated investment officer shall seek to obtain the highest available return, using authorized investments during budgetary and economic cycles as mandated by Section 1.0 of this Policy. When the state agency deposits funds in support of community development efforts, the rate of return may include benefits other than direct investment income, as authorized by Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7).

The rate of return achieved on the investment portfolio shall be measured at regular intervals against relevant industry benchmarks to determine the effectiveness of investment decisions in meeting investment goals. The benchmarks shall be reviewed a minimum of every two (2) years to ensure accuracy and relevance.

2.4 Sustainability

The state agency seeks to invest all funds under its control in a manner that provides the highest risk-adjusted investment return using authorized instruments. To achieve this objective, the state agency has a responsibility to recognize and evaluate risk factors that may have a material and

relevant financial impact on the safety and/or performance of investments. Pursuant to the Illinois Sustainable Investing Act (30 ILCS 238), and consistent with achieving the investment objectives set forth herein, the state agency and its agents shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, risk management, due diligence and investment ownership in order to maximize anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duty.

The sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and helps assess the reliability of future cash flows and debt repayments. Similar to financial accounting, sustainability accounting has both confirmatory and predictive value, thus, it can be used to evaluate past performance and be used for future planning and decision-making. As a complement to financial accounting, it provides a more complete view of an investment fund or portfolio company's performance on material factors likely to impact its long-term value.

Sustainability factors may include, but are not limited to, the following:

- a) Corporate governance and leadership factors, such as the independence of boards and auditors, the expertise and competence of corporate boards and executives, systemic risk management practices, executive compensation structures, transparency and reporting, leadership diversity, regulatory and legal compliance, shareholder rights, and ethical conduct.
- b) Environmental factors that may have an adverse or positive financial impact on investment performance, such as greenhouse gas emissions, air quality, energy management, water and wastewater management, waste and hazardous materials management, and ecological impacts.
- c) Social capital factors that impact relationships with key outside parties, such as customers, local communities, the public, and the government, which may impact investment performance. Social capital factors include human rights, customer welfare, customer privacy, data security, access and affordability, selling practices and product labeling, community reinvestment, and community relations.
- d) Human capital factors that recognize that the workforce is an important asset to delivering long-term value, including factors such as labor practices, responsible contractor and responsible bidder policies, employee health and safety, employee engagement, diversity and inclusion, and incentives and compensation.
- e) Business model and innovation factors that reflect an ability to plan and forecast opportunities and risks, and whether a company can create long-term shareholder value, including factors such as supply chain management, materials sourcing and efficiency, business model resilience, product design and life cycle management, and physical impacts of climate change.

The state agency shall develop policy guidelines to integrate material sustainability risks relevant to particular financial products, investment funds, companies, or government bodies, which shall be provided to internal and external investment managers to factor into their investment decision-making. The policy guidelines for integrating sustainability factors shall be reviewed and updated every two (2) years at a minimum to ensure consistency within the rapidly evolving global economy.

The state agency's investment officers shall identify and select authorized investment options that meet the state agency's criteria for sustainable investing opportunities and risk parameters and fall within the framework of the investment objectives.

3.0 Ethics and Conflicts Of Interest

Authorized investment officers and employees in policy-making positions shall refrain from personal business activity that could (a) conflict, or give the appearance of a conflict, with proper execution of the investment program or (b) impair their ability to make impartial investment decisions. Such individuals shall disclose to the state agency any material financial interests in financial institutions that conduct business within the State, and they shall further disclose any personal financial investment positions that could be related to the performance of the investment portfolio. In addition, such individuals shall subordinate their personal investment transactions to those of the investment portfolio, particularly with regard to the time of purchases and sales.

4.0 Authorized Brokers/Dealers and Financial Institutions

The state agency shall maintain a list of approved financial institutions, which shall be utilized by authorized investment officers. No State funds may be deposited in any financial institution, unless the institution has a current satisfactory or outstanding rating under the Community Reinvestment Act of 1977, and the state agency's investment officers have conducted a safety and soundness review of the financial institution by consulting various bank rating services. If the financial institution has not yet been rated by the bank rating services, the institution may be eligible for a deposit that at maturity will not exceed \$250,000. The amount and duration of deposits shall be based on the safety and soundness review, in accordance with guidelines established by the state agency and the diversification limits set forth in Section 8.0 of this Policy. No public deposit may be made, except in a qualified public depository, as defined by the Deposit of State Moneys Act (15 ILCS 520/et seq.).

In addition, the state agency shall maintain a list of approved security brokers/dealers, which shall be utilized by authorized investment officers. The security brokers/dealers shall be selected according to their creditworthiness and their financial significance in the State, which shall be measured in terms of the location of the broker/dealer's corporate office, the number of full-time employees, the size of its payroll, or the extent that the broker/dealer has an economic presence in the State. The list may include "primary" dealers or regional dealers who qualify under Securities and Exchange Commission Rule 17 CFR § 15Cc3-1 (Net Capital Requirements for Brokers or Dealers).

All broker/dealers who wish to qualify to bid for investment transactions shall initially, and on a periodic basis upon request, provide to the state agency's authorized representative the following documents, where applicable:

- a) Audited financial statements or a published Statement of Condition;
- b) Proof of minority-, woman-, disabled-, and/or veteran-owned or -managed broker/dealer status;
- c) A signed copy of the state agency's trading authorization;
- d) Proof of State of Illinois registration;
- e) Proof of registration with the Securities and Exchange Commission;
- f) Completed Broker/Dealer and Authorized Counterparty Questionnaire;
- g) Certification of notice and acknowledgment of this Policy; and
- h) Any other documentation deemed necessary by the state agency.

To the extent that the state agency deems it advisable to hire external investment consultants, it may do so in accordance with the state agency's procurement rules at 44 Ill. Admin. Code § 1400.

5.0 Authorized and Suitable Investments

The state agency has authorized the following types of investments, subject to the provisions of the Deposit of State Moneys Act (15 ILCS 520) and the Public Funds Investment Act (30 ILCS 235):

- a) Securities that are guaranteed by the full faith and credit of the United States of America ("United States") as to principal and interest;
- b) Obligations of agencies and instrumentalities of the United States, as originally issued by the agencies and instrumentalities. For purposes of this Section, the term "agencies and instrumentalities of the United States" includes the following: federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 and Acts amendatory thereto, the federal home loan banks and the federal home loan mortgage corporation, and any other agency created by an Act of Congress and issues dollar-denominated debt;
- c) Interest-bearing savings accounts, interest-bearing certificates of deposit, or interest-bearing time deposits of a bank as defined by Section 2 of the Illinois Banking Act (205 ILCS 5/2);
- d) Interest-bearing accounts or certificates of deposit of any savings and loan association incorporated under the laws of the State of Illinois, any other state, or the United States;
- e) Interest-bearing accounts for the deposit of funds in support of local community development efforts;
- f) Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of the State of Illinois or the United States that maintains its principal office in the State of Illinois;
- g) Commercial paper of a corporation or a limited liability company that is organized in the United States with assets exceeding \$500,000,000 and is rated at the time of purchase at one (1) of the two (2) highest classifications established by at least two (2) standard rating services (i.e., not less than an A-1 short-term rating or equivalent rating);
- h) Money market mutual funds registered under the Investment Company Act of 1940 (15 U.S.C. § 80a-1 et seq.) and rated at the highest classification by at least one (1) standard rating service (i.e., not less than a AAA long-term rating or equivalent rating);
- i) The Illinois Funds, created under Section 17 of the State Treasurer Act (15 ILCS 505/17);
- j) Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 (1 U.S.C. § 78o-5);
- k) Interest-bearing bonds, at a price not to exceed par, issued by counties or municipal corporations of the State of Illinois, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the State of Illinois or held under a custodial agreement at a financial institution. The bonds shall be rated at the time of purchase at one (1) of the three (3) highest classifications established by at least one (1) standard rating service with nationally recognized expertise in rating bonds of states

and their political subdivisions, (i.e., not less than an A- long-term rating or equivalent). The maturity or pre-refunded date(s) of the bonds authorized by this subsection shall, at the time of purchase, not exceed ten (10) years. Notwithstanding the foregoing, a longer maturity is authorized, if the State of Illinois has a put option to tender the bonds within ten (10) years from the date of purchase;

- l) Securities of a foreign government that are guaranteed by the full faith and credit of that government as to principal and interest and rated at one (1) of the three (3) highest classifications established by at least two (2) standard rating services, (i.e., not less than an A- long-term rating or equivalent rating), and only if the foreign government has not defaulted and has met its payment obligations in a timely manner on all similar obligations for at least 25 years prior to the time of acquiring those obligations;
- m) Obligations of either corporations or limited liability companies organized in the United States that have a significant presence in the State of Illinois, with assets exceeding \$500,000,000, and rated at the time of purchase at one (1) of the three (3) highest classifications established by at least two (2) standard rating services, (i.e., not less than an A- long-term rating or equivalent rating). At the time of purchase, the maturity or pre-refunded date(s) of the obligations authorized by this subsection shall not be less than 270 days and shall not exceed five (5) years.

6.0 Investment Restrictions

The following restrictions apply to the state agency when investing the funds of the state agency:

- a) Any investments not authorized by this or any other investment policy or applicable law are prohibited;
- b) Repurchase agreements may only be executed with approved financial institutions or broker/dealers that meet the state agency's standards, which include mutual execution of a Master Repurchase Agreement adopted by the state agency;
- c) Investments may not be made in any savings and loan association unless a commitment by the savings and loan association, executed by the president or chief executive officer of that association, is submitted in the form required by Section 22.5 of the Deposit of State Moneys Act (15 ILCS 520/22.5);
- d) Asset-backed commercial paper is prohibited;
- e) Commercial paper with a credit rating or evaluation that is derived from any factor other than the full faith and credit of the issuing institution and/or the guarantee of the parent company is prohibited;
- f) Obligations may not be purchased from a corporation or limited liability company that has been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code; and
- g) The authorization of the state agency to invest in new obligations under Section 5.0(m) of this Policy shall expire on June 30, 2019.

7.0 Collateralization

The following shall apply:

- a) All State deposits, repurchase agreements, and securities lending shall be secured as required by the state agency and provided for by the Deposit of State Moneys Act (15 ILCS 520) and the state agency's Acceptable Collateral Listing, which may change from time to time. The state agency may take possession and title to any securities held as collateral and hold such securities until it is prudent to dispose of them.

8.0 Diversification

The investment portfolio shall be diversified to mitigate the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In order to properly manage any risk attendant to the investment of State assets, the investment portfolio shall not deviate from the following diversification guidelines, unless specifically authorized by the Executive Management of the state agency in writing:

- a) The state agency shall seek to achieve diversification in the portfolio by distributing investments among authorized investment categories among financial institutions, issuers and broker/dealers.
- b) The investment portfolio shall not hold time deposits that constitute more than 15% of any single financial institution's total deposits. Any deposits that constitute more than 10% of an institution's total deposits must qualify as community development deposits, described in Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7).
- c) No financial institution shall at any time hold more than \$100,000,000 of time deposits other than community development deposits, described in Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7). Provided, however, that financial institutions that, as a result of a merger or acquisition, hold deposits that exceed \$100,000,000.00 may continue to be eligible to hold deposits that do not exceed the amount of deposits held on the date of the merger or acquisition.
- d) The investment portfolio shall not contain investments that exceed the following diversification limits. These limits will apply to the total assets in the investment portfolio at the time of the origination or purchase. As maturities and or calls of instruments occur, these limits will be monitored and adjusted accordingly:
 - i. With the exception of cash equivalents, treasury securities and time deposits, as defined in Section 5.0 of this Policy, no more than 55% of the investment portfolio shall be invested in other investment categories;
 - ii. No more than one-third of the investment portfolio shall be invested in commercial paper;
 - iii. As much as 40% of the investment portfolio may be invested in time deposits when required by the cash flow of the State;
 - iv. No more than ½ of 1% of the investment portfolio shall be invested in foreign government securities, not to exceed a five (5) year maturity, as defined in Section 5.0(l) of this Policy;

- v. No more than 55% of the investment portfolio shall be allocated to investments greater than two (2) years and less than or equal to three (3) years;
 - vi. No more than 30% of the investment portfolio shall be allocated to investments greater than three (3) years and less than or equal to four (4) years, not including foreign government securities;
 - vii. No more than 15% of the investment portfolio shall be allocated to investments greater than four (4) years and less than or equal to five (5) years;
 - viii. No more than 5% of the investment portfolio shall be allocated to investments greater than five (5) years and no less than or equal to ten (10) years;
 - viii. There shall be no limit to the percentage of the investment portfolio that may be allocated to investments with a 0- to 2-year maturity band; and
 - ix. No more than 5% of the investment portfolio shall be invested in obligations of corporations or limited liability companies as defined by Section 5.0(m) of this Policy.
- e) The investment portfolio shall not hold obligations of corporations or limited liability companies that exceed 10% of the corporation's or the limited liability company's outstanding obligations.

9.0 Custody and Safekeeping

The custody and safekeeping of collateral will be handled by Illinois financial institutions selected in compliance with the state agency's procurement rules. Financial institutions selected by the state agency to perform custody and safekeeping services will be required to enter into a contractual agreement approved by the state agency's Chief Legal Counsel.

All security transactions entered into by the state agency shall be conducted on a delivery-versus-payment ("DVP") or receipt-versus-payment ("RVP") basis. Securities shall be held by a safekeeping agent designated by the state agency and evidenced by safekeeping receipts or a statement of holdings.

10.0 Internal Controls

The state agency shall establish a system of internal controls and written operational procedures that shall be documented and filed with the state agency's Chief Internal Auditor for review. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by authorized investment officers.

- a) **Asset Allocation:** The allocation of assets within investment categories authorized under Section 5.0 of this Policy shall be approved by the state agency in writing.
- b) **Competitive Bidding:** Authorized investment officers shall obtain competitive bids from at least three (3) broker/dealers prior to executing the purchase or sale of any authorized investments. Reverse inquiry investments, investments in a new issue, and investments defined under Sections 5(a)-(b) of this Policy purchased from the agency discount window are exempt from this provision.

- c) **Certificates of Deposit:** Authorized investment officers shall purchase certificates of deposit on the basis of a qualified financial institution's ability to pay a required rate of interest to the state agency, which is established daily. Such rate is generally determined on the basis of treasury or other appropriate market rates for a comparable term.

11.0 Limitation of Liability

The standard of care to be used by authorized investment officers shall be the "prudent person" standard, which shall be applied in the context of managing an overall portfolio. Authorized investment officers, acting in accordance with written procedures and this Policy and exercising due diligence, will be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and necessary action is taken to control adverse developments.

12.0 Reporting

As deemed necessary by the Executive Management of the state agency, monthly reports shall be presented by the designated investment officer to Executive Management for its review. The monthly report shall contain sufficient information to enable Executive Management to review the investment portfolio, its effectiveness in meeting the needs of the agency for safety, liquidity, rate of return, and diversification, and the general performance of the portfolio. The following information shall be included in the monthly reports:

- a) The total amount of funds by book value and market value, held by the state agency;
- b) The asset allocation for the investments made by the state agency;
- c) The benchmarks established by the state agency, if any;
- d) Current and historic return information;
- e) Any circumstances resulting in a deviation from the standards established in Section 9.0 of this Policy; and
- f) The impact of any material change in investment policy adopted during the month.

As deemed necessary by Executive Management of the state agency, the state agency shall develop performance reports in compliance with established industry reporting standards within six (6) months after the adoption of this Policy. Such reporting standards shall be in accordance with Generally Accepted Accounting Principles ("GAAP").

13.0 Emergency Powers

In the event of an emergency, the Executive Management of the state agency may, subject to the express written approval of the Illinois State Treasurer's Office, invoke emergency powers and suspend any or all of the provisions of this Policy, provided that:

- a) The state agency shall, even in the event that emergency powers are invoked, comply with all State statutes governing the use and investment of the investment portfolio including, but not limited to, the State Treasurer Act, the Treasurer as Custodian of Funds Act, the Deposit of State Moneys Act, the Securities Safekeeping Act, and any other applicable statute;

- b) The state agency reasonably believes that deviating from this Policy is in the best interest of the taxpayers; and
- c) Within thirty (30) days of invoking emergency powers the state agency shall provide an explanation in writing to the Chief Internal Auditor of the state agency, a copy of which shall be posted on the state agency's website, that includes the following:
 - i. The date and time that the emergency powers were invoked;
 - ii. The date and time that emergency powers were repealed;
 - iii. The Section or Sections of this Policy that were affected by the emergency or use of emergency powers; and
 - iv. The reason for invoking emergency powers resulting in the deviation from this Policy.

14.0 Statutory References

Any statutory references in this policy shall include any amendments to or repeals of those statutes.

15.0 Amendments

The Illinois State Treasurer's Office reserves the right to amend this Policy at any time.

Proxy Voting Policy Statement

The Illinois State Treasurer's Office ("Treasurer's Office") serves as trustee and administers the investment of state, local, and individual monies. For equity holdings, the Treasurer's Office maintains the right to vote by proxy on ballots and proposals presented at corporate annual meetings.

These Proxy Voting Guidelines ("Guidelines") have been approved and adopted by the Illinois State Treasurer's Office ("Treasurer's Office") for proxy voting on issues pertaining to corporate governance and financial performance. These Guidelines provide the framework for the proxy votes wherein the Treasurer's Office is eligible to cast a ballot.

The Guidelines are based on what the Treasurer's Office, through thorough evaluation and in consultation with Segal Marco Advisors, its corporate governance consultant, view as best practices in corporate governance and investment stewardship. Ultimately, the Treasurer's Office seeks to invest all funds under its control in a manner that provides the highest risk-adjusted return and promotes preservation of capital for beneficiaries using authorized instruments. To achieve this objective, the Treasurer's Office has a responsibility to vote by proxy on ballots and proposals that may have a prospective material and relevant financial impact on safety or performance of its investments.

Corporate Governance Philosophy

An essential component of responsible investment stewardship and risk management is supporting good governance practices. Good governance mitigates investment risks and may provide collateral benefits to the beneficiaries of the assets under the Treasurer's stewardship. Numerous studies and surveys of leading institutional investors demonstrate the value of good corporate governance. Below are references to relevant sources.

Specifically:

A 2015 Columbia Business School study, "**Management Influence on Investors: Evidence from Shareholder Votes on the Frequency of Say on Pay,**" found, "Compared to firms adopting an annual frequency, firms following management's recommendation to adopt a triennial frequency are significantly less likely to change their compensation practices in response to an adverse say on pay vote, consistent with the notion that a less frequent vote results in lower management accountability."

A January 2015 study by McKinsey & Company, "**Why Diversity Matters,**" found companies in the top quartile for gender or racial and ethnic diversity tend to report financial returns above their national industry medians.

Credit Suisse came to similar conclusions in its 2014 study, "**Women's Positive Impact on Corporate Performance.**" The financial services firm found "Greater gender diversity in companies' management coincides with improved corporate financial performance and higher stock market valuations."

A 2015 study by professors at The Wharton School and Boston College, "**Passive Investors, Not Passive Owners,**" that found passively managed mutual funds exert influence on firms' governance. The research also found the significant governance changes associated with the funds such as more independent directors, removal of takeover defenses and more equal voting rights improve firms' long-term performance.

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A survey in 2000 by the World Bank of 200 institutional investors in the U.S., Europe, Asia and Latin America whose aggregate assets were valued at \$3.25 trillion revealed that 75% of the respondents considered corporate governance to be at least as important as financial performance when evaluating assets and 80% said they would pay more for shares of a well-governed company than a poorly-governed company with comparable financials. The good governance factors were: a majority of independent directors; formal evaluations of directors; company responsiveness to requests on governance issues; directors holding significant shares of the company; and a large portion of director compensation being paid in stock.

A 2003 study of 1,600 major U.S. and foreign companies by Governance Metrics International that assessed businesses on 600 criteria (e.g., auditor independence, conflict of interest among top executives, potential share dilution from stock options, board independence, financial disclosure and internal controls) found that over three years, companies with the poorest governance ratings lost an average of 13% a year compared with a loss of 1.8% for all companies. Companies with good governance ratings beat those rated near the bottom for periods of over five and 10 years. The study concluded that superior governance does not necessarily generate superior returns, but inferior governance does evidence inferior returns.

A 2003 study in the Quarterly Journal of Economics, "Corporate Governance and Equity Prices," found that those firms with stronger shareholder rights had higher firm value, higher profits, higher sales growth and lower capital expenditures.

A 2004 Harvard University study found that classified boards are correlated with an economically significant reduction in firm value. The study applied a standard financial economic measure known as Tobin's Q (market value of assets divided by their book value) to more than 1,400 companies accounting for more than 90% of the total capitalization of the U.S. stock market. Having a classified board reduced a company's Tobin's Q value by an average of three to four per cent.

A 2004 study in Financial Analysts Journal found that as the number of outside directors on board and key committees increased, the likelihood of misdeeds decreased, which lends support to the corporate governance activists who argue that a substantial majority of independent outsiders is needed on boards to protect shareholders, not just the simple majority in the listing requirements of the New York Stock Exchange and NASDAQ. The study compared 133 companies accused of fraud from 1978-2001 with another sample of 133 no-fraud companies of similar size and in the same industries.

In 2005, an Institutional Shareholder Services study showed that companies with better corporate governance outperformed poorly-governed companies in return on investment, annual dividend yield, net profit margin and price-to-earnings ratio.

In 2006, Institutional Shareholder Services surveyed more than 300 large investors overseeing \$10.5 trillion in assets in 19 countries and found that: 94% of investors view corporate governance as critical to their companies; 63% think corporate governance will become even more critical over the next three years; 67% believe that corporate governance offers value; and 58% think that corporate governance enhances investment returns.

A 2007 study by Governance Metrics that graded the S&P 500 companies on more than 400 corporate governance variables as well as their stock performance from July 1, 2003 through June 30, 2006, found that those companies that were graded above average on corporate governance outperformed the S&P 500 in total shareholder return (13.46% to 11.32%) and those companies with below average corporate governance ratings underperformed the S&P 500 (10.53% to 11.32%).

A 2007 study by Wilshire Consulting for the California Public Employees' Retirement System

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(CalPERS) showed that of the 128 poorly performing focus list companies CalPERS engaged from 1987-2005 to improve their corporate governance: the companies underperformed their respective benchmarks by 86.7% for the five years preceding CalPERS activism; the companies outperformed their respective benchmarks by 12.2% for the subsequent five-year period.

In 2007, Institutional Shareholder Services attributed shareholder activism with creating \$3.3 billion in additional value for Caremark shareholders by forcing CVS to restructure its acquisition of Caremark.

Each proxy will be reviewed on a case-by-case basis with final decisions based on the merits of each case. In reviewing the proxy issues, we will use the following Issue Guidelines for each of the categories of issues listed below. If any conflicts of interest should arise, SMA will resolve them pursuant to the steps prescribed in the Administrative Procedures section below.

The Proxy Policy Statement has been amended this year to include consideration of the ratio of pay between the CEO and the average worker for votes on executive compensation plans. The ratio is a new corporate reporting requirement beginning in 2018.

Issue Guidelines

Election Of Directors

The members of the boards of directors are elected by shareholders to represent the shareholders' interests. This representation is most likely to occur if two-thirds of the members are independent outsiders as opposed to insider directors (such as senior management employees, former employees, relatives of management or contractors with the company). If two-thirds of the board is not represented by independent outsiders, a vote will usually be cast to withhold authority on the inside directors.

Other factors that will be considered when reviewing candidates will be the diversity of board nominees in terms of race, gender, experience and expertise; the number of corporate boards on which they already serve (ideally directors with fulltime jobs should serve on no more than three other boards and no individual should serve on more than five other boards); whether they have pledged a substantial amount of company stock; their performance on committees and other boards; the company's short-term and long-term financial performance under the incumbent candidates; the company's responsiveness to shareholder concerns (particularly the responsiveness to shareholder proposals that were approved by a majority of shareholders in the past 12 months) and other important corporate constituents; the overall conduct of the company (e.g., excessive executive compensation, adopting anti-takeover provisions without shareholder approval); and not attending at least 75% of Board and Committee meetings unless there is a valid excuse.

Recently, more emphasis has been placed on the independence of key Board committees—audit, compensation and nominating committees. It is in the best interests of shareholders for only independent directors to serve on these committees. Votes will be withheld from any insider nominee who serves on these committees.

In contested elections of directors, the competing slates will be evaluated upon the personal qualifications of the candidates, the quality of the strategic plan they advance to enhance long-term corporate value, management's historical track record, the background to the proxy contest, and the equity ownership positions of individual directors.

Ratification Of Auditors

The ratification of auditors used to be universally considered a routine proposal, but a disturbing series of audit scandals at publicly-traded companies and SEC-mandated disclosures that revealed auditors were being paid much more for “other” work at companies in addition to their “audit” work have demonstrated that the ratification of auditors needs to be scrutinized as much as the election of directors.

Although the Sarbanes-Oxley Act of 2002 attempted to address the issue of auditor conflicts of interest, it still allows auditors to do substantial “other” work (primarily in the area of taxes) for companies that they audit. Therefore, SMA will weigh the amount of the non-audit work and if it is so substantial as to give rise to a conflict of interest, it will vote against the ratification of auditors. Concern will be raised if the non-audit work is more than 20% of the total fees paid to the auditors. Other factors to weigh will be if the auditors provide tax avoidance strategies, the reasons for any change in prior auditors by the company, and if the same firm has audited the company for more than seven years.

Routine Proposals

Routine proposals are most commonly defined as those which do not change the structure, by laws, or operation of the company to the detriment of the shareholders. Traditionally, these issues include:

- Indemnification provisions for directors;
- Liability limitations of directors;
- Stock splits/reverse stock splits; and
- Name changes.

Given the routine nature of these proposals, proxies will usually be voted with management. However, each will be examined carefully. For example, limitations on directors’ liability will be analyzed to ensure that the provisions conform with the law and do not affect their liability for such actions as the receipts of improper personal benefits or the breach of their duty of loyalty. The analysis of a proposal to limit directors’ liability would also take into consideration whether any litigation is pending against current board members.

Non-Routine Proposals

Issues in this category are more likely to affect the structure and operation of the company and, therefore will have a greater impact on the value of a shareholder’s investment. We will review each issue in this category on case-by case basis.

As previously stated, voting decisions will be made based on the financial interest of the plan beneficiaries. Non-routine matters include:

Mergers/Acquisitions and Restructuring (See also Reincorporating/ Inversions)

Our analysis will focus on the strategic justifications for the transaction and the fairness of any costs incurred.

Advisory Votes on Compensation Policies and Practices

To evaluate compensation policies and practices, the threshold query is “does a company’s compensation reflects its performance”? This will be determined by how a company has performed for shareholders compared to its peer group as well as by how a company has compensated its executives compared to its peer group. Whether restricted stock awards are time vesting or

performance vesting will also be taken into consideration. Additional queries will be made to determine the level of dilution in stock compensation plans, and to ascertain if golden parachutes have been awarded to executives and, if they have, whether they pay tax gross-ups. The ratio of pay to the CEO as compared to the average worker will also be taken into consideration. The threshold query will carry the most weight, but the additional queries can be persuasive in the event the answer to the threshold query is not clear cut. There will also be an option as to whether the company should have these advisory votes on compensation on an annual basis or every two or three years. An annual basis is in the best interests of shareholders.

Advisory Votes on Severance Packages In Connection with Mergers/Acquisitions

The factors to weigh are whether the total payment is in excess of 2.99 times salary and bonus, whether excise taxes are grossed-up, if there is a double trigger for cash payments and whether the accelerated vesting of stock awards is excessive.

Fair-Price Provisions

These attempts to guard against two-tiered tender offers in which some shareholders receive less value for their stock than other shareholders from a bidder who seeks to take a controlling interest in the company. There can be an impact on the long-term value of holdings in the event shareholders do not tender. Such provisions must be analyzed on a case-by-case basis.

Reincorporating/Inversions

A company usually changes the state or country of its incorporation to take advantage of tax and corporate laws in the new state or country. These advantages should be clear and convincing and be supported by specific, legitimate business justifications that will enhance the company's long-term value to shareholders and will be weighed along with any loss in shareholder rights and protections (e.g., dilution of management accountability and liability, anti-takeover devices), reputational risk, damage to governmental relationships, adverse impact on the company's employees and erosion of the local/state/Federal tax base.

Changes in Capitalization

Our inquiry will study whether the change is necessary and beneficial in long run to shareholders. Creation of blank check preferred stock, which gives the board broad powers to establish voting, dividend and other rights without shareholder review, will be opposed.

Increase in Preferred and Common Stock

Such increases can cause significant dilution to current shareholder equity and can be used to deter acquisitions that would be beneficial to shareholders. We will determine if any such increases have a specific, justified purpose and if the amounts of the increase are excessive.

Stock/Executive Compensation Plans

The purpose of such plans should be to reward employees or directors for superior performance in carrying out their responsibilities and to encourage the same performance in the future. Consequently, the plan should specify that awards are based on the executive's/director's and the company's performance. In the case of directors, their attendance at meetings should also be a requirement. In evaluating such plans, we will also consider whether the amount of the shares cause significant dilution (5% or more) to current shareholder equity, how broad-based and concentrated the grant rates are, if there are holding periods, if the shares are sold at less than fair market value, if the plan contains change-in-control provisions that deter acquisitions, if the plan has a reload feature, and if the plan allow the repricing of "underwater" options.

Employee Stock Purchase Plans

These are broad-based plans, federally regulated plans which allow almost all fulltime and some part-time workers to purchase limited amounts of company stock at a slight discount. Usually

the amount of dilution is extremely small. They will normally be supported because they do give workers an equity interest in the company and better align their interests with shareholders.

Creation of Tracking Stock

Tracking stock is designed to reflect the performance of a particular business segment. The problem with tracking stocks is they can create substantial conflicts of interest between shareholders, board members and management. Such proposals must be carefully scrutinized and they should be supported only if a company makes a compelling justification for them.

Approving Other Business

Some companies seek shareholder approval of management being given broad authority to take action at a meeting without shareholder consent. Such proposals are not in the best interests of shareholders and will be opposed.

Corporate Governance Proposals

We will generally vote against any management proposal that is designed to limit shareholder democracy and has the effect of restricting the ability of shareholders to realize the value of their investment. Proposals in this category would include:

Golden Parachutes

These are special severance agreements that take effect after an executive is terminated following a merger or takeover. In evaluating such proposals, we will consider the salaries, bonuses, stock option plans and other forms of compensation already available to these executives to determine if the additional compensation in the golden parachutes is excessive. Shareholder proposals requesting that they be approved by shareholders will be supported.

Greenmail Payments

Greenmail is when a company agrees to buy back a corporate raider's shares at a premium in exchange for an agreement by the raider to cease takeover activity. Such payments can have a negative impact on shareholder value. Given that impact, we will want there to be a shareholder vote to approve such payments and we will insist that there be solid economic justification before ever granting such approval.

Super Majority Voting

Some companies want a super majority (e.g., 66%) vote for certain issues. We believe a simple majority is generally in the best interest of shareholders and we will normally vote that way unless there is strong evidence to the contrary.

Dual Class Voting

Some companies create two classes of stock with different voting rights and dividend preferences. We will examine the purpose that is being used to justify the two classes as well as to whom the preferred class of stock is being offered. Proposals that are designed to entrench company management or a small group of shareholders at the expense of the majority of shareholders will not be supported. Proposals that seek to enhance the voting rights of long-term shareholders will be given careful consideration.

Fair Price Proposals

These require a bidder in a takeover situation to pay a defined "fair price" for stock. Our analysis will focus on how fairly "fair price" is defined and what other anti-takeover measures are already in place at the company that might discourage potential bids that would be beneficial in the long term to shareholders.

Classified Boards

These are boards where the members are elected for staggered terms. The most common method is to elect one-third of the board each year for three-year terms. We believe the accountability afforded by the annual election of the entire board is very beneficial to stockholders and it would take an extraordinary set of circumstance to develop for us to support classified boards.

Shareholders' Right To Call Special Meetings and Act By Written Consent

These are important rights for shareholders and any attempts to limit or eliminate them should be resisted. Proposals to restore them should be supported.

Shareholder Proposals

Proposals submitted by shareholders for vote usually include issues of corporate governance and other non-routine matters. We will review each issue on a case-by-case basis to determine the position that best represents the financial interest of the Treasurer's Office. Shareholders matters include:

Board Diversity

Research demonstrates that a board comprised of diverse directors is better equipped to ensure multiple perspectives are considered and better positioned enhance long-term company performance within a marketplace defined by extensive diversity and multiculturalism. Diversity is inclusive of gender, race/ethnicity, skill sets, professional backgrounds, and LGBTQ status. We will support proposals that encourage diverse representation on the board and those that aim to expand the search for diverse candidates, including proposals asking companies to make greater efforts to diversify their boards and proposals to report to shareholders on those efforts and on the process of selecting nominees.

Poison Pill Plans

These plans are designed to discourage takeovers of a company, which can deny shareholders the opportunity to benefit from a change in ownership of the company. Shareholders have responded with proposals to vote on the plans or to redeem them. In reviewing such plans, we check whether the poison pill plans were initially approved by shareholders and what anti-takeover devices are already in place at the company.

Independence of Boards and Auditors

The wave of corporate/audit scandals at the start of the 21st Century provided compelling evidence that it is in the best interests of shareholders to support proposal seeking increased independence of boards (e.g., requiring supermajority of independents on boards, completely independent nominating, compensation and audit committees, stricter definitions of "independence", disclosures of conflicts of interest) and auditors (e.g., eliminate or limit "other" services auditors perform, rotation of audit firms). A related issue is the independence of analysts at investment banking firms. Proposals seeking to separate the investment banking business from the sell-side analyst research and IPO allocation process should be supported.

Cumulative Voting

This allows each shareholder to vote equal to the number of shares held multiplied by the number of directors to be elected to the board. Shareholders can then target all their votes for one of a few candidates or allocate them equally among all candidates. It is one of the few ways shareholders can attempt to elect board members. In studying cumulative voting proposals, we will review the company's election procedures and what access shareholders have to the nominating and voting process.

Confidential Voting

Most voting of proxies in corporate America is not confidential. This opens the process to charges that management pressures shareholders or their investment managers to vote in accordance with management's recommendations. We believe the concept of confidential voting is so fundamental to the democratic process and is so much in the best interest of shareholders that we would oppose it only in the most extraordinary circumstances.

Shareholder Access to the Proxy For Director Nominations

Proposals to provide shareholders access to the company proxy statement to advance non-management board candidates will generally be supported if they are reasonably designed to enhance the ability of substantial shareholders to nominate directors and are not being used to promote hostile takeovers.

Separate Chairperson and Chief Executive Officer

The primary purpose of the board of directors is to protect shareholder interests by providing independent oversight of management. If the Chair of the Board is also the Chief Executive Officer of the company, the quality of oversight is obviously hindered. Therefore, proposals seeking to require that an independent director serve as Chair of the Board will be supported. An alternative to this proposal would be the establishment of a lead independent director, who would preside at meetings of the board's independent directors and coordinate the activities of the independent directors.

Term Limit For Directors

Proposals seeking to limit the term for directors will normally not be supported because they can deny shareholders the service of well-qualified directors who have effectively represented shareholder interests.

Greater Transparency and Oversight

Shareholders benefit from full disclosure of board practices and procedures, company operating practices and policies, business strategy, and the way companies calculate executive compensation. Proposals seeking greater disclosure on these matters will generally be supported.

Executive/Director Compensation

Proposals seeking to tie executive and director compensation to specific performance standards, to impose reasonable limits on it or to require greater disclosure of it are in the best interests of shareholders. The expense of options should be included in financial statements (as required in Canada). Financial performance is the traditional measurement for executive compensation—the more specific the better. Where executive pay is based on metrics that are improved through share repurchases the impact of repurchases should be neutralized to avoid artificially inflating executive pay. Other performance measures can be a useful supplement to the traditional financial performance measurement and are worthy of consideration. Examples are regulatory compliance, international labor standards, high performance workplace standards and measures of employee satisfaction.

High Performance Workplaces

We will support proposals encouraging the high-performance workplace practices identified in the Department of Labor's report that contribute to a company's productivity and long-term financial performance.

Codes of Conduct

Proposals seeking reports on and/or implementation of such commonly accepted principles of conducts as the Ceres Principles (environment), MacBride Principles (Northern Ireland), Code of Conduct for South Africa, United Nations' International Labor Organization's Fundamental

Conventions, fair lending practices and the U.S. Equal Employment Opportunity Commission are in the best interests of shareholders because they provide useful information and promote compliance with the principles.

Pension Choice

There has been a recent trend by companies to convert traditional defined benefit pension plans into cash-balance plans. This has proved controversial because cash-balance plans often hurt older workers and may be motivated by a company's desire to inflate its book profits by boosting surpluses in its pension trust funds. Proposals giving employees a choice between maintaining their defined benefits or converting to a cash-balance will generally be supported.

Say on Pay

Shareholders in the United Kingdom, Australia, Norway, the Netherlands and Sweden have had an advisory vote on companies' compensation reports for several years. Say on Pay proposals will be supported because they give shareholders meaningful input on a company's approach to executive compensation without entangling them with the micromanagement of specific plans.

Majority Vote Standard for Director Elections

For years, most boards of directors were elected by a plurality vote standard—nominees who get the most votes win. In a non-contested election (which most are) the only vote options are “for” and “withhold authority.” That means a nominee could have only one share cast “for” him/her and still be elected, regardless of how many shareholders withheld their votes for that nominee. Therefore, proposals requesting that nominees in non-contested elections receive a majority of the votes cast will be supported.

Mutual Fund Proxies

Management Proposals For Mutual Funds

Election of Trustees

Generally, vote in favor of the board of trustees unless the board lacks independence, has been unresponsive to investor concerns or has lost investor confidence in their stewardship of the fund.

Ratification of Auditors

A vote generally will be cast in favor of the auditors unless the amount paid for non-audit work is substantial enough to raise concerns about a potential conflict of interest to audit work.

Amend Declaration of Trust

A vote generally will be cast in favor of amendments that are procedural in nature and against amendments that include changes adverse to investor interests.

Approve Reorganization of Funds

A vote generally will be cast in favor of a reorganization of funds to decrease operating expenses. A vote generally will be cast against if a reorganization significantly changes the mandate of a fund to the detriment of the investor's interest.

Converting Closed-end Fund to Open-end Fund

Vote case-by-case on conversion proposals, considering the following factors:

- Measures taken by the board to address the discount;
- Past performance as a closed-end fund;
- Market in which the fund invests; and
- Past shareholder activism, board activity, and votes on related proposals.

Amend Investment Policy

A vote generally will be cast in favor of amendments that are procedural in nature and against amendments that include changes adverse to investor interests upon consideration and evaluation of the specific changes.

Approve Hiring of a New Manager

In the absence of any specific concerns, a vote generally will be cast in favor of proposals seeking to hire a new manager.

Approve a New Sub Advisory Agreement

Vote case-by-case on such proposals taking into consideration the need for efficiencies in manager selection, the firm's capabilities and the rationale for a new agreement.

Vote Upon Such Other Matters as May Properly Come Before the Meeting

A vote generally will be cast against this proposal because it provides approval for undisclosed items.

Approve Change to Fundamental Investment Objective or Policy

A vote generally will be cast against changes to fundamental investment objectives or fundamental investment policy if the changes are not adequately explained or significantly alter the terms of the investment.

Approve a Fund's Service Agreement

A vote generally will be cast in favor of service agreements that are procedural in nature and against service agreements that include changes adverse to investor interests.

Fee Structure

Funds may seek changes to the fee structure through revenue sharing agreements or alternative arrangements, which will only be supported if the changes are unlikely to result in overall increased fees to the investor.

Authorizing the Board to Hire and Terminate Subadvisors Without Shareholder Approval

A vote will be cast against proposals authorizing the board to hire or terminate subadvisors without shareholder approval.

Shareholder Proposals For Mutual Funds

A vote will be cast in favor of reporting and transparency about issues that may impact a fund's performance or risk profile. Requests for further action by the fund, such as divestment, will be assessed on a case-by-case basis.

FINANCIALS



FINANCIALS

Fund	Prev Year	FY19		FY19		Ending	Warrants	Available
	Cash Bal	Receipts	Transfers	Disbursements	Cash Balance	Outstanding	Balance	
GENERAL REVENUE	97,652,538.37	31,615,287,030.22	-6,630,714,763.99	24,952,683,006.92	129,541,797.68	-60,018,551.30	69,523,246.38	
GR - CS SPECIAL ACCT	29,832,778.13	2,210,334,466.50	-2,194,620,493.99	0.00	45,546,750.64	0.00	45,546,750.64	
EDUCATION ASSISTANCE	22,205,626.30	1,677,436,208.30	259,880,164.12	1,952,482,465.81	7,039,532.91	-106,636.52	6,932,896.39	
ROAD	632,738,805.02	2,371,605,069.68	-201,417,991.54	2,458,284,615.10	344,641,268.06	-3,000,759.63	341,640,508.43	
MOTOR FUEL TAX	112,879,638.82	1,277,682,145.31	-1,145,238,835.71	135,671,205.77	109,651,742.65	-638,023.85	109,013,718.80	
PREVENT & TREAT ALCOHOLISM & SUBSTANCE ABUSE BLOC	385,213.80	46,247,995.90	125,551.00	45,814,197.15	944,563.55	-450,874.78	493,688.77	
FOOD & DRUG SAFETY	183,928.74	128,643.65	-1,600.00	153,645.90	157,326.49	0.00	157,326.49	
PENNY SEVERNS BREAST, CERVICAL AND OVARIAN CANCER	319,652.61	0.00	0.00	32,562.67	287,089.94	0.00	287,089.94	
TEACHER CERTIFICATE FEE REVOLV	6,832,868.65	4,317,929.49	-7,600.00	2,078,373.13	9,064,825.01	-2,550.12	9,062,274.89	
TRANSPORTATION REGULATORY	8,989,616.97	9,047,577.48	2,998,800.00	11,617,554.88	9,418,439.57	-1,584.32	9,416,855.25	
GRADE CROSSING PROTECTION	73,813,955.89	163,598.27	39,930,121.00	18,217,494.51	95,690,180.65	0.00	95,690,180.65	
ALZHEIMER'S AWARENESS	18,875.00	13,283.00	0.00	15,000.00	17,158.00	0.00	17,158.00	
FINANCIAL INSTITUTION	2,285,153.24	5,575,066.57	-445,292.00	6,022,844.91	1,392,022.90	-3,913.93	1,388,108.97	
GENERAL PROFESSIONS DEDICATED	16,496,659.26	13,580,303.69	-11,836,867.00	5,575,205.37	12,664,890.58	-2,814.29	12,662,076.29	
ECONOMIC RESEARCH & INFO	27,273.64	0.00	0.00	0.00	27,273.64	0.00	27,273.64	
IL DEPT OF AG LAB SERV REVOLV	6,838.42	85,639.00	43,462.00	50,796.48	85,142.94	0.00	85,142.94	
GROUP HOME LOAN REVOLVING	46,520.17	16,810.32	0.00	33,000.00	30,330.49	0.00	30,330.49	
LIVE & LEARN	789,845.71	48,746.73	26,096,527.00	23,712,536.65	3,222,582.79	-2,373,140.43	849,442.36	
ILLINOIS POLICE BENEVOLENT AND PROTECTIVE ASSOCIAT	50.00	0.00	0.00	50.00	0.00	0.00	0.00	
ILLINOIS NURSES FOUNDATION	8,020.00	23,640.00	0.00	20,000.00	11,660.00	0.00	11,660.00	
AMERICAN RED CROSS	550.00	0.00	0.00	550.00	0.00	0.00	0.00	
SUPREME COURT SPECIAL PURPOSES	6,348,494.66	5,396,007.02	7,374,352.07	12,235,287.07	6,883,566.68	0.00	6,883,566.68	
DRIVERS EDUCATION	2,402,559.62	17,147,259.46	-1,370.00	18,748,681.94	799,767.14	-1,282.09	798,485.05	
ILLINOIS SHERIFFS' ASSOCIATION SCHOLARSHIP & TRAININ	1,662.00	3,835.00	0.00	1,000.00	4,497.00	0.00	4,497.00	
ILLINOIS STATE POLICE MEMORIAL PARK	40,685.00	37,876.52	0.00	40,000.00	38,561.52	0.00	38,561.52	
ACCESS TO JUSTICE	294,240.04	1,066,233.04	0.00	1,135,000.00	225,473.08	0.00	225,473.08	
IL VETERANS' REHABILITATION	323,862.70	20,811.59	2,349,978.12	2,410,929.77	283,722.64	-8,869.64	274,853.00	
ILLINOIS POLICE K-9 MEMORIAL	925.00	0.00	0.00	925.00	0.00	0.00	0.00	
STATE BOATING ACT	6,707,386.20	7,604,790.04	4,912,300.00	13,808,197.66	5,416,278.58	-147,874.54	5,268,404.04	
STATE PARKS	5,011,010.14	9,110,703.10	-100,352.80	12,079,888.81	1,941,471.63	-120,884.36	1,820,587.27	
WILDLIFE & FISH	23,350,365.25	56,865,919.63	-525,547.20	53,425,718.03	26,265,019.65	-1,693,382.15	24,571,637.50	
SALMON	221,461.68	245,715.60	0.00	226,843.88	240,333.40	0.00	240,333.40	
MILITARY AFFAIRS TRUST	233,317.95	88,122.21	-7,368.00	39,040.00	275,032.16	0.00	275,032.16	
LOBBYIST REGISTRATION ADMIN	2,228,250.43	1,267,182.16	-9,507.00	1,051,616.00	2,434,309.59	0.00	2,434,309.59	
AGRICULTURAL PREMIUM	2,705,584.37	1,499,884.08	19,748,660.93	18,103,405.87	5,850,723.51	-207,974.08	5,642,749.43	
AERONAUTICS	768,059.17	30,909.00	0.00	45,120.39	753,847.78	0.00	753,847.78	
FIRE PREVENTION	22,670,266.44	35,155,230.51	-166,483.00	30,615,222.76	27,043,791.19	-68,121.55	26,975,669.64	
RURAL/DOWNSTATE HEALTH ACCESS	315,396.60	90,000.00	0.00	48,814.57	356,582.03	0.00	356,582.03	
MENTAL HEALTH	20,107,465.11	27,747,667.98	-73,372.00	33,561,220.04	14,220,541.05	-28,634.72	14,191,906.33	
AMUSEMENT RIDE & PATRON SAFETY	738,482.50	291,321.96	0.00	298,277.65	731,526.81	0.00	731,526.81	
FEDERAL TITLE III SOCIAL SECURITY & EMPLOYMENT SERVI	75,272,496.88	185,003,483.60	17,811,701.00	183,217,149.95	94,870,531.53	-61,824.55	94,808,706.98	
METRO EXPO AUD & OFFICE BLDG	16,827,317.71	0.00	-3,893.23	0.00	16,823,424.48	0.00	16,823,424.48	
STATE PENSIONS	4,682,622.35	140,597.83	249,646,730.81	233,569,721.55	20,900,229.44	-39,871.11	20,860,358.33	
FEDERAL UNEMPLOYMENT COMPENSATION SPECIAL ADMI	6,848,805.82	17,189,824.74	-18,000,000.00	908,483.85	5,130,146.71	0.00	5,130,146.71	
IL STATE PHARMACY DISCIPLINARY	4,535,688.98	2,209,695.23	-1,865,984.00	1,506,312.59	3,373,087.62	-715.28	3,372,372.34	
NATIONAL WILD TURKEY FEDERATION	1,175.00	0.00	0.00	1,175.00	0.00	0.00	0.00	
PUBLIC UTILITY	10,606,247.81	30,538,681.54	1,738.85	25,585,481.05	15,561,187.15	-3,592.33	15,557,594.82	
ALZHEIMER'S DISEASE RESEARCH	269,261.98	0.00	198,872.50	45,039.47	423,095.01	0.00	423,095.01	
PUBLIC HEALTH SERVICES	12,043,933.70	168,565,814.59	-897,329.26	169,597,472.62	10,614,446.41	-921,000.55	9,693,445.86	
U. S. ENVIRONMENTAL PROTECTION	2,496,354.14	31,205,471.70	2,750,000.00	30,720,798.50	5,731,027.34	-78,169.77	5,652,857.57	
CURING CHILDHOOD CANCER	5,750.00	0.00	0.00	0.00	5,750.00	0.00	5,750.00	
RADIATION PROTECTION	3,992,500.25	8,267,615.06	-1,015,400.00	6,538,615.01	4,706,100.30	-425.00	4,705,675.30	
Hospital Licensure Fund	4,060,068.42	1,715,196.18	0.00	735,408.78	5,039,855.82	0.00	5,039,855.82	
NATURAL HERITAGE ENDOW TR	427,425.19	9,609.60	0.00	0.00	437,034.79	0.00	437,034.79	
ICCB Research and Technology Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
UNDERGROUND STORAGE TANK	103,804,515.91	76,467,381.84	-45,293,200.00	36,456,145.99	98,522,551.76	-670,654.90	97,851,896.86	
Special Olympics IL & Special Children's Charities Fund	298,499.87	519,269.54	0.00	817,169.41	600.00	0.00	600.00	
EPA SPEC STATE PROJ TRUST	1,102,183.21	1,406,239.77	-400.00	927,312.31	1,580,710.67	-5,951.86	1,574,758.81	
COMPASSIONATE USE OF MEDICAL CANNABIS	12,456,300.10	17,799,302.03	-3,338,782.00	7,582,503.20	19,334,316.93	-51,318.56	19,282,998.37	
Illinois National Guard Billeting Fund	301,030.99	301,939.08	-17,034.42	343,018.15	242,917.50	-8,101.28	234,816.22	
MINES & MINERALS UIC	4,412.84	226,572.90	0.00	200,644.99	30,340.75	0.00	30,340.75	
SOLID WASTE MANAGEMENT	12,538,971.32	22,527,427.46	-6,663,563.85	12,659,849.47	15,742,985.46	-132,497.15	15,610,488.31	
VOCATIONAL REHABILITATION	16,537,065.74	112,063,972.80	5,194.58	118,613,093.52	9,993,139.60	-458,490.09	9,534,649.51	
Distance Learning Fund	80,158.74	120,000.00	0.00	60,598.84	139,559.90	0.00	139,559.90	
COUNTY WATER COMMISSION TAX	176,739.94	3,131.21	0.00	36,660.71	143,210.44	0.00	143,210.44	
IL GAMING LAW ENFORCEMENT	522,005.57	1,781,160.63	-4,195.00	1,588,448.71	710,522.49	0.00	710,522.49	
FOREST RESERVE	384,673.00	261,852.39	0.00	335,906.91	310,618.48	-274,786.13	35,832.35	
NON-HOME RULE MUNICIPAL ROT	28,104,500.07	150,530,343.32	-1,726,125.58	145,421,394.41	31,487,323.40	-132,853.05	31,354,470.35	
SUBTITLE D MANAGEMENT	3,198,325.03	2,439,800.06	-6,200.00	1,638,068.76	3,993,856.33	-304.05	3,993,552.28	
SPECIAL FEDERAL GRANT PROJECT	84,831.09	8,594.43	6,874.47	100,299.99	0.00	0.00	0.00	
Clean Air Act Permit Fund	7,854,500.37	12,156,389.30	29,882.56	10,737,605.26	9,303,166.97	-745.48	9,302,421.49	
FEDERAL CONGRESS TEACHR SCHL	50.00	120.00	0.00	120.00	50.00	0.00	50.00	
IL STATE MEDICAL DISCIPLINARY	38,311,068.11	4,576,032.23	-10,756,065.00	3,156,989.48	28,974,045.86	-1,746.00	28,972,299.86	
FEDERAL/STATE/LOCAL AIRPORT	2,283,617.79	43,998,827.28	0.00	41,390,890.84	4,891,554.23	-267,223.35	4,624,330.88	
CEMETERY CONSUMER PROTECTION	36,389.71	50,514.52	0.00	79,443.57	7,460.66	-4,178.76	3,281.90	
HOME RULE MUNI SOFT DRINK ROT	1,749,042.14	10,938,867.89	-162,267.10	10,524,188.47	2,001,454.46	-310.05	2,001,144.41	
DUQUOIN ST FAIR HARNESS RACING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ASSISTANCE TO THE HOMELESS	706,660.25	3,966.03	271,569.76	59,201.00	922,995.04	0.00	922,995.04	
GENERAL OBLIGATION BR&I	1,585,965,907.80	1,288,640,529.11	3,592,574,851.29	5,241,914,316.76	1,225,266,971.44	0.00	1,225,266,971.44	
IL VETERANS' HOMES	0.00	275.00	0.00	0.00	275.00	0.00	275.00	
State Treasurer's Administrative Fund	35,295.89	11,467,349.98	0.00	5,464,879.81	6,037,766.06	-3,888.10	6,033,877.96	
Stroke Data Collection Fund	124,378.65	39,981.50	750.00	820.77	164,289.38	0.00	164,289.38	
IL CIVIC CENTER BR&I	8,045,418.99	0.00	14,587,135.36	14,434,062.50	8,198,491.85	0.00	8,198,491.85	
ACCESSIBLE ELECTRONIC INFO SER	2,368.40	0.00	0.00	0.00	2,368.40	0.00	2,368.40	
GENERAL OBLIGATION BOND REBATE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CDLIS/AAMVAnet/NMVTIS Trust Fund	5,515,593.10	4,698,295.00	-2,467.00	4,400,121.92	5,811,299.18	-3,463.01	5,807,836.17	
COMPTROLLER'S AUDIT EXP REV	6,532.84	29.40	0.00	0.00	6,562.24	0.00	6,562.24	
COMMUNITY HEALTH CENTER CARE	194,239.31	127,006.20	0.00	0.00	321,245.51	0.00	321,245.51	
SAFE BOTTLED WATER	183,259.30	32,450.00	0.00	20,028.24	195,681.06	-1,314.00	194,367.06	
ST APPELLATE DEFENDER FEDERAL	11,836.50	31,400.63	0.00	43,237.13	0.00	0.00	0.00	
FACILITY LICENSING	3,662,918.59	2,095,776.48	-501,474.44	1,270,683.39	3,986,537.24	-2,475.37	3,984,061.87	
FORECLOSURE PREVENTION PROGRAM GRADUATED	5,937,734.20	2,817,232.60	0.00	8,362,674.00	392,292.80	0.00	392,292.80	
HOME SERVICES MEDICAID TRUST	29,952,201.17	234,929,769.65	0.00	253,904,268.52	10,977,702.30	-689,660.91	10,288,041.39	

FINANCIALS

Fund	Prev Year Cash Bal	FY19 Receipts	FY19 Transfers	FY19 Disbursements	Ending Cash Balance	Warrants Outstanding	Available Balance
ESTATE TAX REFUND	14,728,267.06	24,784,812.48	-4,999,590.18	12,081,280.03	22,432,209.33	-867,194.38	21,565,014.95
HANSEN-THERKELSEN MEMORIAL	1,054,625.80	19,617.21	0.00	1,068,432.10	625.80	0.00	5,810.91
WORKERS' COMP BENEFIT TRUST	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MUNICIPAL WIRELESS SERVICE EMERGENCY	1,423,966.78	6,367,279.30	-92,434.71	6,242,844.92	1,455,966.45	0.00	1,455,966.45
IL UNDERGROUND UTL FAC DAMAGE	25,330.00	238,925.50	0.00	116,518.00	147,737.50	0.00	147,737.50
YOUTH ALCOHOL&SUBSTANCE ABUSE	711,352.16	520.67	2,399,451.50	2,079,842.16	1,031,482.17	0.00	1,031,482.17
STATE GAMING	32,912,639.65	460,255,785.26	-337,032,144.00	131,179,934.72	24,956,346.19	-1,348,501.26	23,607,844.93
SCHOOL DIST EMERG FINANC ASST	1,102,277.92	0.00	0.00	69,693.75	1,032,584.17	0.00	1,032,584.17
COUNCIL ON DEV DISABILITIES	194,680.17	3,158,698.48	0.00	3,180,875.19	172,503.46	-46,555.26	125,948.20
Spec Svcs for Survivors of Human Trafficking	1,800.00	3,000.00	0.00	0.00	4,800.00	0.00	4,800.00
HEARTSAVER AED	4,939.87	0.00	0.00	2,154.68	2,785.19	0.00	2,785.19
UNIVERSITY OF IL HOSPITAL SERV	16,111,762.76	126,938,099.39	35,998,122.00	171,660,438.24	7,387,545.91	-112.56	7,387,433.35
PLUGGING & RESTORATION	1,957,104.09	1,297,217.25	-4,500.00	495,222.95	2,754,598.39	0.00	2,754,598.39
HOME RULE MUNICIPAL ROT	163,482,002.50	1,080,693,668.53	-12,702,332.09	1,071,163,788.10	160,309,550.84	-1,305,276.46	159,004,274.38
HOME RULE COUNTY ROT	164,893,246.92	793,645,197.23	-9,906,058.38	834,994,689.67	113,637,696.10	0.00	113,637,696.10
IL DEPT OF REVENUE FEDRL TRUST	27,027.59	0.00	0.00	26,570.99	456.60	0.00	456.60
CAPITAL DEVELOPMENT	493,813,078.65	747,247.67	0.00	225,953,939.35	268,606,386.97	-936,793.49	267,669,593.48
COMMUNITY DEVELOPMENTAL DISABILITY SERVICES MEDI	49,984,794.20	78,576,802.21	283,500.00	71,097,397.50	57,747,698.91	-356.73	57,747,342.18
SCHOOL CONSTRUCTION	27,228,879.98	0.00	0.00	3,875,219.36	23,353,660.62	0.00	23,353,660.62
STATE BOARD OF EDUCATION SPECIAL PURPOSE TRUST	9,248,438.98	10,559,183.12	496,739.37	10,070,865.39	10,233,496.08	-75,527.06	10,157,969.02
EXPLOSIVES REGULATORY	283,162.98	159,867.20	-1,800.00	76,042.70	365,187.48	0.00	365,187.48
AGGREGATE OPERATION REGULATORY	304,597.97	219,779.21	-2,500.00	278,632.69	243,244.49	-60.00	243,184.49
COAL MINING REGULATORY	219,916.99	238,726.34	-3,300.00	88,129.53	367,213.80	-1,963.00	365,250.80
MENTAL HEALTH REPORTING	5,088,638.29	2,015,562.19	0.00	580,262.37	6,523,938.11	0.00	6,523,938.11
CAPITOL RESTORATION TRUST	1,069.86	0.00	0.00	0.00	1,069.86	0.00	1,069.86
RENTAL HOUSING SUPPORT PROGRAM	16,971,426.33	12,353,053.50	-2,388.00	19,989,683.54	9,332,408.29	0.00	9,332,408.29
REG CPA ADMIN & DISCIPLINARY	1,710,175.69	4,694,088.95	-299,809.00	395,483.30	5,708,972.34	-240.00	5,708,732.34
STATE CRIME LABORATORY	10,531,331.63	7,498,569.84	-4,020.00	5,921,755.95	12,104,125.52	-6,278.15	12,097,847.37
AGRICHEMICAL INCIDENT RESPONSE	3,335.58	75.03	0.00	0.00	3,410.61	0.00	3,410.61
EPA COURT ORDERED TRUST	6,342.74	132.32	0.00	0.00	6,475.06	0.00	6,475.06
GEN ASSEMBLY COMPUTER EQUIP	138,236.92	8,272.00	0.00	28,840.23	117,668.69	0.00	117,668.69
MOTOR VEHICLE THEFT PREVENTN AND INS VERIFICATION T	16,362,617.86	6,589,919.06	773.00	305,390.00	22,647,919.92	0.00	22,647,919.92
PUBLIC-PRIVATE PARTNERSHIPS FOR TRANSPORTATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SEXUAL ASSAULT SERVICES & PREVENTION	240,153.27	428,236.09	0.00	0.00	668,389.36	0.00	668,389.36
SBE TEACHER CERTIFICATION INST	1,413,351.64	720,182.29	0.00	495,149.00	1,638,384.93	0.00	1,638,384.93
BUSINESS DISTRICT RETAILERS' OCCUPATION TAX	4,350,079.08	27,875,448.92	0.00	27,140,802.63	5,084,725.37	-8,297.42	5,076,427.95
High School Equivalency Testing Fund	128,321.59	86,889.30	0.00	90,507.24	124,703.65	0.00	124,703.65
WEIGHTS & MEASURES	1,244,960.19	5,321,220.06	-38,174.00	5,630,854.63	897,151.62	-1,728.56	895,423.06
KOREAN WAR MEMORIAL CONSTRUCTION	772.00	124.00	0.00	0.00	896.00	0.00	896.00
STATE POLICE MERIT BOARD PUBLIC SAFETY	3,176,487.99	2,236,145.09	0.00	1,011,027.74	4,401,605.34	-5,421.30	4,396,184.04
DIV OF CORPORATIONS REGISTERED LIMITED LIABILITY PAI	664,744.26	600,056.07	-288,500.00	103,455.65	872,844.68	0.00	872,844.68
CMS VS AFSCME WAGES TRUST	981,490.57	0.00	0.00	0.00	981,490.57	0.00	981,490.57
Illinois Independent Tax Tribunal	270,035.23	94,086.07	0.00	37,232.31	326,888.99	0.00	326,888.99
CDB Special Projects Fund	86,631.23	0.00	0.00	0.00	86,631.23	0.00	86,631.23
CHILDHOOD CANCER RESEARCH	70,702.27	0.00	0.00	0.00	70,702.27	0.00	70,702.27
EMERGENCY PLANNING & TRAINING	80,238.48	40,700.00	0.00	49,779.83	71,158.65	0.00	71,158.65
IL SCHOOL ASBESTOS ABATEMENT	425,462.36	495,785.97	-6,525.00	377,904.56	536,818.77	0.00	536,818.77
SECRETARY OF STATE FED PROJ	111,520.95	69,713.07	0.00	101,592.52	79,641.50	-617.50	79,024.00
CHIP BOARD PAYROLL TRUST	14,284.81	331,721.81	0.00	332,483.07	13,523.55	0.00	13,523.55
CHILDREN'S WELLNESS CHARITIES	36,232.28	0.00	0.00	0.00	36,232.28	0.00	36,232.28
INJURED WORKERS' BENEFIT	3,230,973.04	1,880,245.67	0.00	2,958,940.48	2,152,278.23	-201,691.43	1,950,586.80
HOUSING FOR FAMILIES	44,932.57	0.00	0.00	0.00	44,932.57	0.00	44,932.57
DRIVER SERVICES ADMINISTRATION	2,795,932.32	2,437,372.00	-864.00	940,928.60	4,291,511.72	0.00	4,291,511.72
ICJIA VIOLENCE PREVENTION	316,554.28	297,746.79	1,296.00	178,030.66	437,566.41	0.00	437,566.41
SECRETARY OF STATE SPEC LIC PL	4,285,956.81	3,707,654.34	-13,453.00	4,126,771.63	3,853,386.52	-650.47	3,852,736.05
STATE AND LOCAL SALES TX REFRM	49,857,115.64	542,952,212.38	-398,006,277.29	103,073,309.26	91,729,741.47	0.00	91,729,741.47
RTA OCCUP&USE TAX REPLACEMENT	0.00	0.00	50,262,639.42	50,262,639.42	0.00	0.00	0.00
COUNTY & MASS TRANSIT DISTRICT	74,878,588.43	389,451,877.91	-144,521,107.66	236,428,344.65	83,381,014.03	0.00	83,381,014.03
LOCAL GOVERNMENT TAX	344,297,331.81	1,877,739,038.69	0.00	1,889,695,577.29	332,340,793.21	-1,384,926.59	330,955,866.62
COUNTY OPTION MOTOR FUEL TAX	6,066,841.11	34,469,869.58	-530,663.27	34,081,172.36	5,924,875.06	0.00	5,924,875.06
INDOOR RADON MITIGATION	53,810.14	297,793.22	0.00	351,603.36	0.00	0.00	0.00
PROFESSIONAL REGUL EVIDENCE	305.87	0.00	0.00	0.00	305.87	0.00	305.87
LOC GOVT HEALTH INSURANCE RES	3,102,425.62	47,096,984.22	0.00	47,449,471.32	2,749,938.52	0.00	2,749,938.52
ILLINOIS STATE MUSEUM	87,672.00	40,736.31	0.00	0.00	128,408.31	0.00	128,408.31
IPTIP ADMINISTRATIVE TR	2,123,978.96	5,620,621.55	-66,500.00	4,773,003.34	2,905,097.17	-339,544.53	2,565,552.64
GEN ASSEMBLY OPERATIONS REV	12,483.08	7,726.45	0.00	11,600.00	8,609.53	0.00	8,609.53
Epilepsy Treatment & Education Grants-In-Aid	26,356.50	0.00	0.00	0.00	26,356.50	0.00	26,356.50
Diabetes Research Checkoff	255,539.09	5,412.16	116,284.08	0.00	377,235.33	0.00	377,235.33
ILLINOIS FISHERIES MANAGEMENT	1,135,584.75	1,810,681.83	0.00	1,566,414.93	1,379,851.65	-17,590.72	1,362,260.93
DIRECT DEPOSIT ADMINISTRATION	885,743.39	4,651,931.00	0.00	5,214,226.70	323,447.69	-323,447.69	0.00
FLEXIBLE SPENDING ACCOUNT	3,708,197.70	34,224,954.59	-3,358.00	30,287,346.86	7,642,447.43	-1,193.84	7,641,253.59
TCHR HEALTH INSURANCE SECURITY	41,372,128.34	520,755,823.22	0.00	535,521,798.15	26,606,153.41	-1,078,860.41	25,527,293.00
SOCIAL SECURITY ADMINISTRATION	4,371,167.68	1,097,799.62	0.00	551,842.62	4,917,124.68	-22,457.34	4,894,667.34
IL FARMER & AGRI-BUSINESS LN	8,059,401.01	173,278.97	0.00	0.00	8,232,679.98	0.00	8,232,679.98
HELP ILLINOIS VOTE	14,994,475.37	1,005,521.91	0.00	1,482,557.59	14,517,439.69	-332,794.49	14,184,645.20
POLLUTION CONTROL BOARD ST TR	868,340.57	350,101.93	869.76	435,780.10	783,532.16	-164.63	783,367.53
Carolyn Adams Ticket For The Cure Grant	2,062,799.03	676,530.11	0.00	0.00	2,739,329.14	0.00	2,739,329.14
STATE POLICE FIREARM SERVICES	3,001,006.28	13,363,136.96	-4,116.00	8,947,893.05	7,412,134.19	-23,923.75	7,388,210.44
DHS TECHNOLOGY INITIATIVE	7,507,718.62	7,179,120.16	0.00	7,844,418.04	6,842,420.74	-53,595.00	6,788,825.74
FEDERAL FINANCING COST REIMB	8,220.00	0.00	6,151,351.00	6,151,351.00	8,220.00	0.00	8,220.00
RESPONSE CONTRACTORS INDEMNIF	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BROWNFIELDS REDEVELOPMENT	1,945,916.92	783,810.89	0.00	1,063,704.75	1,666,023.06	-224.00	1,665,799.06
CAPITAL DEVELOP BRD REVOLVING	5,637,212.89	7,832,538.65	-1,308.00	938,893.70	12,529,549.84	-79.10	12,529,470.74
STANDARD&BRED PURSE FUND	248,736.27	523,411.69	0.00	438,208.44	333,939.52	0.00	333,939.52
PROFESSIONS INDIRECT COST	4,282,467.43	493,036.95	45,406,123.00	26,077,789.17	24,103,838.21	-19,070.61	24,084,767.60
COUNTY PUBLIC SAFETY ROT	19,952,635.12	103,413,909.03	-1,195,259.77	101,145,736.76	21,025,547.62	-396.37	21,025,151.25
DCFS CHILDREN'S SERVICES	148,160,216.92	356,641,148.24	-1,222,168.52	369,927,774.94	133,651,421.70	-1,638,967.16	132,012,454.54
STATE POLICE DUI	1,449,904.33	911,104.45	-1,050.00	1,815,895.94	544,062.84	-104.54	543,958.30
CHICAGO STATE UNIVERSITY EDUCATION IMPROVEMENT	643,058.01	33,633.77	1,595,767.00	1,714,976.77	557,482.01	0.00	557,482.01
ASBESTOS ABATEMENT	6,488.09	0.00	0.00	0.00	6,488.09	0.00	6,488.09
IL SPORTS FACILITIES	9,169,000.00	66,155,000.00	-9,169,000.00	57,000,000.00	9,155,000.00	0.00	9,155,000.00
Autism Research Checkoff Fund	4,072.97	85.71	0.00	0.00	4,158.68	0.00	4,158.68
SPORTS FACILITIES TAX	11,307,868.88	55,809,786.30	0.00	58,865,231.01	8,252,424.17	0.00	8,252,424.17
SUPREME COURT SPEC STATE PROJ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oil and Gas Resource Management Fund	13,500.00	0.00	0.00	2,500.00	11,000.00	0.00	11,000.00
INTERCITY PASSENGER RAIL FUND	171,577.00	3,480.29	0.00	0.00	175,057.29	0.00	175,057.29

FINANCIALS

Fund	Prev Year Cash Bal	FY19 Receipts	FY19 Transfers	FY19 Disbursements	Ending Cash Balance	Warrants Outstanding	Available Balance
ILLINOIS VETERANS ASSISTANCE FUND	1,075,192.14	1,323,171.62	-3,863.00	932,374.64	1,462,126.12	-52,342.00	1,409,784.12
MEDICAID FRAUD&ABUSE PREVENT	34,798.89	0.00	0.00	0.00	34,798.89	0.00	34,798.89
IL HEALTH FACILITIES PLANNING	1,992,267.71	1,961,874.46	-14,500.00	1,457,444.16	2,482,198.01	-6,256.90	2,475,941.11
EMERGENCY PUBLIC HEALTH	2,704,454.00	4,340,859.62	-10,650.00	2,725,231.93	4,309,431.69	-28,142.20	4,281,289.49
TOMA CONSUMER PROTECTION	120,743.71	2,597.59	0.00	0.00	123,341.30	0.00	123,341.30
ISAC ACCOUNTS RECEIVABLE	69,705.59	98,850.99	-44.65	60,530.74	107,981.19	-18,416.02	89,565.17
CREDIT UNION	2,205,478.38	4,235,754.36	-2,100,557.00	2,967,247.08	1,373,428.66	-4,620.93	1,368,807.73
Residential Finance Regulatory Fund	6,435,046.76	5,999,416.61	-4,499,853.00	3,144,726.02	4,789,884.35	-725.00	4,789,159.35
FAIR & EXPOSITION	454,367.79	0.00	695,536.66	900,000.00	249,904.45	0.00	249,904.45
STATE POLICE VEHICLE	17,186,696.12	10,387,669.75	-6,004.00	13,252,956.64	14,315,405.23	0.00	14,315,405.23
SOUTH SUBURBAN AIRPORT IMPROVEMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPT OF LABOR SPEC STATE TRUST	1,434,747.60	375,487.08	0.00	268,945.20	1,541,289.48	-32,546.02	1,508,743.46
BLUE WATER DITCH FLOOD CONTROL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Illinois Secure Choice Administrative Fund	0.00	259.17	0.00	0.00	259.17	0.00	259.17
PUBLIC HEALTH WATER PERMIT	173,765.28	55,418.50	0.00	26,475.51	202,708.27	-8,707.30	194,000.97
AML RECLAMATION SET ASIDE	48,881,035.87	6,474,920.85	657,930.56	0.00	56,013,887.28	0.00	56,013,887.28
NURSING DEDICATED & PROFESSNL	18,592,586.00	4,757,102.04	-4,777,180.00	2,833,219.25	15,739,288.79	-57,888.52	15,681,400.27
OPTOMETRIC LICENSING & DISCIPLINARY BOARD	1,243,458.90	106,036.32	-42,655.00	207,616.93	1,099,223.29	0.00	1,099,223.29
FISH & WILDLIFE ENDOWMENT	2,414,978.03	110,742.10	0.00	0.00	2,525,720.13	0.00	2,525,720.13
UNDERGROUND RESOURCE CONSERV	2,081,087.62	1,293,280.62	-1,800.00	818,864.73	2,553,703.51	-1,468.19	2,552,235.32
MANDATORY ARBITRATION	21,343,349.37	4,560,274.79	2,265,378.88	5,214,662.10	22,954,340.94	-116,222.00	22,838,118.94
Private Vehicle Use Home Rule Fund	5,077,006.08	16,894,298.86	-674,197.79	17,228,163.32	4,068,943.83	0.00	4,068,943.83
STATE RAIL FREIGHT LOAN REPLY	2,667,274.64	838,958.25	0.00	0.00	3,506,232.89	0.00	3,506,232.89
SUPREME COURT FEDERAL PROJECTS	17,765.49	754,144.46	0.00	766,897.73	5,012.22	-515.98	4,496.24
WATER REVOLVING	138,828,226.93	651,205,011.87	0.00	677,431,733.46	112,601,505.34	-4,876,352.30	107,725,153.04
IL RACING BOARD CHARITY	515,012.95	345,306.05	0.00	750,000.00	110,319.00	0.00	110,319.00
LASALLE VETERANS HOME	9,300,074.63	12,497,233.50	-36,259.00	11,436,942.78	10,324,106.35	-19,216.25	10,304,890.10
ANNA VETERANS HOME	4,137,626.89	3,579,301.29	-8,050.00	5,351,885.07	2,356,993.11	-7,419.29	2,349,573.82
SELF-INSURERS ADMINISTRATION	189,585.93	286,548.23	0.00	454,863.91	21,270.25	0.00	21,270.25
DRUNK&DRUGGED DRIVING PREVENT	113,637.27	1,428,543.75	-18,025.00	1,492,708.76	31,447.26	-1,407.50	30,039.76
POLLUTION CONTROL BOARD	29,810.87	3,450.00	0.00	2,527.47	30,733.40	0.00	30,733.40
INCOME TAX REFUND	433,369,431.88	3,032,362,283.49	-294,935,213.21	2,460,244,388.46	710,552,113.70	-93,587,009.96	616,965,103.74
METHAMPHETAMINE LAW ENFORCEMENT FUND	232,469.09	55,929.09	0.00	0.00	288,398.18	0.00	288,398.18
HOSPITAL BASIC SERVICES PRESERVATION FUND	0.00	91,666.66	0.00	0.00	91,666.66	0.00	91,666.66
LONG TERM CARE MONITOR/RECEIVE	7,897,426.36	14,410,091.12	3,843,037.19	22,622,992.19	3,527,562.48	-21,001.03	3,506,561.45
IL AFFORDABLE HOUSING TRUST	69,710,980.07	58,199,422.20	-10,004,957.00	73,141,512.95	44,763,932.32	-48,485.28	44,715,447.04
HOME CARE SERVICES AGENCY LICENSURE FUND	1,250,150.49	1,367,532.21	0.00	1,426,456.84	1,191,225.86	-5,478.34	1,185,747.52
COMMUNITY WATER SUPPLY LABORATORY	1,150,012.64	843,450.48	-3,100.00	903,006.29	1,087,356.83	-3,240.68	1,084,116.15
MOTOR FUEL & PETROLEUM STRDS	139,666.53	57,650.00	0.00	25,406.22	171,910.31	0.00	171,910.31
FERTILIZER CONTROL	633,225.44	1,623,697.83	1,626.00	1,269,287.89	989,261.38	-1,125.00	988,136.38
REGULATORY	185,053.93	91,587.02	-40,950.00	43,810.18	191,880.77	-138.01	191,742.76
SECURITIES INVESTORS EDUCATION	7,746,239.58	62,086.51	-1,500,800.00	215,788.28	6,091,737.81	0.00	6,091,737.81
STATE FURBEARER	383,214.22	78,120.64	26,563.97	0.00	487,898.83	0.00	487,898.83
USED TIRE MANAGEMENT	8,458,217.96	16,651,404.53	-8,514,705.02	9,216,230.56	7,378,686.91	-2,962.25	7,375,724.66
SECRETARY OF STATE INTERAGENCY	311,111.07	0.00	0.00	0.00	311,111.07	0.00	311,111.07
IL EXECUTIVE MANSION TRUST	65,563.54	0.00	0.00	5,908.27	59,655.27	-5,384.00	54,271.27
GUARDIANSHIP & ADVOCACY	3,449,148.17	1,443,068.25	0.00	1,494,075.31	3,398,141.11	-1,673.41	3,396,467.70
NATURAL AREAS ACQUISITION	18,945,752.86	12,442,894.06	-2,112,800.00	14,593,829.14	14,682,017.78	-349,768.22	14,332,249.56
OPEN SPACE LANDS ACQUIS&DEVEL	27,345,024.36	28,710,549.44	-3,065,200.00	9,331,245.88	43,659,127.92	-1,524,161.92	42,134,966.00
WORKING CAPITAL REVOLVING	2,870,217.04	39,385,252.38	-401,284.00	39,879,858.53	1,974,326.89	-3,906.50	1,970,420.39
STATE GARAGE REVOLVING	12,721,768.78	52,748,858.80	-492,621.00	59,483,746.98	5,494,259.60	-195,242.63	5,299,016.97
Technology Management Revolving Fund	45,002,308.33	275,730,573.80	-204,090.00	297,520,383.12	23,008,409.01	-413,497.53	22,594,911.48
PAPER & PRINTING REVOLVING	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AIR TRANSPORTATION REVOLVING	958,375.54	838.04	0.00	40,957.34	918,256.24	0.00	918,256.24
TAX RECOVERY	2,588,212.36	1,663,596.22	0.00	1,499,517.06	2,752,291.52	-645.00	2,751,646.52
FACILITIES MANAGEMENT REVOLV	17,049,171.65	188,725,347.72	215,740.00	197,428,956.37	8,561,303.00	-4,229,086.57	4,332,216.43
PROFESSIONAL SERVICES	8,772,598.60	618,904.88	33,544,555.00	37,666,452.85	5,269,605.63	-8,644.73	5,260,960.90
ICJIA Violence Prevention Specials Projects Fund	1,737,388.30	20,000.00	0.00	353,017.28	1,404,371.02	-17,058.22	1,387,312.80
SOUTH SUBURBAN BROWNFIELDS REDEVELOPMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SOUTH SUBURBAN INCREMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FAMILY RESPONSIBILITY	429,573.76	120,210.00	0.00	180,629.99	369,153.77	0.00	369,153.77
MOTOR VEHICLE REVIEW BOARD	175,216.62	238,714.65	-2,400.00	267,955.63	143,575.64	-2,310.00	141,265.64
AFRICAN-AMERICAN HIV/AIDS RESPONSE FUND	0.44	264.78	0.00	0.00	265.22	0.00	265.22
TATTOO AND BODY PIERCING ESTABLISHMENT REGISTRATI	754,412.94	491,266.43	127,990.50	329,323.65	1,044,346.22	-3,337.50	1,041,008.72
STATE POLICE VEHICLE MAINTENANCE FUND	218,280.07	289,054.14	11,778.99	0.00	519,113.20	0.00	519,113.20
COUNTY PROVIDER TRUST	23,201,238.78	2,055,731,173.05	0.00	2,032,090,655.92	46,841,755.91	-3,265.17	46,838,490.74
TREASURER'S RENTAL FEE	1,060.60	22,733.00	0.00	0.00	23,793.60	0.00	23,793.60
WORKERS' COMPENSATION REVOLVING	16,464,452.91	1,647,951.80	92,623,074.00	92,592,007.43	18,143,471.28	-27.18	18,143,444.10
FEDERAL SUPPORT AGREEMENT REV	2,317,614.46	28,298,832.63	-448,896.95	29,121,705.09	1,045,845.05	-75,930.30	969,914.75
AMBULANCE REVOLVING LOAN FUND	902.00	272,006.99	0.00	271,937.36	971.63	0.00	971.63
CRIMINAL JUSTICE INFORMATION PROJECTS	160,735.80	277,760.11	648.39	197,346.00	241,798.30	-197.80	241,600.50
ENVIRONMENTAL LAB CERTIFICAT	140,527.28	418,190.60	-400.00	374,141.99	184,175.89	0.00	184,175.89
MPEA TRUST	74,294,202.27	158,165,555.28	-1,891,583.80	209,207,131.74	21,361,042.01	-1,518.30	21,359,523.71
FEDERAL HOME INVESTMENT TRUST	51,637.28	997.55	0.00	0.00	52,634.83	0.00	47,371.83
IL COMM COLL BRD CONTRCT & GRT	146,697.69	339,017.92	0.00	245,051.32	240,664.29	0.00	240,664.29
PUBLIC HEALTH LAB SERV REV	5,061,332.44	3,777,238.36	60,449.74	3,174,885.55	5,724,134.99	-185,321.00	5,538,813.99
PROVIDER INQUIRY TRUST	1,336,952.07	465,171.59	0.00	1,510,607.72	291,515.94	0.00	291,515.94
AUDIT EXPENSE	30,247,046.59	3,319,579.74	25,298,901.00	23,920,201.08	34,945,326.25	0.00	34,945,326.25
FEDERAL NATNL COMM SERVICES	476,402.09	0.00	0.00	143,112.79	333,289.30	0.00	333,289.30
CARE PROV FOR PERSONS WITH DD	3,759,267.56	41,696,883.31	-4,483.00	30,736,730.44	14,714,937.43	0.00	14,714,937.43
LONG TERM CARE PROVIDER	33,062,264.99	355,574,912.45	10,000,187.00	384,469,838.25	14,167,526.19	-1,328,507.12	12,839,019.07
HOSPITAL PROVIDER	109,822,555.20	3,580,392,354.99	-375,050,227.00	3,018,867,916.67	296,296,766.52	-32,063.81	296,264,702.71
EMPLOYMENT & TRAINING	29,683,124.12	263,252,614.67	-158,510.59	290,564,167.83	2,213,060.37	-1,267,266.93	945,793.44
ICCB FEDERAL TRUST	959,979.87	117,316.50	0.00	83,128.64	994,167.73	-885.00	993,282.73
STATE PHEASANT	3,243,300.07	417,399.93	132,718.85	290,000.00	3,503,418.85	-2,800.00	3,500,618.85
SPECIAL ED MEDICAID MATCHING	4,254,187.46	162,891,253.00	-2,346.00	165,709,241.38	1,433,853.08	-1,433,477.90	375.18
LAW ENFORCEMENT CAMERA GRANT FUND	3,958,981.26	2,393,612.29	0.00	2,759,513.55	3,593,080.00	-200,000.00	3,393,080.00
CHILD LABOR ENFORCEMENT	776,642.55	713,626.17	-700.00	593,445.75	896,122.97	0.00	896,122.97
Illinois ABL Accounts Administrative Fund	864.17	2,400.96	0.00	0.00	3,265.13	0.00	3,265.13
IMSA SPECIAL PURPOSES TRUST	858,383.80	1,309,593.11	-1,193.42	1,617,809.62	548,973.87	-14,617.67	534,356.20
LEAD POISONING SCREENING, PREVENTION, AND ABATEMI	5,775,283.53	5,871,540.46	-14,828.59	8,567,811.64	3,064,183.76	-577,744.53	2,486,439.23
SECURITIES AUDIT & ENFORCEMENT	17,430,498.65	13,579,031.97	-3,621,606.70	7,321,751.04	20,066,172.88	0.00	20,066,172.88
DEPT OF BUSINESS SERV SP OPS	9,696,456.75	15,764,646.00	-8,623,627.30	11,038,262.76	5,799,212.69	-2,119.78	5,797,092.91
Illinois Telecommunications Access Corporation Fund	0.00	619,966.38	-9,477.70	610,488.68	0.00	0.00	0.00
HEALTH&HUMAN SERV MEDICAID TR	15,097,656.75	9,513,635.37	19,997,605.00	26,197,078.39	18,411,818.73	-30,536.70	18,381,282.03
PRISONER REVIEW BOARD VEHICLE AND EQUIPMENT	286,095.64	133,081.37	0.00	159,526.95	259,650.06	0.00	259,650.06

FINANCIALS

Fund	Prev Year Cash Bal	FY19 Receipts	FY19 Transfers	FY19 Disbursements	Ending Cash Balance	Warrants Outstanding	Available Balance
DRUG TREATMENT	573,258.73	2,815,197.31	-7,544.00	2,908,643.39	472,268.65	0.00	472,268.65
FEED CONTROL	320,148.75	2,366,557.06	-11,921.00	1,389,665.15	1,285,119.66	-2,942.97	1,282,176.69
TANNING FACILITY PERMIT	173,773.92	152,771.01	-127,990.50	76,785.11	121,769.32	-3,350.00	118,419.32
Equity in Long-term Care Quality	3,520,799.33	1,521,831.64	0.00	0.00	5,042,630.97	0.00	5,042,630.97
PLUMBING LICENSURE & PROGRAM	3,651,777.09	2,541,445.38	-511,400.00	2,057,327.82	3,624,494.65	-338.64	3,624,156.01
STATE TREASURER'S BANK SERVICE	3,309,978.96	0.00	2,025,085.00	4,700,112.24	634,951.72	-109,179.72	525,772.00
SECRETARY OF STATE EVIDENCE	35,042.46	1,971.25	0.00	304.00	36,709.71	0.00	36,709.71
NATURAL HERITAGE	42,555.14	0.00	0.00	0.00	42,555.14	0.00	42,555.14
MCCORMICK PLACE EXPANSION PROJ	0.00	218,746,074.20	-22,149,750.49	196,596,323.71	0.00	0.00	0.00
INSURANCE PREMIUM TAX REFUND	1,865,552.53	1,887,000.00	-16,534.00	1,700,832.41	2,035,186.12	0.00	2,035,186.12
ICC FEDERAL GRANTS TRUST	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CORPORATE FRANCHISE TAX REFUND	644,697.68	4,121,657.67	-188,576.00	2,194,859.63	2,382,919.72	-42,875.00	2,340,044.72
TAX COMPLIANCE & ADMIN	23,856,527.07	31,669,770.03	40,731,270.15	68,071,761.38	28,185,805.87	-19,946.40	28,165,859.47
APPRAISAL ADMINISTRATION	1,420,380.11	862,220.36	-1,562,659.00	630,533.35	89,408.12	-520.00	88,888.12
SMALL BUS ENVIRONMENTAL ASSIST	106,982.10	330,264.68	-1,500.00	277,655.78	158,091.00	-1,422.35	156,668.65
REGUL EVAL & BASIC ENFORCEMENT	89,423.40	39,200.00	0.00	23,252.10	105,371.30	0.00	105,371.30
SEXUAL ASSAULT SERVICES	110,028.00	70,251.09	0.00	0.00	180,279.09	0.00	180,279.09
IL HABITAT ENDOWMENT TRUST	12,152,158.01	273,212.80	0.00	0.00	12,425,370.81	0.00	12,425,370.81
IL HABITAT	8,044,786.72	1,137,691.13	-159,282.82	236,839.82	8,786,355.21	-43,353.65	8,743,001.56
GAINING EARLY AWARENESS AND READINESS FOR UNDERG	3,192,087.49	75,801.26	0.00	10,385.27	3,257,503.48	0.00	3,257,503.48
SENIOR HEALTH INSURANCE PROG	63,496.39	1,058,382.30	0.00	1,097,684.45	24,194.24	-4,273.50	19,920.74
TRAUMA CENTER	6,595,607.56	15,955,395.92	-96,862.67	17,702,261.83	4,751,878.98	-9,477.81	4,742,401.17
EMS ASSISTANCE	151,929.51	896,786.08	0.00	863,074.35	185,641.24	-6,329.00	179,312.24
Autism Care Fund	39,260.40	0.00	0.00	0.00	39,260.40	0.00	39,260.40
MURDERER AND VIOLENT OFFENDER AGAINST YOUTH REGI	7,240.84	892.00	0.00	0.00	8,132.84	0.00	8,132.84
PROTEST	81,935,472.64	3,410,200.96	-3,496,149.70	5,246,070.09	76,603,453.81	0.00	76,603,453.81
DEAF AND HARD OF HEARING SPECIAL PROJECTS FUND	8,311.19	63,250.00	0.00	61,836.69	9,724.50	-2,267.09	7,457.41
COMPREHENSIVE REGIONAL PLANNING FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grant Accountability and Transparency Fund	2,061,816.43	1,105,178.16	500,000.00	2,152,789.86	1,514,204.73	-58.06	1,514,146.67
DHS SPECIAL PURPOSE TRUST	74,184,257.89	322,541,977.59	14,663,019.80	338,798,399.84	72,590,855.44	-652,563.39	71,938,292.05
George Bailey Memorial Fund	65,040.36	38,042.01	0.00	0.00	103,082.37	0.00	103,082.37
SBE FEDERAL DEPT OF AGRI	1,791,429.31	782,738,522.21	-176,464.60	782,997,215.89	1,356,271.03	-293,993.32	1,062,277.71
COMMON SCHOOL	10,520,779.54	138,669,448.89	7,654,588,384.10	7,762,757,243.10	41,021,369.43	-621,282.14	40,400,087.29
MOTOR FUEL TAX-COUNTIES	0.00	0.00	201,582,888.38	200,851,832.32	731,056.06	-731,056.06	0.00
MOTOR FUEL TAX-MUNICIPALITIES	423,910.80	0.00	282,711,220.25	282,845,919.45	289,211.60	-289,211.60	0.00
MOTOR FUEL TAX-TOWN & ROAD DIS	0.00	0.00	91,492,490.64	91,389,291.06	103,199.58	-103,199.58	0.00
STATE COLLEGE & UNIV TRUST	316,790.82	263,320.00	0.00	289,898.75	290,212.07	0.00	290,212.07
UNIVERSITY GRANT	118,261.00	96,700.00	0.00	103,550.00	111,411.00	0.00	111,411.00
DCEO PROJECTS FUND	2,246.81	161,114.27	0.00	163,361.08	0.00	0.00	0.00
PUBLIC AID RECOVERIES TRUST	181,999,773.12	1,322,674,944.83	-481,784,418.73	812,593,598.28	210,296,700.94	-68,167,087.88	142,129,613.06
ALTERNATE FUELS	878,975.01	1,925,820.00	0.00	225,000.00	2,579,795.01	0.00	2,579,795.01
ILLINOIS POWER AGENCY TRUST FUND	0.00	1,595,553.93	0.00	1,595,553.93	0.00	0.00	0.00
ILLINOIS POWER AGENCY OPERATIONS	6,016,398.58	1,904,816.18	0.00	3,663,399.73	4,257,815.03	-52,681.12	4,205,133.91
SUPREME COURT HISTORIC PRESERVATION FUND	294,895.57	1,021,434.15	0.00	537,226.03	779,103.69	-81.34	779,022.35
MULTIPLE SCLEROSIS RESEARCH	274,845.18	465,274.84	0.00	0.00	740,120.02	0.00	740,120.02
LIVESTOCK MGMT FACILITIES	129,194.76	23,190.00	218.00	63,338.78	89,263.98	0.00	89,263.98
SECOND INJURY	587,520.53	1,339,498.47	-1,566.97	1,070,074.66	855,377.37	-2,329.35	853,048.02
FEDERAL HIGH SPEED RAIL TRUST	43,247,699.27	20,739,574.89	-57,845.97	44,849,767.58	19,079,660.61	-57.50	19,079,603.11
COURT OF CLAIMS ADMIN & GRANT	0.00	102,504.58	0.00	102,504.58	0.00	0.00	0.00
CHARITABLE TRUST STABILIZATION FUND	2,805,349.82	542,069.38	0.00	1,190,834.23	2,156,584.97	-193.18	2,156,391.79
SAFETY RESPONSIBILITY	1,494,337.08	809,566.00	-112,025.61	598,004.86	1,593,872.61	-43,276.87	1,550,595.74
QUALITY OF LIFE ENDOWMENT FUND	992,467.71	568,136.49	0.00	586,499.26	974,104.94	-4,051.86	970,053.08
IL STATE FAIR	3,582,229.06	7,909,840.31	22,714.00	5,932,839.04	5,571,836.14	-10,108.19	5,571,836.14
FEDERAL AGRICULTURAL MARKETING SERVICE	215.75	0.00	0.00	0.00	215.75	0.00	215.75
AGRICULTURAL MASTER	471,025.23	1,319,639.72	0.00	982,690.88	807,974.07	0.00	807,974.07
FLOOD CONTROL LAND LEASE	27,966.43	590,086.34	0.00	563,403.43	54,649.34	0.00	54,649.34
SEX OFFENDER INVESTIGATION	20,432.21	85,349.05	0.00	77,701.30	28,079.96	0.00	28,079.96
EMPLOYEE CALSSIFICATION	182,552.72	14,186.77	0.00	31,321.89	165,417.60	-398.20	165,019.40
GI EDUCATION	1,381,447.69	1,001,533.59	-1,176.28	1,037,373.36	1,344,431.64	0.00	1,344,431.64
INTERPRETERS FOR THE DEAF	585,156.75	177,923.83	0.00	151,895.96	611,184.62	-1,197.20	609,987.42
ILLINOIS STATE TOLL HIGHWAY CONSTRUCTION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INDIGENT BAID	51,989.49	258,192.44	0.00	252,950.17	57,231.76	-3,803.68	53,428.08
IL TOURISM TAX	3,995,340.38	28,288,543.86	-975,163.24	26,876,252.60	4,432,468.40	-212,594.60	4,219,873.80
MONITORING DEVICE DRIVING PERMIT ADMINISTRATION F	5,110,215.14	1,947,919.82	-780.00	1,810,088.40	5,247,266.56	-155.00	5,247,111.56
ROTARY CLUB	4,470.00	4,372.00	0.00	4,000.00	4,842.00	0.00	4,842.00
ILLINOIS STATE TOLL HIGHWAY AUTHORITY FUND	1,175,324,160.69	1,497,100,053.04	-510,000.00	1,731,414,278.48	940,499,935.25	-4,490,273.31	936,009,661.94
GROUP INSURANCE PREMIUM	11,088,594.03	88,538,228.49	-10,278.00	95,852,325.39	3,764,219.13	-32,839.42	3,731,379.71
AUTISM AWARENESS	28,050.00	22,050.00	0.00	42,500.00	7,600.00	0.00	7,600.00
OVARIAN CANCER AWARENESS	17,619.00	13,771.00	0.00	15,000.00	16,390.00	0.00	16,390.00
PAYROLL CONSOLIDATION	124,839,934.45	4,648,463,774.99	0.00	4,587,969,157.39	185,334,552.05	-185,334,552.05	0.00
Parity Advancement Fund	0.00	209,750.00	0.00	0.00	209,750.00	0.00	209,750.00
COMMERCIAL CONSOLIDATION	653,689,316.93	58,447,074,762.08	0.00	58,799,173,403.78	301,590,675.23	-301,590,675.23	0.00
ILL. PROFESSIONAL GOLFERS ASSOC. FOUNDATION JUNIOR	39,372.00	52,392.00	0.00	63,000.00	28,764.00	0.00	28,764.00
BOY SCOUT AND GIRL SCOUT	19,500.00	20,850.00	0.00	20,200.00	20,150.00	0.00	20,150.00
LAND & WATER RECREATION	176,321.52	650,000.00	0.00	664,264.11	162,057.41	0.00	162,057.41
AGRICULTURE IN THE CLASSROOM	45,650.00	131,625.00	0.00	130,000.00	47,275.00	0.00	47,275.00
SHEET METAL WORKERS INTERNATIONAL ASSOCIATION OF	20,618.00	3,105.00	0.00	0.00	23,723.00	0.00	23,723.00
AUTOIMMUNE DISEASE RESEARCH	46,264.20	994.71	0.00	0.00	47,258.91	0.00	47,258.91
LIBRARY SERVICES	140,299.47	5,288,847.65	0.00	5,391,636.69	37,510.43	0.00	37,510.43
STATE LIBRARY	14,992.45	11,191.85	0.00	7,738.23	18,446.07	-850.00	17,596.07
TEACHERS RETIREMENT SYSTEM	534,828,929.13	6,802,042,987.56	0.00	6,779,646,946.07	557,224,970.62	-557,058,436.05	166,534.57
HUMAN SERVICES PRIORITY CAPITAL PROGRAM	1,654.11	348.28	0.00	0.00	1,688.39	0.00	1,688.39
WHOLE SOME MEAT	1,551,549.95	7,756,915.97	0.00	7,609,190.75	1,699,275.17	-10,781.36	1,688,493.81
JUDGES RETIREMENT SYSTEM	28,222,472.73	155,707,563.47	-38,102.00	157,695,456.12	26,196,478.08	-97,006.21	26,099,471.87
PREDATORY LENDING DATABASE PROGRAM FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
STATE EMPLOYEES RETIREMENT SYS	210,581,951.94	2,809,957,461.32	-87,096.00	2,803,937,529.16	216,514,788.10	-5,888,238.76	210,626,549.34
SEC OF STATE IDENTIFICATION SECURITY AND THEFT PREVE	36,045,188.61	256,842.92	8,280,992.00	11,339,343.27	33,243,680.26	-108.00	33,243,572.26
GENERAL ASSEMBLY RETIREMENT	4,722,394.55	24,457,902.48	-35,015.00	24,957,313.67	4,187,968.36	-91,924.04	4,096,044.32
UNCLAIMED PROPERTY TRUST	133,700,276.92	518,892,730.23	-249,412,154.63	198,135,796.73	205,045,055.79	-10,872,132.33	194,172,923.46
SECRETARY OF STATE SPEC SERV	9,457,688.88	20,050,853.06	-100,297.00	20,393,505.70	9,014,739.24	-1,447.62	9,013,291.62
NUCLEAR CIVIL PROTECTION PLAN	126,028.60	930,421.84	0.00	792,545.27	263,905.17	-251,945.28	11,959.89
WARRANT ESCHEAT	977,300.00	26,521,229.21	-21,584,264.43	4,845,081.61	1,069,183.17	-569,183.17	500,000.00
CRIMINAL JUSTICE TRUST	9,890,146.64	84,823,271.18	0.00	85,272,583.41	9,440,834.41	-194,643.62	9,246,190.79
Roadside Monarch Habitat Fund	0.00	120.00	0.00	0.00	120.00	0.00	120.00
FEDERAL AID DISASTER	243,412.56	4,865,275.36	0.00	4,962,102.91	146,585.01	-16,005.01	130,580.00
Child Bereavement Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00

FINANCIALS

Fund	Prev Year	FY19	FY19	FY19	Ending	Warrants	Available
	Cash Bal	Receipts	Transfers	Disbursements	Cash Balance	Outstanding	Balance
OLD AGE SURVIVORS INSURANCE	579,977.21	72,649,525.54	0.00	71,709,401.63	1,520,101.12	-73,937.34	1,446,163.78
SUPPORT OUR TROOPS	85,925.00	44,400.00	0.00	75,000.00	55,325.00	0.00	55,325.00
FEDERAL CIVIL PREPARED ADMIN	123,851.04	629,561.96	0.00	721,440.18	31,972.82	-2,850.00	29,122.82
SCHOOL FACILITY OCCUPATION TAX	26,257,641.92	137,286,196.05	0.00	135,090,144.84	28,453,693.13	0.00	28,453,693.13
DOMESTIC VIOLENCE	348,625.73	348,542.00	0.00	299,500.00	397,667.73	0.00	397,667.73
State Military Justice Fund	0.00	80,000.00	0.00	0.00	80,000.00	0.00	80,000.00
VETERANS' AFFAIRS STATE PROJECTS FUND	28,487.64	50,000.00	0.00	42,213.65	36,273.99	0.00	36,273.99
EARLY INTERVENTION SERVICES REVOLVING	8,998,107.95	175,849,172.45	0.00	177,522,985.85	7,324,294.55	-548,966.88	6,775,327.67
ELECTRONIC HEALTH RECORD INCENTIVE	118,285.74	18,600,122.00	-645.00	18,562,386.50	155,376.24	-127,500.00	27,876.24
WILDLIFE PRAIRIE PARK	56,050.26	16,007.09	0.00	50,284.33	21,773.02	0.00	21,773.02
ATHLETICS SUPERVISION & REGULATION	89,939.80	190,423.20	-128,460.00	42,238.73	109,664.27	0.00	109,664.27
STATE SMALL BUSINESS CREDIT INITIATIVE	37,011,651.14	9,387,367.70	-107,024.75	11,534,836.12	34,757,157.97	-279,200.00	34,477,957.97
MASTER MASON	19,737.00	38,488.50	0.00	46,237.00	11,988.50	0.00	11,988.50
DEPARTMENT OF HUMAN SERVICES COMMUNITY	11,768,137.59	21,339,849.20	14,744,973.00	24,155,580.70	23,697,379.00	0.00	23,697,379.00
IL FIRE FIGHTERS' MEMORIAL	6,479,694.24	557,256.00	0.00	173,870.82	6,863,079.42	0.00	6,863,079.42
AFTER-SCHOOL RESCUE	50,364.91	0.00	0.00	0.00	50,364.91	0.00	50,364.91
IL STATE CRIME STOPPERS ASSOCIATION	7,749.79	0.00	0.00	0.00	7,749.79	0.00	7,749.79
STATE ASSET FORFEITURE	2,946,275.76	1,486,518.55	-1,239.00	2,667,915.71	1,763,639.60	-3,094.27	1,760,545.33
LOCAL GOVERNMENT DISTRIBUTIVE	111,807,857.64	1,341,655,864.23	309,334,883.22	1,640,559,316.12	122,239,288.97	-1,477,561.87	120,761,727.10
POLICE TRAINING BOARD SERVICES	3,958.42	3,150.00	0.00	0.00	7,108.42	0.00	7,108.42
FEDERAL ASSET FORFEITURE	123,437.57	767,925.85	0.00	27,244.61	864,118.81	0.00	864,118.81
THE MONEY FOLLOWS THE PERSON BUDGET TRANSFER	5,870,344.16	116,357.61	0.00	752,387.88	5,234,313.89	0.00	5,234,313.89
DEPT OF CORRECTIONS REIMBURSEMENT	14,483,848.26	35,147,188.54	-270,957.68	11,650,878.99	37,709,200.13	-4,968.41	37,704,231.72
HEALTH FACILITY PLAN REVIEW	1,480,042.32	1,388,881.90	-8,800.00	1,624,879.17	1,235,245.05	0.00	1,235,245.05
SEX OFFENDER MANAGEMENT BOARD	150,125.15	43,926.98	0.00	7,698.40	186,353.73	-8,116.40	178,237.33
DOMESTIC VIOLENCE ABUSER SERVI	101,570.02	25,199.42	0.00	0.00	126,769.44	0.00	126,769.44
IL STATE BOARD OF INVESTMENTS	956,270.83	7,154,171.58	-252,000.00	7,369,497.69	488,944.72	-35.62	488,909.10
ENERGY EFFICIENCY PORTFOLIO STANDARDS	257,685.54	126,046.01	-126,046.00	65,461.71	192,223.84	0.00	192,223.84
IL DEPT OF CORRECTIONS PAROLE DIVISION OFFENDER SUI	22,205.68	2,101.48	0.00	0.00	24,307.16	0.00	24,307.16
ATTORNEY GENERAL TOBACCO	414,223.69	3,055,348.93	0.00	2,489,661.53	979,911.09	0.00	979,911.09
IL WORKERS' COMP COMM OPERATNS	12,978,140.25	28,940,165.67	-2,036,939.74	26,844,126.06	13,037,240.12	-43,352.95	12,993,887.17
SEX OFFENDER REGISTRATION	325,773.84	231,218.50	0.00	169,548.28	387,444.06	0.00	387,444.06
LEADS MAINTENANCE	699,606.11	1,601,811.55	-1,050.00	1,206,827.78	1,093,539.88	-454.30	1,093,085.58
STATE OFFENDER DNA IDENTIFICAT	1,392,399.22	1,947,426.96	82,759.78	2,270,961.25	1,151,624.71	-282.00	1,151,342.71
IL HISTORIC SITES	871,791.83	884,081.69	-12,100.00	842,752.32	901,021.20	0.00	901,021.20
DEATH PENALTY ABOLITION	5,904,167.44	1,821.85	1,346.00	119,849.81	5,787,485.48	0.00	5,787,485.48
ELECTRONIC BENEFITS TRANSFERS	0.00	119,824,091.00	0.00	119,824,091.00	0.00	0.00	0.00
AG COURT ORDER & VOL COMPLY	14,434,906.17	22,490,406.77	-39,928.85	13,900,389.91	22,984,994.18	-28,732.08	22,956,262.10
COMPTROLLER'S ADMINISTRATIVE	1,793,854.00	734,541.61	0.00	466,398.56	2,061,997.05	-65,947.51	1,996,049.54
PUBLIC PENSION REGULATION	4,687,496.70	2,355,578.63	-3,022.35	1,360,344.82	5,679,708.16	-67.66	5,679,640.50
CONSERVATION POLICE OPERATIONS ASSISTANCE	693,045.66	812,824.49	0.00	731,208.86	774,661.29	0.00	774,661.29
DRYCLEANER ENVIRON RESPONSE TR	1,779,266.71	1,873,398.76	0.00	2,047,708.96	1,604,956.51	-317,841.54	1,287,114.97
IL CHARITY BUREAU	179,879.66	1,994,372.89	-2,236.00	1,702,778.44	469,238.11	-522.50	468,715.61
SUPPLEMENTAL LOW INCOME ENERGY	90,975,257.50	101,248,285.67	-27,074,279.00	49,531,424.49	115,617,839.68	-13,124.72	115,604,714.96
ANTI-POLLUTION	2,164,278.64	0.00	0.00	0.00	2,164,278.64	0.00	2,164,278.64
WORKFORCE, TECHNOLOGY, AND ECO	33,899.24	115,075.00	0.00	0.00	148,974.24	0.00	148,974.24
TRANSPORTATION BOND, SERIES A FUND	1,299,207.80	91,198.52	0.00	297,523.42	1,092,882.90	0.00	1,092,882.90
TRANSPORTATION BOND, SERIES B FUND	320,878,858.73	0.00	-1,733.03	143,538,395.50	177,338,730.20	-3,045.76	177,335,684.44
GOOD SAMARITAN ENERGY TRUST	14,472.78	0.00	0.00	0.00	14,472.78	0.00	14,472.78
IL PREPAID TUITION TRUST	1,969,684.43	153,109,449.81	-111,952.00	152,140,304.94	2,826,877.30	-2,190,282.76	636,594.54
FLOOD PREVENTION OCCUPATION TAX	2,504,829.35	12,369,706.16	0.00	12,158,921.52	2,715,613.99	0.00	2,715,613.99
DOWNSTATE TRANSIT IMPROVEMENT	32,888,048.48	1,240.99	-1,251.00	8,780,309.44	24,107,729.03	0.00	24,107,729.03
SBE FEDERAL AGENCY SERVICES	5,272.63	3,572,641.34	0.00	3,498,676.72	79,237.25	-30,237.25	49,000.00
SBE FEDERAL DEPT OF EDUCATION	4,006,272.08	1,456,954,734.25	-12,625,160.88	1,445,985,359.31	2,350,486.14	-452,648.78	1,897,837.36
PAWN/BROKER REGULATION	152,228.84	247,920.47	-146,230.00	165,573.48	88,345.83	0.00	88,345.83
RENEWABLE ENERGY RESOURCES TR	6,773,569.86	5,391,088.77	0.00	6,000,000.00	6,164,658.63	0.00	6,164,658.63
DCFS FEDERAL PROJECTS	749,449.17	2,089,670.75	0.00	2,260,407.26	578,712.66	-45,743.20	532,969.46
CHARTER SCHOOLS REVOLVING LOAN	26,832.78	0.00	0.00	0.00	26,832.78	0.00	26,832.78
SCHOOL INFRASTRUCTURE	54,529,925.82	48,987,956.90	-41,632,604.47	15,067,335.49	46,817,942.76	0.00	46,817,942.76
SCHOOL TECHNOLOGY REVOLV LN	861,022.13	1,911,869.17	-375,000.00	442,300.00	1,955,591.30	0.00	1,955,591.30
IL & MICHIGAN CANAL	4,410.58	6,425.00	0.00	3,717.80	7,117.78	0.00	7,117.78
ENERGY EFFICIENCY TRUST	2,698,000.53	3,891,648.00	0.00	53,131.33	6,536,517.20	0.00	6,536,517.20
FIRE TRUCK REVOLVING LOAN	209,204.03	2,378,740.47	0.00	2,264,429.94	323,514.56	0.00	323,514.56
OFF HIGHWAY VEHICLE TRAILS	1,893,666.20	414,285.02	0.00	0.00	2,307,951.22	-19,460.81	2,288,490.41
JUVENILE REHAB SERV MEDICAID	8,046.66	12,835.00	0.00	18,956.37	1,925.29	-1,923.11	2.18
PESTICIDE CONTROL	3,639,299.79	6,918,363.18	-81,813.00	5,917,648.40	4,598,201.57	-2,280.24	4,595,921.33
COMMUNITY COLLEGE HEALTH INSUR	2,246,170.98	37,466,472.03	0.00	36,941,031.54	2,771,611.47	-50,262.66	2,721,348.81
MPEA Reserve Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Savings Bank Regulatory Fund	924,224.56	765,326.30	-374,065.00	326,020.57	989,465.29	0.00	989,465.29
FIRE PREVENTION DIVISION	0.00	1,080,886.75	0.00	1,045,101.96	35,784.79	0.00	35,784.79
DCFS SPECIAL PURPOSE TRUST	182,154.20	433,041.97	0.00	374,324.12	240,872.05	0.00	240,872.05
TAX SUSPENSE TRUST	1,144.54	119,357.25	0.00	116,067.79	4,434.00	0.00	4,434.00
IL PAN HELLENIC TRUST	144,422.22	66,300.00	0.00	48,323.00	162,399.22	0.00	162,399.22
PARK DISTRICT YOUTH PROGRAM	13,900.00	28,350.00	0.00	32,500.00	9,750.00	0.00	9,750.00
HOSPICE FUND	2,084.00	2,973.00	0.00	3,500.00	1,557.00	0.00	1,557.00
Professional Sports Teams Education	670,925.00	1,668,550.00	-1,609,000.00	0.00	730,475.00	0.00	730,475.00
SEPTEMBER 11TH	811,512.60	125,125.00	0.00	86,599.54	850,038.06	0.00	850,038.06
TRANS SAFETY HIGHWAY HIRE-BACK	539,945.92	161,432.38	0.00	350,000.00	351,378.30	0.00	351,378.30
DHS FEDERAL PROJECTS	3,183,391.51	17,087,377.70	2,102.41	16,781,143.02	3,491,728.60	-221,509.20	3,270,219.40
Income Tax Bond Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IL ROUTE 66 HERITAGE PROJECT	92,575.00	208,225.00	0.00	195,000.00	105,800.00	0.00	105,800.00
ILLIANA EXPRESSWAY PROCEEDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FOREIGN LANGUAGE INTERPRETER	560,579.78	32,220.00	0.00	75,001.25	517,798.53	0.00	517,798.53
POLICE MEMORIAL COMMITTEE	74,417.00	203,016.53	0.00	198,000.00	79,433.53	0.00	79,433.53
MAMMOGRAM	56,017.00	117,194.00	0.00	116,017.00	57,194.00	0.00	57,194.00
ATTORNEY GENERAL WHISTLEBLOWER	5,963,828.81	16,299,548.03	-9,220.00	5,900,737.29	16,353,419.55	-56,461.82	16,296,957.73
Prostate Cancer Awareness Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
STATE COOPERATIVE EXTEN SERV	3,320.00	12,529,739.00	0.00	12,215,117.00	317,942.00	0.00	317,942.00
PORT DEVELOPMENT REVOLVING LOAN	204,153.96	0.00	0.00	0.00	204,153.96	0.00	204,153.96
TEMPORARY RELOCATION EXPENSES	458,225.20	10,278.72	0.00	0.00	468,503.92	0.00	468,503.92
HEALTH INFORMATION EXCHANGE	307,170.13	6,778.86	0.00	3,703.86	310,245.13	0.00	310,245.13
SPECIAL PROJECTS DIVISION	2,416,548.02	2,267,588.04	0.00	2,962,660.62	1,721,475.44	-7,004.32	1,714,471.12
PARTNERS FOR CONSERVATION	2,717,978.61	157,121.13	11,587,438.60	12,676,120.23	1,786,418.11	-521,820.26	1,264,597.85
PARTNERS FOR CONSERVATION PROJECTS	1,424,426.88	0.00	0.00	0.00	1,424,426.88	0.00	1,424,426.88
FUND FOR ILLINOIS' FUTURE	27,208.77	22,480.84	0.00	0.00	49,689.61	0.00	49,689.61
Statewide 9-1-1 Fund	25,385,187.20	202,145,125.69	1,628,603.22	184,575,431.55	44,583,484.56	-4,247,753.48	40,335,731.08

FINANCIALS

Fund	Prev Year Cash Bal	FY19 Receipts	FY19 Transfers	FY19 Disbursements	Ending Cash Balance	Warrants Outstanding	Available Balance
WIRELESS CARRIER REIMBURSEMENT	2,521,860.41	2,613,967.99	-1,784,973.97	1,504,015.89	1,846,838.54	0.00	1,846,838.54
DEBT SETTLEMENT CONSUMER PROTECTION	366,917.68	15,925.04	0.00	16,423.26	366,419.46	0.00	366,419.46
CDB CONTRIBUTORY TRUST	14,829,163.37	22,058,051.35	-3,400,000.00	25,207,869.14	8,279,345.58	-26,679.10	8,252,666.48
SERVICES FOR OLDER AMERICANS	6,067,485.65	65,407,915.84	0.00	65,886,260.04	5,589,141.45	-957,640.66	4,631,500.79
QUINCY VETERAN HOME	16,180,631.49	21,804,076.15	-63,491.69	20,682,135.22	17,239,080.73	-56,342.37	17,182,738.36
Horsemen's Council of Illinois Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INTERNATIONAL TOURISM	5,930,242.81	5,999,080.58	-21,766.00	5,451,099.92	6,456,457.47	-12,716.37	6,443,741.10
MOTOR VEHICLE LICENSE PLATE	17,915,621.77	13,667,849.31	-18,304.00	14,902,418.77	16,662,748.31	-74,332.27	16,588,416.04
SPECIAL OLYMPICS ILLINOIS	1,795.00	16,235.00	0.00	12,455.00	5,575.00	0.00	5,575.00
CHICAGO TRAVEL INDUSTRY PROMOTION	465,237.77	11,598,222.28	0.00	11,374,000.00	689,460.05	0.00	689,460.05
MATURED BOND & COUPON	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PROSTATE CANCER RESEARCH	25,566.05	0.00	0.00	0.00	25,566.05	0.00	25,566.05
PUBLIC TRANSPORTATION	2,110,683.08	278,376,006.01	444,709,207.17	722,850,876.39	2,345,019.87	-9,680.57	2,335,339.30
REAL ESTATE RECOVERY	1,540,484.12	432,435.67	0.00	0.00	1,972,919.79	0.00	1,972,919.79
ILLINOIS RACING QUARTER HORSE BREEDERS	70,237.78	11,172.38	0.00	4,344.40	77,065.76	0.00	77,065.76
HORSE RACING	3,863,845.11	6,539,932.11	-229,160.00	4,591,200.55	5,583,416.67	-976.64	5,582,440.03
DEATH CERTIFICATE SURCHARGE	1,084,517.83	1,787,259.97	-4,800.00	1,980,867.06	886,110.74	-96,415.79	789,694.95
COMMERCE & COMM AFFAIRS ASST	1,155,506.91	6,273,348.93	-465,525.16	5,188,019.49	1,775,311.19	-18,413.73	1,756,897.46
STATE POLICE WIRELESS SERVICE	233,454.42	151,129.42	0.00	95,734.53	288,849.31	0.00	288,849.31
IL ADOPT REGISTRY & MED INFO	41,510.00	24,468.00	0.00	14,998.98	51,779.02	0.00	51,779.02
CHICAGO POLICE MEMORIAL FOUNDATION	76,224.00	54,781.53	0.00	90,000.00	41,005.53	0.00	41,005.53
FUND FOR THE ADVANCEMENT OF EDUCATION	29,423,676.18	739,420,736.46	-129,384.00	641,448,753.55	127,266,275.09	0.00	127,266,275.09
DHS STATE PROJECTS	6,332,104.24	87,202.39	0.00	3,997,117.04	2,422,189.59	0.00	2,422,189.59
COMMITMENT TO HUMAN SERVICES	29,527,069.61	743,710,095.70	-122,475.00	600,689,122.13	172,425,568.18	-13,758.52	172,411,809.66
ALCOHOLISM & SUBSTANCE ABUSE	1,022,029.22	22,388,193.12	0.00	22,164,248.26	1,245,974.08	-547,635.50	698,338.58
DOWNSTATE PUBL TRANSPORTATION	17,819,430.69	209,235,008.39	17,512,776.12	209,866,484.52	34,700,360.80	-434,703.80	34,266,026.88
MOTOR CARRIER SAFETY INSPECTIO	395,505.32	2,473,804.47	-33,389.00	2,111,303.40	724,617.39	0.00	724,617.39
WATERSHED PARK	4,353.74	0.00	0.00	0.00	4,353.74	0.00	4,353.74
OVER DIMENSIONAL LOAD POLICE ESCORT	121,532.78	315,645.75	0.00	354,150.99	83,027.54	0.00	83,027.54
COAL DEVELOPMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HEALTHY SMILES	156,341.04	282,300.62	0.00	295,028.00	143,613.66	0.00	143,613.66
ILLINOIS POLICE ASSOCIATION	59,141.00	113,327.00	0.00	110,000.00	62,468.00	0.00	62,468.00
IL ARTS COUNCIL FEDERAL GRANT	99,366.53	857,637.49	0.00	882,011.40	74,992.62	-41,354.19	33,638.43
STATE OFF-SET CLAIMS	8,461,445.74	109,874,215.05	0.00	79,435,537.05	38,900,123.74	-17,636,502.91	21,263,620.83
HISTORIC PROPERTY ADMINISTRATIVE FUND	369,498.29	172,105.81	0.00	118,782.03	422,822.07	0.00	422,822.07
ACADEMIC QUALITY ASSURANCE FUND-BD OF HIGHER EDU	1,370,411.90	233,775.00	0.00	393,515.85	1,210,671.05	0.00	1,210,671.05
PRIVATE COLLEGE ACADEMIC QUALITY ASSURANCE	225,146.74	83,000.00	0.00	58,405.39	249,741.35	0.00	249,741.35
OCTAVE CHANUTE AEROSPACE HERITAGE	49,363.00	25,819.00	0.00	45,200.00	29,982.00	0.00	29,982.00
FEDERAL STUDENT LOAN	42,232,766.18	112,843,089.96	38,162.50	111,637,185.17	43,476,833.47	-669,313.67	42,807,519.80
STUDENT LOAN OPERATION	57,717,791.45	21,695,344.59	-90.73	18,839,077.90	60,573,967.41	-9,195.05	60,564,772.36
PRESCRIPTION PILL AND DRUG DISPOSAL	299,167.26	75,738.93	0.00	7,365.00	367,541.19	0.00	367,541.19
DISASTER RESPONSE AND RECOVERY	1,610,762.00	2,005,945.83	0.00	1,099,821.46	2,516,886.37	-46,386.75	2,470,499.62
COLLEGE SAVINGS POOL ADMINISTR	2,772,628.85	2,264,618.85	-102,000.00	3,284,650.91	1,650,596.79	-2,195.74	1,648,401.05
AIRPORT LAND LOAN REVOLVING	95,539.18	2,055.08	0.00	0.00	97,594.26	0.00	97,594.26
FEDERAL TITLE IV FIRE PROT	301,090.65	0.00	0.00	2,020.06	299,070.59	0.00	299,070.59
Rental Purchase Agreement Tax Refund Fund	1,000.00	0.00	0.00	0.00	1,000.00	0.00	1,000.00
DEPT OF INSURANCE FED TRUST	812,145.41	592,797.29	-4,638.00	1,346,154.26	54,150.44	0.00	54,150.44
STATE CHARTER SCHOOL COMMISSION	463,146.25	1,067,526.60	0.00	968,150.53	562,522.32	-9,511.35	553,010.97
ELECTRONICS RECYCLING	374,294.31	34,367.91	-374,294.31	0.00	34,367.91	0.00	34,367.91
IL STDNT ASST COMM CONTR & GRT	2,855.62	0.00	0.00	0.00	2,855.62	0.00	2,855.62
RATE ADJUSTMENT	6,933,444.46	13,159,728.85	-32,906.31	11,474,864.55	8,585,402.45	-191,983.70	8,393,418.75
BUDGET STABILIZATION	3,800,473.16	16,164.39	-131,491.00	127,704.08	3,557,442.47	0.00	3,557,442.47
COURT OF CLAIMS FEDERAL GRANT	31,989.77	1,125,846.49	0.00	828,431.79	329,404.47	-318,248.03	11,156.44
AGRICULTURE PESTICIDE CONTROL	968,372.86	688,531.65	0.00	602,902.68	1,054,001.83	0.00	1,054,001.83
DHS PRIVATE RESOURCE	2,014,421.40	10,057.80	0.00	3,433.50	2,021,045.70	0.00	2,021,045.70
LEUKEMIA TREATMENT & EDUCATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ICCB ADULT EDUCATION	723,779.21	20,583,900.34	0.00	21,212,942.31	94,737.24	-83,796.40	10,940.84
CAPITAL PROJECTS	152,871,963.74	893,294,347.50	-775,604,184.09	0.00	270,562,127.15	0.00	270,562,127.15
TRANSPORTATION BOND SERIES d	382,430,453.90	181,899.67	0.00	153,672,671.03	228,939,682.54	-58,310.90	228,881,371.64
ROADSIDE MEMORIAL	629,799.95	430,189.98	-1,170.00	270,985.00	787,834.93	-15,800.00	772,034.93
LONG TERM CARE OMBUDSMAN	2,331,007.43	59,123.23	1,250,000.00	1,057,483.62	2,582,647.04	0.00	2,582,647.04
USDA WOMEN, INFANTS & CHILDREN	4,665,049.22	233,571,515.85	1,300,122.43	234,507,323.38	5,029,364.12	-1,934,601.26	3,094,762.86
FEDERAL STUDENT INCENTIVE TR	105,686.94	2,578,502.92	0.00	2,649,344.98	34,844.88	-32,818.09	2,026.79
ASSISTED LIVING & SHARED HOUSING REGULATORY	1,789,167.32	1,418,535.56	-4,400.00	1,340,914.36	1,862,388.52	0.00	1,862,388.52
STATE WHISTLEBLOWER REWARD	27,795.31	96,949,395.18	-62,135,799.65	34,835,990.54	5,400.30	0.00	5,400.30
STATE POLICE WHISTLEBLOWER REW	11,236,729.96	16,161,464.99	-14,218.12	2,014,323.58	25,369,653.25	-11,695.74	25,357,957.51
HUNGER RELIEF	71.67	0.00	0.00	153,123.38	153,195.05	0.00	153,195.05
IL STANDARDBRED BREEDERS	972,581.29	4,164.31	852,682.10	1,500,709.65	328,718.05	-7,990.52	320,727.53
IL THOROUGHBRED BREEDERS	1,416,635.49	8,422.32	1,250,266.66	2,592,263.30	83,061.17	0.00	83,061.17
HOMELAND SECURITY EMERGENCY PREPAREDNESS TRUST	5,396,395.17	79,932,573.20	0.00	78,020,233.91	7,308,734.46	-222,760.08	7,085,974.38
STATE LOTTERY	68,211,601.83	1,327,064,140.45	-731,447,100.00	627,677,179.24	36,151,463.04	-7,006,616.15	29,144,846.89
SPINAL CORD INJURY PARALYSIS CURE RESEARCH TRUST	185,767.40	92,175.70	0.00	0.00	277,943.10	0.00	277,943.10
ORGAN DONOR AWARENESS	149,905.00	143,233.00	0.00	160,000.00	133,138.00	0.00	133,138.00
STATE METRO-EAST PARK AND RECREATION DISTRICT FUNI	1,031,617.24	4,841,757.54	-55,457.67	4,652,279.81	1,165,637.30	0.00	1,165,637.30
COMMUNITY MENTAL HEALTH MEDICA	48,343,566.46	44,772,853.97	-7,245.00	50,437,524.70	42,671,650.73	-321.00	42,671,329.73
MUNICIPAL TELECOMMUNICATIONS	42,235,840.32	183,244,533.85	0.00	189,917,306.28	35,563,067.89	-147,544.14	35,415,523.75
MEDICAL INTERAGENCY PROGRAM	476,233.57	35,910,253.20	-587.00	35,914,902.73	40,797.04	-427,130.45	43,866.59
NATIONAL GUARD AND NAVAL MILITIA GRANT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COMPTROLLER DEBT RECOVERY TRUST	21,664,818.89	59,466,466.54	1,431,888.00	56,387,492.45	26,175,680.98	-199,375.09	25,976,305.89
DEPT OF LABOR FEDERAL PROJECTS	50,186.96	793,174.54	0.00	836,959.73	6,401.77	-200.00	6,201.77
IL MILITARY FAMILY RELIEF	1,222,745.56	1,805,565.00	-57.00	289,000.00	2,739,253.56	-25,000.00	2,714,253.56
FEDERAL INDUSTRIAL SERVICES	77,799.47	1,074,352.32	0.00	1,142,233.33	9,918.46	-3,897.05	6,021.41
DRUG REBATE FUND	145,022,674.32	605,167,688.34	376,053,215.73	996,398,378.29	129,845,200.10	-52,978,996.05	76,866,204.05
ILLINOIS NATIONAL GUARD STATE ACTIVE DUTY	427,397.14	2,028,696.76	0.00	1,075,469.95	1,380,623.95	-400,243.63	980,380.32
IL CLEAN WATER FUND	6,085,847.36	16,853,921.26	-53,358.16	15,412,828.21	7,473,582.25	-5,365.67	7,468,216.58
SECRETARY OF STATE DUI ADMINIS	4,333,243.31	2,480,405.72	-8,677.00	2,108,088.92	4,696,883.11	-3,950.00	4,692,933.11
TOBACCO SETTLEMENT RECOVERY	119,808,750.53	180,455,052.41	7,310.52	206,632,222.99	93,638,890.47	-3,624,033.57	90,014,856.90
BHE STATE PROJECTS	248,007.58	46,000.00	0.00	29,820.57	264,187.01	0.00	264,187.01
ENERGY ADMINISTRATION	90,398.47	12,063,339.05	-97,136.85	12,051,600.67	5,000.00	0.00	5,000.00
ALTERNATIVE COMPLIANCE MARKET	243,398.12	4,461.67	0.00	115,197.01	132,662.78	0.00	132,662.78
GROUP WORKERS' COMP POOL INSOL	1,757,170.61	275,089.07	0.00	11,322.19	2,020,937.49	0.00	2,020,937.49
MEDICAID BUY IN PROGRAM REVOLV	1,052,404.14	609,103.03	0.00	129,311.23	1,532,195.94	-800.01	1,531,395.93
IL ANIMAL ABUSE	6,603.50	11.00	0.00	0.00	6,614.50	0.00	6,614.50
STATE'S ATTY APPEL PROSEC CO	2,219,225.92	1,508,271.29	209.40	1,202,235.33	2,525,471.28	-6,560.81	2,518,910.47
HOME INSPECTOR ADMINISTRATION	592,576.78	828,730.91	-250,034.00	275.66	1,170,998.03	0.00	1,170,998.03
Police Training Academy Job Training and Scholarship Fun	0.00	0.00	0.00	0.00	0.00	0.00	0.00

FINANCIALS

Fund	Prev Year Cash Bal	FY19 Receipts	FY19 Transfers	FY19 Disbursements	Ending Cash Balance	Warrants Outstanding	Available Balance
REAL ESTATE AUDIT	205,272.05	4,410.90	0.00	0.00	209,682.95	0.00	209,682.95
PRIVATE BUSINESS & VOCATIONAL SCHOOLS QUALITY ASSI	355,887.42	339,351.81	0.00	391,866.76	303,372.47	-10.00	303,362.47
Thriving Youth Income Tax Checkoff Fund	61,190.13	0.00	4,021.59	0.00	65,211.72	0.00	65,211.72
GOLDEN APPLE SCHOLARS OF ILLINOIS	82,118.42	48,488.00	0.00	67,961.00	62,645.42	0.00	62,645.42
STATE EMPLOYEES DEF COMP PLAN	2,909,912.75	183,014,738.19	-43,225.00	182,817,290.43	3,064,135.51	-204,321.56	2,859,813.95
CHILD SUPPORT ADMINISTRATIVE	5,193,282.21	123,029,505.17	21,745,215.00	146,913,723.50	3,054,278.88	-2,302,888.50	751,390.38
SECRETARY OF STATE POLICE DUI	7,510.15	2,097.50	0.00	0.00	9,607.65	0.00	9,607.65
SECRETARY OF STATE POLICE SERV	628,748.46	362,255.47	-392.86	273,522.88	717,088.19	-8,389.62	708,698.57
MARINE CORPS SCHOLARSHIP	64,107.00	145,121.00	0.00	120,000.00	89,228.00	0.00	89,228.00
LOCAL INITIATIVE	5,594,128.56	16,348.86	19,833,599.86	19,121,331.34	6,322,745.94	-127,012.18	6,195,733.76
TOURISM PROMOTION	35,184,607.94	50,263,199.08	-5,157,471.71	46,635,746.06	33,654,589.25	-173,679.39	33,480,909.86
PET POPULATION CONTROL	317,750.62	169,280.00	0.00	27,687.21	459,343.41	-115.00	459,228.41
FEDERAL SURFACE MINING CONTROL	368,540.36	3,917,140.58	0.00	3,434,409.08	851,271.86	-52,140.57	799,131.29
BHE Data and Research Cost Recovery Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COMMEMORATIVE MEDALLIONS FUND	3,645.00	29,565.00	0.00	20,377.50	12,832.50	0.00	12,832.50
IL MATH & SCIENCE ACAD INCOME	2,226,099.81	2,291,202.23	-9,229.00	1,601,589.35	2,906,483.69	-11,799.88	2,894,683.81
LAWYERS' ASSISTANCE PROGRAM	746,392.00	746,794.00	0.00	746,392.00	746,794.00	0.00	746,794.00
DIGITAL DIVIDE ELIMINATION	470,445.57	12,232.22	0.00	533.00	482,144.79	0.00	482,144.79
DIGITAL DIVIDE ELIMINATION INF	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAREER AND TECHNICAL EDUCATION	19,842.21	228,725.96	16,671,441.06	16,912,004.59	8,004.64	-131.40	7,873.24
ISAC LOAN PURCH PROG PAYROLL	116.46	664,950.00	0.00	664,468.39	598.07	0.00	598.07
OIL SPILL RESPONSE	86,125.28	29,136.80	0.00	16,020.20	99,241.88	0.00	99,241.88
VETERANS AFFAIRS LIBRARY GRANT	20,008.30	50,000.00	-224.65	45,197.74	24,585.91	-823.18	23,762.73
PRES LIBR & MUSEUM OPERATING	1,296,360.26	2,181,148.28	-45,300.00	1,640,254.52	1,791,954.02	-188.35	1,791,765.67
DEPARTMENT OF HUMAN RIGHTS TRAINING & DEVELOPME	88,237.42	16,523.09	0.00	19,369.87	85,390.64	-1,999.50	83,391.14
INTERMODAL FACILITIES PROMOTION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
STATE PARKING FACILITY MAINT	352,375.38	176,000.00	0.00	92,817.78	435,557.60	0.00	435,557.60
QUARTER HORSE PURSE	40,500.00	100,000.00	0.00	100,000.00	40,500.00	0.00	40,500.00
GENERAL ASSEMBLY RETIRE EXCESS	53,621.53	86,071.52	0.00	89,195.92	50,497.13	-2,564.25	47,932.88
JUDGES RETIRE EXCESS BENEFIT	899,851.35	1,873,832.55	0.00	1,804,588.13	969,095.77	0.00	969,095.77
STATE EMPLOYEE EXCESS BENEFIT	347,666.83	444,401.10	0.00	471,114.85	320,953.08	-2,040.34	318,912.74
TEACHER RETIRE SYS EX BENEFIT	36,561,898.68	50,687,246.78	0.00	55,155,649.04	32,093,496.42	-4,275,970.28	27,817,526.14
PRIVATE SEWAGE DISPOSAL PROGRAM	237,204.66	216,093.52	-900.00	176,067.44	276,330.74	-109.50	276,221.24
CEMETERY OVERSIGHT LICENSING & DISCIPLINARY	3,379,721.93	1,825,335.06	-362,303.66	697,585.96	4,145,167.37	0.00	4,145,167.37
HEALTHCARE PROVIDER RELIEF	13,835,557.32	5,590,916,177.69	324,930,324.00	5,803,709,305.23	125,972,753.78	-1,874,667.18	124,098,086.60
METRO-EAST PUB TRANSPORTATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BANK & TRUST COMPANY	17,423,042.62	20,791,300.81	-7,734,815.00	13,651,421.94	16,828,106.49	-4,276.54	16,823,829.95
NUC SAFETY EMERG PREPAREDNESS	8,030,456.53	21,643,998.72	-2,000,000.00	18,739,913.33	8,934,541.92	-4,036.90	8,930,505.02
DEPARTMENT OF HUMAN RIGHTS SPECIAL FUND	316,275.91	146,925.00	0.00	253,865.69	209,335.22	0.00	209,335.22
REHAB SERV EL & SECOND ED ACT	784,566.72	770,641.38	-6,351.32	783,271.37	765,585.41	-14,535.34	751,050.07
ILLINOIS EMS MEMORIAL SCHOLARSHIP & TRAINING	12,480.00	24.00	0.00	0.00	12,504.00	0.00	12,504.00
Attorney General's State Projects and Court Ordered Distr	10,423,126.62	33,045,806.23	-3,293.29	17,738,141.47	25,727,498.09	-76,789.65	25,650,708.44
PERSONAL PROPERTY TAX REPLACE	247,531,928.51	1,674,769,582.43	-28,201,642.07	1,628,667,630.37	265,432,238.50	-4,095,816.17	261,336,422.33
INTERNATIONAL BROTHERHOOD OF TEAMSTERS	4,225.00	7,475.00	0.00	7,000.00	4,700.00	0.00	4,700.00
PRE-NEED FUNERAL CONSUMER PROTECTION	170,103.73	90,499.00	0.00	258,641.27	1,961.46	0.00	1,961.46
MEDICAL SPECIAL PURPOSE TRUST	4,158,653.97	42,573,186.00	0.00	45,823,736.85	908,103.12	0.00	908,103.12
RTA SALES TAX	210,792,276.44	1,196,158,972.77	130,670,623.72	1,336,271,274.42	201,350,598.51	-244,067.20	201,106,531.31
METROPOLITAN PIER & EXPOSITION AUTHORITY INCENTIV	15,000,000.02	0.00	0.00	14,464,750.00	535,250.02	0.00	535,250.02
MONEY LAUNDERING ASSET RECOVERY	1,533,847.55	366,489.17	-1,115.00	662,460.68	1,236,761.04	0.00	1,236,761.04
STATE POLICE OPERATIONS ASSISTANCE	12,749,592.75	9,715,572.57	50,533.94	9,785,818.76	12,729,880.50	-22,632.33	12,707,248.17
GRANT V DIMAS ESCROW FUND	15,280,279.10	16,743,410.49	0.00	23,679,937.75	8,343,751.84	-7,065,655.55	1,278,096.29
VW Settlement Environmental Mitigation Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DCEO ENERGY PROJECTS	292,723.09	0.00	63.00	252,460.00	40,326.09	0.00	40,326.09
DRAM SHOP	11,610,780.46	11,125,984.97	-29,582.63	5,887,362.00	16,819,820.80	-3,879.11	16,815,941.69
IL STATE DENTAL DISCIPLINARY	958,628.75	5,373,890.92	-894,407.00	674,841.14	4,763,271.53	-641.52	4,762,630.01
STATE PENSION OBLIGATION ACCELERATION BOND FUND	0.00	298,500,000.00	0.00	31,169,543.45	267,330,456.55	0.00	267,330,456.55
AGRICULTURE FEDERAL PROJECTS	2,848,551.22	1,526,176.31	106,902.70	2,043,615.75	2,438,014.48	-85,369.02	2,352,645.46
HAZARDOUS WASTE	7,406,116.40	9,185,157.48	2,021,208.43	6,429,289.31	12,183,193.00	-551.63	12,182,641.37
COMMUNITY ASSOCIATION MANAGER LICENSING & DISCIP	525,305.22	114,180.00	-399,614.00	0.00	239,871.22	0.00	239,871.22
DEPT ON AGING STATE PROJECTS	212,832.95	0.00	0.00	0.00	212,832.95	0.00	212,832.95
NATURAL RESOURCES RESTORATION	2,386,901.70	39,701.53	0.00	156,725.49	2,269,877.74	-55,226.76	2,214,650.98
CEMETERY RELIEF	281,882.13	7,745.89	101,391.66	0.00	391,019.68	0.00	391,019.68
STATE FAIR PROMO ACTIVITIES	341.05	0.00	0.00	0.00	341.05	0.00	341.05
IL POWER AGENCY RENEWABLE ENERGY RESOURCES	57,903,567.09	115,384.00	0.00	5,189,107.49	52,829,843.60	0.00	52,829,843.60
PUBLIC HEALTH FEDERAL PROJECTS	42,318.26	145,399.41	4,616.68	166,376.77	25,957.58	-160.90	25,796.68
High-Speed Rail Rolling Stock Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HAZARDOUS WASTE RESEARCH	703,393.38	480,210.26	0.00	594,493.62	589,110.02	0.00	589,110.02
METRO EAST MASS TRANS DIST TAX	6,657,582.93	32,706,256.90	-365,217.80	31,860,923.55	7,137,698.48	0.00	7,137,698.48
LOCAL GOVERNMENT VIDEO GAMING DISTRIBUTIVE	6,494,912.94	78,946,399.33	0.00	77,750,456.85	7,690,855.42	-304,463.85	7,386,391.57
COURT OF CLAIMS FEDERAL RECOVERY VICTIM COMPENSA'	518.95	3,799.65	0.00	0.00	4,318.60	0.00	4,318.60
CONTINUING LEGAL EDUC TRUST	100,870.42	69,608.82	-209.40	131,412.72	38,857.12	-6,713.00	32,144.12
ENVIRONMENTAL PROTECTION TRUST	4,386,329.84	3,344,149.05	-21,208.43	2,150,000.00	5,559,270.46	0.00	5,559,270.46
STATE POLICE STREETGANG-RELATED CRIME	808.04	1,278.00	0.00	1,587.68	498.36	0.00	498.36
SETTLEMENT FUND - ILLINOIS CHAMBER OF COMMERCE V.	24,866,314.58	0.00	0.00	492,502.64	24,373,811.94	0.00	24,373,811.94
REAL ESTATE RESEARCH & EDUC	488,988.87	11,728.25	125,000.00	0.00	625,717.12	-11,300.00	614,417.12
REAL ESTATE LICENSE ADMIN	6,655,966.31	6,179,584.56	-3,656,761.00	5,133,882.48	4,044,907.39	-621.75	4,044,285.64
FEDERAL MASS TRANSIT TRUST	173,836.49	40,404,171.00	0.00	40,450,518.72	127,488.77	-127,479.29	9.48
SHARE THE ROAD	20,453.00	40,840.00	0.00	40,000.00	21,293.00	0.00	21,293.00
NATIONAL FLOOD INSURANCE PROG	546,035.50	349,283.33	0.00	575,951.19	319,367.64	-1,469.76	317,897.88
LAND RECLAMATION	4,355,990.59	1,698,894.00	0.00	555,629.56	5,499,255.03	-2,231.51	5,497,023.52
FEDERAL ENERGY	39,715.57	875,185.43	-63.00	874,506.98	40,331.02	-10,642.96	29,688.06
Illinois Route 66 Centennial Commission Trust Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TENN VALLEY AUTH LOCAL TRUST	0.00	223,572.60	0.00	214,769.87	8,802.73	-8,802.73	0.00
Industrial Hemp Regulatory Fund	0.00	497,625.00	0.00	0.00	497,625.00	0.00	497,625.00
CYCLE RIDER SAFETY TRAINING	13,468,917.54	4,062,720.15	-21,284.00	4,755,489.70	12,754,863.99	-200.00	12,754,663.99
FARMERS' MARKET TECHNOLOGY IMPROVEMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DOMESTIC VIOLENCE SHELTER&SERV	918,787.36	435,053.44	0.00	593,011.35	760,829.45	-204.31	760,625.14
SNOWMOBILE TRAIL ESTABLISHMENT	438,857.10	138,655.25	0.00	0.00	577,512.35	0.00	577,512.35
FRATERNAL ORDER OF POLICE	8,932.00	17,390.00	0.00	19,000.00	7,322.00	0.00	7,322.00
MUNICIPAL AUTO RENTING TAX	1,286,934.50	7,780,357.59	-89,924.62	7,198,662.88	1,778,704.59	-305.63	1,778,398.96
COUNTY AUTOMOBILE RENTING TAX	43,148.61	256,632.51	-3,779.34	232,745.83	63,255.95	0.00	63,255.95
LOW INC HOME ENERGY BLOCK GRNT	1,477.43	186,587,113.21	-4,149,378.42	182,403,569.08	35,643.14	-24,311.06	11,332.08
COMMUNITY SERVICES BLOCK GRANT	19,789.87	31,647,236.74	-575,536.46	31,076,008.97	15,481.18	-9,387.22	6,093.96
MATERNAL & CHILD HLTH SERV BLK	1,457,739.75	15,236,144.05	0.00	15,634,730.65	1,059,153.15	-97,585.31	961,567.84
PREVENTIVE HEALTH&HLTH SERV BL	2,205,422.23	2,627,948.85	0.00	2,956,834.27	1,876,536.81	-1,505.60	1,875,031.21
COM DEV/SMALL CITY BLK GRANT	13,054,506.15	50,216,231.85	-342,833.55	31,028,595.19	31,899,309.26	-319,521.30	31,579,787.96

FINANCIALS

Fund	Prev Year Cash Bal	FY19 Receipts	FY19 Transfers	FY19 Disbursements	Ending Cash Balance	Warrants Outstanding	Available Balance
COMMUNITY MH SERV BLOCK GRNT	423,753.15	23,164,924.53	0.00	23,149,949.02	438,728.66	-150,562.87	288,165.79
DRUG TRAFFIC PREVENTION	154,292.34	115,841.86	0.00	120,000.00	150,134.20	0.00	150,134.20
TRAFFIC & CRIM CONVICTION SUR	4,345,481.77	17,530,406.43	0.00	17,948,572.54	3,927,315.66	-56,883.03	3,870,432.63
SHEFFIELD 2/1982 AGREED ORDER	2,747,725.29	61,262.75	0.00	86,967.96	2,722,020.08	0.00	2,722,020.08
INTRA-AGENCY SERVICES	836,572.81	461,420.18	10,107,309.51	8,617,133.11	2,788,169.39	-1,402.15	2,786,767.24
DNR SPECIAL PROJECTS	3,168,080.20	11,359,415.27	0.00	11,573,004.33	2,954,491.14	-76,850.23	2,877,640.91
Wage Theft Enforcement	28,315.26	107,677.20	0.00	3,838.96	126,153.50	0.00	126,153.50
STATE POLICE LAW ENFORCEMENT ADMINISTRATION FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DESIGN PROFESSIONALS ADMINISTRATION & INVESTIGAT	1,431,461.55	1,496,461.83	-1,208,003.00	806,062.98	913,857.40	-212.90	913,644.50
Homelessness Prevention Revenue Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SECRETARY OF STATE INTERNL RE	88,156,095.73	99,239,897.10	-87,000,000.00	98,834,099.30	1,561,893.53	0.00	1,561,893.53
FORECLOSURE PREVENTION PROGRAM	2,237,679.33	2,152,969.48	0.00	3,505,606.60	885,042.21	0.00	885,042.21
ABANDONED RESIDENTIAL PROPERTY MUNICIPALITY RELIE	3,831,829.00	6,532,869.68	0.00	315,249.00	10,049,449.68	0.00	10,049,449.68
Firearm Dealer License Certification Fund	0.00	523,137.50	0.00	0.00	523,137.50	0.00	523,137.50
DNR FEDERAL PROJECTS	2,627,600.43	7,112,840.36	0.00	7,241,044.38	2,499,396.41	-615,045.35	1,884,351.06
SOIL AND WATER CONSERVATION DISTRICT	405.00	9.54	0.00	0.00	414.54	0.00	414.54
PUBLIC HEALTH SPEC STATE PROJ	25,083,299.34	9,399,303.94	-261,514.32	6,583,251.17	27,637,837.79	-285,273.73	27,352,564.06
VETERANS' AFFAIRS FEDERAL PROJECTS FUND	234.20	3,765.80	0.00	4,000.00	0.00	0.00	0.00
CANNABIS BUSINESS DEVELOPMENT FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ST. JUDE CHILDREN'S RESEARCH	3,383.00	72.30	0.00	0.00	3,455.30	0.00	3,455.30
STATE CONSTRUCTION ACCOUNT	581,637,752.84	506,737,826.54	223,207,925.16	621,404,040.29	690,179,464.25	-8,627,413.01	681,552,051.24
STATE SURPLUS PROPERTY REV	1,677,704.45	2,899,769.96	-539,282.99	1,724,067.62	2,314,123.80	-440.47	2,313,683.33
IL STATE POLICE FEDERAL PROJ	228,476.83	9,264,895.87	0.00	9,371,351.23	122,021.47	-2,092.83	119,928.64
IL FORESTRY DEVELOPMENT	833,386.40	3,261,513.99	0.00	2,439,600.71	1,655,299.68	-10,639.72	1,644,659.96
STATE POLICE SERVICES	22,521,435.73	29,151,837.21	-187,536.76	22,505,792.46	28,979,943.72	-29,834.82	28,950,108.90
HEALTH INSURANCE RESERVE	82,350,144.77	3,113,359,051.71	0.00	3,118,041,920.17	77,667,276.31	-26,049,999.72	51,617,276.59
CANNABIS EXPUNGEMENT FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IL WILDLIFE PRESERVATION	2,744,423.60	307,379.00	244,898.54	136,620.10	3,160,081.04	0.00	3,160,081.04
YOUTH DRUG ABUSE PREVENTION	1,104,984.26	279,620.11	0.00	878,466.00	506,138.37	0.00	506,138.37
JUVENILE JUSTICE TRUST	897,362.05	1,135,599.15	0.00	1,184,834.30	848,126.90	-16,517.75	831,609.15
CANNABIS REGULATION FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FEDERAL WORKFORCE TRAINING	268,381.75	157,660,883.72	-4,528,796.76	153,005,917.11	394,551.60	-392,585.59	1,966.01
DUCKS UNLIMITED	11,175.00	20,775.00	0.00	20,000.00	11,950.00	0.00	11,950.00
LOCAL CANNABIS CONSUMER EXCISE TAX TRUST FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
METABOLIC SCREENING & TREATMNT	11,200,059.63	18,720,480.57	70,578.40	17,715,174.54	12,275,944.06	-158,607.73	12,117,336.33
DHS RECOVERIES TRUST	14,080,063.67	16,465,622.31	-44,058.00	20,362,634.58	10,138,993.40	-98,745.81	10,040,247.59
INSURANCE PRODUCER ADMIN	33,375,295.52	33,275,189.33	-5,139,196.79	16,718,937.74	44,792,350.32	-12,086.86	44,780,263.46
LAW ENF OFF TRNG BD FED PROJ	1.01	259,158.43	0.00	123,839.93	135,319.51	0.00	135,319.51
COAL TECHNOLOGY DEV ASSIST	12,575,523.87	5,364,336.37	-5,700.00	4,246,166.42	13,687,993.82	-1,217.27	13,686,776.55
GOVERNOR'S ADMINISTRATIVE FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IL NATNL GUARD ARMORY CONSTR	159,723.87	567,339.67	0.00	0.00	727,063.54	0.00	727,063.54
STATE AVIATION PROGRAM FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
VIOLENT CRIME VICTIMS ASSIST	4,731,044.94	7,598,985.72	-22,222.63	9,848,353.21	2,459,454.82	-104,808.65	2,354,646.17
SENIOR CITIZEN REAL EST DEF TA	14,508,683.72	6,223,264.42	0.00	3,533,455.36	17,198,492.78	-87,173.52	17,111,319.26
J.J. WOLF MEMORIAL INVESTIGAT	92,262.95	0.00	0.00	0.00	92,262.95	0.00	92,262.95
STATE TREASURER CRT ORDER ESCR	580,870.94	12,489.34	0.00	0.00	593,360.28	0.00	593,360.28
CONVENTION CENTER SUPPORT	5,166,354.69	1,897,889.48	0.00	6,623,600.69	440,643.48	0.00	440,643.48
CHILD ABUSE PREVENTION	2,458.86	1,392.91	0.00	3,520.41	331.36	0.00	331.36
SOCIAL SERV BLOCK GRANT	500,000.00	104,082,236.00	-104,082,236.00	0.00	500,000.00	0.00	500,000.00
RAIL FREIGHT LOAN REPAYMENT	1,661,301.02	27,590.97	0.00	900,419.72	788,472.27	0.00	788,472.27
HEARING INSTRUMENT DISPEN EXAM	21,923.50	65,187.61	1,525.00	6,256.69	82,379.42	-2,012.85	80,366.57
LOCAL GOVERNMENT AVIATION TRUST FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SELF-INSURERS SECURITY FUND	18,987,557.46	706,574.32	-23,276.72	1,262,692.05	18,408,163.01	-18,377.20	18,389,785.81
MPEA GRANTS	0.00	5,693,668.46	0.00	5,224,646.93	469,021.53	0.00	469,021.53
LOW-LEVEL RADIOACTIVE WASTE FACILITY DEVELOPMENT &	465,159.37	656,409.93	0.00	421,369.74	700,199.56	-285.00	699,914.56
LOW-LEVEL RADIOACTIVE WASTE FACILITY CLOSURE, POST-	2,032.29	45.81	0.00	0.00	2,078.10	0.00	2,078.10
ENVIRO PROTECT PERMIT & INSP	13,007,198.90	10,880,793.53	-161,436.00	8,665,830.02	15,060,726.41	-480.99	15,060,245.42
LANDFILL CLOSURE & POST-CLOSE	322,876.04	0.00	0.00	0.00	322,876.04	0.00	322,876.04
AVIATION FUEL SALES TAX REFUND FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GOVERNOR'S GRANT	10,331.51	0.00	0.00	0.00	10,331.51	0.00	10,331.51
SECRETARY OF STATE'S GRANT	449,580.26	15,490.89	0.00	115,090.80	349,980.35	-1,363.78	348,616.57
SOUND-REDUCING WINDOWS AND DOORS REPLACEMENT I	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CIVIC AND TRANSIT INFRASTRUCTURE FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NARCOTICS PROFIT FORFEITURE	1,975,544.89	1,085,398.26	-6,874.47	1,053,046.49	2,001,022.19	-948.00	2,000,074.19
STATE MIGRATORY WATERFOWL STAM	5,989,682.84	1,003,450.92	0.00	164,108.69	6,829,025.07	-131,492.56	6,697,532.51
IL STATE PODIATRIC DISCIPLINE	480,732.79	526,246.49	-152,947.00	100,910.25	753,122.03	0.00	753,122.03
CHILD SUPPORT ENFORCE TRUST	33,051,541.95	174,045,052.04	-23,000,000.00	152,224,973.28	31,871,620.71	-5,622,629.90	26,248,990.81
Attorney General Sex Offender Awareness, Training, and E	452,239.61	178,189.00	0.00	325,000.00	305,428.61	0.00	305,428.61
BUILD ILLINOIS	0.00	676,463,636.14	-676,463,636.14	0.00	0.00	0.00	0.00
PARK & CONSERVATION	27,135,675.35	27,540,045.52	9,606,500.00	41,718,044.14	22,564,176.73	-984,080.55	21,580,096.18
VEHICLE INSPECTION	37,982,077.41	23,228,608.44	-1,428.00	17,646,124.13	43,563,133.72	-414.19	43,562,719.53
LOCAL TOURISM	7,160,503.85	19,438,570.45	-63,198.00	20,919,235.25	5,616,641.05	-64,985.23	5,551,655.82
BUILD ILLINOIS B R & I	40,804,561.64	301,394.14	512,343,050.52	512,101,850.69	41,347,155.61	-27,833,304.58	13,513,851.03
BUILD ILLINOIS BOND	151,747,134.23	261,687,611.42	0.00	50,436,431.87	362,998,313.78	-879,315.90	362,118,997.88
ILLINOIS CAPITAL REVOLVING LOAN FUND	2,180,720.58	76,208.16	-8,367.00	190,683.82	2,057,877.92	0.00	2,057,877.92
IL EQUITY	385,742.40	459,514.18	0.00	0.00	845,256.58	0.00	845,256.58
LARGE BUSINESS ATTRACTION	350,561.67	7,534.91	0.00	0.00	358,096.58	0.00	358,096.58
DEFERRED LOTTERY PRIZE WINNERS	1,997,274.96	22,712,943.71	0.00	23,042,562.36	1,667,656.31	0.00	1,667,656.31
MANTENO VETERANS HOME	21,224,610.14	20,238,417.70	-68,288.00	17,546,587.06	23,848,152.78	-65,938.98	23,782,213.80
ADELINE JAY GEO-KARIS ILLINOIS BEACH MARINA FUND	107,006.90	310,525.73	-113,699.54	58,327.57	245,505.52	-1,350.00	244,155.52
BHE FEDERAL GRANTS	0.00	742,672.00	0.00	742,672.00	0.00	0.00	0.00
INTERNATIONAL & PROMOTIONAL	42,477.22	33,404.56	0.00	32,987.85	42,893.93	0.00	42,893.93
ATTORNEY GENERAL FEDERAL GRANT	61,829.67	852,750.89	33,750.13	909,467.51	38,863.18	-1,973.17	36,890.01
ABANDONED MINED LANDS RECLAM	2,561,509.78	12,875,919.89	0.00	13,203,362.66	2,234,067.01	-133,036.18	2,101,030.83
PUBLIC INFRASTRUCTURE CONST LN	872,660.29	18,763.97	0.00	0.00	891,424.26	0.00	891,424.26
IL AGRICULTURAL LOAN GUARANTEE	10,277,223.39	220,960.30	0.00	0.00	10,498,183.69	0.00	10,498,183.69
EDUC LABOR REL BD FAIR SHARE	112,360.62	2,415.82	0.00	174.12	114,602.32	-13,749.77	100,852.55
INSURANCE FINANCIAL REGULATION	25,940,105.29	23,134,215.91	-1,161,576.21	17,044,983.78	30,867,761.21	-14,190.34	30,853,570.87

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