

Woodridge SD 68

Investment Program Update

January 2026

Agenda

- ▶ **Market Update**
- ▶ **Portfolio Review & Performance Summary**

Market Update

Current Market Themes

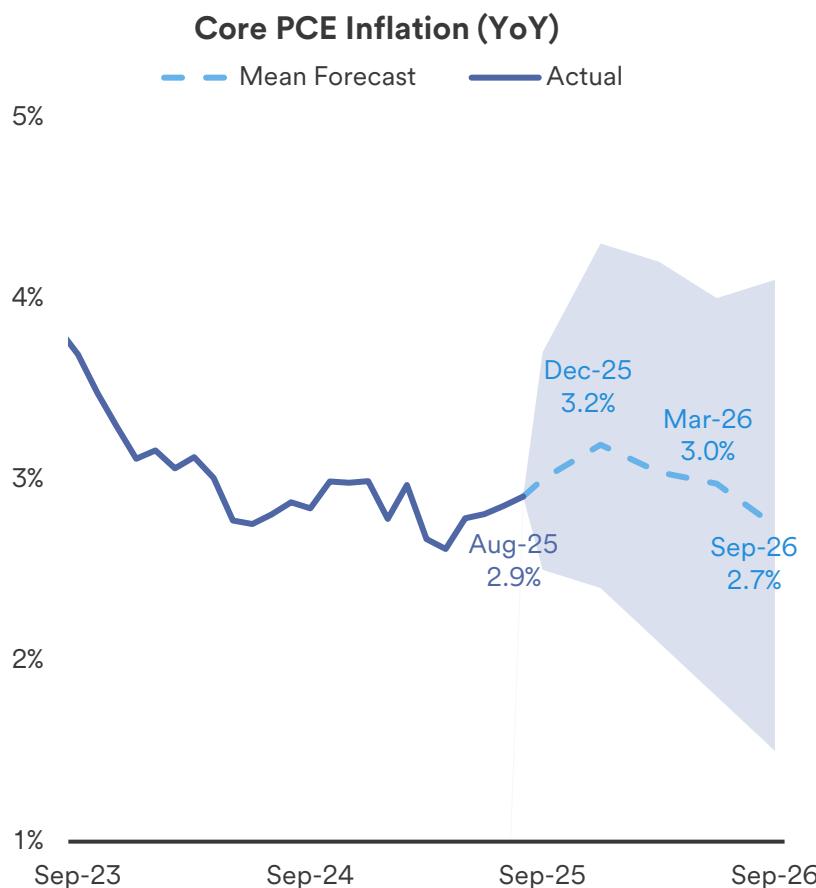


- ▶ U.S. economy has been resilient but a cooling labor market presents risk
 - ▶ Net new job creation neared zero as employers follow a “no hire, no fire” approach
 - ▶ Inflation accelerated but Fed expects further price pressures to be short-lived
 - ▶ Uncertainty eased as tariff and fiscal announcements were digested
- ▶ Fed cut rates for the first time in 2025
 - ▶ Fed Chair Powell acknowledged the difficulty in balancing the risks affecting labor markets and inflation, but noted risks to the labor market were the Fed's focus
 - ▶ The Fed's September “dot plot” signals 50 bps in additional cuts for 2025, though views remain split, with 7 members favoring no additional cuts in 2025
- ▶ Treasury yields moved lower across the curve in Q3
 - ▶ Front end Treasury yields moved lower on Fed rate cut expectations
 - ▶ Yields settled into a narrow trading range as market volatility eased
 - ▶ Credit spreads continued to tighten and neared historically narrow levels



The Fed's Dual Mandate Remains Complicated

Fed Chair Powell: “[T]he increase in goods prices accounts for most ... or perhaps all of the increase in inflation over the course of this year.”



Factors Influencing Slower Than Expected Pass-Through of Goods Inflation



Inventory Drawdown



Margin Compression



Exceptions & Exclusions



Shifting Trade Patterns

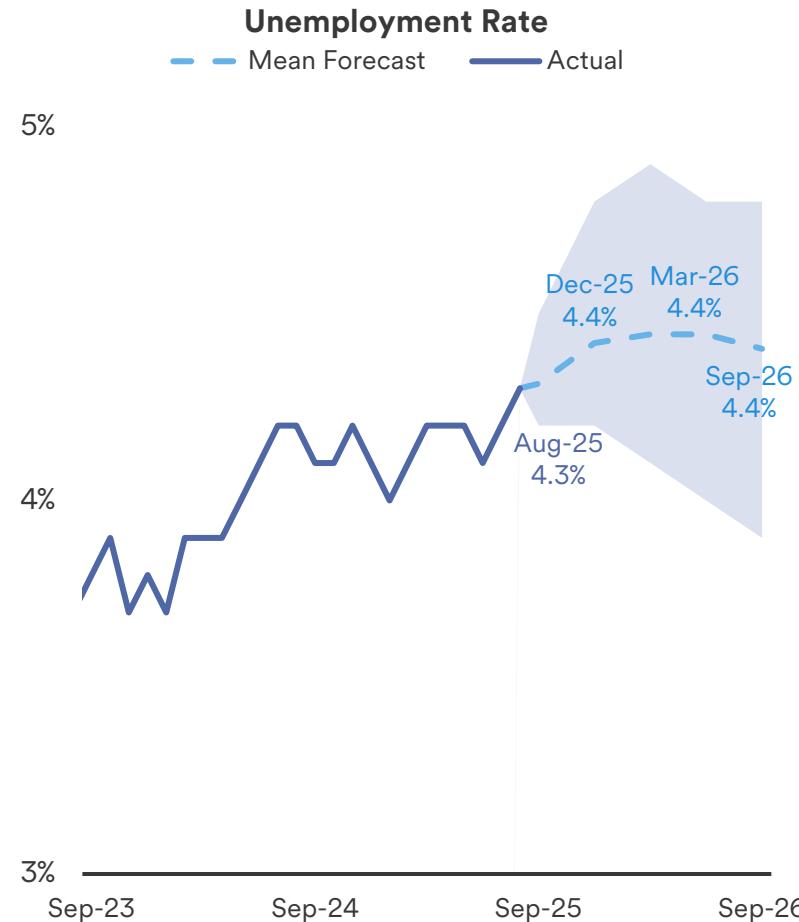
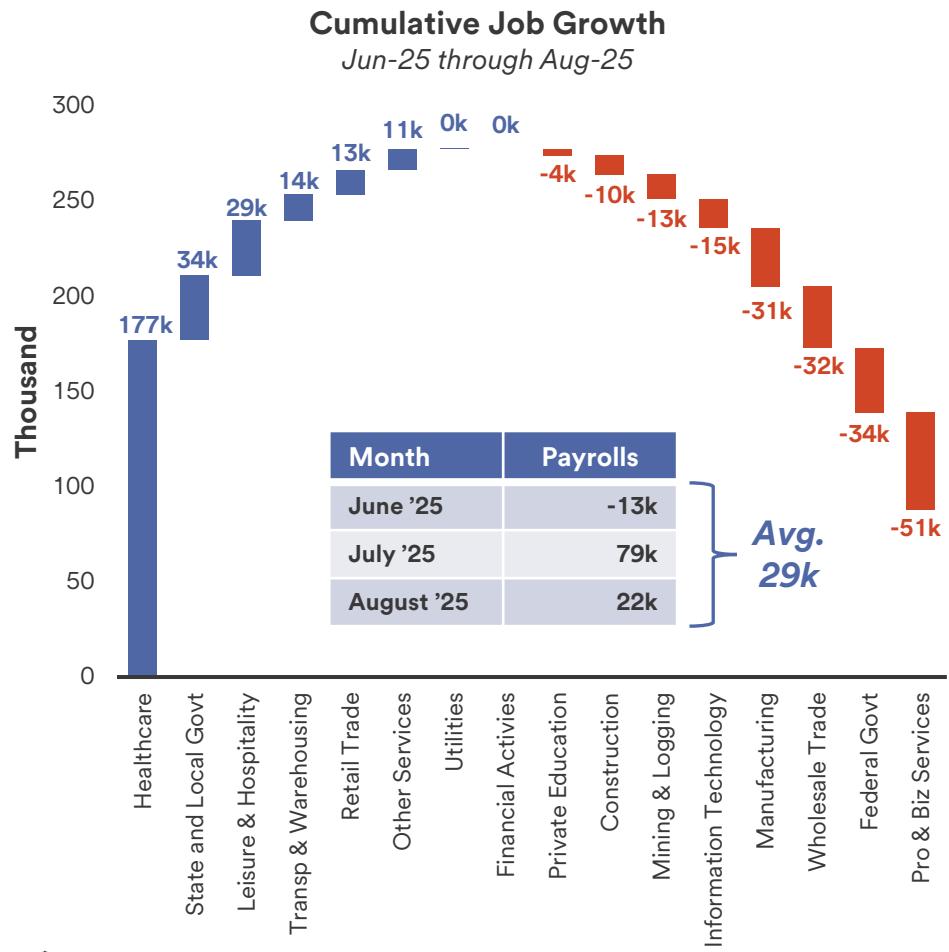


Contractual Pricing

Source: FOMC Chair Jerome Powell Press Conference, September 17, 2025. Bureau of Economic Analysis, and Bloomberg Finance L.P., as of August 2025 (left). Survey responses after September 26, 2025, included in mean and forecast range.

The Fed's Dual Mandate Remains Complicated

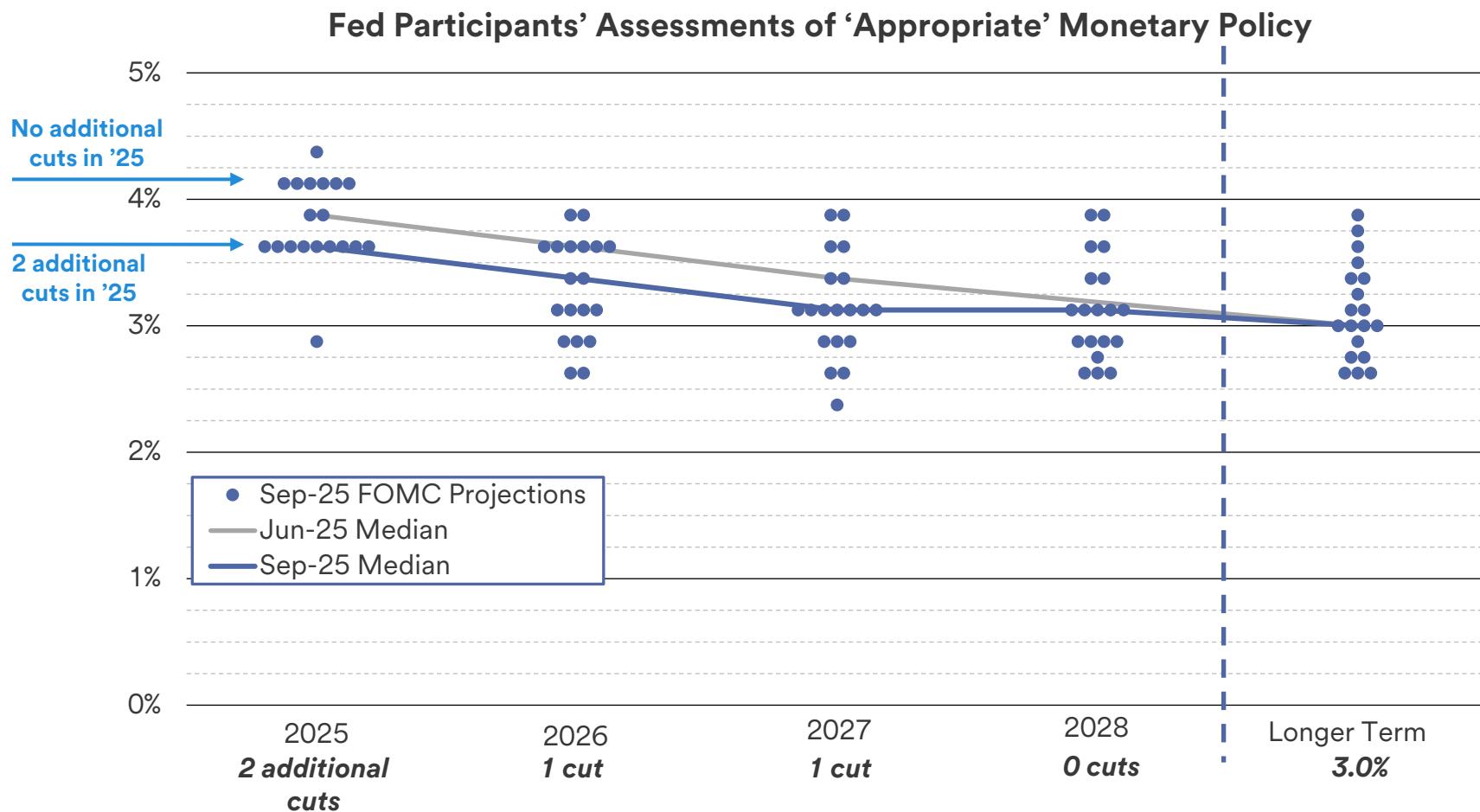
Fed Chair Powell: “Labor demand has softened, and the recent pace of job creation appears to be running below the break-even rate needed to hold the unemployment rate constant.”



Source: FOMC Chair Jerome Powell Press Conference, September 17, 2025. Bureau of Labor Statistics, and Bloomberg Finance L.P., as of August 2025. Data is seasonally adjusted. Survey responses after September 26, 2025, included in mean and forecast range.

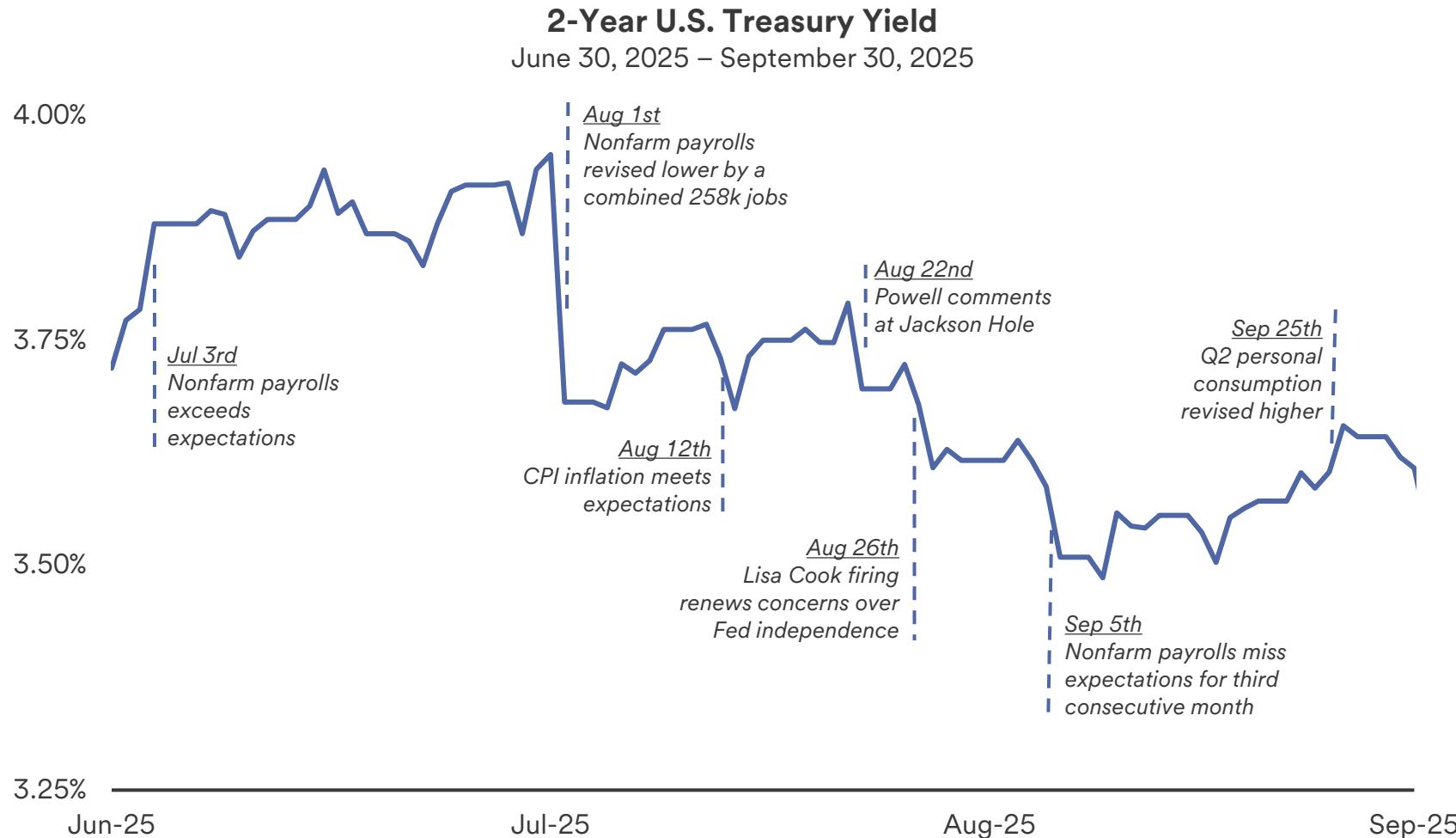
The Latest Fed “Dot Plot”

Fed Chair Powell: “[T]here are no risk-free path now. It's not incredibly obvious what to do... [A]nd you'll see that there are just a range of views on what to do.”



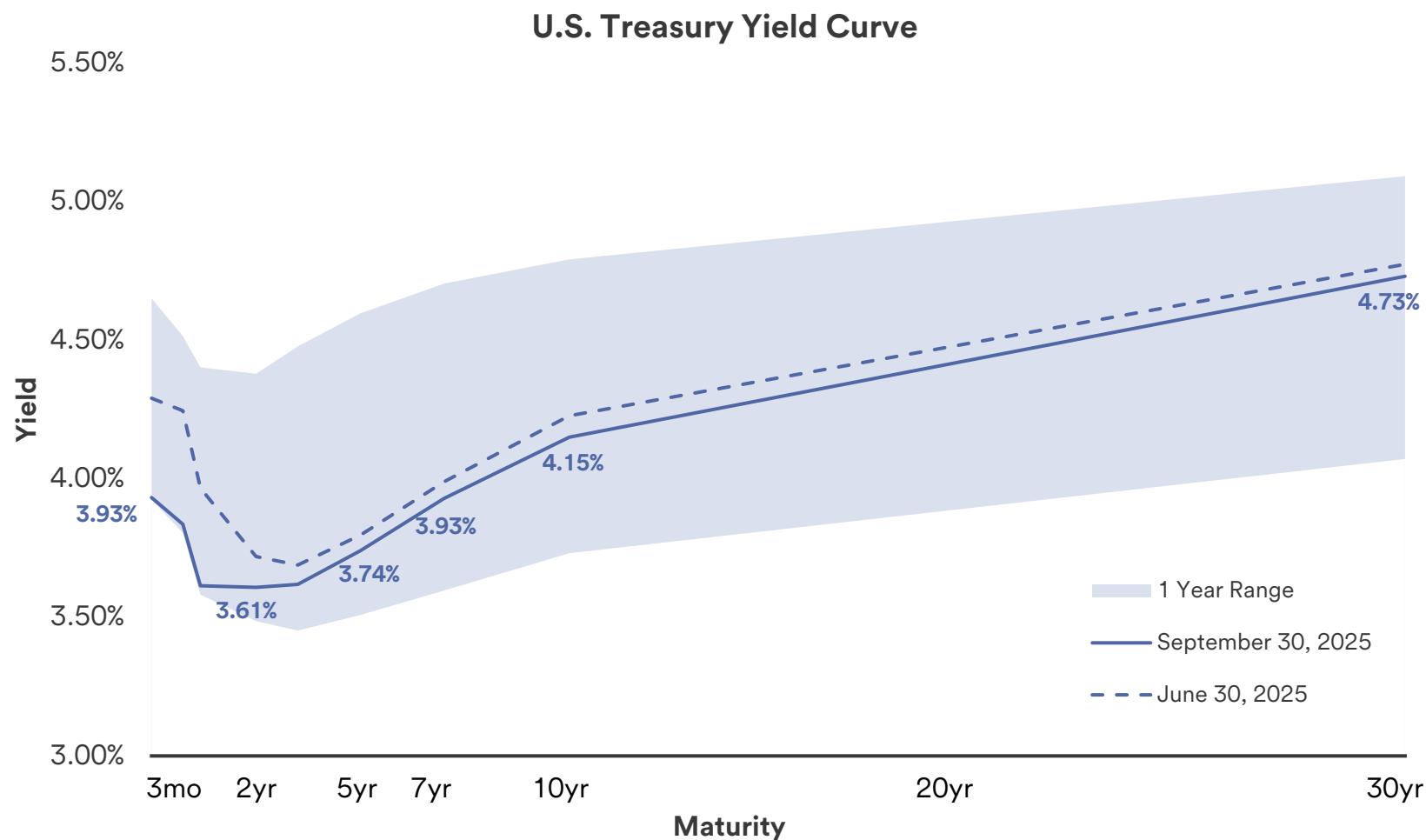
Source: Federal Reserve and FOMC Chair Jerome Powell Press Conference, as of September 17, 2025. Bloomberg Finance L.P.. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

Treasury Yields Lower on Labor Market Risk



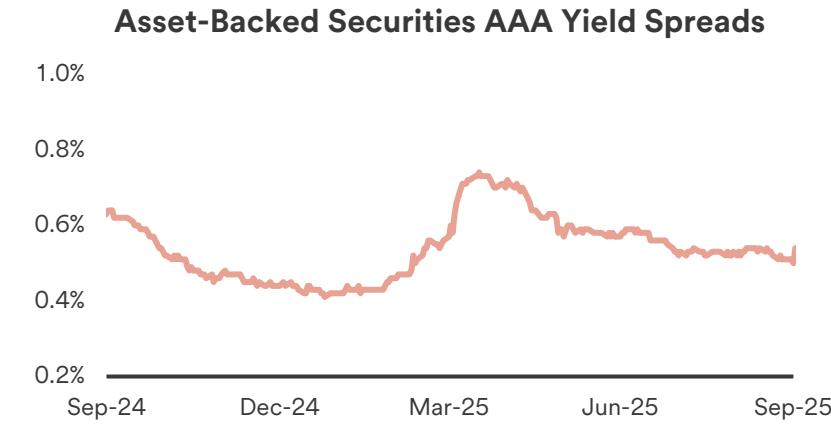
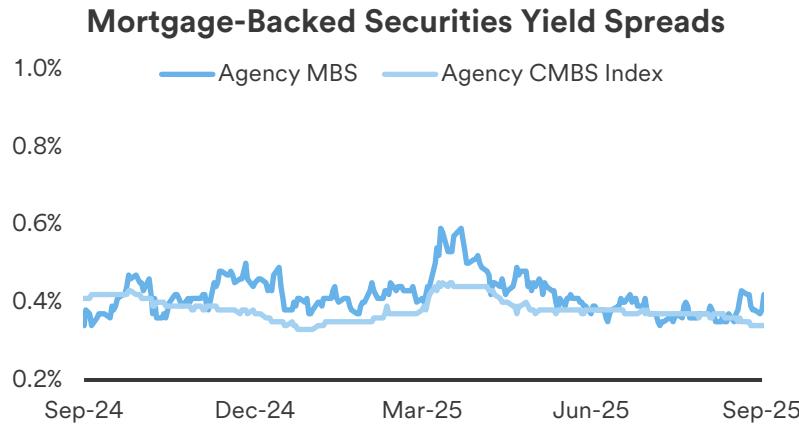
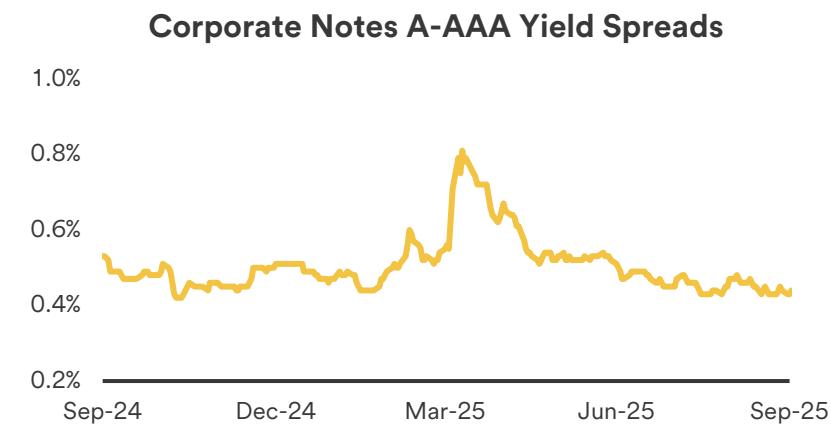
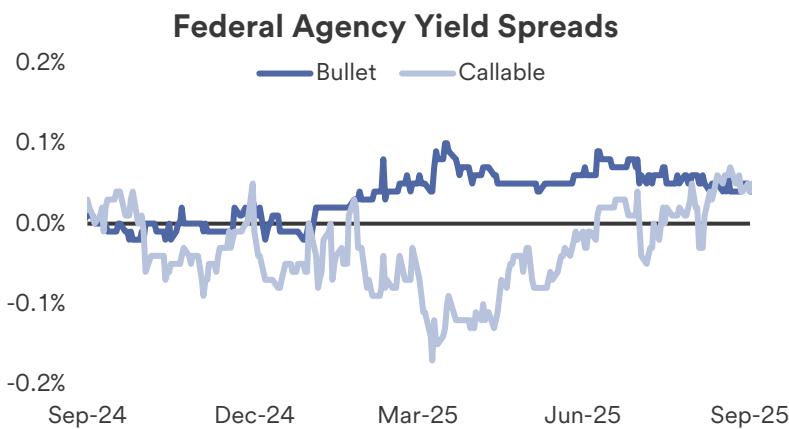
Source: Bloomberg Finance L.P., as of September 30, 2025.

Front End Treasury Yields Move Lower



Source: Bloomberg Finance L.P., as of September 30, 2025.

Sector Yield Spreads

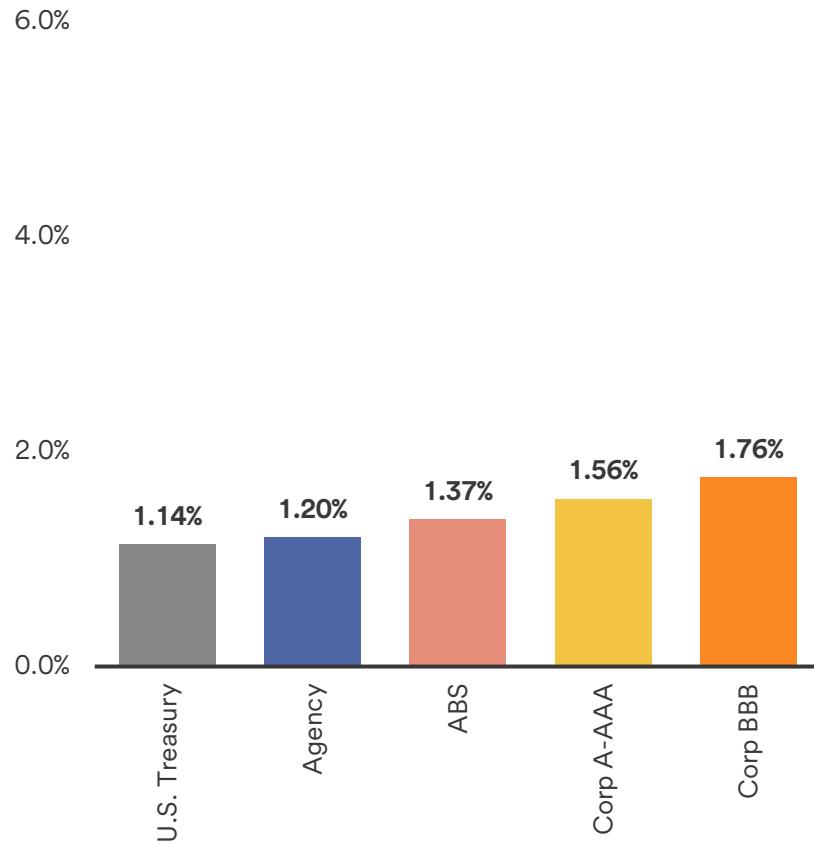


Source: ICE BofA 1-5 year Indices via Bloomberg Finance L.P. and PFMAM as of September 30, 2025. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

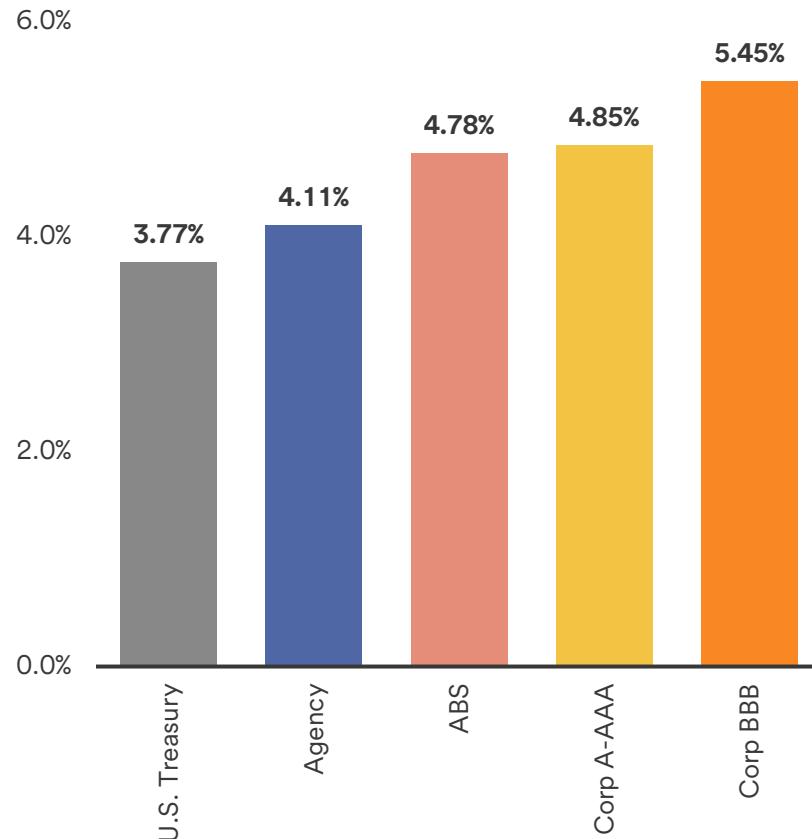
Fixed-Income Index Total Returns in 3Q 2025

1-5 Year Indices

Third Quarter 2025 Returns



1-Year Return



Source: ICE BofA Indices. ABS indices are 0-5 year, based on weighted average life. As of September 30, 2025.

Portfolio Review & Performance Summary

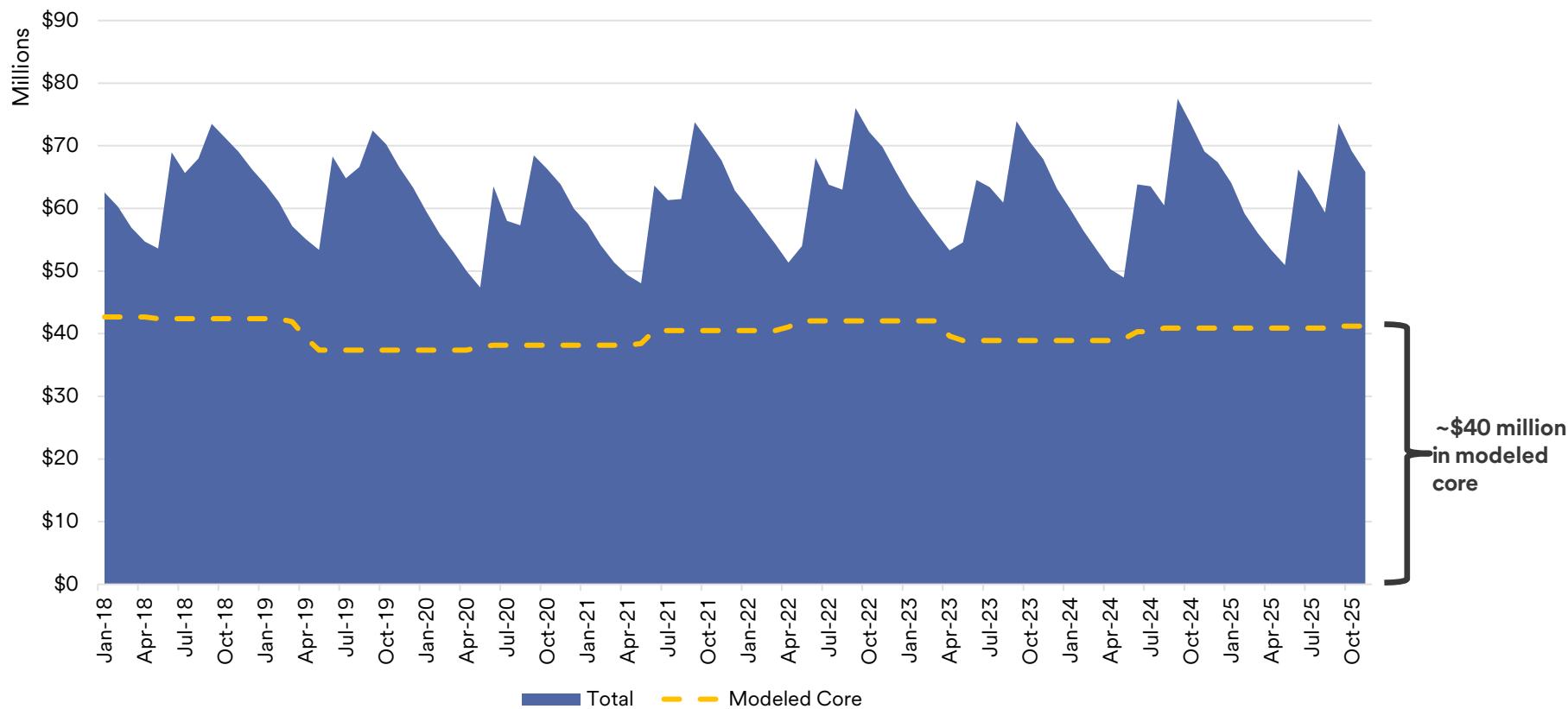
Illinois Public Funds Investment Act vs. the District's Portfolio

Sector	Allowed By IL Statutes	Allowed By District's IPS	Previously Utilized in Portfolio?
Money Market Funds / LGIP	Yes ✓	Yes ✓	Yes ✓
Certificates of Deposit	Yes ✓	Yes ✓	Yes ✓
U.S. Treasuries	Yes ✓	Yes ✓	Yes ✓
U.S. Agencies	Yes ✓	Yes ✓	Yes ✓
Supranational Securities (e.g. World Bank)	Yes ✓	Yes ✓	No ✘
Municipal Bonds	Yes ✓	Yes ✓	No ✘
U.S. Agency Mortgage-Backed Securities	Yes ✓	Yes ✓	Yes ✓
Commercial Paper	Yes ✓	Yes ✓	Yes ✓
Corporate Notes	Yes ✓	Yes ✓	Yes ✓

Modeled Analysis of Balances

- As of November 30, 2025, the District had a modeled core portfolio of approximately \$40 million, which aligns with the District's current portfolio allocations

Woodridge School District #68
Historical Analysis of Core Portfolio

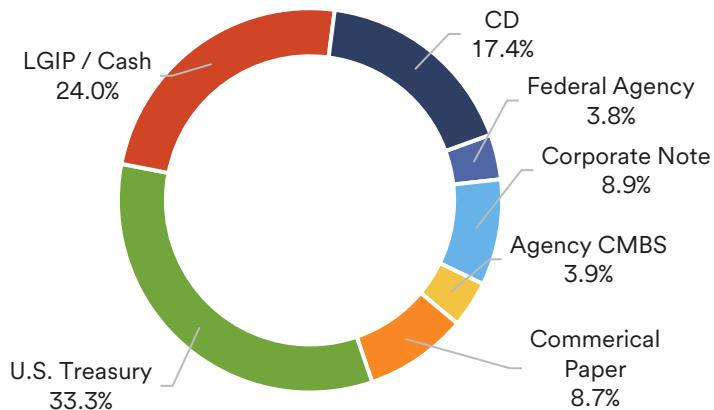


Historical cash and investments includes all funds noted on the District's monthly Treasurer's Reports.

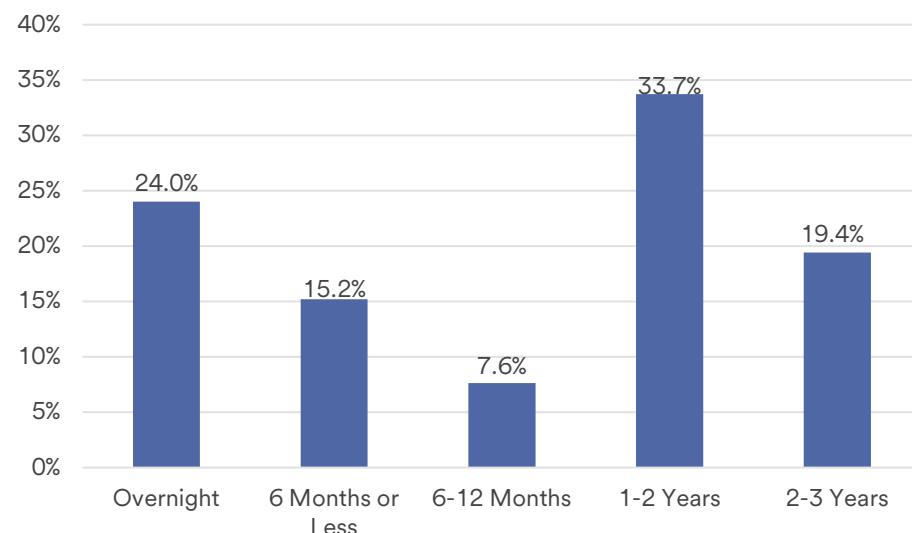
Woodridge SD #68 – As of November 30, 2024

Portfolio Type	Amount
Overnight (Cash)	\$16,367,358
Short Term Portfolio	\$15,560,717
Core (Long Term) Portfolio	\$36,223,004
Total	\$68,151,079

Sector Allocation

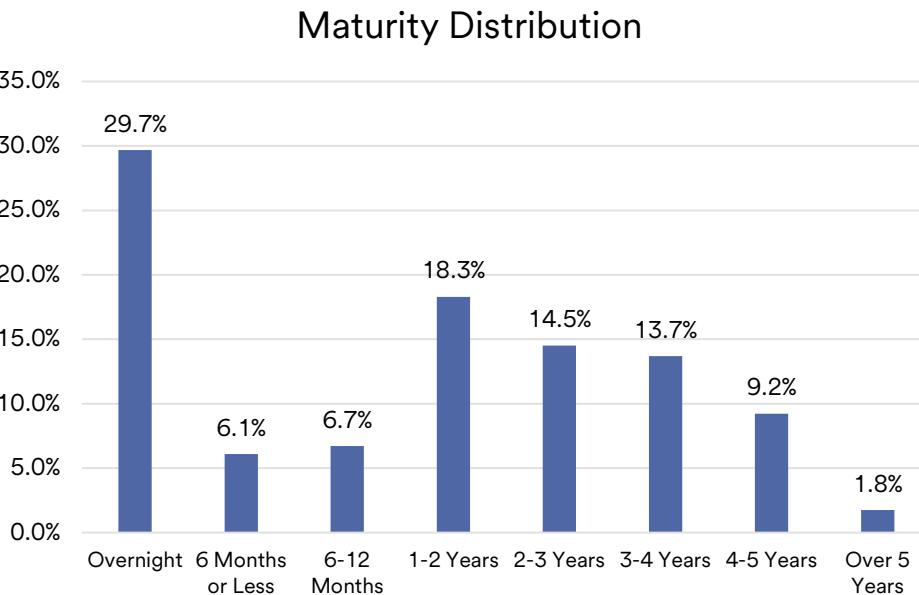
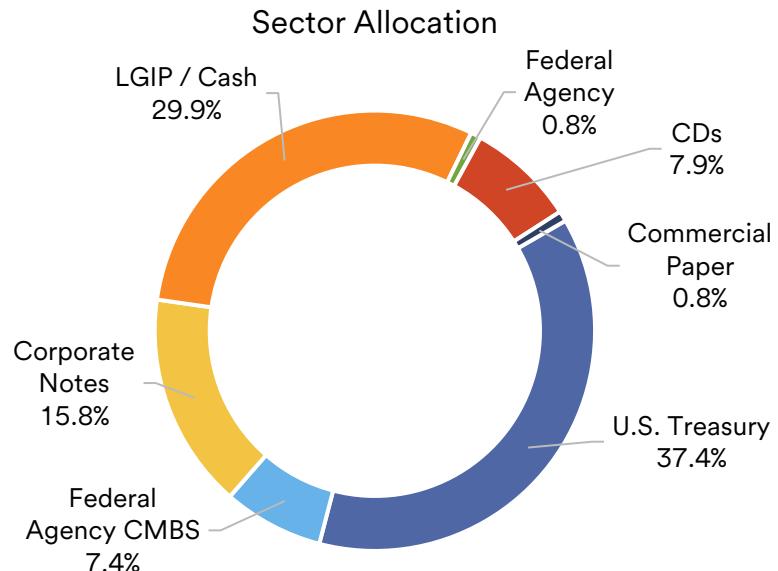


Maturity Distribution



Woodridge SD #68 – As of November 30, 2025

Portfolio Type	Amount
Overnight (Cash)	\$19,534,923
Short Term Portfolio	\$5,721,478
Core (Long Term) Portfolio	\$40,562,738
Total	\$65,819,139

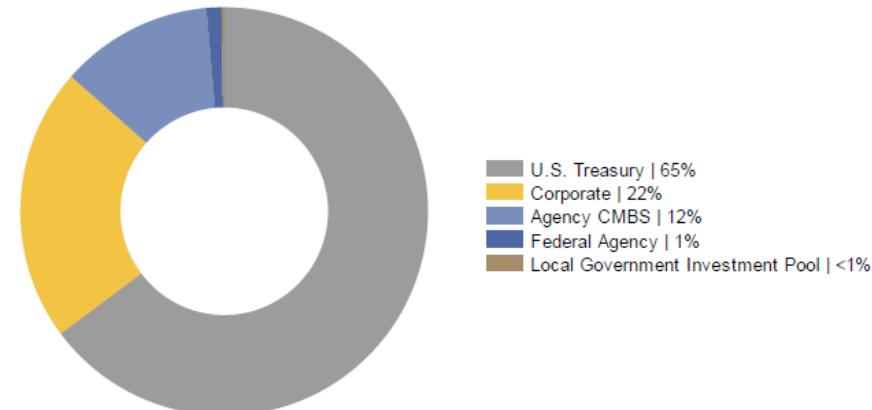


Woodridge SD 68's Core Portfolio (as of September 30, 2025)

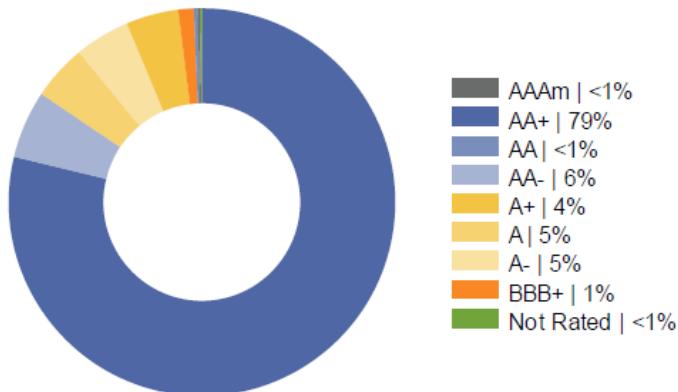
Portfolio Statistics

Total Market Value	\$40,533,565.71
<i>Managed Account Sub-Total</i>	\$40,177,072.66
<i>Accrued Interest</i>	\$287,327.23
<i>Pool</i>	\$69,165.82
Portfolio Effective Duration	2.48 years
Benchmark Effective Duration	2.48 years
Yield At Cost	4.17%
Yield At Market	3.80%
Portfolio Credit Quality	AA

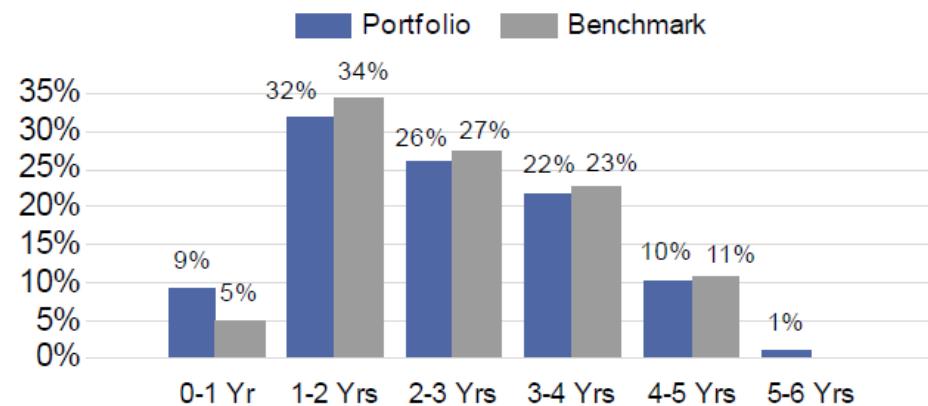
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Total market value includes accrued interest and balances invested in Illinois Portfolio, IIIT Class, as of September 30, 2025.

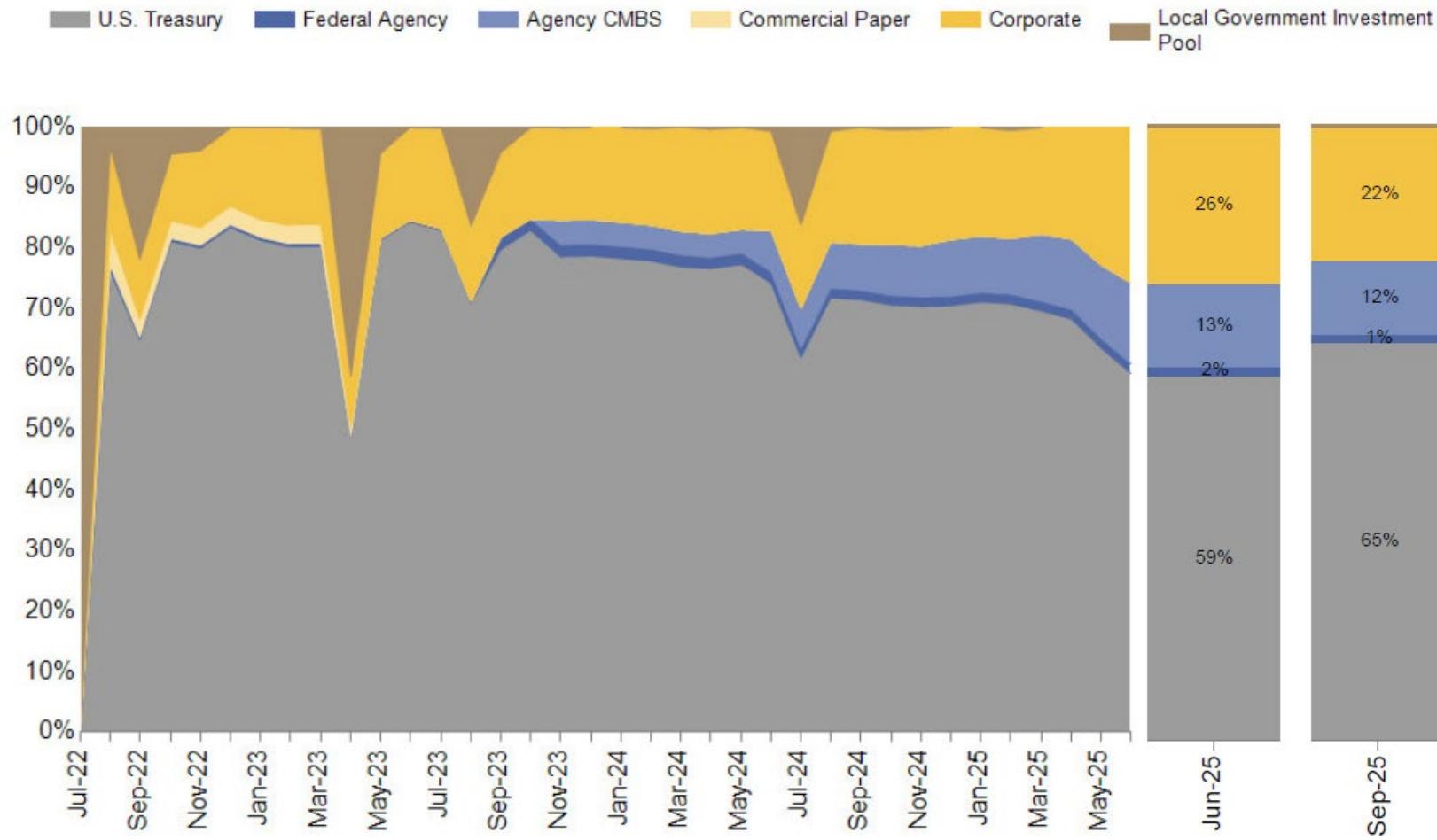
Yield and duration calculations exclude balances invested in Illinois Portfolio, IIIT Class.

The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg Financial LP.

An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Historical Sector Allocation

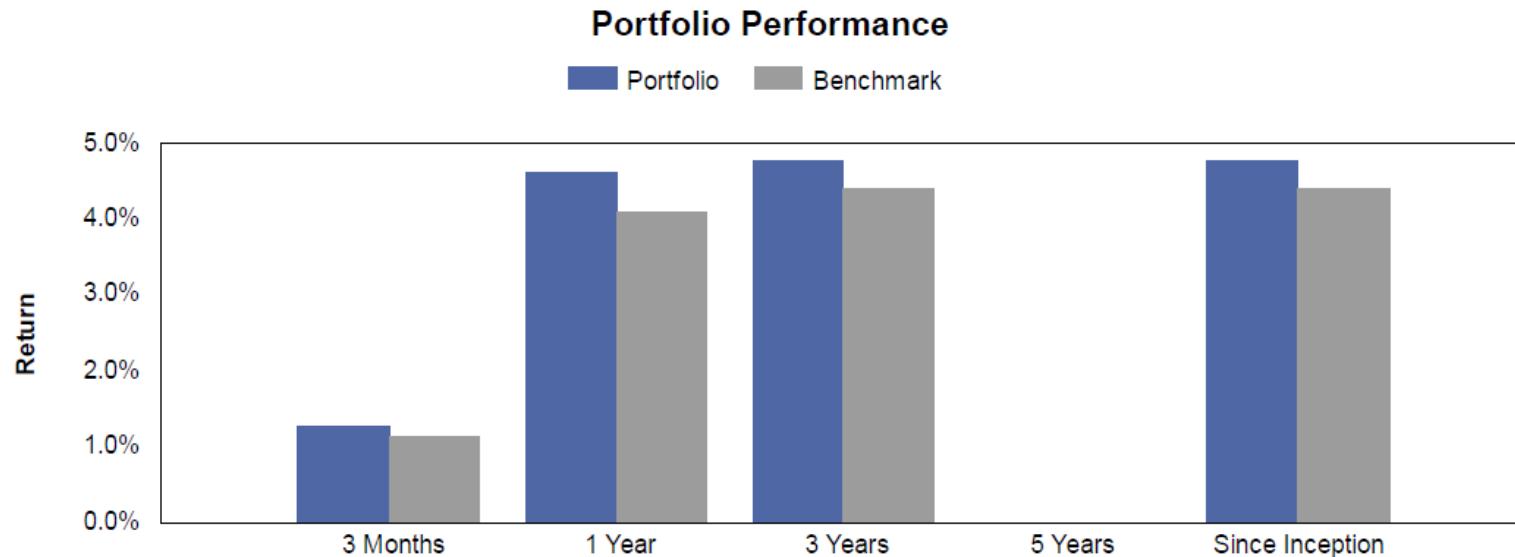
Historical Sector Allocation - IIIT-WOODRIDGE SD 68 CORE



Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM.

Core Portfolio Performance

Portfolio Performance (for the periods ended September 30, 2025)



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$336,279	\$1,260,001	\$2,814,261	-	\$2,814,261
Change in Market Value	\$120,041	\$252,313	\$853,193	-	\$853,193
Total Dollar Return	\$456,320	\$1,512,314	\$3,667,454	-	\$3,667,454
Total Return³					
Portfolio	1.27%	4.62%	4.79%	-	4.79%
Benchmark ⁴	1.14%	4.09%	4.42%	-	4.42%
Difference	0.13%	0.53%	0.37%	-	0.37%

The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is 1. September 30, 2022.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is currently the ICE BofA 1-5 Year U.S. Treasury Index. Prior to 3/31/2025, it was the ICE BofA 1-3 Year U.S. Treasury Index. Source: Bloomberg Financial LP.

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