



ISJIT | Stewardship of Iowa's Public Education Funds in Service of Our Communities

Dear ISJIT Participants,

At the heart of Iowa's public education system is a shared commitment to serving students, families, and communities with care, integrity, and fiscal responsibility. The Iowa Schools Joint Investment Trust (ISJIT or the Trust) was created to support this mission by providing a conservative, well-governed investment program designed specifically for Iowa's education entities — including school districts, community colleges, area education agencies, and other related organizations— helping support the responsible management of public funds in service of local communities.

Built for Iowa Education Entities — Rooted in State Law Since 1986

ISJIT was established in 1986 under Iowa Code Chapter 28E and Section 279.29 to meet the unique cash management and investment needs of Iowa's public education organizations. Its structure reflects Iowa's long-standing, conservative approach to public finance — one that prioritizes **safety of principal first, followed by liquidity and then yield.**

The purpose of ISJIT is to provide Iowa public education entities (the "Participants") with an additional safe and competitive investment option, allowing public funds to be managed conservatively while still working responsibly on behalf of the communities they serve. By generating interest earnings within strict statutory and policy limits, ISJIT helps participating entities retain more local resources to support classrooms, campuses, and essential educational services.

Participants in ISJIT are also its owners. The net earnings generated by the Trust are returned directly to participating education entities, supporting schools and communities across the state. Governance is provided by a **Board of Trustees** made up of peers with experience in public education finance and a fiduciary responsibility to Iowa's education community.

Part of a Diversified Investment Strategy

ISJIT is designed to serve as one component of a diversified investment strategy for Iowa public education entities — one that is intended to complement the local financial relationships our Participants have established.

Participants maintain flexibility to invest funds in a manner that aligns with their specific liquidity needs, time horizons, and investment policies. Through ISJIT, Participants may invest in the **Diversified Portfolio** or access the **Fixed Term Automated Program**, which allows for investments in **U.S. Treasury securities or competitive products offered by Iowa-based banks and credit unions** (such as certificates of deposit or other deposit accounts), as permitted under state law.

This structure allows education entities to utilize ISJIT as an additional investment option alongside their existing local financial relationships, while also enabling investments, through ISJIT's programs, in competitive banking products offered by Iowa-based banks and credit unions, consistent with state law.

By offering flexibility and choice within a disciplined, statutory structure, ISJIT supports prudent cash management and responsible stewardship of public education funds.

Safety of Principal Is Paramount

Protecting public funds is ISJIT's foundational objective. The Trust operates under a detailed investment policy that strictly limits allowable investments to those permitted under Iowa law and emphasizes high credit quality, liquidity, and disciplined risk controls.

Key safety features include:

- ✓ Significant investments in U.S. Treasury and federal agency securities
- ✓ Conservative maturity limits designed to support daily liquidity
- ✓ Ongoing monitoring and oversight by experienced investment professionals operating under strict policy guidelines

These safeguards are designed to support liquidity needs and protect public funds through a range of market conditions, while maintaining a conservative risk profile focused on **principal stability and liquidity**.

S&P Global Rating – AAAm Principal Stability Rating

ISJIT's Diversified Portfolio is rated AAAm by S&P Global Ratings, **the highest principal stability rating offered for local government investment pools and similar public investment funds**. This rating reflects S&P's independent assessment of the Trust's investment policies, portfolio composition, risk controls, governance structure, and liquidity profile.

S&P's rating methodology emphasizes principal stability, credit quality, diversification, liquidity and maturity, as well as the strength of the fund's management and risk controls, consistent with conservative public-fund objectives. The AAAm rating provides Participants with an external, objective evaluation of ISJIT's disciplined investment approach and oversight framework.

Ratings are reviewed on an ongoing basis and are one of several tools Participants may consider when evaluating the appropriateness of an investment option for public education funds.

Governed by Peers. Guided by Purpose.

ISJIT's Board and management remain committed to disciplined stewardship, transparency, and fiduciary responsibility. Every decision is guided by the understanding that these are public funds, held in trust to support local education across Iowa.

At the end of the day, ISJIT's role is simple: to serve Iowa's public education entities with care, discipline, and integrity. When ISJIT can help Participants responsibly earn additional

revenues — within conservative limits and consistent with public-fund objectives — those resources remain available to support classrooms, campuses, and the communities our schools serve.

In this way, ISJIT fulfills its purpose and does its part in supporting local communities statewide.

Sincerely,
The ISJIT Board of Trustees and Management Team

For additional information regarding ISJIT products and services, please review the ISJIT Information Statement.