



# OFFICE OF ILLINOIS STATE TREASURER

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## FITCH Gives Top AAA Rating to Illinois Funds

### *\$15 Billion Local Government Investment Pool Complements Local Banking Relationships*

**SPRINGFIELD** – The Illinois Funds, a mutual fund investment used by local governments through the Illinois State Treasurer’s Office, earned the top AAA rating from Fitch Ratings, Illinois State Treasurer Michael Frerichs said today.

The Illinois Funds rating mirrors the investment confidence already shown by Morningstar for the Bright Start college savings program.

“This is another example of an outside firm pointing out that we’re doing things right,” Frerichs said. “The Illinois Funds is one of the many ways we invest in the people of Illinois.”

Established in 1975, more than 1,500 units of government such as cities, counties, libraries and school districts have invested in The Illinois Funds because it is a safe, liquid and competitive investment.

The \$15 billion pool invests in assets focused on safety, preservation of principal, liquidity and income. The investment can be as short as overnight. The weighted average maturity is less than 60 days. No minimum investment is required.

“The fund maintains a high credit quality portfolio by investing exclusively in short-term securities rated at least 'F1' by Fitch or the equivalent,” Fitch wrote. “The key rating drivers for the affirmations are: The fund's overall credit quality and diversification, low exposure to interest rate and spread risks, holdings of daily and weekly liquid assets consistent with shareholder profiles, asset maturity profiles meeting Fitch's rating criteria, and the capabilities and resources of the investment advisor.”

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U.S Bank is the pool's primary service provider and custodian. The fund officially is named the Illinois Public Treasurer's Investment Pool (IPTIP).

Fitch's rating complements Morningstar's confidence in Bright Start.

Each year, Morningstar independently evaluates college savings plans. Bright Start has earned a Gold rating each year since Frerichs revamped the plan in 2017. Most recently, Morningstar applauded Bright Start as a "top notch plan" that "set the curve for their peers, offering exceptional investments while emulating savvy stewardship." The Gold rating is the firm's highest rating; only three 529 college savings plan earned the distinction last year. Union Bank & Trust is the program manager.

For more information about the Fitch rating, click [here](#).

### **About the Illinois Treasurer**

As Illinois State Treasurer, Michael Frerichs (FRAIR'-ikz) is the state's Chief Investment and Banking Officer and actively manages approximately \$52 billion. The portfolio includes \$27 billion in state funds, \$16 billion in retirement and college savings plans and \$15 billion on behalf of local and state governments. Frerichs' office protects consumers by safeguarding more than \$3.5 billion in unclaimed property, encouraging savings plans for college or trade school, increasing financial education among all ages, assisting people with disabilities save without losing government benefits, and removing barriers to a secure retirement. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

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