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# THE I/FAX

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ADMINISTERED BY ILLINOIS STATE TREASURER DAN RUTHERFORD

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Contact us at [www.illinoisfunds.com](http://www.illinoisfunds.com) or 1-800-346-7414

JANUARY 2011

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Yesterday's Rate 1/12/2011

Money Market Fund

**0.095%**

**Happy  
New Year!**

All of us in the Office of the Illinois State Treasurer wish you and yours a very Happy New Year!

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### Holiday Schedule

For planning purposes, please see our schedule for January and February of 2011 below:

**Jan. 17:** The Illinois Funds will be closed (Martin Luther King Day).

**Feb. 21:** The Illinois Funds will be closed (Presidents' Day).

This schedule is tentative and subject to change. All early closes generally occur at 12:00 noon Central time. This schedule is available online at [www.illinoisfunds.com](http://www.illinoisfunds.com).

## MARKET PERSPECTIVE

*By Mark Polistina*

**Say Ahhhh...**

The persistence and literal drudgery associated with unemployment and an uncanny inability of any level of government to effectually change it reminds one of a repeat visit to the doctor's office. Just when it appears that the persistently high levels of unemployment are beginning to weaken, we have two straight weeks of consistently higher unemployment claims. As I have said many times the not so scientific line in the sand that differentiates us from not good to bad is 400,000 new claims. It was just a few weeks ago that the weekly claims were below that magical demarcation line with only 391,000 new filers. The most recent report on new claims was 440,000. The inability of our economy to add jobs or slow the reduction of them has a direct causal affect on the ultimate level of economic output.

It seems that for the better part of the past two plus years every thing attempted by most every level of government has been met with disappointment on the jobs front. Even though the ultimate unemployment rate has come down from its peak it is by any measure, to high. Hope still springs eternal and we know

that this too shall pass; but like that trip back to the doctor for a second round of antibiotics we'll all be glad when things start to look up and we don't feel like we are as uncomfortable as we can be on the doctors table hearing "Say Ahhh..."

### Market Outlook

We do not anticipate any marked change in the short term interest rate environment any time soon. So our message will remain the same, take caution when extending maturities and look for those interim periods of higher interest rates. Markets may start and end the year at similar points, but, the line is seldom straight.

*Mark Polistina is the Portfolio Manager for The Illinois Funds*

**The Illinois Funds maintains S&P's AAAM rating**

Standard & Poor's reaffirmed the Illinois Funds' AAAM rating in December. The rating is based on S&P's analysis of the pool's credit quality, market price exposure and management. The rating signifies an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market and/or liquidity risks.



# Safety, Liquidity and Yield



Illinois Funds yields for the period ending 12/31/10

## Money Market Fund (Daily Liquidity)

Net Portfolio Assets (in millions)	\$5,460
Monthly Investment Earnings (in 1000's)	\$565
7 Day Yield*	0.11%
One Month Yield*	0.12%
Net Asset Value (per share)	\$1.00
Weighted Average Maturity	29
Weighted Average Life	29

\*Yield Net of Fees

## Monthly Public Sector Rate Comparison

The Illinois Funds, Money Market Fund		0.12%	
S&P Govt Inv Pool-Govt Fund Index	0.11%	S&P Govt Inv Pool-Taxable Funds Index	0.15%
IL School Dist Liquid Asset	0.02%	IL School Dist Liquid Asset Max	0.05%
3 Month Treasury Bill	0.13%	6 Month Treasury Bill	0.19%

## Monthly Private Sector Rate Comparison

The Illinois Funds, Money Market Fund		0.12%	
IMoneynet™ - Govt. Institutional	0.01%	Federated Govt Obligations	0.02%
Fidelity - 695 Treas Fund	0.02%	Fidelity - 57 Govt Fund	0.03%
Goldman Fin Sq Treas Fund - 468	0.02%	Goldman Fin Sq Govt Fund - 465	0.06%
30 Day Time Deposit	0.12%	90 Day Time Deposit	0.45%

## MONEY MARKET FUND COMPOSITION

- 40.5% - Repurchase Agreements
- 10.2% - Money Market Funds
- 0.5% - Certificates of Deposit
- 31.9% - Commercial Paper
- 14.2% - US Government Agencies
- 2.7% - US Treasury Bills

### E-Pay Account Rate

**0.095%** 1/12/11

1-866-831-5240

[www.illinoisepay.com](http://www.illinoisepay.com)

### Rapid Revenue Acct. Rate

**0.095%** 1/12/11

1-800-346-7414

Visit our website at [www.illinoisfunds.com](http://www.illinoisfunds.com) for further information.