



# Illinois Funds - Money Market Fund (The)

**Principal Stability Fund Ratings Definitions**

**AAAm** A fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. 'AAAm' is the highest principal stability fund rating assigned by Standard & Poor's.

**AAm** A fund rated 'AAm' demonstrates very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. It differs from the highest-rated funds only to a small degree.

**Am** A fund rated 'Am' demonstrates strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than funds in higher-rated categories

**BBBm** A fund rated 'BBBm' demonstrates adequate capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. However, adverse economic conditions or changing circumstances are more likely to lead to a reduced capacity to maintain principal stability.

**BBm** A fund rated 'BBm' demonstrates speculative characteristics and uncertain capacity to maintain principal stability. It is vulnerable to principal losses due to credit risk. While such funds will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

**Dm** A fund rated 'Dm' has failed to maintain principal stability resulting in a realized or unrealized loss of principal.

**Plus (+) or Minus (-)**  
The ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

**About the Pool**

<b>Pool Rating</b>	<b>AAAm</b>
<b>Pool Type</b>	Stable NAV Government Investment Pool
<b>Investment Adviser</b>	Office of the Treasurer (Portfolio Management Division)
<b>Portfolio Manager</b>	Mark Polistina (Since 2002)
<b>Pool Rated Since</b>	October 1996
<b>Custodian</b>	U.S. Bank

**Fund Highlights**

- Serving public entities in Illinois for over 30 years.
- Invests in very liquid, high quality, short-term investments.

**Rationale**

The Illinois Funds, Money Market Fund is rated 'AAAm' by Standard & Poor's. The rating is based on Standard & Poor'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

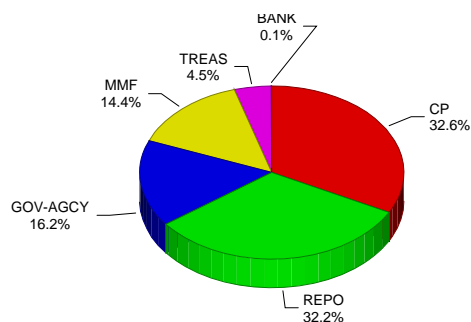
**Overview**

The Illinois Funds, Money Market Fund was developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Treasurer to provide an investment alternative for public treasurers across the state. Today, there are over 7,000 taxing entities in the State of Illinois and as of this time, The Illinois Funds, Money Market Fund was comprised of over 6,000 accounts. The purpose of The Illinois Funds, Money Market Fund is to provide public treasurers within the state of Illinois with an alternative investment vehicle that enables the treasurers to earn a competitive rate of return while maintaining immediate access to invested funds. Any custodian of public funds in Illinois qualifies for participation in The Illinois Funds, Money Market Fund.

**Management**

The investment management duties for The Illinois Funds are assumed by The Portfolio Management Division of The Office of the Illinois State Treasurer. Mark A. Polistina is the Portfolio Manager, Randal Coffey is the Director. The portfolio manager reports directly to the Chief Fiscal Officer, Ed Buckles, who reports directly to the Chief of Staff, Kyle Ham, who

**Portfolio Composition as of September 30, 2011**



CP - Commercial Paper; REPO - Repurchase Agreement; GOV-AGCY - Agency and Government; MMF - Money Market Fund; TREAS - Treasury; BANK - Bank Deposits

reports to the State Treasurer, Dan Rutherford. The Investment Policy Committee is comprised of the Treasurer, Chief of Staff, CFO, Portfolio Manager, Manager of Banking, Cash Management Officer and Chief Counsel. US Bank provides the pool with administrative and distribution services.

**Portfolio Assets**

The Illinois Funds, Money Market Fund invests in US Treasury Obligations, Repurchase Agreements collateralized at 102% by US Treasury Obligations, Certificates of Deposit issued by an Illinois financial institution, US Agency, US Agency mortgage backed securities and US Treasury only Money Market Funds rated 'AAAm' by Standard & Poor's. In addition, investments include Commercial Paper rated in one of the two highest rating categories by Standard & Poor's, with a maximum final maturity of 270 days, and will not comprise any asset-backed structures. The final maturity on all securities is limited to one year. According to stated investment guidelines, the pool is prohibited from investing in Reverse Repurchase Agreements.

**Standard & Poor's Analyst:** Michael Masih - (1) 212-438-1642

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

*Participants should consider the investment objectives, risks and charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.*

**Principal Stability Rating Approach and Criteria**

A Standard & Poor's principal stability fund rating, also known as a "money market fund rating", is a forward-looking opinion about a fixed income fund's capacity to maintain stable principal (net asset value). When assigning a principal stability rating to a fund, Standard & Poor's analysis focuses primarily on the creditworthiness of the fund's investments and counterparties, and also its investments' maturity structure and management's ability and policies to maintain the fund's stable net asset value. Principal stability fund ratings are assigned to funds that seek to maintain a stable or an accumulating net asset value.

Generally, when faced with an unanticipated level of redemption requests during periods of high market stress, the manager of any fund may suspend redemptions for up to five business days or meet redemption requests with payments in-kind in lieu of cash. A temporary suspension of redemptions or meeting redemption requests with distributions in-kind does not constitute a failure to maintain stable net asset values. However, higher rated funds are expected to have stronger capacities to pay investor redemptions in cash during times of high market stress because they generally comprise shorter maturity and higher quality investments.

Principal stability fund ratings, or money market fund ratings, are identified by the 'm' suffix (e.g., 'AAAm') to distinguish the principal stability rating from a Standard & Poor's traditional issue or issuer credit rating. A traditional issue or issuer credit rating reflects Standard & Poor's view of a borrower's ability to meet its financial obligations. Principal stability fund ratings are not commentaries on yield levels.

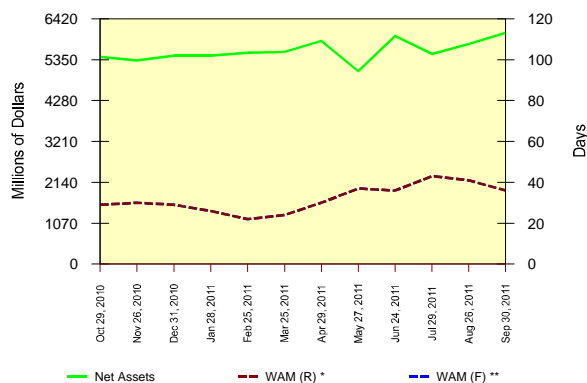
**Illinois Funds - Money Market Fund (The)**

AAAm

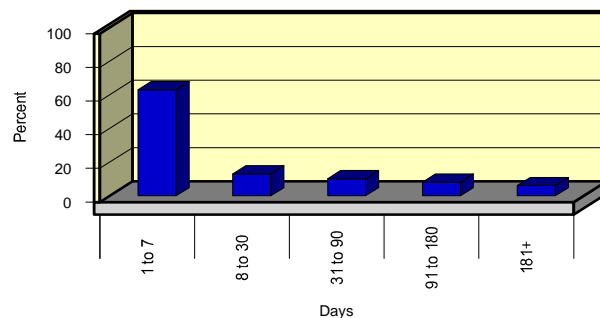
**Data Bank as of September 30, 2011**

Net Asset Value per Share.....	\$1.00005	Net Assets (millions).....	\$6,059.60	Inception Date.....	January 1976
WAM (R) * .....	36 days	WAM (F) **.....	36 days	7 Day Yield.....	0.05%
* Weighted Average Maturity (Reset)		** Weighted Average Maturity (Final)			

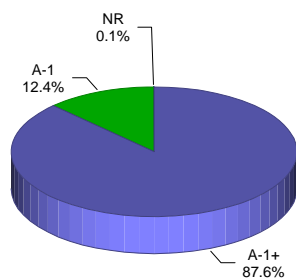
**Net Assets, WAM (R) and WAM (F)**



**Portfolio Maturity Distribution as of September 30, 2011**

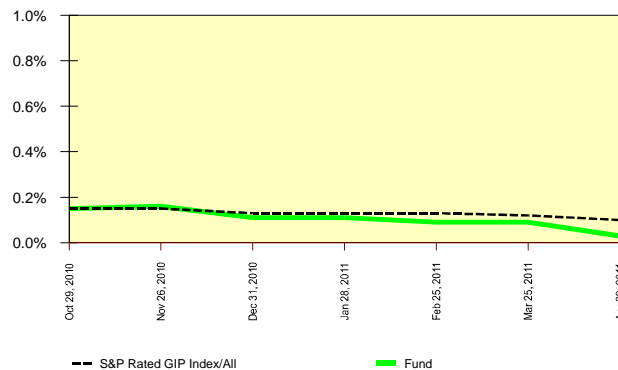


**Portfolio Credit Quality as of September 30, 2011 \***



\*As assessed by Standard & Poor's

**Portfolio 7 Day Yield Comparison \***



\*S&P Money Fund Indices are calculated weekly by iMoneyNet, Inc., and are comprised of funds rated or assessed by S&P to within the specific rating categories. The S&P Rated GIP Indices are calculated weekly by S&P and are comprised of 'AAAm' and 'AAm' government investment pools.

The yield quoted represents past performance. Past performance does not guarantee future results. Current yield may be lower or higher than the yield quoted.

Pool portfolios are monitored weekly for developments that could cause changes in the ratings. Rating decisions are based on periodic meetings with senior pool executives and public information.

Standard & Poor's is neither associated nor affiliated with the fund.

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