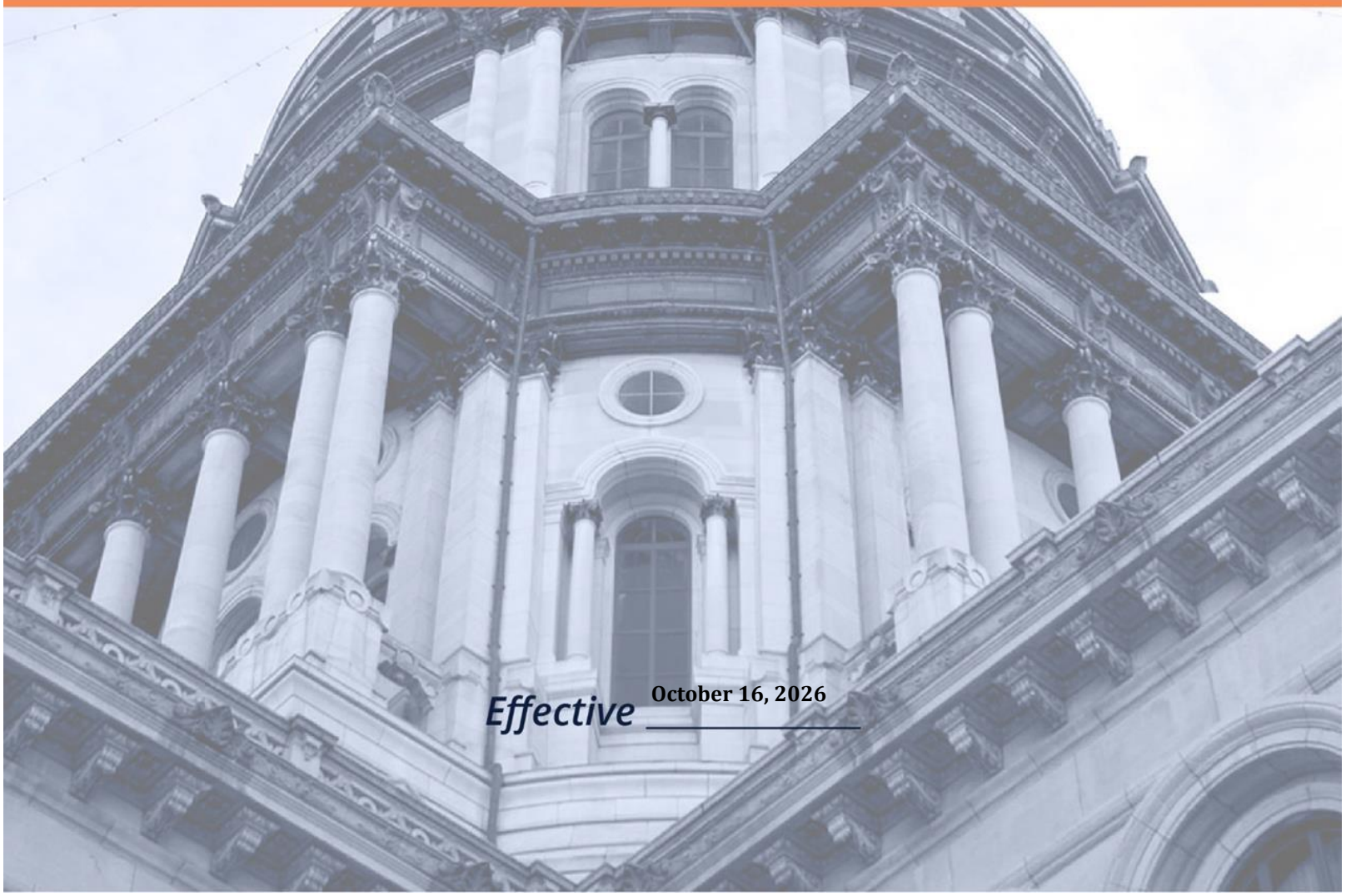
OFFICE OF THE ILLINOIS STATE TREASURER

MICHAEL W. FRERICHS

THE ILLINOIS FUNDS

Local Government Investment Pool

Investment Policy Statement



Effective **October 16, 2026**

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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") is authorized 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 Illinois Public Treasurer's Investment Pool is a local government investment pool known as "The Illinois Funds." Under this Illinois Funds Local Government Investment Pool Investment Policy Statement ("Policy"), The Illinois Funds are invested in a manner that (a) provides safety to the principal investment, (b) meets the daily cash flow demands of participants, and (c) seeks the highest investment return, using authorized instruments in accordance with all State statutes governing the investment of public funds. Although not subject to the jurisdiction of the SEC, The Illinois Funds operates in a manner consistent with Securities and Exchange Commission Rule 2a-7 (17 CFR § 270.2a-7).

2.0 INVESTMENT POLICY COMMITTEE

The Treasurer has formed and regularly convenes the Investment Policy Committee. The Investment Policy Committee is chaired by the Treasurer and includes the following members of the Treasurer's staff: Chief of Staff, Deputy Treasurer (Financial Products), Deputy Treasurer (Legislative & Policy), Chief Banking Officer, Chief Fiscal Officer, Deputy Chief Fiscal Officer, Chief Investment Officer, Deputy Chief Investment Officer, General Counsel, Chief Financial Product Officer, Director of State Investments, Director of State Banking, Director of Illinois Public Treasurer's Investment Pool ("IPTIP") Investments, Director of ePAY & The Illinois Funds, Director of Portfolio & Risk Analytics, Director of Public Market Investments, Director of Alternative Investments, and anyone else deemed appropriate by the Treasurer.

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

3.1 SAFETY

The Illinois Funds' investments shall be undertaken in a manner that seeks to ensure the preservation of The Illinois Funds' principal. The safety of principal is the foremost objective of the investment program. 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.

3.2 LIQUIDITY

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

3.3 RETURN ON INVESTMENT

The investment portfolio shall be designed to obtain the highest available risk-adjusted return. The Treasurer shall seek to obtain the highest available return, using authorized investments during budgetary and economic cycles as required by this Policy.

The rate of return achieved on The Illinois Funds shall be measured at regular intervals against relevant industry benchmarks that the Investment Policy Committee established to determine investment decision effectiveness 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. Pursuant to the Illinois Sustainable Investing Act (30 ILCS 238/1 et seq.), the Treasurer shall prudently integrate financially material sustainability factors into its investment decision-making to obtain a more complete view of risks and value prospects that may materially impact an investment's long-term value. Therefore, as a complement to traditional financial analysis, the integration of sustainability factors provides an additional layer of decision-useful information and rigor which can assist in better assessing the risk and return prospects of portfolio companies, investment funds, and other investment vehicles. Such sustainability factors are indicative of the overall performance of an investment and can be strong indicators of its long-term value.

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

a) Corporate governance and leadership factors, such as board attendance, the independence of corporate 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 and business practices.

b) Environmental factors such as climate competence, greenhouse gas emissions, air quality, energy management, water and wastewater management, waste and hazardous materials management, biodiversity and ecological impacts, and Just Transition considerations.

c) Social capital factors that may have an adverse or positive impact on customers, local communities, the public, and/or government such as human rights, customer welfare, data privacy, cyber security, artificial intelligence, access and affordability, product quality and safety, selling practices and product labeling, community reinvestment, and community relations.

d) Human capital factors such as labor practices, responsible contractor and responsible bidder policies, employee health and safety, employee engagement, equity, diversity and inclusion, and incentives and compensation.

e) Business model and innovation 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 shall be implemented within a framework predicated on the following:

Materiality – The Treasurer considers whether and to what extent a sustainability risk or opportunity exists that is reasonably likely to have a material impact on the financial condition or operating performance of a company, investment fund, or other investment vehicle.

Industry-Specific Information – The Treasurer considers whether and to what extent the financially material sustainability risk or opportunity in question is relevant and applicable to individual industries.

Integration of Material Sustainability Factors in Internally Managed Investment Programs – The Treasurer prudently integrates material and relevant sustainability factors, including, but not limited to, (1) corporate governance, financial incentives and quality of leadership, (2) environmental factors, (3) social capital factors, (4) human capital factors, 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 in internally managed investment programs.

Active Ownership – The Treasurer attentively oversees investment holdings to address sustainability risks and opportunities through the exercise of proxy voting rights and direct engagement with entities, such as investment funds, portfolio companies, government bodies, and other organizations.

Regular Evaluation of Sustainability Factors – The Treasurer performs a recurring annual evaluation, at a minimum, of sustainability factors to ensure the factors are relevant to the evolving marketplace.

Additional Relevant and Financially Material Factors – The Treasurer considers 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 Treasurer shall develop policy guidelines for internal and external investment managers to integrate material sustainability risks with respect to their investment decision-making regarding financial products, investment funds, companies, and public agency or governmental units to the extent the Treasurer is responsible for the investment performance of such entities. The policy guidelines for such investment managers for integrating sustainability factors shall be reviewed and updated on an annual basis to ensure responsiveness to changing economic conditions and related factors.

4.0 ETHICS AND CONFLICTS OF INTEREST

The investment staff executing the investments ("Authorized Investment Officers") 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'. In addition, such individuals shall subordinate their personal investment transactions to those of The Illinois Funds, particularly with regard to the timing of purchases and sales.

5.0 AUTHORIZED BROKERS/DEALERS AND FINANCIAL INSTITUTIONS

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

The security brokers/dealers shall be selected according to their credit worthiness and their financial significance within 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 § 240.15C3-1 (Net Capital Requirements for Brokers or Dealers).

No monies may be deposited in any financial institution until the Treasurer's investment staff 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 11.0 of this Policy. No public deposit may be made, except in a qualified state depository in accordance with the Deposit of State Moneys Act (15 ILCS 520/1 et seq.).

All brokers/dealers interested in becoming qualified parties for investment transactions must supply the Treasurer's Authorized Investment Officers any documents requested by the Treasurer, including but not limited to the following:

a) Audited financial statements;

b) Proof of minority-, woman-, disabled-, and/or veteran-owned or -managed broker/dealer status;

c) A signed copy of the Treasurer's account authorization agreement;

d) Proof of US National and State of Illinois registration;

e) Completed Counterparty Questionnaire;

f) Certification of notice and acknowledgment of this Policy; and

g) Any other documentation deemed necessary by the Treasurer.

If approved, a broker/dealer will be placed on Treasurer's authorized list of approved Broker/Dealers. An annual review of the financial condition and registration of qualified parties may be conducted by the Treasurer's Authorized Investment Staff. 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 Office of the Treasurer's Procurement Rules. 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 forced of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability ("MWVD Persons") for not less than twenty-five percent (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 MWVD Persons. The report shall be published on the Treasurer's official website.

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 575/1 et seq.). 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 500/1 et seq.).

To the greatest extent feasible within the bounds of financial and fiduciary prudence, the Treasurer's policy is to mitigate 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 ownership or control by MWVD Persons. 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.

6.0 AUTHORIZED AND SUITABLE INVESTMENTS

The Treasurer's investments are subject to the parameters as set forth in the Deposit of State Moneys Act (15 ILCS 520/22.5) and the Public Funds Investment Act (30 ILCS 235/2). Additionally, the Treasurer may also choose to create policies and procedures that further clarify the State's authorized investments. The established parameters are as follows:

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 cooperatives, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 as amended, the federal home loan banks and the federal home loan mortgage corporation, and any other agency created or supported through an Act of Congress; additionally, the Treasurer has determined that all such agencies are issuing debt in United States dollar-

denominations;

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 other than the Republic of Sudan 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 twenty-five (25) years immediately before the time of acquiring those obligations;

e) Interest-bearing bonds, issued by counties or municipal corporations of the State of Illinois. Additionally, the Treasurer has determined that the purchased bonds may be either 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(15 U.S.C. § 78o-5), as amended, and as interpreted by its regulations;

g) Short-term secured or unsecured obligations of either corporations or limited liability companies organized in the United States with assets exceeding $500,000,000 and 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). In order to comply with the Fitch money market fund guidelines, the short-term rating must be F1 and above. If a Fitch rating is not available, the lower of the public long-term ratings from Standard & Poor's ("S&P") or Moody's may be applied. At the time of purchase, the maturity or pre-refunded date(s) shall not exceed three hundred and ninety-seven (397) days to maturity;

h) Long-term secured or unsecured 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 for notes maturing within thirteen (13) months or less). In order to comply with the Fitch money market fund guidelines, the short- term rating must be F1 and above. If a Fitch rating is not available, the lower of the public long-term ratings from S&P or Moody's may be applied. At the time of purchase, the maturity or pre-refunded date(s) shall not exceed three hundred and ninety-seven (397) days to maturity. For corporations who maintain only a long-term

rating issued with Moody's, S&P, or Fitch, securities may be purchased and remain in compliance with Fitch criteria using either (a) the short-term equivalent of a long-term rating issued by Fitch; or (b) in the absence of a Fitch rating, the short-term equivalent of a long-term rating issued by Moody's or S&P, whichever is lower;

i) Money market mutual funds registered under the Investment Company Act of 1940. 15 U.S.C. §80a-1;

j) Private Placement Fixed Income Securities not necessarily requiring registration with or possessing an exemption from the registration requirement with the Securities and Exchange Commission, with the issuer of the securities having a significant presence in this State, with assets exceeding $1,000,000,000 if (i) the purchases do not exceed 5% percent the issuers' total assets; (ii) no more than 1% of the Illinois Funds are invested in such Private Placement Fixed Income Securities; and (iii) the issuer of the securities 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.

k) Securities in accordance with the Federal Financial Institution Examination Council guidelines only if the securities are collateralized at a level sufficient to assure the safety of the securities, taking into account market value fluctuations and set forth in a Securities Leasing Agreement between the Treasurer and financial institution ("Treasurer's Agent"). The securities may be collateralized by cash or securities collateral acceptable under Sections 11 and 11.1 of the Deposit of State Moneys Act;

l) 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.; and

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.

7.0 INVESTMENT RESTRICTIONS

The following investment restrictions apply to The Illinois Funds:

a) Any investments not authorized by this 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 5/1-110.16;

g) Investments in bankers' acceptances of any kind are prohibited; and

h) Certificates of deposit may not be purchased from The Illinois Funds' custodial institution or any of its subcontractors.

i) Investments in any sovereign debt or government-backed securities issued by the Russian Federation, and/or the Republic of Belarus; any investment instrument that is issued by an entity, bank or financial institution that is domiciled in or has its principal place of business located in the Russian Federation or the Republic of Belarus; and/or any investment instrument issued by an entity, bank or financial institution that is subject to Russian Harmful Foreign Activities Sanctions as defined under Section 1-110.16 of the Illinois Pension Code are prohibited.

7.1 OPERATIONAL REQUIREMENTS

As described in Securities and Exchange Commission Rule 2a-7 (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 2a-7-like fund.

8.0 RATINGS CRITERIA

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

9.0 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. The Treasurer may take possession of and title to any securities held as collateral until the Treasurer determines such collateral may be disposed.

10.0 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.

11.0 DIVERSIFICATION

In general, the primary purpose of diversification is to control various forms of risk (including, but not exclusive of: concentration risk, credit risk, duration risk, interest rate risk, and market risk). The Illinois Funds will 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 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 time deposits that constitute more than ten percent (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 ten percent (10%) of the corporation's or the limited liability company's outstanding obligations;

d) The Illinois Funds shall not hold obligations of a municipality's bonds that exceed ten percent (10%) of the municipality's outstanding obligations;

e) The Illinois Funds shall not be invested in more than ten percent (10%) of each prime money market fund's assets (including all share classes) at any given time;

f) The Illinois Funds 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 fifty percent (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. No more than one-third (33%) of the total portfolio assets shall be invested in short- term obligations of corporations or limited liability companies as defined by Section 6.0(g) of this Policy;

   iii. No more than ten percent (10%) of the total portfolio assets shall be invested in short-term obligations of any one corporation or limited liability company as defined by Section 6.0(g) of this Policy;

   iv. No more than twenty (20%) of the total portfolio assets shall be invested in long-term obligations of corporations or limited liability companies as defined by Section 6.0(h) of this Policy;

   v. No more than ten percent (10%) of the total portfolio assets shall be invested in long-term obligations of any one corporation or limited liability company as defined by Section 6.0(h) of this Policy;

   vi. No more than ten percent (10%) of the total portfolio assets shall be invested in municipal securities issued by counties or municipal corporations of the State of Illinois as defined

by Section 6.0(e) of this Policy;

vii. No more than three (3%) of the total portfolio assets shall be invested in any single issuer of municipal securities issued by counties or municipal corporations of the State of Illinois as defined by Section 6.0(e) of this Policy;

viii. The Illinois Funds shall invest a minimum of seventy-five percent (75%) of its assets in authorized investments of less than one (1) year maturity. No investment shall exceed two (2) years maturity.

ix. The Illinois Funds reserves the right to invest in any obligation of domestic banks, as outlined in Section 22.5 of the Deposit of State Moneys Act.

12.0 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 of The Illinois Funds on the Treasurer's official website.

13.0 ASSET ALLOCATION

The Treasurer shall approve asset allocation among investment categories authorized under Section 6.0 of this Policy.

14.0 COMPETITIVE BIDDING

Authorized Investment Officers shall obtain competitive bids from at least three (3) broker/dealers prior to executing repurchase agreements, purchasing United States Treasury securities, United States government agency or instrumentality securities, obligations of either corporations or limited 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 6(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.

15.0 LIABILITY

Authorized Investment Officers, 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.

16.0 REPORTING

Reports shall be made available quarterly by the Director of IPTIP Investments to the Treasurer, the Chief Banking Officer and The Illinois Funds participants. The quarterly report shall contain the following:

a) The total amount of funds;

b) The current and historic performance of The Illinois Funds as compared to the established benchmark;

c) The asset allocation for the investments;

d) Any circumstances resulting in a deviation from the standards established in Section 11.0 of this Policy;

e) Any change in investment policy adopted during the quarter; and

f) The weighted average number of days to maturity.

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

17.0 EXCEPTIONS

The Chief Banking Officer may issue exceptions to this Policy provided that they do not conflict with applicable 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 statutes and it is reasonably assured that deviating from this Policy is in the best interest of participants.

18.0 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.

19.0 STATUTORY REFERENCES

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

20.0 AMENDMENTS

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