



Dear Illinois Funds Participant,

For more than 25 years The Illinois Funds has maintained the highest government investment grade rating of AAAM as evaluated by Standard & Poor's Financial Services LLC. Through Illinois State Treasurer Michael Frerichs' Investment Policy Committee, our Portfolio Management Division continuously evaluates opportunities to save participants' money while maintaining principal value. Most recently they found a competitive opportunity to transition our fund rating to one of the other global credit ratings agencies, Fitch Ratings Inc. We decided to make this change after receiving supportive analysis from internal and external groups as well as participant support collected in surveys and direct conversations through March and April 2021. Fitch Ratings has issued a AAAmmf rating to the Illinois Funds, their highest rating for government investment products.

Before discussing what will be change, let's first identify what won't be changing:

- The Illinois Funds' primary objectives and their priority will remain the same. They are, in order of priority : (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 Illinois Funds will still be monitored for liquidity, risk, and compliance by an internal risk analysis team and a reputable rating agency.
- Accounts, access options, and application processes as offered by The Illinois Funds through its custodian US Bank Fund Services will not change.

However, moving from S&P to Fitch will provide numerous advantages that we believe will benefit your agency and your constituents. The Illinois Funds Portfolio Management Division can access a greater range of investment options, and with them, potentially greater rates of return. Additionally, Fitch offers access to its analytical teams, back-end research, and portfolio diversification that will ensure our team is always informed of pertinent market trends. Finally, utilizing Fitch could result in lower administrative costs that could be passed on to participants.

We appreciate your continued participation and contributions to The Illinois Funds. As we look for every opportunity to provide your money greater safety and higher yields, we also want to make sure that we are being transparent in our communications with you. Also included in this statement is the Illinois Funds Investment Policy Statement updated to reflect changes relevant to the transition from S&P to Fitch. More information can be found at

<https://www.illinoisfunds.com> or you can reach out to our team at IllinoisFunds@illinoistreasurer.gov.

Thank you,
The Illinois Funds Team

All information contained herein is for general informational purposes only and should not be construed as investment advice. It does not constitute an offer, solicitation, or recommendation to purchase any security. Any financial or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. Past performance is not an indication of future performance. Any financial or investment decision man incur losses. Additional disclosures can be found at www.illinoisfunds.com.

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