



## Move to Fitch Ratings, Inc.

### Frequently Asked Questions:

**1. I am unfamiliar with Fitch. Where can I get more information?**

Fitch is one of the “Big Three” nationally recognized statistical rating organizations. They have over 1500 ratings analysts across 38 global offices. They currently rate approximately 2000 state and local governments, and 75% of states, counties, and cities that actively issue debt. More details on Fitch and their history can be found [here](#).

**2. Will this change result in a greater rate of return?**

Currently, S&P only allows our portfolio to hold investments with an S&P rating, regardless of how well an investment may be rated by other agencies. Fitch allows us to hold investments that are well rated by Fitch and other reputable agencies such as S&P. By moving to Fitch, *The Illinois Funds* would have a greater range of investment options and potentially better rates of return.

**3. Will there be an additional risk to *The Illinois Funds* because of this change?**

First and foremost, our objectives are and remain, in priority order:

- (1) safety of principal;
- (2) maintaining sufficient liquidity to ensure that investors have immediate access to funds; and
- (3) providing a competitive rate of return relative to comparable investment options.

The change in rating agency will not impact that core philosophy. That said, Fitch allows longer duration investments in certain assets classes, including commercial. Should *The Illinois Funds* choose to utilize these longer duration options, there could be greater rates of return and additional risk. However, risk assessments conducted by the Risk Analytics team of the Office of Illinois State Treasurer as well as our external consultant, Marquette & Associates, deemed the risk to be minimal.

