Munite®
PFM’s Investor Relations Platform
The Differentiation Dilemma

- Municipal credit quality is high, with the vast majority (over 90%) of issuer ratings falling into higher ratings categories (A and above).
  - 2017 Moody’s median municipal rating: Aa3.
  - 2017 Moody’s median corporate rating: Baa3.
- With this relative homogenization versus other asset classes, it becomes increasingly important for muni bond issuers to differentiate themselves for investors.


For important disclosures, visit https://www.munite.com/disclosures.
Municipal Issuer Investor Relations

Current Observations

• The current state of municipal market investor relations ("IR") practices and resources is wide-ranging and inconsistent.
  ▪ Institutional investors typically describe a disjointed and inefficient process for assessing and gathering issuer-specific information and data for investment decision making.
  ▪ Issuer-hosted investor relations sites range from robust to non-existent.
    – Most issuer-hosted sites require potential investors to search for relevant information to inform their decisions.
  ▪ The lack of consistency amongst existing IR sites can create inefficiencies and potential blind spots for investors seeking to fund municipal projects.
  ▪ Absent isolated conversations with issuers, advisors and underwriters; and high-level investor road show presentations, there are minimal established channels for investors to communicate their research needs with bond issuers and influence issuer-provided content.
    – Additionally, there is little transparency from the side of the issuer in understanding investor behavior and drivers.
• Aside from establishing and maintaining a robust IR website, there is a general lack of industry best practices for facilitating investor communications.

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GFOA Best Practice:
Municipal Issuer Investor Relations Programs

- The GFOA recommends that municipal issuers maintain an investor relations program in conjunction with their continuing disclosure policy.
- Statements from GFOA's Best Practice Recommendation¹:
  - Investor relations programs are not a substitute for the requirements of Securities and Exchange Commission (SEC) Rule 15c2-12, but...promote the efficient sale of debt instruments in both the primary and secondary markets and improve the reception of debt offerings.
  - The centerpiece of such a program is a commitment to provide full and comprehensive disclosure of annual financial, operating, and other significant information in a timely manner consistent with federal, state and local laws.
  - Investor Relations website: One way for issuers to provide financial transparency to investors is by posting disclosure information on an investor relations website and regularly updating that site with financial data... This investor relations website may be a website that the issuer hosts as part of their governmental platform or a website the issuer contracts with a third party.

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1. Source: GFOA March, 2019: https://www.gfoa.org/maintaining-investor-relations-program
Current Research / Data Gathering Process

The current process for institutional investors to accumulate the necessary information and data to make investment decisions requires their use of (and payment to) numerous services, websites and information channels.

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Munite® is a one-stop shop investor relations platform for the municipal bond community.

The platform leverages PFM’s role as a leader in the municipal market, leveraging our expertise to benefit bond issuers with an optimal approach to investor relations.

The intuitive and efficient internet-based platform allows municipal bond issuers to put their information and data into the hands of those that help fund their projects – investors.

Munite® subscribers can provide highly organized, accessible sector-specific information that helps to inform the investors decision-making process.

Munite® subscribers also gain unparalleled insight into investor decision-making criteria as well as issuer comparison of key metrics amongst issuer-defined peer groups.

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The Munite®
Value Proposition

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Issuers vs. Investors

**Issuers**
- Provides an optimal approach in investor communications
- Facilitates issuers’ access to a broad universe of investors
- Provides transparency into who an issuer’s investors are and what they focus on
- Ensures that issuers across the market and within sectors can put their best foot forward when accessing the capital markets
- Allows issuers to influence structure and content; IR platform is done “for them, not to them”

**Investors**
- Supports better credit analysis and efficient decision-making for the outlay of capital
- Provides easy, efficient data access – “one-stop-shop”
- Offers depth, breadth and consistency for issuers in each sector
- Allows for real-time alerts about relevant and new information
- Provides ability to influence the content, data and analysis that is available to the market

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Conclusion

• Munite® is a “One-Stop-Shop” user-friendly investor relations platform.

• We feel that the breadth and depth of issuer information is unmatched in the municipal market.

• It provides issuers with an optimal approach to meet the needs of their investor community.

• It is intuitive, cost-effective, and compatible with existing practices and consistent with publicly stated regulatory priorities.

• We expect Munite® to be an everyday tool for investors and other municipal market participants.

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