

Chairman Christy Powell Welcome Speech at Twenty Fourth Annual Meeting of IMET Participants

Good morning. Thank you for joining us today for a conference call of our 24th annual participants' meeting. This is different from our typical format. We thank you for your flexibility and patience with this format.

I would like to give you an overview of 2019 and share the Board's outlook moving forward.

But before I do that, I want to reassure you that, during this time of crisis, IMET continues its operations. We continue IMET's essential services. Although IMET offices in Oak Brook are closed for now, staff is working remotely. Our hours of operation continue as normal. Our funds operate as usual and you continue to have three ways to transact purchases or redemptions. Our business partners continue to provide the services that are required to function effectively.

IMET continues to provide Illinois municipalities with attractive investment options. To reiterate, we offer two investment strategies – the IMET 1-3 Year Series which is for funds not needed for daily liquidity. The IMET 1-3 Year Series is unique in Illinois – there are no other pools available to Illinois governmental entities that invest in maturities in the 1 to 3 year range. Over periods of time, longer-term maturities such as in the 1 to 3 year maturity range tend to outperform shorter maturity investments. Just to remind everyone, while it is called the IMET 1-3 Year Series, this does not mean investors have to remain invested for that period. Liquidity for the 1-3 Year Series is within three business days. Our other fund is the IMET Convenience Series which is a liquidity option. Concerning the Convenience Fund, it is unlike many competitive liquidity products. The Convenience Series is comprised primarily of bank deposits and acts more closely like a bank deposit.

Our goal in both funds is to be competitive on a risk-adjusted basis to alternatives available in the state. As I reiterate every year when I come before you, what this means is IMET will never seek to hit home runs but singles and doubles, confident that slow and steady always wins the race.

For fiscal 2019, the IMET 1-3 Year Series had a total return of 3.83% on a net of fees basis. This compares to a return of 4.42% for its benchmark, the Bloomberg Barclay's 1-3 Year Government Total Return Index. For the 12 months ending February 29, 2020, the most recent month end, the gross return for the 1-3 Series was 4.68% compared to 4.70% for the benchmark. The Convenience Series had an annualized yield of 2.03% at September 30, 2019. As of February 29th, its annualized yield was 1.62%.

We continue to undertake meaningful changes. First, as was mentioned at last year's annual meeting, we completed the competitive procurement review of custodial and safekeeping services for both IMET Funds: the Convenience Series and the 1-3 Year Series. After casting a wide ranging net, where 10 firms were invited to participate, and after a thorough due diligence process, I am happy to report that **US Bank** was selected. US Bank submitted a proposal that showed a clear understanding of IMET's needs and highlighted its state-of-the-art technology. US Bank is one of the largest and strongest providers of custodial and safe keeping services in the country. More importantly, US Bank proposed and has delivered a high level of customized customer service that IMET values.

Additionally, the board explored providers of fund accounting and transfer agency, effectively the administration of the IMET funds. In many ways, the administrator of the funds serves as the face of IMET along with our Executive Director and our Public Funds Marketing Associate. For that reason, it is extremely important that everything the administrator does to administer the funds is done in a timely fashion and correctly. Again, the board considered 10 providers of fund accounting and transfer agency services, narrowing the field to two finalists that were evaluated vigorously. In making its selection, the board of trustees of IMET placed high value on experience with local government pooled programs. I am delighted to report

that after a review of the market and competitive procurement search, the IMET board selected Meeder Investment Management to provide transfer agency and fund accounting services to our participants. Meeder has provided such services for over 30 years. We are in the process of transitioning from our previous provider to Meeder, and we expect the process to be complete by the summer. We look forward to providing participants enhanced services moving forward.

Another move that IMET made this year was the make-over of the IMET website, www.invesIMET.com.

Five firms participated in IMET's search for a firm to make-over the site. Spinutech Inc. of Elmhurst was selected. Our site is the most direct mode of communication we have with our participants. In the new site, we believe we have a site that is aesthetically attractive, easy-to-use and update for staff and effective as a communication tool. In the near future, we will strive to add more tools and resources to the site and make it a resource destination for participants and Illinois local governments, in general.

As well, we will modify performance presentation for the two funds in both the Website and in the monthly newsletter to reflect industry best practice.

During fiscal year 2019, we said "good bye" to long-time IMET Deputy Executive Director, Deb Zimmerman. Deb had been with IMET since joining Michelle Saddler in November 2001. After 19 years with IMET, Deb decided it was time to start the next chapter of her life in retirement. We wish her the very best as she spends time with her seven grand children, four daughters and loving husband, Ted, who often served as chauffeur to Deb after his retirement, often accompanying her to various Illinois finance association conferences. Good luck to them both!

To assist our efforts, IMET hired Emlyn Bertsche as IMET's Public Funds Marketing Associate. Emlyn joined IMET in September 2019 with a

strong background in association management. As a matter of fact, her first day on the job was in Bloomington at the IGFOA conference. Emlyn has been involved in member outreach and development, education, event planning, marketing, and social media. She holds a B.A. in Communications from the University of Illinois at Urbana-Champaign. At IMET, she helps with our marketing efforts covering the entire state from our office in Oak Brook. She manages our website and newsletter communications. If you have not already met her, please, introduce yourself to her today.

We continue to look for ways to add value for our participants. Quick reminder - Our Arbitrage Rebate Calculation Services are provided by BNY Mellon Arbitrage Compliance Group and are offered at discounted and sometimes free pricing for IMET participants. Participants continue to make use of the IMET cash flow forecast modeling. The model is available to participants on a no cost basis.

Our goals continue to be to provide Illinois local governments with safe, liquid and attractive investment options. By pooling funds together, IMET participants can enjoy:

- expanded investment options (especially for smaller investors)
- portfolio diversification
- enhanced safety and liquidity
- improved convenience, and
- add-on services such as arbitrage rebate calculation services and cash flow modeling offered at very attractive pricing.

On behalf of the IMET Board and staff, we look forward to continuing to work with participants for your long-term success.

With our business partners, we will work to weather this unprecedented storm and help manage your investment needs for your constituents and thereby help your municipalities, counties, districts and entities weather the storm.

IMET is committed to being your steward – earning your trust and deserving your confidence!

Thank you.

March 24, 2020